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## OLD MUTUAL AGM – 8 May 2008 (Edited Transcript)

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CHRISTOPHER COLLINS (CHAIRMAN): Good morning, ladies and gentlemen. Welcome to the 2008 Annual General Meeting of Old Mutual plc. It is now 11 o'clock, a quorum is clearly present, so I can declare the meeting open.

I am Christopher Collins, Chairman of your company. All of your Directors are here today, but because of space limitations on the platform, some are in the first row in front of me. Let me start by introducing them.

Alongside me on the platform are first, Jim Sutcliffe, our Chief Executive, then Norman Broadhurst, who is Senior Independent Director and Chairman of the Group Audit and Risk Committee, but who is retiring from the Board today. And then Jonathan Nicholls, our Group Finance Director. On my left is Martin Murray, Company Secretary, then Julian Roberts, who is Chief Executive of our European Operations, Rudi Bogni, Chairman of the Remuneration Committee and who is going to replace Norman Broadhurst as our Senior Independent Director. And finally, Richard Pym, who will be the new Chairman of the Group Audit and Risk Committee.

In the front row are our other five non-executive Directors and I'm going to ask them to stand as I name them; Reuel Khoza, Lars Otterbeck, Nigel Andrews, Russell Edey and Bongani Nqwababa.

I would first like to pay tribute to Norman Broadhurst. He joined the Board in March 1999, in the lead-up to the demutualisation, and has made an enormous contribution to our Board and its committees during the past nine years. I would like to thank him most sincerely on behalf of us all.

APPLAUSE

The notice of this Annual General Meeting was included in a shareholders' circular posted at the end of March. The Resolutions that make up the principal business of the AGM are set out on pages 18-20 of the circular, which is on your chairs.

Voting on each Resolution will be conducted by a poll rather than by a show of hands. All shareholders and proxies here today should have received a yellow poll card on their way in. If you didn't get such a card and are entitled to vote, please ask one of the attendants to let you have a card now.

There are some new complications this year that affect voting by corporate representatives. If there are any corporate representatives present, and they wish to vote in the polls, could they please identify themselves to our registrars at the desk just outside the door.

Once the votes cast on the polls have been counted and verified after today's meeting, we will report the outcome to the London and other Stock Exchanges where our shares are listed. We will also publish details on our website.

Also on your chairs is this morning's press release, which contains our business update for the first part of 2008. Jim Sutcliffe is going to make a brief presentation on this. After Jim's presentation, I will move on to the formal part of the meeting. Then there will be an opportunity for questions, and I propose to take questions on all the resolutions as a single Q & A session. Jim, over to you.

JIM SUTCLIFFE: Thank you very much Chairman. Good morning everybody and can I add my welcome to the Chairman's, to everybody here today.

I'd like to start, first of all, by talking about 2007, which is of course the subject of the Annual Report we're looking at today. We said at the beginning of last year that 2007 would be a year of investment, in which we would be building our businesses, the integration of Skandia for example. We were looking to improve the processes and technologies that we use to look after our clients around the world and to create a platform on which to go forward. I'm pleased to be able to report today that that's exactly what we did do. We did make those investments. Of course it cost us some money, but despite the expense of building IT systems in many places round the world and despite the market problems that affected the whole industry in the later part of the year, we were also able to grow strongly. Net client cash flow was very strong at £23.4 billion, that's about twice the world average, and this led to our earnings being up 12% year on year.

We were also able to maintain the strong balance sheet that this company has traditionally had. This enabled us both to initiate our first-ever share buyback programme and to recommend a 10% increase in the overall dividend payment for the year. It was a good year and we came into 2008 in good shape.

So let me now turn to the first quarter of 2008. As the Chairman has indicated, this morning we issued a detailed statement to the London and Johannesburg Stock Exchanges, which describes the sales performance across our businesses.

