

Merrill Lynch Banking & Insurance Conference



Building an International Financial Services Group

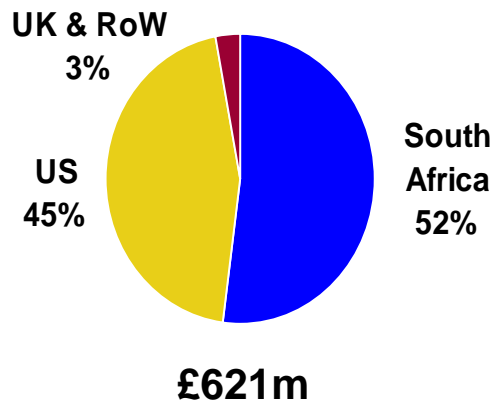
Jim Sutcliffe, CEO
5 October 2005

Strength of diversity, power of focus

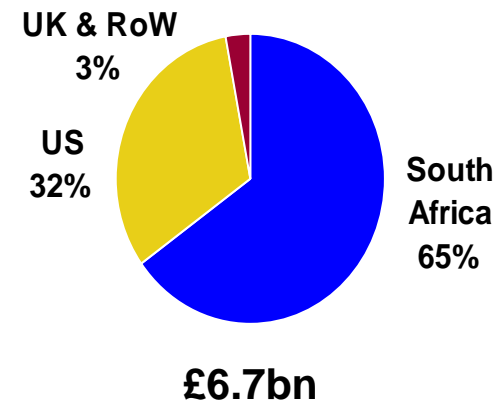
Old Mutual strategy

- Using a strong SA base to build an international financial services group
- Providing high quality investment skills to build and protect client assets
- Ready and capable to act on market opportunities for the benefit of customers and shareholders

