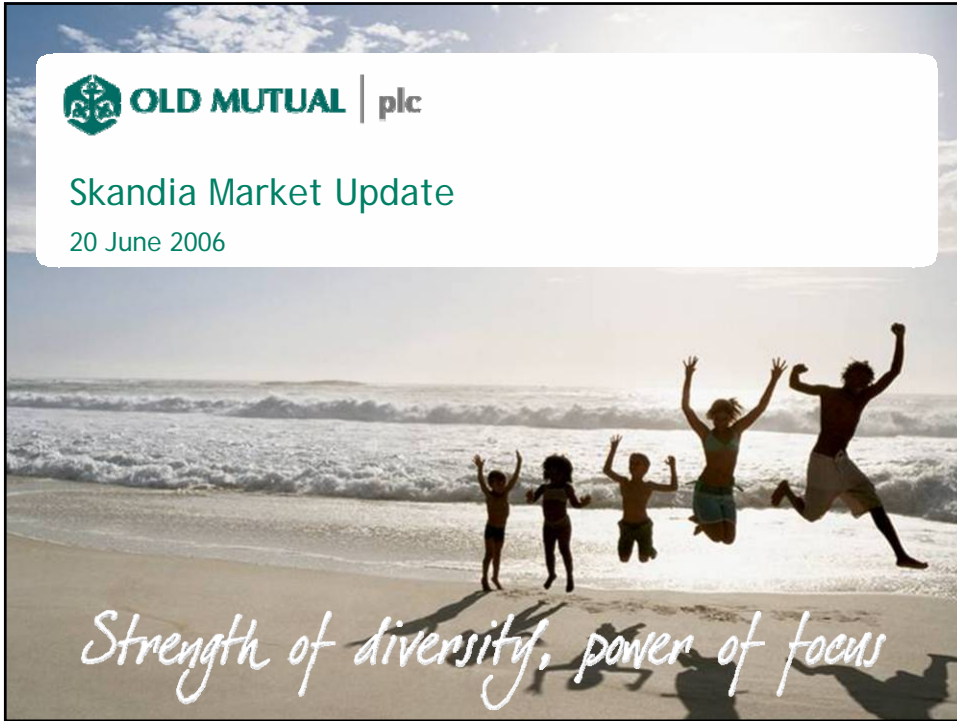




## Skandia Market Update

20 June 2006



## Disclaimer

This presentation may contain certain forward looking statements with respect to certain of Old Mutual plc's plans and its current goals and expectations relating to its future financial condition, performance and results. By their nature, all forward looking statements involve risk and uncertainty because they relate to future events and circumstances which are beyond Old Mutual plc's control including amongst other things, UK domestic and global economic and business conditions, market related risks such as fluctuations in interest rates and exchange rates, the policies and actions of regulatory authorities, the impact of competition, inflation, deflation, the timing and impact of other uncertainties of future acquisitions or combinations within relevant industries, as well as the impact of tax and other legislation and other regulations in the jurisdictions in which Old Mutual plc and its affiliates operate.

As a result, Old Mutual plc actual future financial condition, performance and results may differ materially from the plans, goals and expectations set forth in Old Mutual plc's forward looking statements. Old Mutual plc undertakes no obligation to update the forward looking statements contained in this presentation or any other forward looking statements we may make.

Slide 2





## Agenda

- Old Mutual strategy Jim Sutcliffe
- Have we bought what we thought? Julian Roberts
- Skandia strategy & business model Julian Roberts
- Regional review Julian Roberts
- Financial overview Richard Hoskins
- Summary Jim Sutcliffe
- Q&A

Slide 3



## Old Mutual strategy

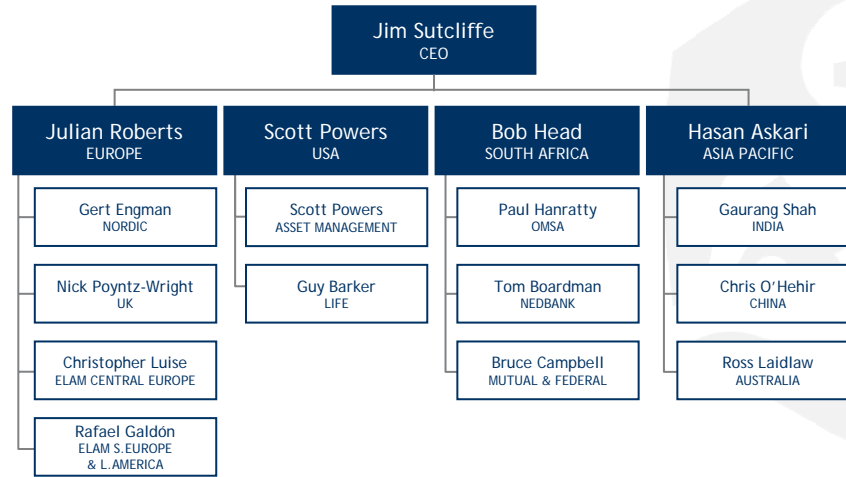
- To build a world-class international financial services group
- By providing a high quality investment management capability to build and protect client assets...
- ...off regional, customer facing platforms
- Skandia adds international scale and provides a huge growth opportunity

*Assets x Margin - Expenses = Profit*

Slide 4



## The team's in place



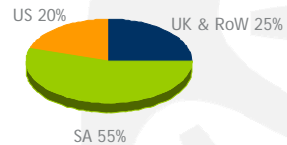
Slide 5



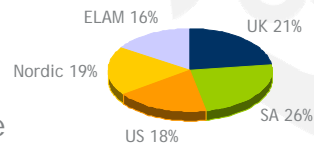
## Building a world class group

- A powerful base
  - Increasingly well diversified
  - Consistently high ROE & ROEV
- With strong growth characteristics
  - In South Africa and the USA
  - Skandia a step change
    - Hits sweet spots in growth markets
    - Opportunity to improve UK margins
- Strong cash generation
  - Skandia self-financing in 2006
  - All business units cash generative by 2007

Embedded value at 31 December 2005\*



VNB Q1 2006\*\*



\* Pie chart % split based on pro-forma 31 December 2005 EV pre-debt

\*\* Post tax

Slide 6



We bought Skandia for growth in profits...

Slide 7



Julian Roberts

CEO, Skandia



*Strength of diversity, power of focus*



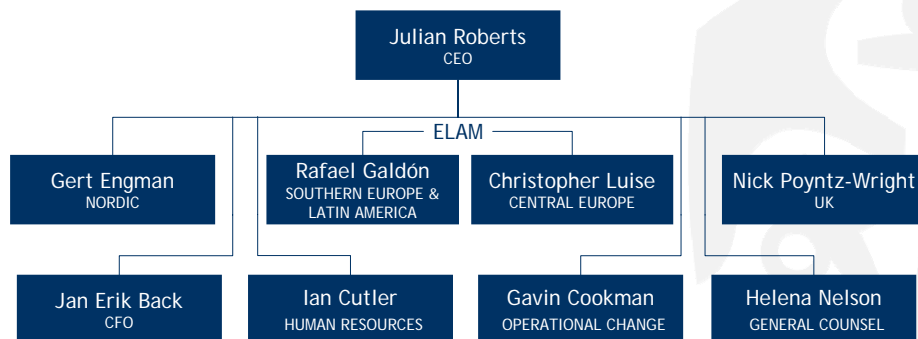
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Slide 9



## Skandia's executive team is in place



Slide 10



## First 100 days completed with no let-up in sales



### WHAT WE PROMISED

### WHAT WE HAVE ACHIEVED

Roll-out of Old Mutual governance framework

✓ Adopted

Build on due diligence - risks and strategic opportunities

✓ Completed; conclusions presented today

Agree business plan 2006-2008

✓ Completed; highlights presented today

Synergies - target £70m

✓ Confirmed; conclusions presented today

Communicate - staff, IFAs, customers, stakeholders

✓ Extensive communication programme

Slide 11



## We have reaffirmed that Skandia is a growth engine



### CONCLUSIONS

Business model

✓ The Skandia franchise has strong momentum

Financials

✓ No surprises

People

✓ Talented team committed to delivering excellence in customer service

Growth potential

✓ Underlying sales are strong and higher than acquisition model

Operating model

✗ Infrastructure and efficiency suffering from under-investment

Synergies

✓ £70m pa of synergies are confirmed

Cash generation

✓ Operating cash generative immediately

On track to deliver value creation targets

Slide 12



## Business model - franchise has strong momentum

### DISTRIBUTION

- Mainly through IFAs
- Own sales force
- Bancassurance

### PRODUCT

- Unit linked life and mutual funds with low capital guarantees

### INVESTMENT MANAGEMENT

- Open architecture
- Innovative solutions delivered to both IFAs and customers

Slide 13



## Financials - no surprises

### BALANCE SHEET

- EV increases by SEK0.7bn to SEK36.5bn at 31 December 2005
- Small increase in cost of litigation provisions
- Net assets and acquired intangibles SEK41bn