The first part of this year had seen the continuation of quite challenging economic conditions in equity markets and this has affected all companies in our sector. But the business model and strategy that we have set out on over the last few years, which is to have different operations in different places so that no one economy and no one equity market affects us too much, has worked well. It has provided us with resilience to these kind of issues. So, while sales have been depressed in some markets and indeed in some product lines, in others they have held up well and indeed increased. And, crucially we have continued to grow, whereas I think many of our competitors will shrink in this environment. Our net client cash flow, which is the key measure of the size of our customer base, continued to be positive and, at over £2 billion pounds, demonstrated continuing growth in the number of customers attracted to the organisation.

Life sales were up by 2% on an Annual Premium Equivalent basis. Good results in the Nordic area, in the United States and in the retail business in South Africa were offset by weaker performances here in the United Kingdom and around Europe.

Unit trust sales were more affected than life insurance sales. With unit trusts, customers are more exposed to the market, and individuals are naturally more cautious with the volatility that we see

around the markets at the moment. Margins were also a little lower, but we expect these to recover over the year.

The key strength for this company has been the investment performance that we have delivered to our customers. Over the quarter, the FTSE 100 Index fell by 12% and the Dow Jones by 8%, but against that, the average return that we provided to our customers was minus 6.5%. Now minus 6.5 is still negative, but it's still significantly better than what people would have been getting from the indices out there.

Total funds under management were £261 billion at the end of the quarter.

This time last year we said that we were on track to achieve our £300 billion target for funds under management at the end of the 2008. Now, from £261 billion at the end of March, that's going to be tough to achieve if the markets don't help us a bit. And this reduction in funds under management does have a direct impact on our earnings. We've said this on many occasions in public that it takes about £15 billion of assets under management for us to generate a 1p share in earnings.

Overall, the Company remains in good shape. The foundations are strong, the people in the businesses out there are working hard, our markets are attractive and really, when times are tough, customers, if anything, want to save more, so that in some ways it helps us. We are focusing very hard at this time, when the markets aren't helping us, on internal efficiencies and making sure that we add the sort of products that people want, which are more conservative products at this kind of time.

Over the past few years, we have taken some major steps to transform your company into a truly international business and, specifically, the acquisition of Skandia gave us scale in the UK and around Europe and access to some new international markets. So that, today, we do have substantial business in three continents and budding strength in others. We have a disciplined approach to expansion. We don't really need any new countries apart from some in Asia and some opportunities in Africa. We're looking only at those markets that meet our criteria and where we believe there is the potential for profitable growth, and there are plenty of those.

If you think about Old Mutual today, it falls into the three categories that are on this slide. Firstly, we have the businesses where we have a high market share and a very strong brand franchise. Of course, that always meant South Africa in the past, where the name Old Mutual is hugely well known, but we can add Sweden to that list today. And our focus in these markets is to consolidate our market share, adding to our product range and maintaining our brand reputation by delivering investment performance and customer satisfaction.

The second group on the slide is places where we have had a high rate of growth over the last few years. The trajectory of growth has been very high in the United States and in the United Kingdom and here, we want to increase our market share. We're trying to differentiate our brand, so in the UK for example, Julian and his team are focusing very hard on the open architecture model, that provide product ranges that give the customer much greater flexibility and transparency than the traditional products. In the United States, our long-standing record of excellent investment performance is a clear differentiator.

And finally, in the third segment, there are those markets that are currently only small contributors, but where we have established a presence and believe that we have the potential to grow it, and clearly China and India are good examples of that.

Although our approach and basic offering are the same across all these geographies, fundamentally what we do is we ask people to entrust their savings to us and we look to give them the best possible returns in the context of various risk parameters - the geographies themselves are different and it's those differences that give us resilience. Tough markets may slow down our growth, but we will still progress.

In summary, our stated vision is clear. We want to be a premier international savings and wealth management business. Our strategy to achieve that vision is the same as it has been. In all the places we operate, clients are saving primarily for their retirements and, if we offer flexibility and transparency and innovative products, we can go forward in that direction and we will be able to gather new clients with assets to manage. Of course, good and consistent investment performance encourages clients and their advisers to entrust us with further funds. And this in turn delivers funds under management and those funds under management, which deliver revenues for the Company because most of the revenue for this company is charged as a percentage of assets. We also hold expenses down, allocate capital sensibly and that delivers our profits. So delivering returns for our customers delivers value to our shareholders, to you. That's the job we have set ourselves. It's a job we have done successfully in the past and, despite the challenges, it's the job that we're confident we can continue to do in the future.