Life APE⁽¹⁾



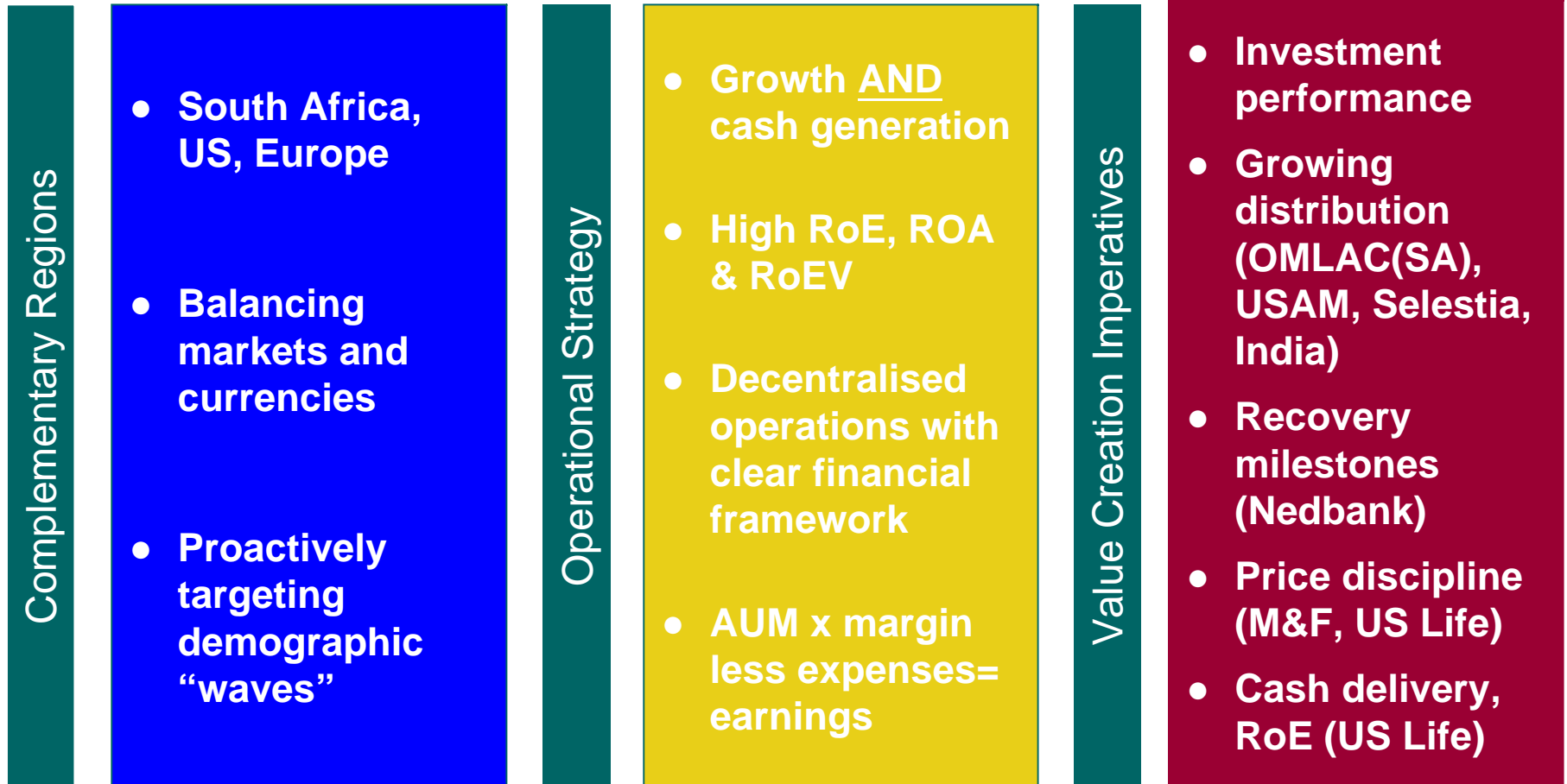
European Embedded Value⁽²⁾



(1) 12 months to 30 June 2005
(2) Pre-debt and preferred security, as at 30 June 2005

Embedded value per share 148p

Our approach is simple



The platform is delivering strong results

H1 2005 highlights

- Adjusted EPS 8.4p, up 22%
- FUM £158bn, up 13% (£140bn 31/12/04)
- Adjusted operating profits £554 million, up 29% (£428 million)
- ROEV 15.4% (15.3%)
- ROE 17.8% (18.7%)
- \$20bn net cash flows in the US (\$5bn)
- Interim dividend 1.85p (1.75p)

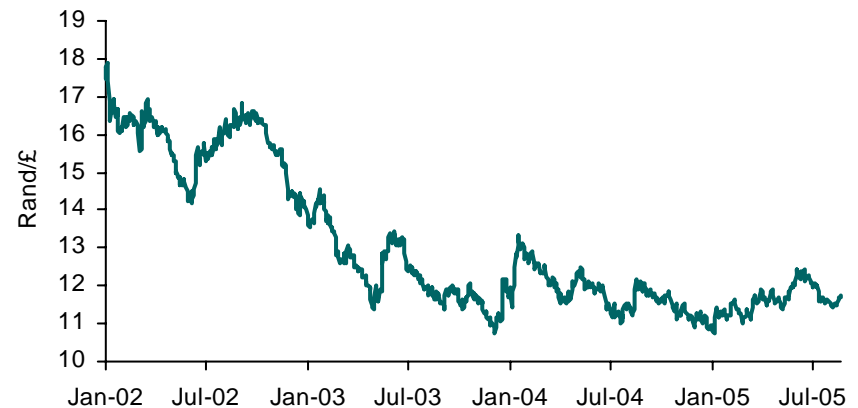
South African fundamentals are strong

- **Steady GDP growth**
- **Falling interest rates**
- **Inflation within target of 3% – 6%**
- **Stable currency**
- **Improving ratings**
- **Infrastructure investments underway**

SA – macro- economic forecasts

	03	04	05E
GDP	2.8%	3.7%	4.0%
CPIX yoy (ave.)	6.8%	4.3%	4.1%

FX trend



Source: Deutsche Bank Equity Research, Datastream

Dominant South African financial services franchise

Life and asset management

- Market leader with 25% share of industry assets
- Powerful profit engine
- H1-05 ROC 24%
- Direct sales force, bank & broker distribution
- Leading unit trust provider
- 95% brand recognition