### INCOME STATEMENT

- IFRS and EV profit potential strong

Slide 14





## People - talented team

CUSTOMER SERVICE	<ul style="list-style-type: none"><li>• Continuously striving to deliver outstanding customer service</li></ul>
VALUES	<ul style="list-style-type: none"><li>• Values consistent with Old Mutual's</li></ul>
BRAND	<ul style="list-style-type: none"><li>• People who are excited about marketing and strengthening the brand</li></ul>
PERFORMANCE	<ul style="list-style-type: none"><li>• Transforming into a performance based culture</li></ul>
COMMITMENT	<ul style="list-style-type: none"><li>• Committed people who seek the best</li><li>• Staff keen to make a great company even better</li></ul>

Slide 15



## Growth potential - underlying sales strong and higher than acquisition model

### Q1 2006 Highlights

UK	<ul style="list-style-type: none"><li>• Unit linked APE increased by 31% to £152m</li><li>• Mutual fund deposits up 59% to £286m</li></ul>
ELAM	<ul style="list-style-type: none"><li>• Underlying unit linked sales (excl German overhang in 1Q 2005) increased 50%</li><li>• Mutual fund deposits increased 150% to €691m</li></ul>
NORDIC	<ul style="list-style-type: none"><li>• Unit linked sales up 15% to SEK559m (APE)</li><li>• The Swedish Kapitalpension product introduced in Q1 2005 continues to do well</li></ul>

Slide 16





## Operating model - under-investment in infrastructure and efficiency

<b>MODEL</b>	<ul style="list-style-type: none"> <li>• Federal approach has inefficiencies</li> <li>• Lack of sharing of best practice</li> <li>• Historically little cross-border operating efficiencies</li> </ul>
<b>CAPITAL</b>	<ul style="list-style-type: none"> <li>• Profits have been too low compared to capital employed</li> </ul>
<b>TECHNOLOGY</b>	<ul style="list-style-type: none"> <li>• Needs further investment</li> </ul>

Slide 17



## Synergies - £70m pa are confirmed...

£m (Post tax)	DUE DILIGENCE	FINDINGS
Group head office	28	24
UK head office	2	2
UK business synergies	30	26
Other business synergies	0	8
Tax synergy	10	10
<b>Total</b>	<b>70</b>	<b>70</b>

Plus further gains from operational leverage on growth

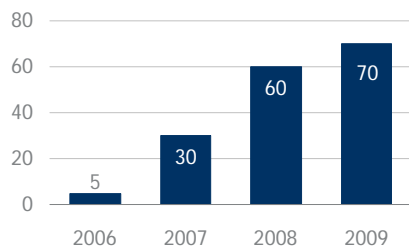
Slide 18



## ...full impact by mid 2008, with significant benefits flowing from end 2007

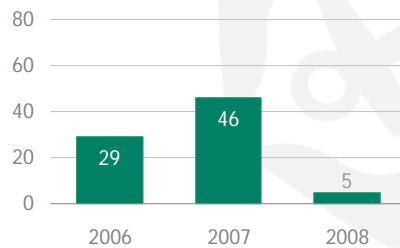
### Realisation of estimated synergies\*

#### Post-tax, £m



### Estimated restructuring costs

#### Pre-tax, £m



\* Excluding restructuring costs

Slide 19



## Cash generation - positive operating cash flow profile

		£m	Recent history	2006	2007	2008
Operating cash generation/consumption	UK	-	-	+	++	+++
	Nordic	++	++	++	++	++
	ELAM	-	-	self-financing	self-financing / +	+
	Operating cash	-	-	++	++ / +++	+++
Non-operating cash items	Cost of synergies			(29)	(46)	(5)
	US liabilities				(100)	0
<b>Overall cash position</b>			<b>Negative cashflow</b>	<b>Self-financing</b>	<b>+</b>	<b>+++</b>

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- **Skandia strategy & business model** **Julian Roberts**
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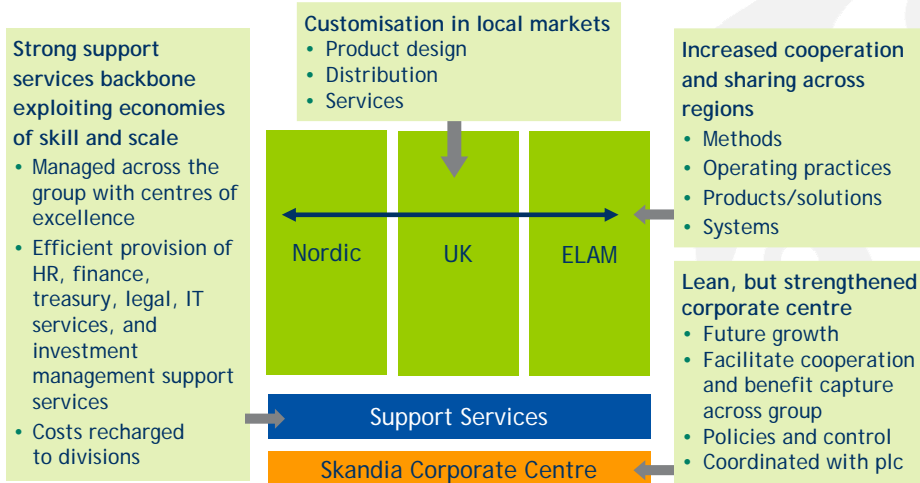
## Skandia's strategy

WHO	→	<ul style="list-style-type: none"><li>• Customers with a range of financial needs - both 'accumulation' and 'decumulation'</li><li>• Focus on retail customers and corporate customers in selected markets</li></ul>
WHERE	→	<ul style="list-style-type: none"><li>• Geographies where demographics, economic growth and market size are driving growth</li></ul>
WHAT	→	<ul style="list-style-type: none"><li>• Open architecture with few guarantees</li><li>• Innovative solutions/services delivered in a way that meets both IFA and customer needs</li><li>• Our own and selected third party products</li></ul>
HOW	→	<ul style="list-style-type: none"><li>• Strong relationships with IFAs - although distribution varies according to local market needs, e.g. own sales force, banks</li><li>• Enabling the success of our distributors through excellent service and support</li></ul>

Slide 22



## New Skandia group operating structure



Slide 23

## Old Mutual's performance management framework ensures delivery

- Performance statements for all employees
- Targets
  - ✓ IFRS EPS
  - ✓ RoE
  - ✓ EV EPS
  - ✓ RoEV
  - ✓ Expenses

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## Agenda

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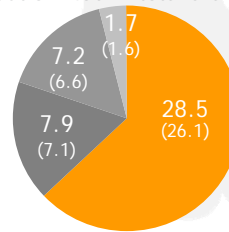
Slide 25



## Regional review UK

£29bn\* FUM in the UK  
31/3/06

(Out of £45bn\*\* total Skandia)



( ) = 31 Dec. 2005

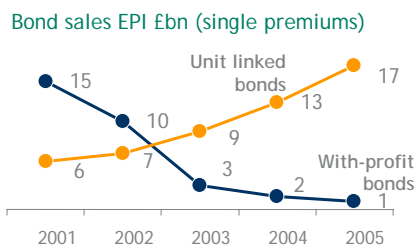
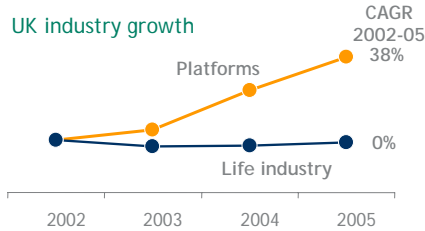
- UK & Offshore
- Europe & Latin America
- Nordic
- Asia Pacific

\* Excludes Selestia  
\*\* Unit linked and mutual funds only

Slide 26



## Skandia together with Selestia in the sweet spots of the UK life industry



\* Source: ABI, IMA, AILO, covering: UK life and pensions, Mutual funds, Offshore

