

**Merrill Lynch  
Conference**

**Julian Roberts  
Old Mutual plc**

**Competing in the  
new normal**

**30 September 2009**

# 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'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 the forward-looking statements contained in this presentation or any other forward-looking statements it may make.

# Old Mutual Group: an introduction

## What we do

- Long-term savings
- Asset Management
- Banking

## Where we are

- UK & Continental Europe
- Africa
- North & South America
- Asia

- Market capitalisation c. £5bn
- Listed on the LSE and JSE
- Share ownership:
  - 41% Europe, 37% South Africa, 22% rest of the world
- Trading at 30% discount to MCEV and flat to adjusted book value

# Impact of market events on the Savings and Protection Industry

- Markets still volatile – but equity markets improving
- Tightening regulatory environment
- Capital – an ongoing market issue
- Consumer confidence low, but improving

# The impacts for Old Mutual

## Condition

## Impact on Old Mutual

Equity markets recovering

Higher FuM, fee growth, higher transaction volumes

Low interest rate conditions

Shift in product mix

Credit impairment cycle

Impact on earnings; aggressive impairment management by Nedbank

Stabilising GDP

Consumer confidence rises but lapse & new business experience lags GDP

# Old Mutual is strongly positioned for a market recovery

## US Asset Management

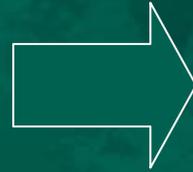
- Strong institutional flows – fast recovery
- Rising asset values
- Fee growth

## Skandia businesses

- Uniquely positioned
- Equity based
- Sales driven by consumer confidence

# Old Mutual is changing

**Stabilise  
& Survive**



**Transform**

# Stabilise & survive

## Stabilise & Survive

- Strengthen cash & capital
- Reduce business risk
- Improve governance
- Build management team
- Change operating model

# Transform

## Transform

- Review strategy
- Build on core strengths
- Improve returns
- Simplify the business