Banking

- 51% holding in Nedbank
- Top 4 bank with ~20% market share
- Full service South African bank
- Leading corporate and SME
- Balance sheet clean-up in 2003
- Target ROC of 20% by 2007

P&C

- 77% holding in Mutual & Federal
- 2nd largest insurer with 21% market share
- Household, motor, corporate and commercial
- ROC ⁽¹⁾ 23%
- Underwriting result ⁽¹⁾ 8.6%

(1) Based on SA GAAP H1-05

South African sales growth

Rm	H1 2005	H1 2004	Change
Life new business* (APE)	1,900	1,685	13%
Individual	1,339	1,212	10%
Group	561	473	19%
Unit trust sales (gross sales)	3,666	2,027	81%
Life new business margins	15%	19%	
Individual	12%	17%	
Group	20%	22%	

*Including OMI

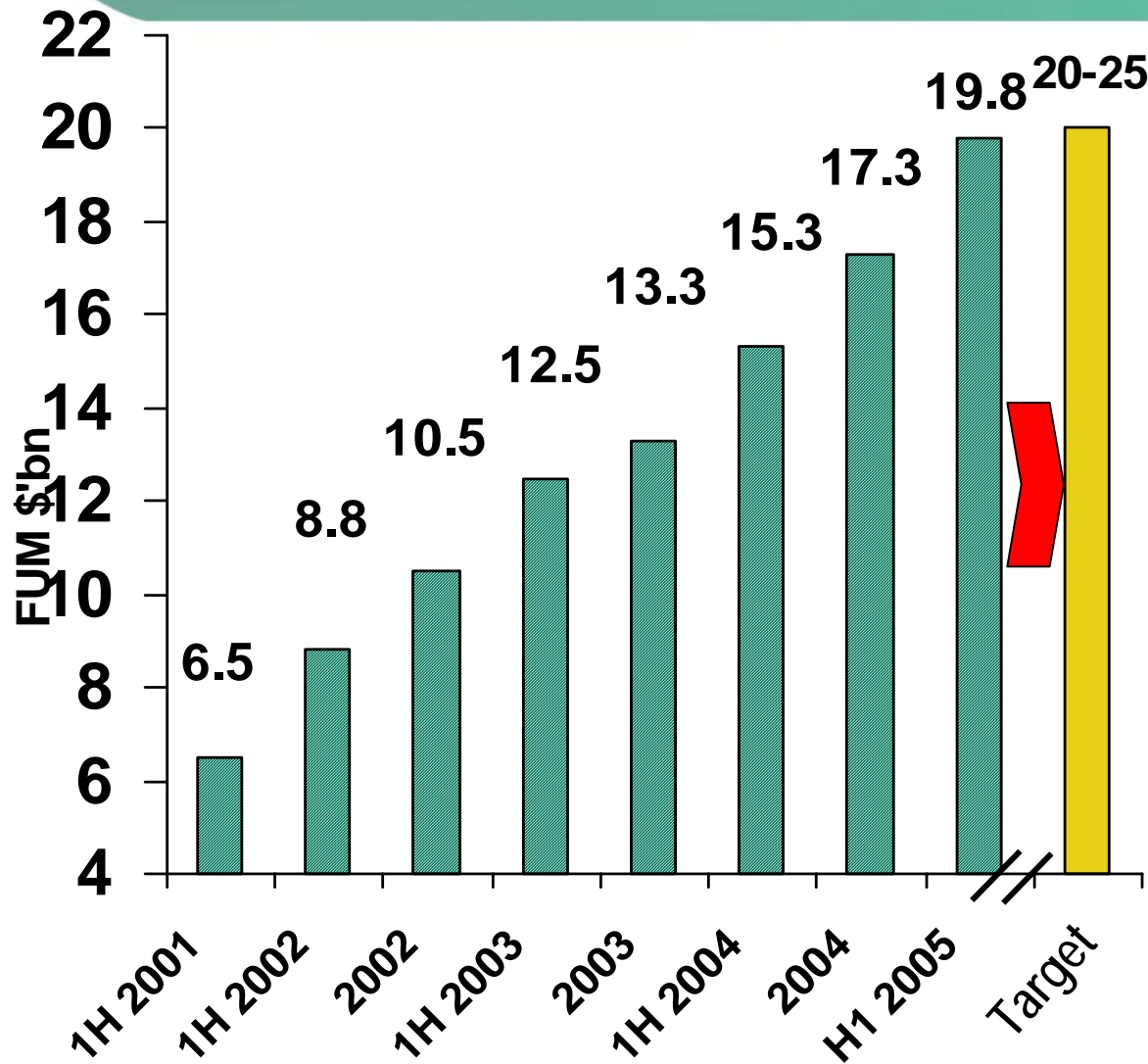
Positioned to benefit from changing environment