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### Key Industry Features

- Unit linked focus
- Platforms rapidly gaining market share
- Pension reforms creating new opportunities
- Advice led market
- Intermediaries account for 70% of sales\*
- Service & technology becoming the key differentiators

## Three primary UK businesses streams...

UK Domestic	Offshore	Investment management
<ul style="list-style-type: none"> <li>• Skandia Life</li> <li>• Platforms                             <ul style="list-style-type: none"> <li>- Skandia MultiFunds</li> <li>- Selestia</li> </ul> </li> <li>• IFA services - Bankhall</li> </ul>	<ul style="list-style-type: none"> <li>• Royal Skandia</li> <li>• Skandia Ireland</li> </ul>	<ul style="list-style-type: none"> <li>• Skandia Investment Management (SIML)</li> </ul>
<ul style="list-style-type: none"> <li>• Largest UK open architecture player</li> <li>• £21bn* FUM</li> </ul>	<ul style="list-style-type: none"> <li>• Broad geographic sales</li> <li>• Serving UK citizens, ex-pats, affluent locals</li> <li>• £8bn* FUM</li> </ul>	<ul style="list-style-type: none"> <li>• UK's largest retail multi-manager</li> <li>• Creating world class blends of external funds</li> <li>• £4bn FUM</li> </ul>

\* Includes SIML £4bn FUM

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## ... focussed on clear market segments

- |           |                              |   |
|-----------|------------------------------|---|
| Customers | <b>Affluent Investors</b>    | <ul style="list-style-type: none"><li>• Wealthiest 10-15% of UK population</li><li>• Able to make substantial single-premium investments</li><li>• Offshore: expats and affluent locals</li></ul>   |
| Channels  | <b>Intermediated advice</b>  | <ul style="list-style-type: none"><li>• Largest UK channel - over 70% of industry sales*</li><li>• Higher quality business: avg case size, lower compliance risk</li><li>• Skandia UK widening reach into new advised segments:<ul style="list-style-type: none"><li>– Private banks, multi-ties, actuarial consultants</li></ul></li></ul> |
| Products  | <b>Long term investments</b> | <ul style="list-style-type: none"><li>• Pensions, Bonds, Offshore bonds, Mutual funds, ISAs</li><li>• Retirement solutions: draw down and decumulation services</li></ul>   |

\* Source: ABI, IMA, AILO, covering: UK life and pensions, Mutual funds, Offshore

Slide 29



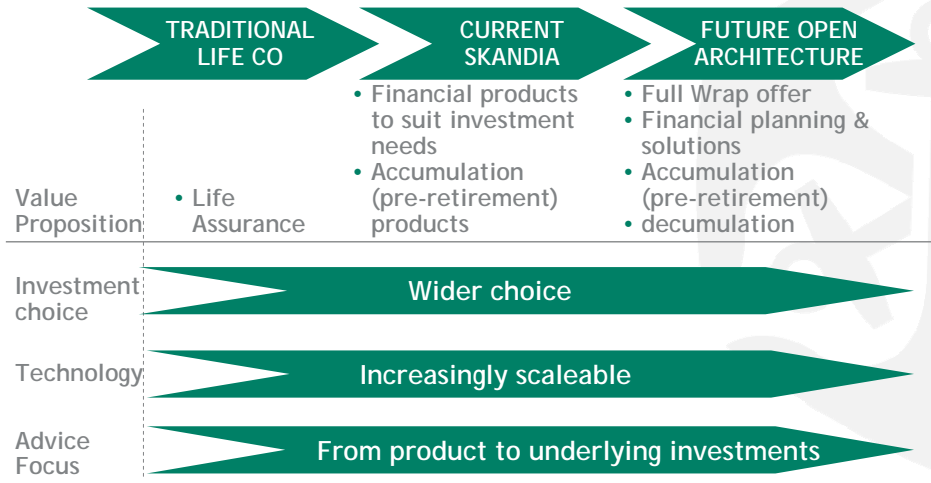
## Skandia's UK strategy focussed on four growth levers

- Open architecture
  - Creating a new value proposition
- Skandia Investment Management
  - World class blends from external managers
- Pensions
  - Accumulation
  - decumulation
- Offshore franchise

Slide 30



## Open architecture - Skandia and Selestia creating a new value proposition

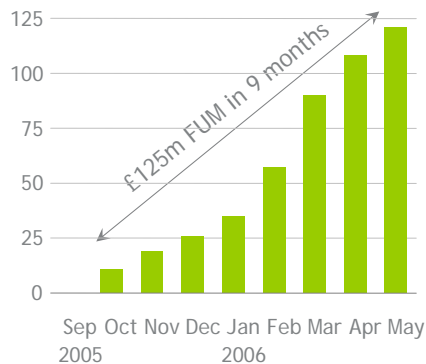


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## Skandia Investment Management - innovators in UK savings

Example 1) Global Property Fund  
Launched October 2005



Example 2) Global Best Ideas Fund  
Launched June 13th 2006



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## Pensions - retirement solutions offer substantial opportunity

- Transfer opportunities from with-profit funds
  - Over £300bn in with-profit funds
- A-Day reforms create new opportunities
  - Annual pension contribution limit raised to £215,000 in 2006-07
  - Annuities no longer the only retirement option
  - Opportunities for decumulation solutions
  - Investment platforms can manage post-retirement assets
- State pension proposals have limited impact on Skandia
  - Skandia does not compete in low / middle income segment

Slide 33



## Offshore - significant scope to grow the franchise

<b>CHANNEL DEVELOPMENT</b>	<ul style="list-style-type: none"> <li>• New private banking partnerships: UK, Middle East, Far East, Latin America</li> <li>• Shift towards 'new model adviser' with remuneration linked to FUM</li> </ul>
<b>INVESTMENT PROPOSITION</b>	<ul style="list-style-type: none"> <li>• Develop open architecture platform               <ul style="list-style-type: none"> <li>– Utilise upgraded platform from UK domestic companies</li> </ul> </li> <li>• Embrace new funds from Skandia Investment Management               <ul style="list-style-type: none"> <li>– Global Property Securities, Global Best Ideas, Hedge funds</li> </ul> </li> </ul>
<b>SMARTER TAILORING OF OFFER</b>	<ul style="list-style-type: none"> <li>• Two discrete segments               <ul style="list-style-type: none"> <li>– Ex-pats</li> <li>– Affluent locals</li> </ul> </li> <li>• Target core markets with tailored offers</li> </ul>
<b>SALES &amp; DISTRIBUTION</b>	<ul style="list-style-type: none"> <li>• Exploit potential of Old Mutual &amp; Skandia Group distribution               <ul style="list-style-type: none"> <li>– Europe &amp; Latin America: via local Skandia companies</li> <li>– RoW: via Old Mutual affiliates</li> </ul> </li> </ul>

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## 2006 management actions focussed on creating firm foundations

### Creating firm foundations

- ▶ Improve governance and controls
- ▶ Upgrade IT systems
- ▶ Reduce unit costs
- ▶ Financial Systems

### To deliver the vision

- ▶ Pre-eminent Open Architecture Platform in the UK
- ▶ Brand leadership in UK & Offshore savings
- ▶ Financial performance exceeding UK peer group

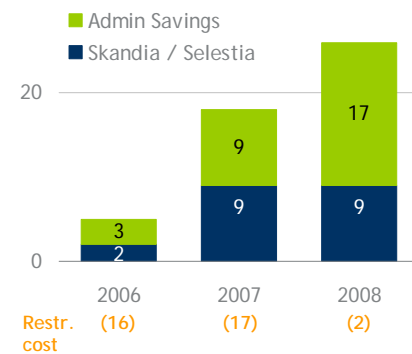
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## Delivering cost synergies will raise UK margins between 2 and 3%

### Realisation of estimated synergies

Pre-tax, £m



### Delivery of cost reduction

- Reduction of approximately 600 UK positions over 3 years
- 3 principal areas of cost reduction
  - Skandia/Selestia integration
  - IT-outsourcing - leverage SA competence and Indian IT-engineering partner
  - Administration
- Objectives
  - Further improve service quality
  - Build streamlined e-enabled administrative engine
  - Scaleable for future growth whilst reducing costs and improving margins

