

NEWS RELEASE

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Update on Old Mutual US Life

At the interims in August 2008, Old Mutual plc ("Old Mutual") announced a strengthening of reserves in its US Life business to reflect the impact of volatile equity markets on variable annuity product guarantees. Continuing market volatility and a significant strengthening of the US dollar have led to a further increase in the costs associated with the guaranteed benefits on these variable annuity contracts. Old Mutual has therefore recognised additional guarantee reserves of \$180 million. Under current group accounting policy, \$110 million of this will be taken through adjusted operating profits reflecting the ineffective portion of the hedge and the remaining \$70 million will be recognised in adjusted operating profits over five years.

Separately, the announcement on 7 September 2008 that the US Government has placed Fannie Mae and Freddie Mac in conservatorship has resulted in a sharp fall in the market value of the preferred stock of these companies. This has led to a write down of around \$135 million in the value of the preferred stock in these companies held by the Old Mutual US Life business. Under the Old Mutual group accounting policy, this write down will be taken through adjusted operating profits over five years.

As calculated today, these two charges are likely to result in a combined impact for 2008 of 1.4p per share on adjusted operating EPS (IFRS basis) and 3.2p per share on basic EPS (IFRS basis) and adjusted operating EPS (EEV basis), as there is unlikely to be any tax credit associated with these charges.

A number of actions have been underway with the aim of limiting Old Mutual Bermuda's exposure to the guarantees, including withdrawing products, currency hedging, improved fund mapping to reduce basis risk and reviewing options available to de-risk the in-force book through various corporate actions. Whilst this work has made good progress, it will take some time before the benefits from these actions are realised. In the meantime, if market conditions remain adverse, it is likely that further reserve strengthening will be required. The Board has therefore decided to set aside a further \$250 million of capital to support the ongoing capital needs of the Bermuda business. The Board expects to inject some or all of this capital by the end of the year, depending on business performance in the light of actual market conditions.

Following the preference share write downs in the US Life business, we are reviewing the options we have to ensure that the US Life business continues to be appropriately capitalised.

Apart from the US Life business, the rest of the Old Mutual's businesses continue to perform in line with our expectations at the time of the interims on 6 August 2008.

A conference call for analysts and investors will be held this morning. Details are set out below. Please quote conference call ID: 64092649

Time: 8.00am UK time

UK dial-in: 0800 694 0257

US dial-in: 1866 966 9439

South Africa dial-in: 0800 980 759

Playback is available until 23 September 2008, access code: 64092649#

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Notes to Editors

Old Mutual

Old Mutual plc is an international savings and wealth management company based in the UK. Originating in South Africa in 1845, the group has a portfolio of businesses offering asset management, life assurance, banking and general insurance services in over 40 countries in Europe, the Americas, Africa and Asia-Pacific. Old Mutual plc is listed on the London Stock Exchange and the JSE, among others.

In the year ended 31 December 2007, the group reported adjusted operating profit of £1.62 billion (on an IFRS basis) and had £279 billion of funds under management at the year end. The Company has approximately 53,000 employees.

For further information on Old Mutual plc, please visit the corporate website at www.oldmutual.com

Forward-looking statements

This announcement or 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 that are beyond Old Mutual plc's control, including, among other things, UK domestic and global economic and business conditions, market-related risks such as fluctuations in interest rates and exchange rates, policies and actions of regulatory authorities, the impact of competition, inflation, deflation, the timing and impact of other uncertainties or of future acquisitions or combinations within relevant industries, as well as the impact of tax and other legislation and other regulations in territories where Old Mutual plc or its affiliates operate.

As a result, Old Mutual plc's 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 any forward-looking statements contained in this announcement or presentation or any other forward-looking statements that it may make.