Nedbank is meeting milestones

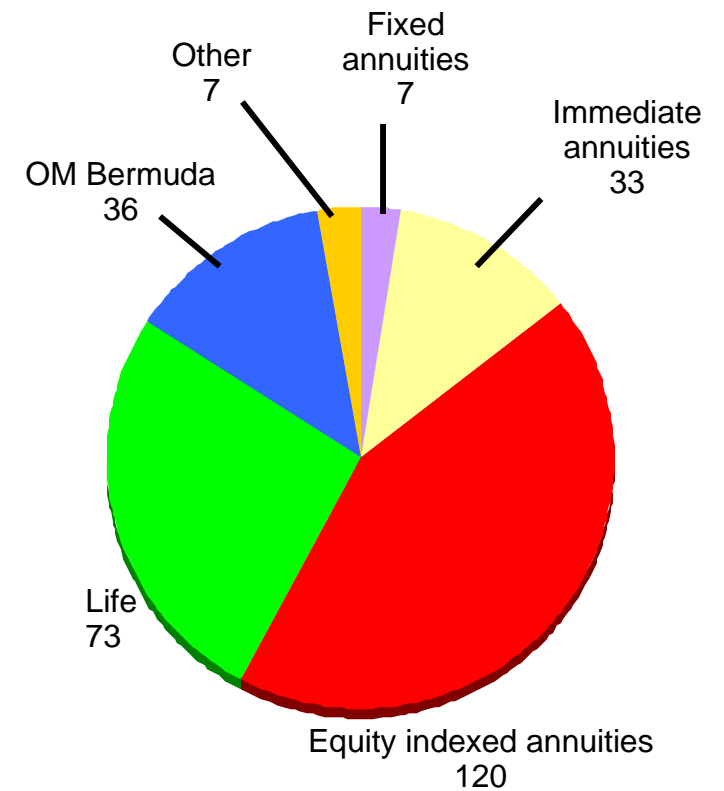
Rm	Headline earnings*		ROE*	
	H1 2005	H1 2004	H1 2005	H1 2004
Capital	447	355	28.2%	23.5%
Corporate	927	812	19.1%	17.7%
Retail	439	214	18.3%	9.2%
Imperial Bank	56	47	10.3%	14.2%
Operating divisions	1,869	1,428		
Shared Services	(94)	(128)		
Capital Management and Central Funding	(377)	(498)		
Total	1,398	802	14.6%	11.7%

*Nedbank results

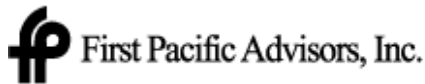
Our fast growing US Life business will be cash generative in 2007



H1 2005 sales \$m (APE)



Multi-boutique asset management model...



BARROW, HANLEY, MEWHINNEY & STRAUSS, INC.