Thank you very much for listening to me. Chairman, I'll now pass back to you.

After thanking Mr Sutcliffe for his presentation, the Chairman invited shareholders present whether they wished to ask any questions, either on the Report and Accounts, the business to be conducted at the Meeting, or generally.

Five questions from the floor were then raised by shareholders and answered:

- a suggestion from an unidentified shareholder was made that, in publishing its Q1 results, the Company should compare funds under management at the end of that period with the previous year-end position, rather than with the prior Q1 position;
- in response to a request from Mr Childs for details of the price paid for shares bought back during the year ended 31 December 2007, the Chairman referred him to the information about this on page 78 of the Annual Report for 2007;
- Mr Spire commented that the trend for buying back shares was receding and wondered how much the Company's share buyback had benefited shareholders. He suggested that the Company should include information in its future Annual Reports about how much value had been gained or lost through such programmes;
- Dr Austin asked about management's approach to straight-through processing in its UK and European businesses, which Mr Sutcliffe and Mr Roberts answered;

- Mr Sutcliffe responded to a question from Mr Dryland about the Group's exposure to the commercial property sector.

The Chairman then read out the following question received from Mrs Barbara Meek, a South African shareholder: *"There is a lot of unhappiness about the decision by Old Mutual South Africa to close the Mupine Golf Course in Cape Town. Many of the members are connected to Old Mutual as shareholders, retirees, employees or policyholders; it also affects local residents. What prompted the decision to close the course? Is the Board prepared to ask the OMSA Board to reconsider the matter and to accept representations by interested parties?"*

The following answer was provided to the question: *"The Mupine Golf Course is a small golf course located next to Old Mutual South Africa's main office in Cape Town. It is owned by the company and has traditionally been used mainly by Old Mutual staff and other local residents. The plan to redevelop it forms part of the company's broader economic transformation strategy. This has four pillars, namely: infrastructure development, job creation, skills capacity building and education. Development of the course forms part of the infrastructure section. It is designed to provide affordable housing, particularly for the benefit of the company's own lower paid staff, who work at our main office in Pinelands and who have very pressing needs for housing. The project is still subject to completion of a feasibility study and approval by the Council. The Environmental Assessment Team will be hosting an open day next week, at which Mrs Meek will be welcome to raise any objections. Members of the club can also make representations through the Rate Payers Association and through the designated representatives of the golf club itself. I should perhaps also add that if the development proceeds as planned, Old Mutual South Africa has undertaken to pay for a year's subscription at another club for Old Mutual pensioner golfers at the Mupine Club".*

I will now move on to the formal business of the meeting. As I said earlier, we will be conducting the voting by poll. Shareholders, please fill in your poll card for each Resolution as I refer to it. Corporate representatives should enter a direction on their directions card. Nick Thatcher of Computershare has kindly agreed to act as scrutineer for the polls. Those of you who have already sent in proxy forms and don't want to alter your vote needs not complete a poll card. In fact it would make counting simpler if those shareholders who have already sent in proxy forms. refrain from voting by card now.

Each shareholder should complete one poll card for him or herself. If you've been appointed as a proxy, you should complete one poll card for each shareholder for whom you have been appointed. If you have got any queries on filling in your card, please raise your hand and a member of Computershare will be happy to help. On your poll card or cards, please fill in your name and shareholding or if you are a proxy, the name and holding of the shareholder you're representing. Please clearly mark your votes 'for', 'against' or 'vote withheld' on each resolution. Please then sign and date your completed poll card. When completed and signed, poll cards should be placed in the purple ballot boxes, as you leave the meeting room.

I now propose Resolution 1, to receive and adopt the Report and Accounts, for the year ended, 31 December 2007. Please now cast your votes on Resolution 1 by filling in your poll card.

I now propose Resolution 2, which is to declare a final dividend of 4.55p per share. Please cast your votes on Resolution 2 by filling in your poll card.

In accordance with our Articles, a number of Directors are standing for election or re-election today. I'd like to start by proposing Resolution 3(i), the election of Richard Pym as a Director of the company. Please cast your votes on Resolution 3(i), by filling in your poll card.