Slide 36



## Development of UK margin target

### Unit linked assurance

Actual pre-tax 2005*	12.6%
Change to OM basis, product mix and growth 2005-08	-1% to +1%
Synergy impact	+2% to +3%
	<u>14% to 17%</u>
HO cost allocation	0% to -1%
<b>Revised pre-tax 2008 target</b>	<b>14% to 16%</b>
Tax impact	-3% to -4%
<b>After tax 2008 target</b>	<b>11% to 12%</b>

\* Published by Skandia, excluding Asia-Pacific and Switzerland

Slide 37



## UK summary - seize the open architecture opportunity and improve financial returns

VISION	GROWTH DRIVERS	TARGETS
<ul style="list-style-type: none"> <li>• Pre-eminent open architecture platform</li> <li>• Brand leadership in UK &amp; Offshore savings</li> <li>• Financial performance exceeding UK peer group</li> <li>• More efficient operations - much lower unit costs</li> </ul>	<ul style="list-style-type: none"> <li>• Open architecture:               <ul style="list-style-type: none"> <li>- Highest quality tools</li> <li>- Leading investment range</li> </ul> </li> <li>• Multi-manager solutions               <ul style="list-style-type: none"> <li>- World-class blends from external managers</li> </ul> </li> <li>• Pensions opportunity</li> <li>• Offshore franchise</li> <li>• Brand leadership:               <ul style="list-style-type: none"> <li>- Service excellence</li> <li>- Innovation</li> <li>- Technical expertise</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• The open architecture UK industry leader</li> <li>• Growth significantly above the market</li> <li>• Cash positive in 2006 and growing steadily</li> <li>• Administration costs per policy reduced to peer levels</li> <li>• Raise margins by 3% by 2008</li> <li>• IFRS profits to grow significantly</li> </ul>

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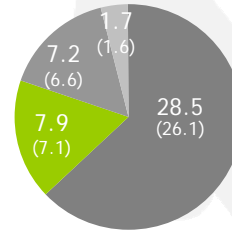


# Regional review ELAM

## £8bn FUM in ELAM

31/3/06

(Out of £45bn\* total Skandia)



( ) = 31 Dec. 2005

- UK & Offshore
- Europe & Latin America
- Nordic
- Asia Pacific

\* Unit linked and mutual funds only

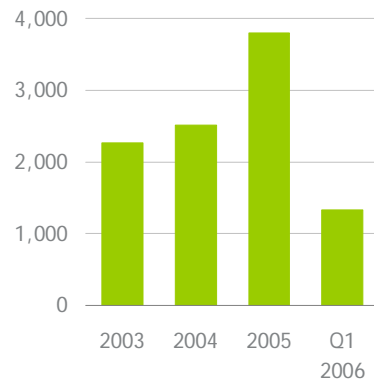
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# Market trends support continued strong growth in long-term savings

## ELAM total life premiums & mutual fund deposits

€m



- Strong fundamentals
  - Structural and demographic changes together with pension reform supports long-term growth
  - Growing demand for advice, transparency and independent offerings
- Europe
  - Open architecture is gaining acceptance
  - Both unit linked and IFA segments are increasing their share of the market
- Latin America
  - More stable environment
  - Structural moves towards long-term savings

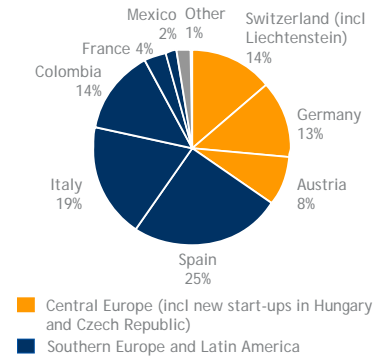
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## ELAM comprises 14 high growth momentum countries...

### Europe & Latin America

FUM Q1 2006\*



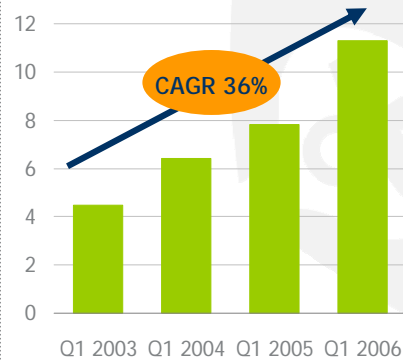
Note: Other includes Chile, Poland and Portugal  
 \* Excludes Skandia Global Funds retail FUM of €0.8bn in addition  
 SGF has €2.4bn of other Skandia companies FUM

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### Europe & Latin America

FUM growth : Q1 2003 to Q1 2006

€bn



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## ...our strategy for ELAM is to grow all countries towards scale and beyond

START-UPS	MID-WAY	SCALE	SIGNIFICANT SCALE
<ul style="list-style-type: none"> <li>• Portugal</li> <li>• Czech Republic</li> <li>• Hungary</li> </ul>	<ul style="list-style-type: none"> <li>• France</li> <li>• Mexico</li> <li>• Chile</li> <li>• Poland</li> </ul>	<ul style="list-style-type: none"> <li>• Austria</li> <li>• Italy</li> <li>• Spain</li> <li>• Switzerland (incl Liechtenstein)</li> </ul>	<ul style="list-style-type: none"> <li>• Colombia</li> <li>• Germany</li> </ul>

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## IFA distribution drives Central Europe\* sales

BUSINESS	DISTRIBUTION	END CLIENTS (in terms of new sales)
<ul style="list-style-type: none"> <li>• FUM €4.1bn</li> <li>• 87% unit linked, 13% mutual funds</li> <li>• Retail unit linked with some corporate business in Germany</li> <li>• Regular premiums dominate</li> <li>• Mutual funds complementary</li> </ul>	<ul style="list-style-type: none"> <li>• Mainly IFA's and broker network organisations</li> <li>• Bank distribution small but growing</li> </ul>	<ul style="list-style-type: none"> <li>• Mid income clients dominate</li> <li>• Smaller proportion of mass affluent and high net worth individuals</li> <li>• Growing share of corporate clients in Germany</li> </ul>

\* Refers to Austria, Hungary & Czech Republic, Germany, Liechtenstein, Poland and Switzerland

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## Strong growth in Southern Europe\* and Latin America\*\*

BUSINESS	DISTRIBUTION	END CLIENTS (in terms of new sales)
<ul style="list-style-type: none"> <li>• FUM €7.2bn</li> <li>• 44% unit linked 56% mutual funds</li> <li>• Unit linked in France, Italy and Portugal</li> <li>• Pension savings dominate Latin America</li> <li>• Important share of corporate business in Mexico</li> </ul>	<ul style="list-style-type: none"> <li>• Bank distribution in Iberia</li> <li>• Italy financial advisors***</li> <li>• France 100% IFA's</li> <li>• Mainly tied distribution in Latin America, segmented by end client needs</li> </ul>	<ul style="list-style-type: none"> <li>• Majority mass affluent clients</li> <li>• High share of high net worth individuals in Spain</li> <li>• Smaller share of mid income clients</li> </ul>

\* Refers to France, Italy, Portugal and Spain

\*\* Refers to Chile, Colombia and Mexico

\*\*\* In Italy financial advisors are not independent

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## Development of ELAM margin target

### Unit linked assurance

Actual pre-tax 2005*	28.7%
Change to OM basis, product mix and growth 2005-08	+1% to +3%
Synergy impact	+2% to +3%
	<u>32% to 35%</u>
HO cost allocation	-4% to -2%
<b>Revised pre-tax 2008 target</b>	<b>28% to 33%</b>
Tax impact	-12% to -15%
<b>After tax 2008 target</b>	<b>16% to 18%</b>

\* Published by Skandia, including Switzerland

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## ELAM summary - strong growth

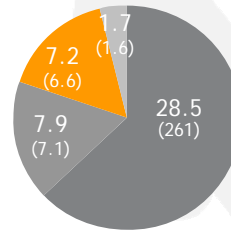
VISION	GROWTH DRIVERS	TARGETS
<ul style="list-style-type: none"> <li>• Leading independent, open architecture provider in Europe and Latin America</li> <li>• High level of innovation</li> <li>• Outstanding service levels</li> <li>• Carefully selected business partners</li> <li>• Leverage more cross border operating efficiencies than in the past</li> </ul>	<ul style="list-style-type: none"> <li>• Further growth in existing markets</li> <li>• Opportunities in untapped market segments</li> <li>• Knowledge transfer</li> <li>• Leveraging relationship with Old Mutual</li> </ul>	<ul style="list-style-type: none"> <li>• Significant EV growth</li> <li>• Growing all countries towards IFRS positive results</li> <li>• Maintain margins in the thirties</li> <li>• Cash generative</li> </ul>