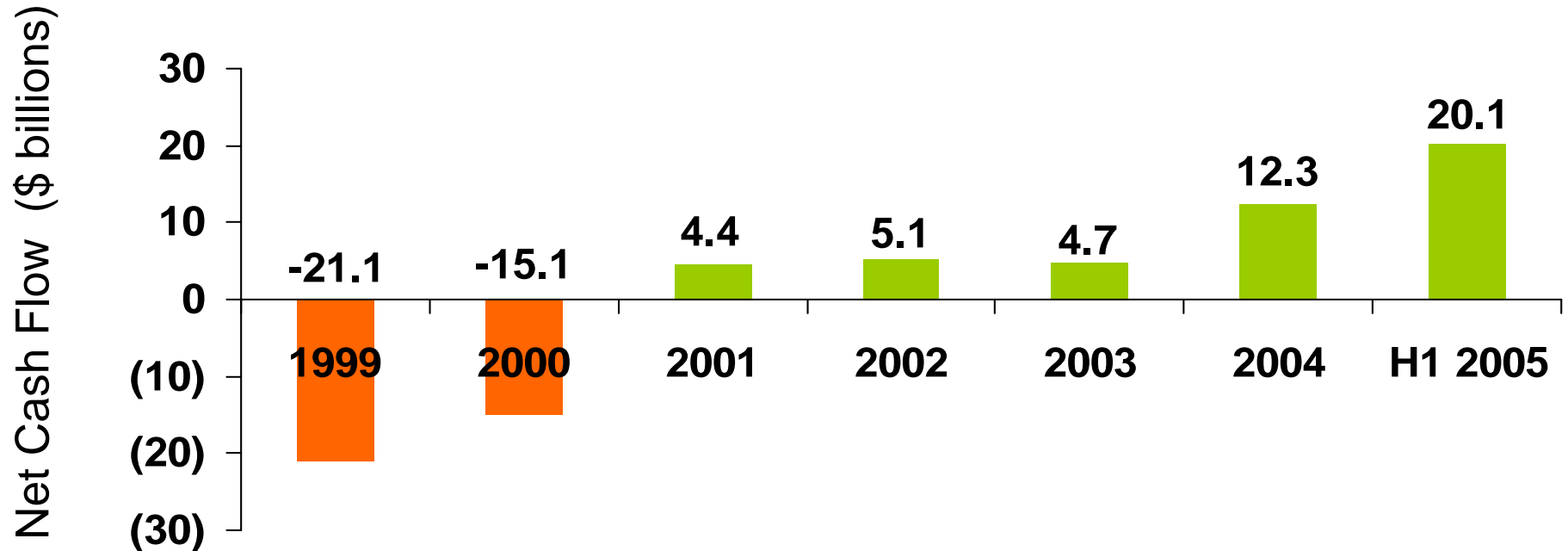


Thompson, Siegel & Walmsley, Inc.

75% of assets outperforming 3yr benchmarks

...in its 5th year of net fund inflows

	2003	2004	H1 2005	H1 2005 Change
AUM as at period end (\$bn)	154	185	209	22%
Operating margin	23.6%	24.3%	26.4%	



Delivering growth momentum

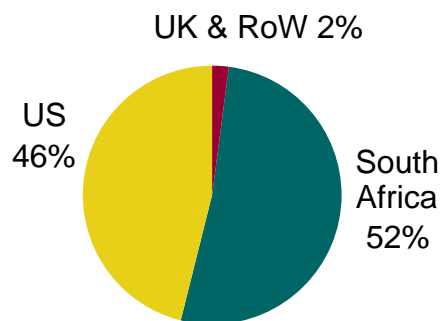
- **ROE 17.8%**
- **RoEV 15.4%**
- **Strong cash inflows**
- **Nedbank recovery on track**
- **Underlying EV profits up strongly**

Skandia update

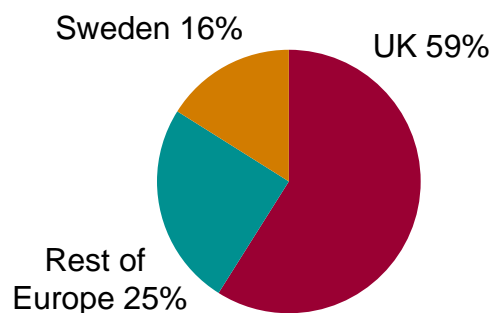
- Talks became public 13 May
- Due diligence May - August
- Details of offer announced 2 September
- Over 60% of equity holders canvassed – *vast majority supportive* September
- Prospectus Mid October
- EGM Mid November
- Tender acceptances Late November