I'd like to propose Resolution 3(ii), the re-election of Nigel Andrews, as a Director of the Company. Please cast your votes on Resolution 3(ii) by filling in your poll card.

I would like to propose Resolution 3(iii), the re-election of Russell Edey as a Director of the Company. Please cast your votes on Resolution 3(iii) by filling in your poll card.

I propose Resolution 3(iv) the re-election of Jim Sutcliffe as a Director of the company. Please cast your votes on Resolution 3(iv) by filling in your poll card.

Moving on to Resolution 4. This relates to the reappointment of KPMG Audit plc as auditors of the company and I call on Richard Pym the incoming Chairman of our Group Audit and Risk Committee, to propose this Resolution.

RICHARD PYM: I have pleasure in proposing that KPMG Audit plc be reappointed as auditors to the company.

CHAIRMAN: Thank you Richard. I now put Resolution 4 to the meeting. Please cast your votes on Resolution 4 by filling in your poll card.

I move on to proposing Resolution 5, that the Group Audit and Risk Committee of the Company be authorised to settle the Auditors' remuneration. Please cast your votes on Resolution 5 by filling in your poll card.

I now turn to the special business of the meeting. Resolution 6 is an Ordinary Resolution to approval the Remuneration Report. I call on Rudi Bogni, Chairman of our Remuneration Committee, to propose this resolution.

RUDI BOGNI: I have pleasure in proposing the approval of the Remuneration Report.

CHAIRMAN: Thank you, Rudi. I now put Resolution 6 to the meeting. Please cast your votes on Resolution 6 by filling in your poll card.

Resolution 7, which is in three parts, relates to the adoption of new employee share schemes, to replace those which have been in place since 1999. I propose Resolution 7(i), which relates to the approval of the Old Mutual plc Performance Share Plan. Please cast your votes on Resolution 7(i) by filling in your poll card.

I propose Resolution 7(ii), which relates to the approval of the Old Mutual plc Share Reward Plan. Please cast your votes on Resolution 7(ii) by filling in your poll card.

I then propose Resolution 7(iii), which relates to the approval of the Old Mutual plc 2008 Sharesave Plan. Please cast your votes for Resolution 7(iii) by filling in your poll card.

Resolution 8 is an Ordinary Resolution. It grants the Directors authority to allot relevant securities up to an aggregate nominal amount of £53,262,000. Please cast your votes on Resolution 8 by filling in your poll card.

Resolution 9 is a Special Resolution authorising the Directors to allot equity securities up to a maximum nominal aggregate amount of £26,631,000 for cash.

I now propose Resolution 9 as a Special Resolution, which requires a 75% majority of votes in favour. Please cast your votes on Resolution 9 by filling in your poll card.

Resolutions 10 and 11 are Special Resolutions. They set out the mechanisms by which the Company may buy back its own shares on the five stock exchanges where they are listed. There are two separate resolutions because of legal technicalities, but the overall effect is intended to be the same as a standard buyback authority.

I now propose Resolution 10, the authority to buy back shares on the London Stock Exchange, as a Special Resolution. Please cast your votes on Resolution 10 by filling in your poll card.

I now propose Resolution 11, the approval of contingent purchase contracts that will enable the Company to buy back its shares on the other four exchanges where we are listed, and this is a Special Resolution. Please cast your votes on Resolution 11 by filling in your poll card.

Resolution 12, is a Special Resolution for the Company to adopt new Articles of Association to reflect changes brought about by those parts of the Companies Act 2006 that are now in force, and also to bring the Articles up to date with current practice. I propose Resolution 12 as a Special Resolution. Please cast your votes on Resolution 12 by filling in your poll card.

That brings to a conclusion the business of the Annual General Meeting, so I can declare the meeting closed. Please place your completed poll cards in the purple boxes as you leave the meeting. Any corporate representatives should hand their cards to a member of Computershare's staff.

Refreshments are available next door and the Directors will all be around if you wish to discuss anything obtain more information or need any help.

May I conclude by thanking you all very much for coming to the meeting today.