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# Regional review NORDIC

£7bn FUM in Nordic  
31/3/06  
(Out of £45bn\* total Skandia)



( ) = 31 Dec. 2005

- UK & Offshore
- Europe & Latin America
- Nordic
- Asia Pacific

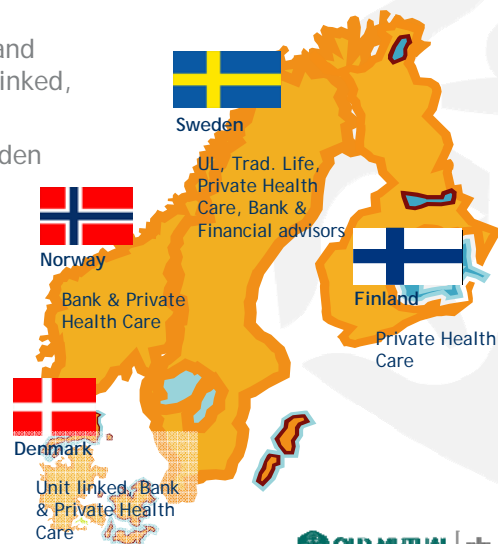
\* Unit linked and mutual funds only

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# Skandia's Nordic business profile

- Full set of financial products and advice: Traditional life, Unit linked, Healthcare and Banking
- Strong market position in Sweden
  - #1 in total life insurance
  - #1 in traditional life
  - #2 in unit linked
  - #1 in private healthcare
- Leading Internet Bank in Sweden and Norway
- Funds under management SEK98bn
- Brand recovering strongly from corporate turmoil

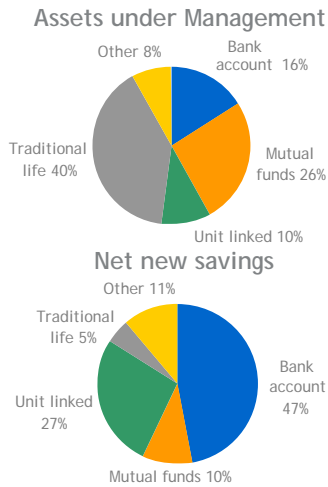


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## Swedes are avid savers - 77% have mutual funds and 94% PPM accounts



Source: AuM- SEBs Sparbarometer, Q4 2005; Net new savings- SCBs Sparbarometer and Försäkringsförbundet, Q1 2006  
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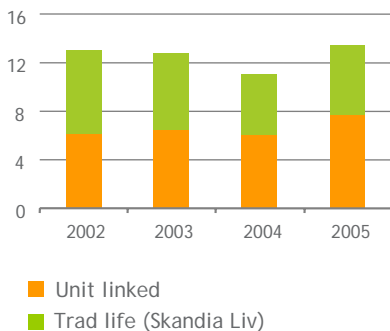
### Key features

- GDP forecast to rise 3.7% in 2006
- Swedish savings SEK3,737bn FUM
- Swedish household net new savings SEK113bn pa
- Yearly growth rate for net new savings 2001-2006 Q1 was 6% (CAGR)



## Swedish life market mature but significant changes taking place

**New sales in total life insurance market in Sweden, SEKm**



### Key features

- Sweden differs from other markets due to collective agreements
- Swedish life insurance market is dominated by the corporate segment

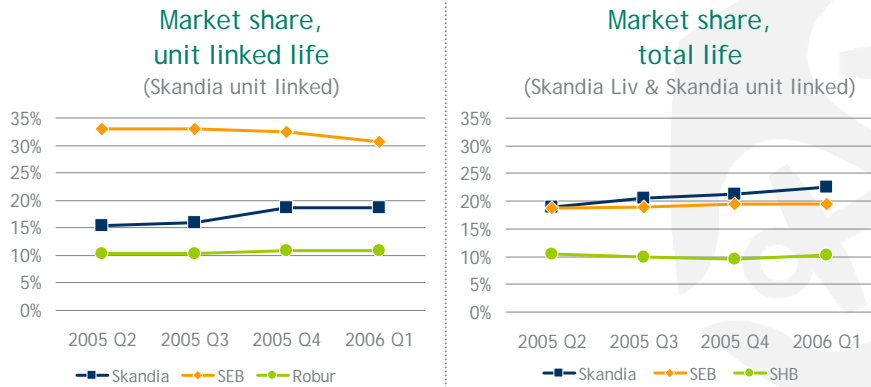
### Significant changes

- New white-collar (ITP) agreement
- Transfer rights for corporate business and tax neutrality between insurance and other savings on the horizon
- As baby boomers move from accumulation to decumulation new solutions required

Slide 50



## Market share is improving in Sweden



Long-term target 25% market share in unit linked segment

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## Skandia strategy to be a waterfront business in Sweden

### EFFICIENT CUSTOMER INTERACTION

- Wide distribution, selling through IFAs, own sales force and online
- Ensure that Skandia will be a supplier under the new ITP-agreement

### ATTRACTIVE PRODUCTS

- Full set of financial products: Traditional life, Unit Linked, Healthcare and Banking

### BROAD CUSTOMER BASE

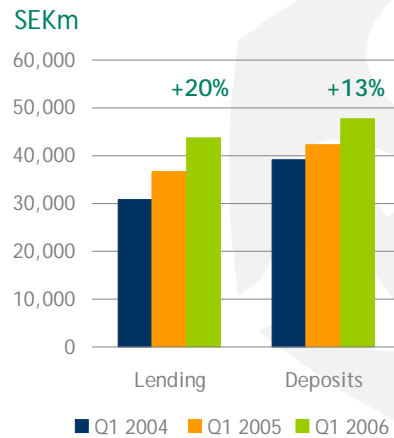
- 1.7 million customers gives large potential for cross-selling
- Young and active customers in SkandiaBanken to older more affluent customers in insurance

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## SkandiaBanken will be retained

- The leading internet bank in Nordic region
- Completes a full financial offering
- Reaches a younger segment of the market
- Potential to capture decumulation assets
- Bancassurance
- Cash generative and can grow to reach required hurdle rates
- Strengthens Skandia brand in Sweden



Slide 53



## Skandia Liv Sweden's leading traditional life provider

- Ambassador for our Skandia brand name
- Customers receive market leading products and good returns
- Gives Skandia scale and scope as the largest pensions company in Sweden
- New governance discussion paper just released
- Investment management arbitration not now resolved before 2007 - no provision believed necessary

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## Development of Nordic margin target

### Unit linked assurance

Actual pre-tax 2005*	27.2%
Change to OM basis, product mix and growth 2005-08	-3% to -2%
Synergy impact	+1% to +2%
	<u>25% to 27%</u>
HO cost allocation	-2% to -0%
<b>Revised pre-tax 2008 target</b>	<b>23% to 27%</b>
Tax impact	-1% to -2%
<b>After tax 2008 target</b>	<b>22% to 25%</b>

\* Published by Skandia

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## Nordic summary - leading brand with further potential

VISION	GROWTH DRIVERS	TARGETS
<ul style="list-style-type: none"> <li>The leading player in the Swedish market with full product reach</li> </ul>	<ul style="list-style-type: none"> <li>Wide distribution-selling through own sales force, IFAs and online</li> <li>Own label and white labelled products</li> <li>Shift towards spread commission may hold back growth</li> <li>Investment in IT</li> </ul>	<ul style="list-style-type: none"> <li>Maintain progress in regaining market share</li> <li>Sustainable margins above 25% pre tax</li> <li>Subdued growth in IFRS profits</li> <li>SkandiaBanken to meet group financial targets</li> <li>Ensure Skandia a supplier under the new ITP-agreement</li> </ul>

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Our strategic review concludes Skandia has potential to double in size over 5 years\*

TARGETS	
Nordic	+
UK	++
ELAM	++
<b>Total FUM</b>	<b>+15% pa; +100% 5 yrs</b>
Nordic	++
UK	++
ELAM	++
<b>Total RoEV</b>	<b>15% by 2008</b>
Nordic	++
UK	++
ELAM	+++
<b>Total IFRS Adj Op profit**, pre tax</b>	<b>+200% over 3 yrs</b>