A compelling business profile

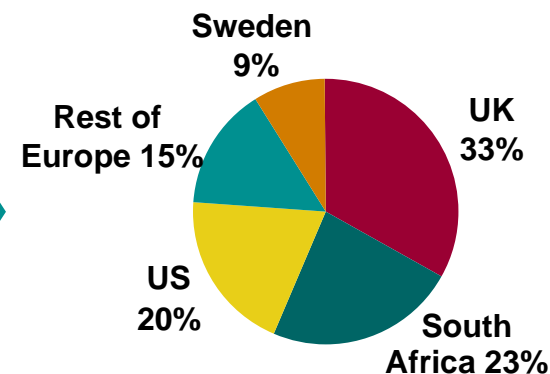
Old Mutual APE⁽¹⁾



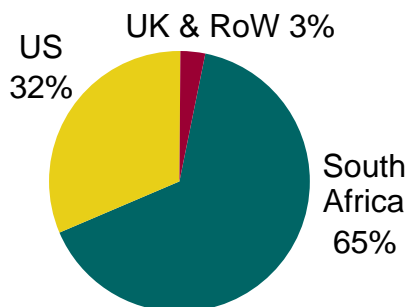
Skandia APE⁽¹⁾



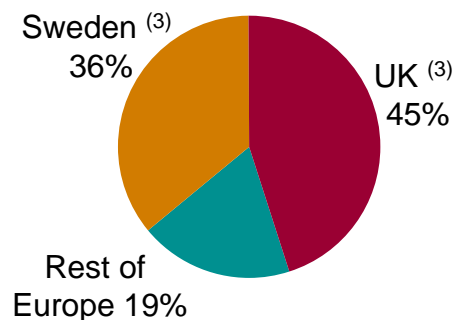
Enlarged Group pro forma APE⁽¹⁾



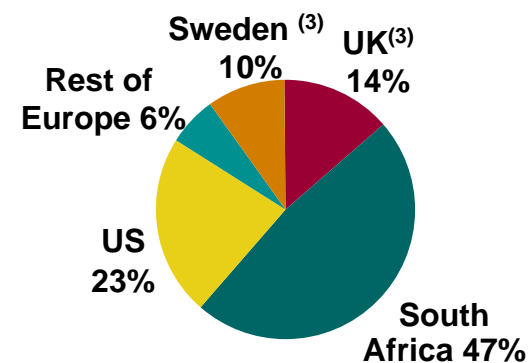
Old Mutual EV⁽²⁾



Skandia EV⁽²⁾



Enlarged Group pro forma EV⁽²⁾



(1) Annual premium equivalent (APE) based on 12 months to 30 June 2005



(2) Embedded value (EV) based on EV pre debt as at 30 June 2005

(3) UK includes Asia Pacific, Sweden includes the Nordic region

Source: Company accounts

4 major market positions

Significant growth opportunities...

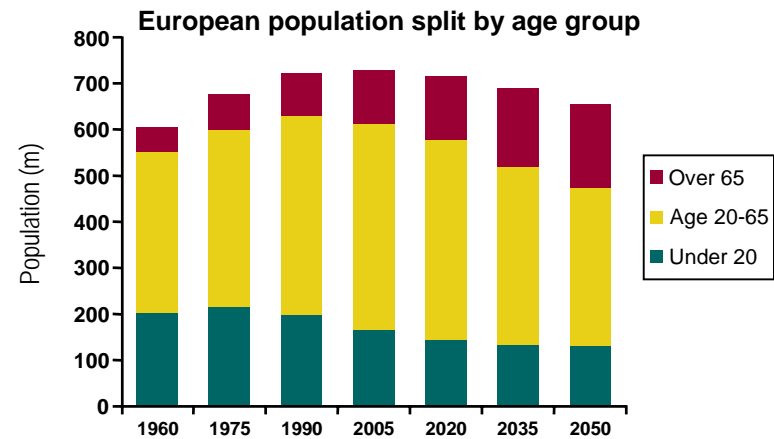
	Industry Growth Cash generative	High growth 2005 –2007	Long-term growth
 OLD MUTUAL	<ul style="list-style-type: none"> ■ SA – No 1 life insurer, 24% ROC at H1 2005 ■ SA – M&F No 2 P&C, strong underwriting ratio 	<ul style="list-style-type: none"> ■ Cash generative <ul style="list-style-type: none"> – SA – Nedbank Top 4 bank, recovery on track – USAM – \$209bn AUM at H1 2005, strong growth prospects ■ Cash demanding <ul style="list-style-type: none"> – US Life – Top 5 fixed annuity provider, cash generative 2007 	<ul style="list-style-type: none"> ■ India ■ UK <ul style="list-style-type: none"> – OMAM moving into profitability – Selestia growing on an efficient platform
 Skandia	<ul style="list-style-type: none"> ■ Sweden – No 1 life insurer, strong recovery opportunity 	<ul style="list-style-type: none"> ■ Cash demanding <ul style="list-style-type: none"> – UK – Top 10 unit linked, segment forecast to grow rapidly – Germany – Top 10 unit linked – Rest of Europe – positioned for growth 	<ul style="list-style-type: none"> ■ Latin America ■ Eastern Europe ■ Australia - growing Master Trust proposition ■ China