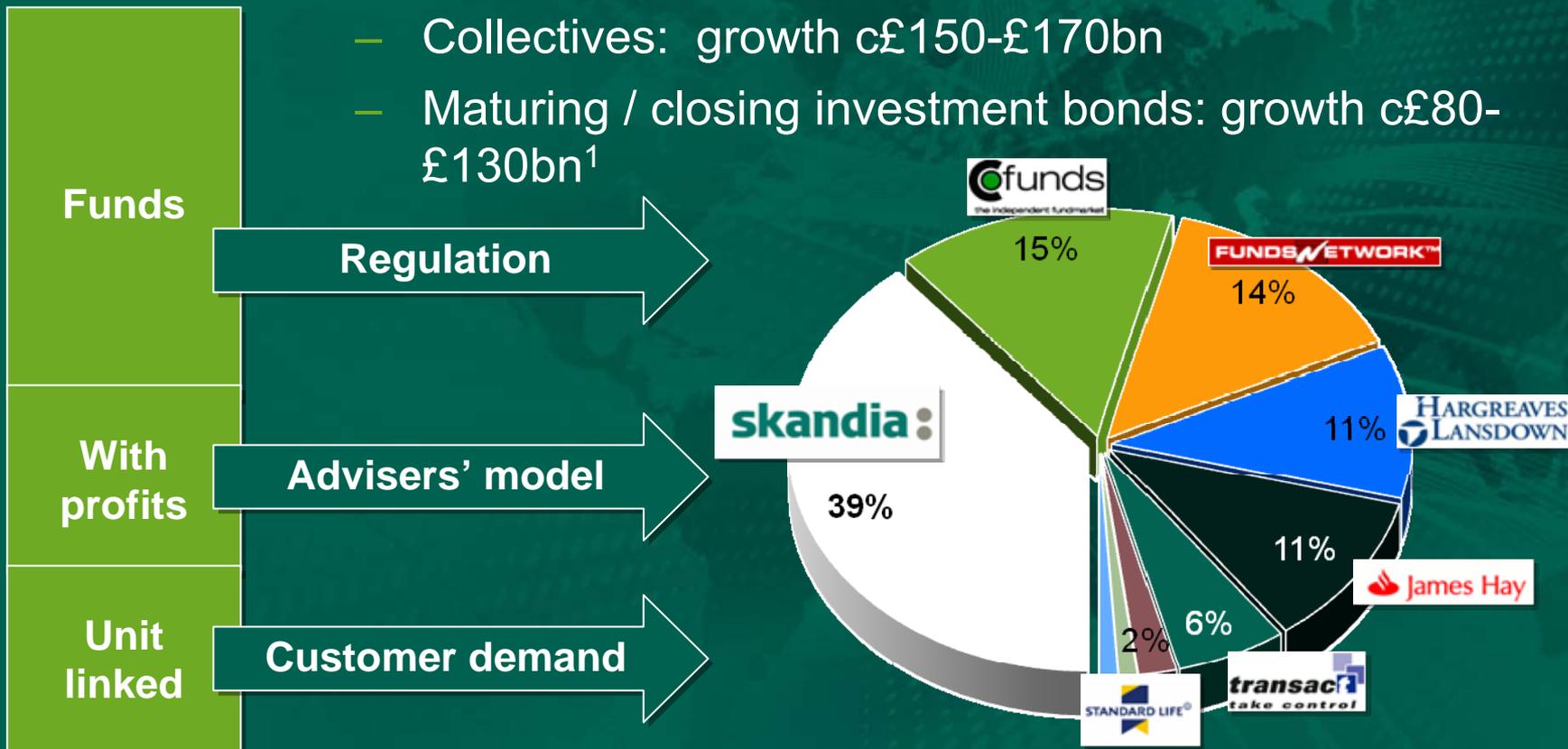
# Build on core strengths

- Skills & experience in long-term savings
  - Distinctive technology
  - Product capability
  - Distribution management skills
- Strength and position in South Africa
  - Strong business
  - High brand recognition
  - Complementary businesses

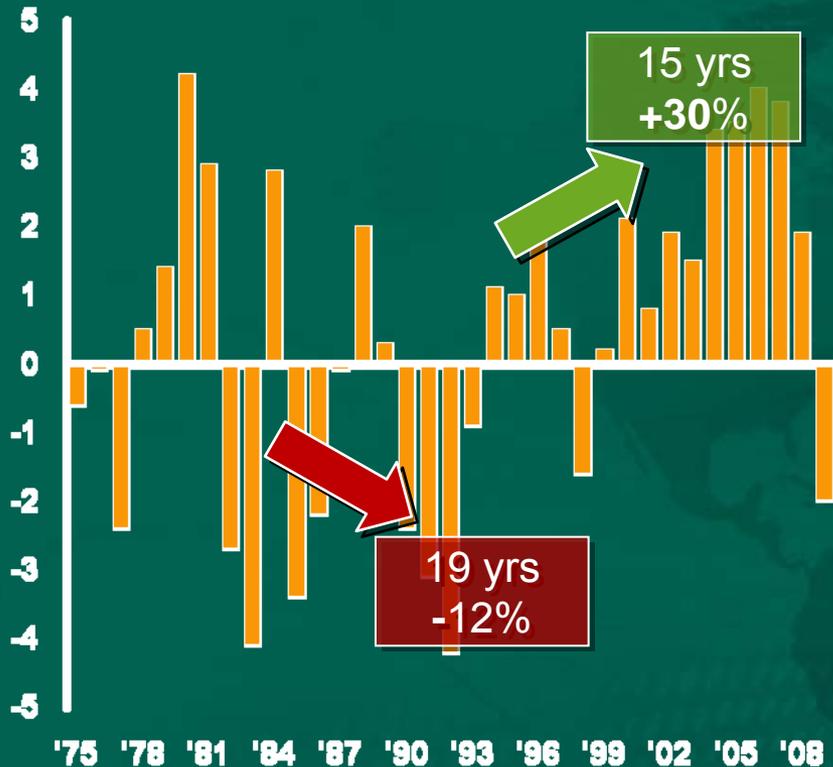
# The UK platform market: size of the opportunity

c. £3 trillion

- Platform growth to £300bn within 5 years:
  - Collectives: growth c£150-£170bn
  - Maturing / closing investment bonds: growth c£80-£130bn<sup>1</sup>