\* Based on FUM  
 \*\* OM basis pre-allocation  
 Slide 57



**Richard Hoskins**  
 Acting Group FD, Old Mutual

*Strength of diversity, power of focus*



## Agenda

- Old Mutual strategy Jim Sutcliffe
- Have we bought what we thought? Julian Roberts
- Skandia strategy & business model Julian Roberts
- Regional review Julian Roberts
- **Financial overview** **Richard Hoskins**
- Summary Jim Sutcliffe
- Q&A

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## Overview

- Fair value balance sheet completed with no surprises
  - Net assets and acquired intangibles £3.0bn
  - Residual goodwill £1.0bn
- Skandia's EEV restated to align with the Old Mutual basis
  - SEK36.5bn (£2.7bn)
  - Broadly consistent with that previously published
- Restated EEV of 174p per share at 31 March 2006
  - Excludes 9p value of synergies
- Skandia cash generative and Old Mutual ratings affirmed
- Transaction on track to meet 12% RoIC target
- EEV EPS earnings accretive by 2007

Slide 60





## Fair value balance sheet (FVBS)

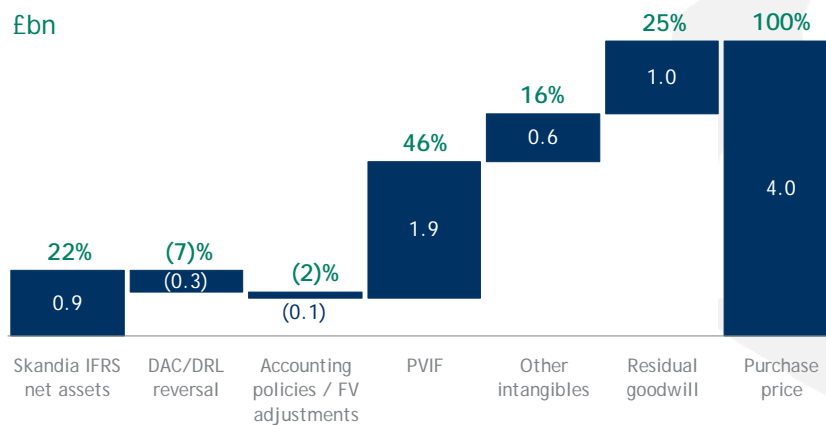
- Purchase price £4bn (SEK54.7bn)
- Step acquisition dates 3 February, 17 February & 23 March
- The broad categories examined were
  - Adjustments to Skandia's balance sheet at acquisition
  - Purchased value of in-force business (PVIF)
  - Other intangible assets
  - Residual goodwill
- No surprises compared to acquisition modelling
- Skandia's accounting policies already generally consistent with Old Mutual's
- The key judgement areas have been reviewed by the auditors in advance of our first reporting period

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## FVBS - purchase price allocation

£bn



Note: Each component is net of deferred tax

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## Adjustments to Skandia's net assets at acquisition

### Accounting policies

- Extended 'unbundling' treatment of Skandia's unit linked business into Old Mutual with no material impact
- Skandia Liv continues not to be consolidated

### Fair valuation adjustments

- Elimination of deferred acquisition costs / deferred revenue balances - downward adjustment of £0.3bn (SEK4.1bn)
- Removal of all Skandia's goodwill - downward adjustment of £41m (SEK559m)
- Other fair value adjustments, primarily around cost of litigation provisions - downward adjustment of £40m (SEK493m)

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## Purchased value of in force business

- PVIF represents the value of Skandia's in-force business at acquisition date together with contractual increments to existing contracts
- PVIF calculated as £2.3bn at 3 February 2006 (£1.9bn after deferred tax)
- PVIF derived from Skandia restated EEV as at 31 December 2005 adjusted for purchase accounting requirements of IFRS
- Amortisation is based on expected revenue pattern going forward
- Indicative annual amortisation charge of around £220m

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## Other intangibles and residual goodwill

- Valuation carried out by independent experts
- Identification of intangibles in 4 key areas
  - Distribution channels, customer deposits, mutual fund relationships and brands
- Amortisation periods for intangibles range from 10 to 20 years - indicative annual charge of around £65m
- Residual goodwill attributed to synergies, workforce and anticipated new business from new distribution channels
- Goodwill not amortised but tested annually for impairment

Slide 65



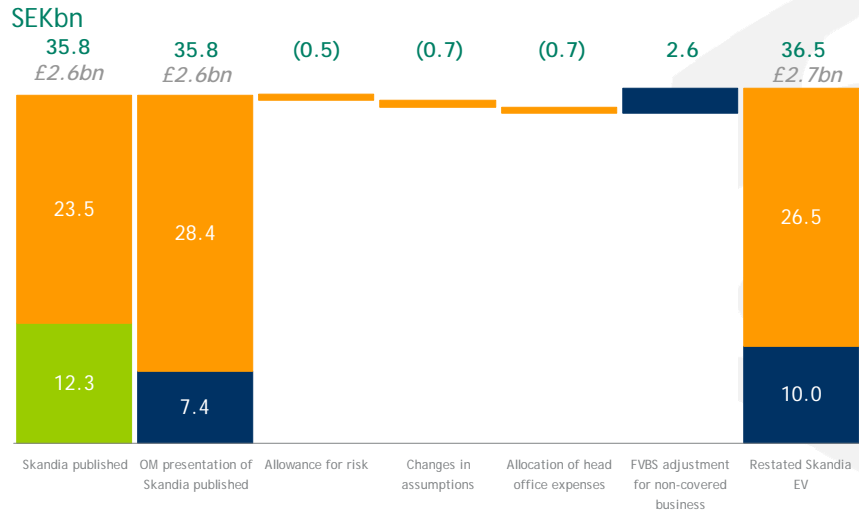
## Other intangibles

INTANGIBLE	DESCRIPTION	VALUATION £ MILLION	AMORTISATION PERIOD
Distribution channels	• New customers and contracts from existing channels	531	10 years
Customer deposits	• Banking business retail customer base	40	10 years
Mutual funds	• Fees and commissions from mutual fund customer	44	10 years
Brands	• Skandia and SkandiaBanken brand names	126	15-20 years
<b>Total</b>		<b>741</b>	
<b>After tax</b>		<b>650</b>	

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## Restatement of Skandia's embedded value at 31 December 2005



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## Methodology and assumption changes

- Skandia's risk discount rates derived as the rate that would produce a similar value to the market-consistent results using Old Mutual's EEV assumptions:

	Sweden	UK	Continental Europe
Risk margin	3.0%	2.2%	1.2%-3.0%
Risk free rate	3.3%	4.1%	3.3%-3.6%
Risk discount rate	6.3%	6.3%	4.5%-6.6%
Previous risk discount rate	5.8%	6.6%	5.8%-6%

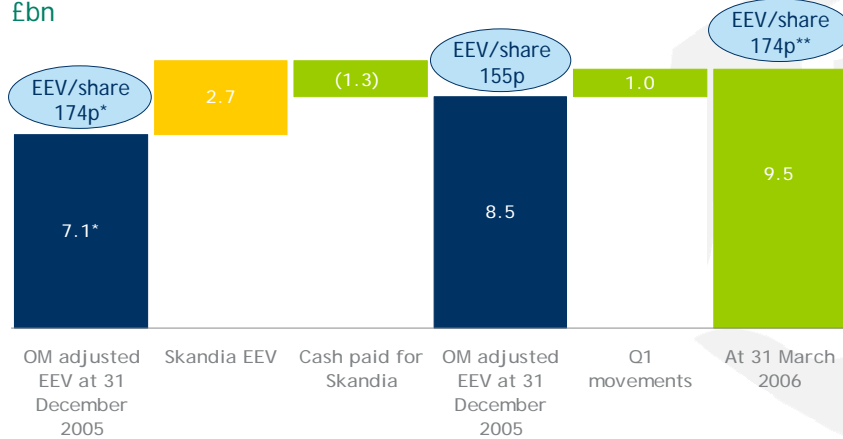
- Required capital revised to be consistent with Old Mutual definition of required capital
- Assumptions revisited to address any negative experiences e.g. lapse rates, mortality
- Allowance made for head office expenses

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## Combined group adjusted embedded value

£bn



\* EV at 31 December 2005 of 7.1 includes the removal of US Life goodwill of £66 million  
 \*\* Compared to 198p pre Skandia

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## Old Mutual plc - capital management