Robust cash flows support growth and dividend

...and leadership in open architecture, the favoured segment

Favourable demographics

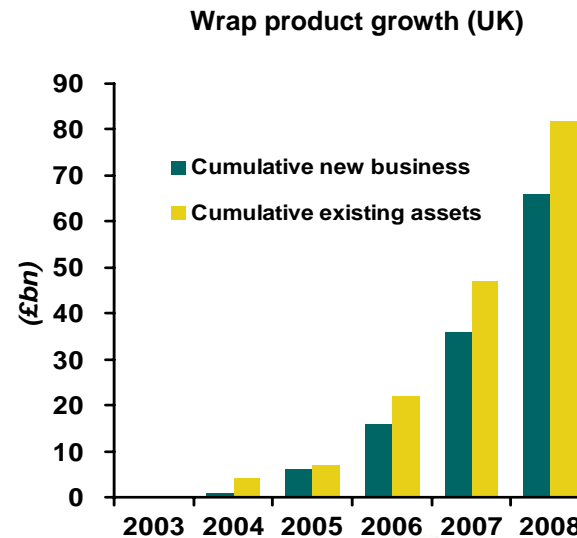
- Baby boomers start reaching retirement



Source: United Nations Population Division

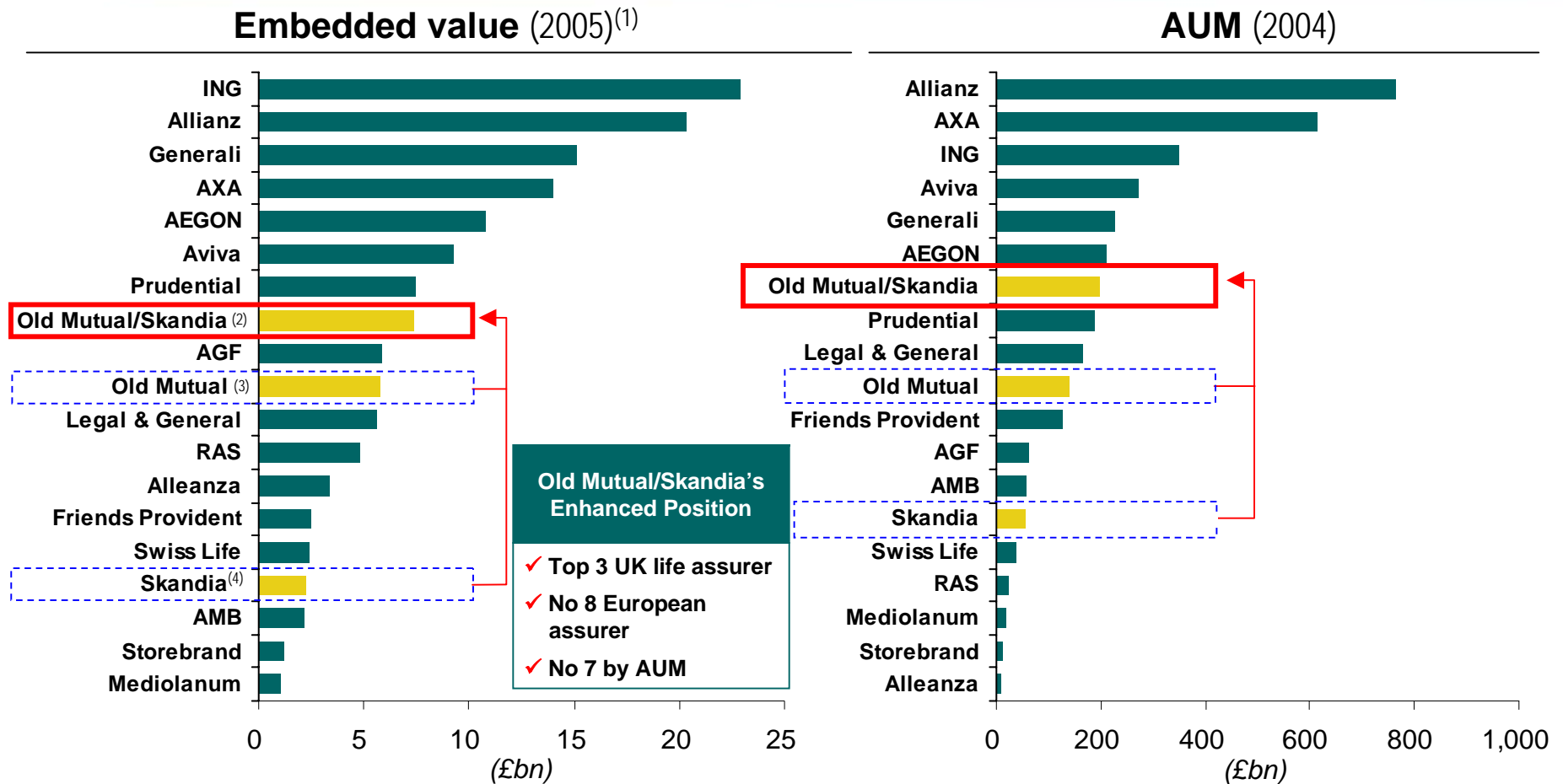
Growth in open architecture

- Offers more transparency
- Offers investment management flexibility
- Supported by high class risk management and reporting tools



Source: Datamonitor estimates

The 8th largest European assurer



(1) 2005 Estimate from Deutsche Bank equity research

(2) Based on market value adjusted EV of Old Mutual as at 10 August 2005, Skandia as at 30 June 2005, less debt plus NPV of synergies

(3) Based on market value adjusted EV of Old Mutual as at 10 August 2005

(4) Based on 30 June 2005 reported EV of Skandia

Source: Deutsche Bank equity research, company accounts

Stable, committed ownership will deliver value

Sweden

- Stabilise and regain market share
- Earn customer trust

UK

- Exploit open architecture opportunity
- Reduce cost to improve margins

Rest of Europe

- Maintain growth
- Support plans to minimise duplicative administration

- **10% increase in Skandia VNB would produce approximately £14m (SEK 187m) per annum**

- **NPV of cost synergies £480m:**

- Group Head Office £28m pa
- UK business plus head office £32m pa
- Tax synergy £10m pa

A significant value creation opportunity

- Expected IRR exceeds Old Mutual's 12% hurdle rate on an EV basis
- RoEV for new share capital in excess of RoEV on existing capital
- CoC lower – more cheaper capital - widened spread on RoEV over CoC
- Cost synergies exceed premium paid
- EV earnings accretive in 2007, including synergies

Old Mutual strongly positioned for future growth

Adjusted EV post-debt £5.3bn /148p⁽¹⁾ per share



(1) Old Mutual EV at 30 June 2005, market adjusted to 10 August 2005 (the day OM announced its interim results) for movements in FX, changes in market value of listed subsidiaries and issue of BEE shares
 (2) Asset managers at Book Value
 (3) Market value

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