# South Africa: becoming more affluent



Average GDP growth 2000-2008 4.1%<sup>2</sup>

Forecast GDP growth 2010 1.7%<sup>2</sup>

5 Year Forecast  
% change in GDP per capita 2.5%<sup>1</sup>

% change in Real GDP 2.4%

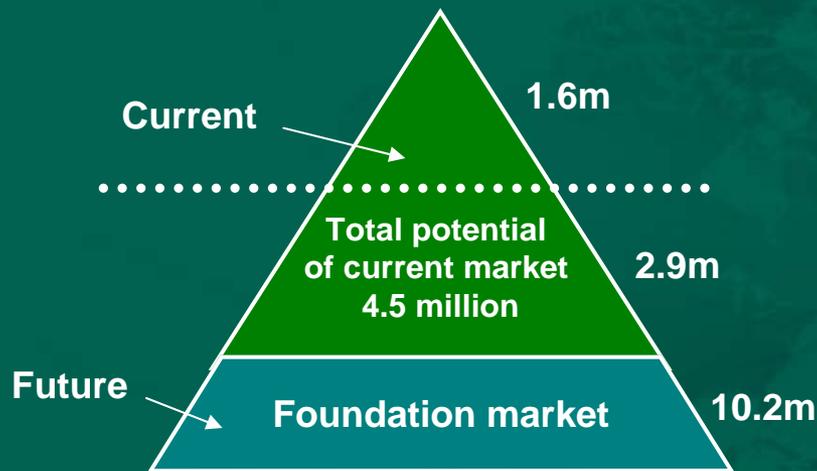
Bank Capital Adequacy 13%<sup>2</sup>

Emerging market growth with first world regulation

<sup>1</sup> Source: Economist Intelligence Unit/ML Research

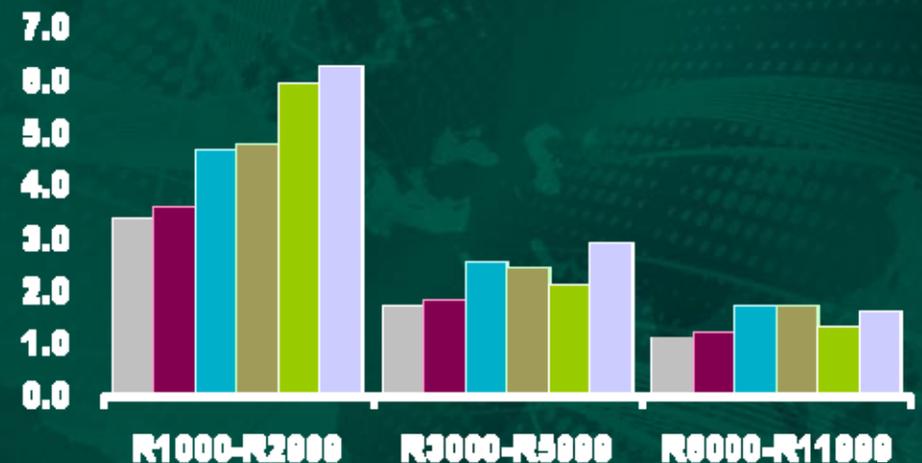
<sup>2</sup> Source: Nedbank Economic Research

# SA: Retail mass market opportunity



- Sheer size of market
- Low current penetration
- Steady growth in higher income bands
- Old Mutual brand recognition

Income distribution patterns<sup>1</sup>  
2003 - 2008



<sup>1</sup> Age 18-64 only  
(Note £1 = 12.59R as at 11 September 2009)

# Improve returns

- Cut 32% out of USAM operating expenses
- Cut US Life expenses by 50%
- Working together as a group
  - IT synergies
  - Product development
- Improve net client cash flows
- Focus on value

# Simplify the business

- Smaller geographic footprint
  - Nedbank JV and Imperial Bank transactions
  - Fewer products but shared across the Group
  - Restructure at the appropriate time
- Reduce the perceived complexity discount

# Summary

- Strong, cash-generative, high ROE business in South Africa with earnings stability and growth potential
- High growth equity-correlated businesses in Europe
- Well placed for market recovery
- Creating value by working more effectively, reducing costs and improving client cash flows
- Eroding the sum of the parts discount through simplification and restructuring