- Rating agencies
  - Old Mutual senior debt ratings affirmed post-deal
    - Fitch 'A-' with stable outlook
    - Moody's 'A3' with negative outlook
- Gearing
  - Gearing ratio at 31 March 2006 23%\*
- Expanded group regulated by the FSA
  - Comfortable with our FGD margin
- Progressive dividend policy

\* (Senior debt plus hybrid)/(senior debt plus hybrid plus adjusted embedded value)

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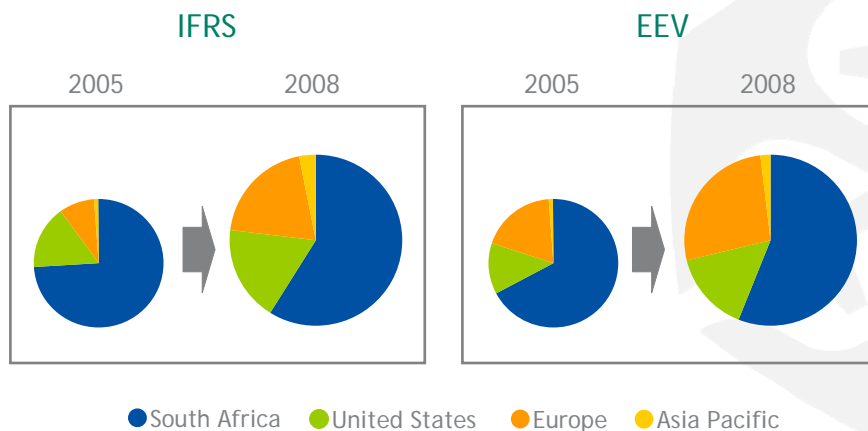
## Group geographic profit breakdown reporting

	IFRS Basis	EEV Basis
OMSA	X	X
Nedbank (incl. UK/ROW)	X	X
Mutual & Federal	X	X
Rest of Africa (RoA)	X	X
South Africa (Rm)	X	X
South Africa (€m)	X	X
US Life	X	X
US investment management	X	X
United States (\$m)	X	X
United States (€m)	X	X
<b>Nordic (SEKm)</b>	<b>X</b>	<b>X</b>
<b>United Kingdom (€m)</b>	<b>X</b>	<b>X</b>
<b>Continental Europe and Latin America (EURm)</b>	<b>X</b>	<b>X</b>
<b>Europe &amp; Latin America (€m)</b>	<b>X</b>	<b>X</b>
Asia Pacific (€m)	X	X
Debt and Other Shareholder Expenses	X	X
Adjusted Operating Profit	X	X
Taxation	X	X
Minority Interests (MI)	X	X
Adjusted Operating Profit after tax and MI	X	X

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## Old Mutual earnings growth



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## Other disclosure going forward

- Amortisation of PVIF and other intangibles will be excluded from adjusted operating profit
- We will move to quarterly IFRS profit reporting from Q3
- EEV reporting
  - Within Q1 and Q3 will cover value of new business and EEV per share
  - Full EEV reporting H1 and Prelims
- 2007 / 2008 reporting timelines included in the Appendix

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## Summary

- FVBS and EEV restatement - no surprises
- Old Mutual Group strongly cash generative
- Skandia a strong contributor to Old Mutual's earnings growth going forward

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Jim Sutcliffe  
CEO, Old Mutual



*Strength of diversity, power of focus*



## Agenda

- Old Mutual strategy Jim Sutcliffe
- Have we bought what we thought? Julian Roberts
- Skandia strategy & business model Julian Roberts
- Regional review Julian Roberts
- Financial overview Richard Hoskins
- **Summary** Jim Sutcliffe
- Q&A



## Skandia: every bit as good as we'd hoped

- No surprises in balance sheet
- Sales ahead of targets, potential confirmed
- Synergies confirmed
- Infrastructure needs improvement

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## Skandia is a growth engine

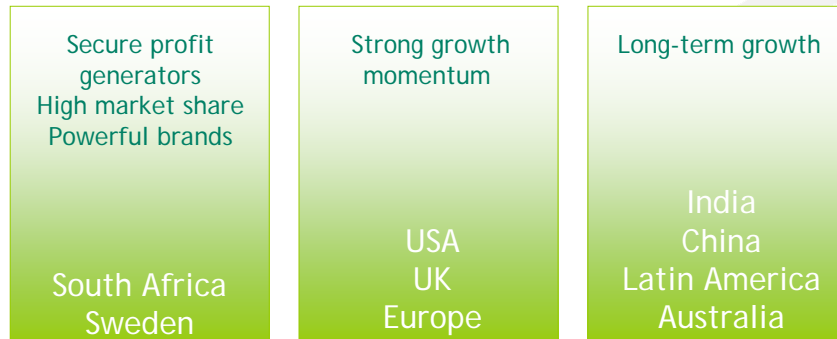
- Double FUM within five years
- 15% RoEV by 2008
- 12% RoIC target exceeded
- Operating cash positive from end 2006 onwards
- Significantly growing IFRS earnings

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## Old Mutual - a powerful set of engines



OFFERING HIGH QUALITY INVESTMENT MANAGEMENT SOLUTIONS TO BUILD AND PROTECT CLIENT ASSETS

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## Beginning a new chapter

- A truly international group now, operating in over forty countries
- Able to compete with both local specialists and international giants
- Targeted markets with greatest growth opportunity
- Team committed to building internationally to drive profitable growth

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Q&A



*Strength of diversity, power of focus*



Appendix slides



*Strength of diversity, power of focus*

## 1. UK

UK & OFFSHORE	2006 Q1*	2005 Q1	2005 12 MTHS
Premiums & deposits, £m	1,604	1,135	5,202
New sales, unit linked, £m	152	116	516
Present value of new business unit linked, £m	18**	14	65
Profit margin new sales, unit linked, %	12	12	13
Funds under management, £bn	28	20	26

\* New assumptions

\*\*Pre-tax, after allowance for head office expenses

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## 2. ELAM

EUROPE & LATIN AMERICA	2006 Q1*	2005 Q1	2005 12 MTHS
Premiums & deposits, €m	1,329	713	3,793
New sales, unit-linked, €m	71	77	48*** 258
Present value of new business unit-linked, €m	23**	36	14*** 74
Profit margin new sales, unit-linked, %	31	47	30*** 29
Funds under management, €bn	11	8	10

\* New assumptions

\*\* Pre-tax, after allowance for head office expenses

\*\*\*EXCLUDING GERMAN OVERHANG EFFECT IN Q1 2005

Q1 2005 was positively affected by an overhang from Q4 2004 related to the exceptional demand caused by the pension reform in Germany.

The positive effects on Q1 2005 were:

- EUR +29 million in new sales, unit-linked in
- EUR +22 million in value of new business

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### 3. Nordic

NORDIC	2006 Q1 *	2005 Q1	2005 12 MTHS
Premiums & deposits, SEKm	4,436	4,185	14,700
New sales, unit linked, SEKm	559	486	2,077
Present value of new business unit linked, SEKm	160**	135	565
Profit margin new sales, unit linked, %	28.7	27.8	27.2
Funds under management, SEKbn	98	72	91

\* New assumptions

\*\* Pre-tax, after allowance for head office expenses

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### 4. Skandia VNB and margins

AFTER TAX	2006 Q1	2006 Q1*	2006 Q1*	2006 Q1
SEKmillion	APE	VNB before tax	VNB after tax	Profit margin after tax
UK & Offshore	2,073	245	166	8%
Europe & Latin America	670	209	129	19%
Nordic	559	160	153	27%
<b>Skandia Total</b>	<b>3,302</b>	<b>614</b>	<b>448</b>	<b>13.6%</b>
€million				
UK & Offshore	153	18	12	8%
Europe & Latin America	50	16	10	19%
Nordic	41	12	11	27%
<b>Skandia Total</b>	<b>244</b>	<b>46</b>	<b>33</b>	<b>13.6%</b>
Africa	87		15	16.8%
North America	61		11	18.2%
UK & ROW	5		1	13.8%
<b>Old Mutual Total</b>	<b>153</b>		<b>26</b>	<b>17.2%</b>
<b>TOTAL</b>	<b>397</b>		<b>59</b>	<b>15%</b>

\* New basis after head office expenses

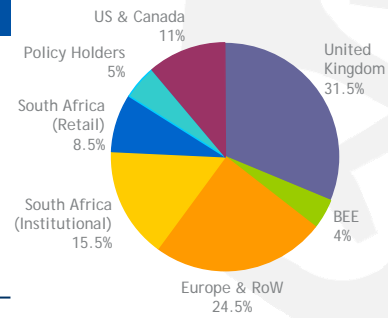
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## 5. Old Mutual shareholder base

TOP 10 INSTITUTIONAL SHAREHOLDERS

MANAGER	HOLDING 4/05/2006
1. PIC*	6.26
2. Barclays Global Investors Ltd (UK)	3.51
3. Legal & General Investment Mgmt Ltd (UK)	3.47
4. Morley Fund Management Ltd (UK)	2.78
5. Newton Investment Management Ltd (UK)	2.70
6. Franklin Templeton Investments (US)	2.53
7. Fidelity International Ltd (UK)	2.06
8. Skandinaviska Enskilda Banken (SE)	1.85
9. Barclays Global Investors Ltd (US)	1.77
10. Standard Life Investments Ltd (SC)	1.77
	<b>28.7</b>



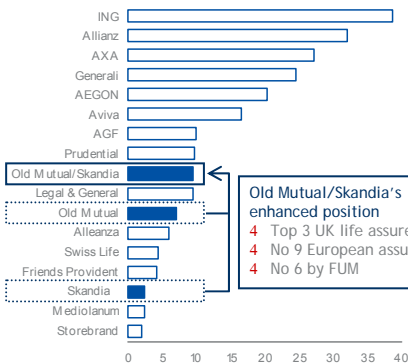
\* Shareholdings held on behalf of PIC have been reallocated back to PIC

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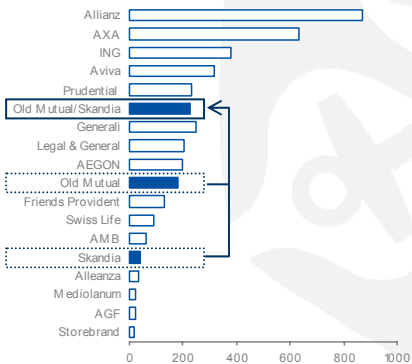
## 6. The 9<sup>th</sup> largest European assurer

Embedded value (Latest available), £bn



**Old Mutual/Skandia's enhanced position**  
 4 Top 3 UK life assurer  
 4 No 9 European assurer  
 4 No 6 by FUM

FUM (Latest available), £bn



Note: Old Mutual/Skandia EV based on stated EV for each company as at 31 December 2005 less debt issued  
 Source: company accounts

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## 7. Old Mutual pro-forma embedded value

EBN	31.12.05	EX GOODWILL	31.12.05 EX GOODWILL, SUBS @ NAV
OMSA	3.3	3.3	3.3
Nedbank	2.1	2.1	1.1
Mutual & Federal	0.6	0.6	0.4
US Life*	1.1	1.1	1.1
US AM	1.1	0.2	0.2
Net Other Businesses	0.9	0.9	0.9
<b>Total pre debt</b>	<b>9.1</b>	<b>8.2</b>	<b>7.0</b>
<b>Net debt</b>	<b>(2.0)</b>	<b>(2.0)</b>	<b>(2.0)</b>
<b>EV post debt</b>	<b>7.1</b>	<b>6.2</b>	<b>5.0</b>
<b>EV per share (p)</b>	<b>174</b>	<b>151</b>	<b>124</b>
Skandia EV	2.7	2.4	2.4
Cash paid for Skandia	(1.3)	(1.3)	(1.3)
<b>Pro forma OM/Skandia EV</b>	<b>8.5</b>	<b>7.3</b>	<b>6.0</b>
<b>Pro forma EV per share (p)</b>	<b>155</b>	<b>133</b>	<b>109</b>
<b>Exchange rate</b>	<b>13.66</b>	<b>13.66</b>	<b>13.66</b>
<b>Number of shares at the end of the period (millions)</b>			
Number of shares in issue at the end of the period including own shares held in policyholders' funds - excluding Skandia	4,090	4,090	4,090
Pro-forma adjustments for Skandia	1,414	1,414	1,414
<b>Pro-forma number of shares at the end of the period Assumes 100% ownership</b>	<b>5,504</b>	<b>5,504</b>	<b>5,504</b>

\* Excludes goodwill of £66m

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## 8. Group VIF split at 31 December 2005

EM		
Africa		1,301
US Life		678
Skandia		1,938
	Nordic	738
	UK	762
	ELAM	438
		<b>3,917</b>

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## 9. Funds under management

	2006 Q1	CHANGE Q1'06 vs FY'05	% CHANGE
AFRICA			
OMSA (incl. OMI)	413	15	4%
Nedbank	81	5	7%
Mutual & Federal	6	1	12%
<b>Total (Rbn)</b>	<b>501</b>	<b>21</b>	<b>4%</b>
<b>Total Ebn</b>	<b>47</b>	<b>3</b>	<b>7%</b>
US			
US Life	21	1	7%
USAM (excl. US Life)	226	20	10%
<b>Total (\$bn)</b>	<b>248</b>	<b>21</b>	<b>9%</b>
<b>Total Ebn</b>	<b>142</b>	<b>10</b>	<b>8%</b>
<b>UK &amp; ROW (Ebn)</b>	<b>8</b>	<b>1</b>	<b>14%</b>
<b>Skandia (SEKbn)</b>	<b>691</b>	<b>51</b>	<b>8%</b>
<b>Skandia (Ebn)</b>	<b>51</b>	<b>4</b>	<b>9%</b>
<b>Total Ebn</b>	<b>248</b>	<b>19</b>	<b>8%</b>

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## 10. Skandia Assets Under Management

SEK MILLION	UNIT LINKED ASSURANCE		MUTUAL FUNDS		TOTAL FUNDS UNDER MANAGEMENT		INVESTMENTS IN UNIT LINKED AND MUTUAL FUND COMPANIES		LIFE ASSURANCE		OTHER <sup>2)</sup>		TOTAL ASSETS UNDER MANAGEMENT	
	2006 31 MAR	2005 31 DEC	2006 31 MAR	2005 31 DEC	2006 31 MAR	2005 31 DEC	2006 31 MAR	2005 31 DEC	2006 31 MAR	2005 31 DEC	2006 31 MAR	2005 31 DEC	2006 31 MAR	2005 31 DEC
UK & OFFSHORE	309,069	287,337	75,848	68,891	384,917	356,228	9,995	7,908			92	102	395,004	364,238
EUROPE & LATIN AMERICA	63,582	58,124	42,887	39,163	106,459	97,287	2,114	2,011	11,789	11,778	2,176	1,879	122,538	112,955
NORDIC	83,709	77,272	14,140	13,531	97,849	90,803	3,279	2,691			49,148	47,070	150,276	140,564
ASIA PACIFIC	49	37	23,040	21,694	23,089	21,731	139	164	0	0	0	0	23,228	21,895
GROUP FUNCTIONS	-	-	-	-	-	-	-	-	-	-	249	837	249	837
<b>TOTAL</b>	<b>456,409</b>	<b>422,770</b>	<b>155,905</b>	<b>143,279</b>	<b>612,314</b>	<b>566,049</b>	<b>15,527</b>	<b>12,774</b>	<b>11,789</b>	<b>11,778</b>	<b>51,665</b>	<b>49,888</b>	<b>691,295</b>	<b>640,489</b>

<sup>1)</sup> From 2006 Switzerland is included in Europe and Latin America division.

<sup>2)</sup> Other for Sweden is broken as follows:

Bank deposits from the general public	47,659	45,505
Health	1,156	1,130
Other	333	435
<b>Total</b>	<b>49,148</b>	<b>47,070</b>
Not consolidated: Skandia LIV Group	292,636	285,854

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## 11. Reporting timelines going forward

2006		
Q2	New Business Results	10 August
	Interim Results	14 September
Q3	Combined Quarterly Report	30 November*
Q4	Prelim Results	26 February 2007
2007		
Q1	Combined Quarterly Report	24 May
Q2	Interim Results	9 August
Q3	Combined Quarterly Report	22 November
Q4	Prelim Results	26 February 2008
2008		
Q1-Q3	Combined Quarterly Report	6 weeks after Quarter end
Q4	Prelim Results	26 February 2009

2007-2008 Exact dates to be confirmed

\*No 2005 comparative Q3 information to be included. Quarterly comparatives available from Q1 2007 onwards

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