

UBS Conference

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OMSA**

**“A new playing field -
what is the game
plan for growth”**

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OLD MUTUAL

invest
in your
success

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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 (as well as Zimbabwe, Malawi and Namibia)
- 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
- Increased pressure on sales and persistency
- New business slows, but life industry remains healthy

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

Old Mutual South Africa is structured around the client ...

Client Facing Units

Retail Mass
Lower to Middle income market

Retail Affluent
Middle to Upper income market

Corporate
Small, Medium & Large Corporates and Institutions

Client Solutions
Asset Management Group Life Assurance Employee Benefits Admin Healthcare Admin Risk Unit Trusts Savings Retirement Annuities Specialised Finance Property Investments

Old Mutual Investment Group SA (OMIGSA)
Absolute Return Alternative Core Equity Fixed Income Macro Strategy Marriot Income Specialists Property Select Equity Specialised Finance Symmetry Multi Manager Dibanisa Fund Managers Value Equity

Back office

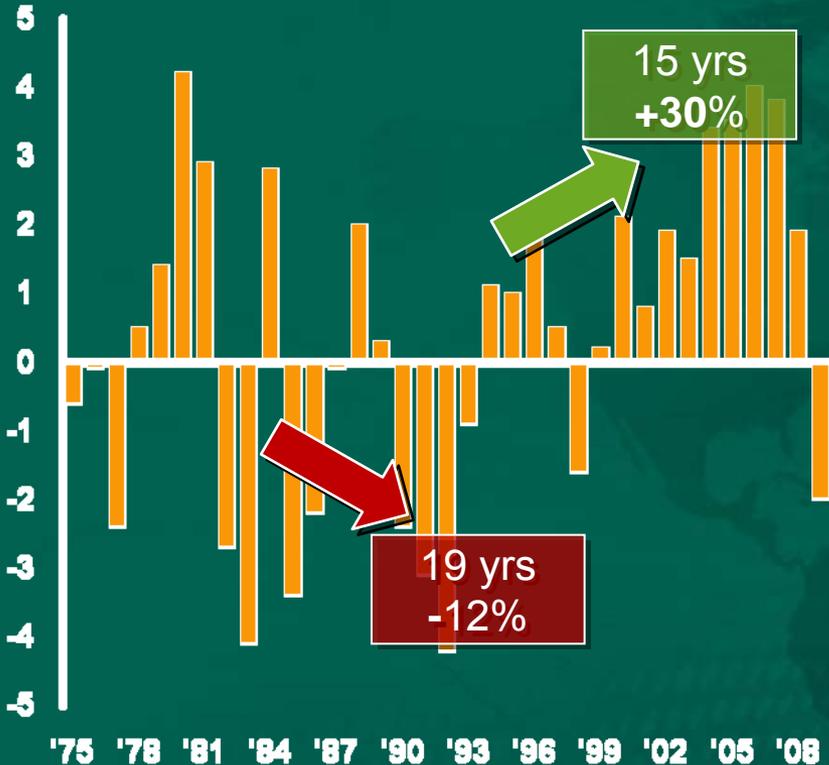
Old Mutual Service Technology & Administration (OMSTA)

Human Resources, Finance, Strategy

Retail Affluent – Impact of economic downturn

- Recurring premium risk products sales holding up – not impacted by Comm Regs changes
- Recurring premium savings – Downturn and Comm Regs have had a negative impact
- Single premium Non-Life under more pressure than Single Premium Life – clients opting for guarantee type products

Our view of the future for the growing middle class has not changed



Average GDP growth 2000-2008 4.1%²

Forecast GDP growth 2010 1.7%²

5 Year Forecast

% change in GDP per capita 2.5%¹

% change in Real GDP 2.4%

Bank Capital Adequacy 13%²

Emerging market growth with first world regulation

¹ Source: Economist Intelligence Unit/ML Research

² Source: Nedbank Economic Research

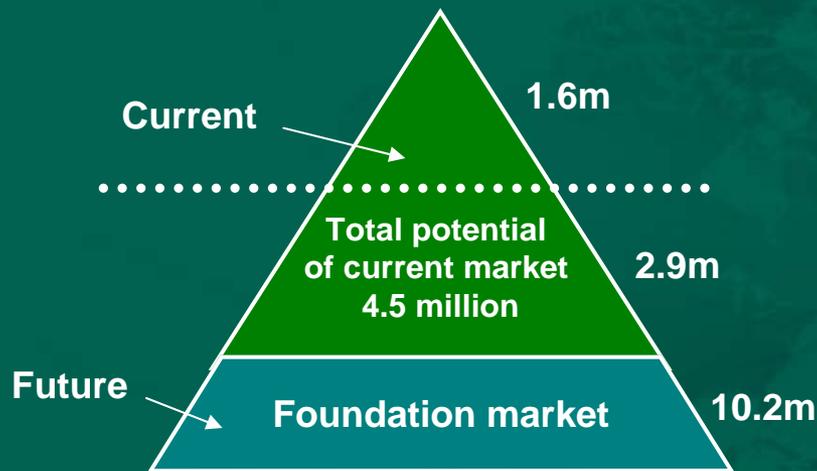
Retail Affluent – Game plan for growth

- A "baby boomer" market in the decumulating phase.
- A fast-growing black middle market that is accumulating savings and wealth
- Opportunities for selling to individuals within corporate funds
- Selectively growing and optimising distribution

Retail Mass – Impact of economic downturn

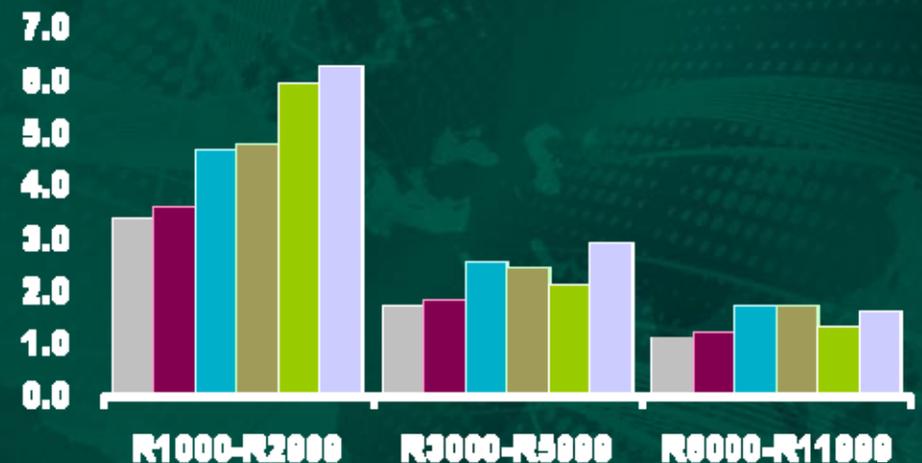
- Retrenchments in the private sector – negative impact on retention
- Public sector has been resilient - higher job security and less persistency issues
- High levels of indebtedness due to customers over - committing themselves

SA: Retail mass market opportunity



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

Income distribution patterns¹
2003 - 2008



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

Retail Mass – Game plan for growth

- Consolidate public sector presence
- Selectively grow within stable parts of the private sector
- Increase product basket to acquire greater share of wallet (short-term insurance and lending products)
- Increase distribution reach
- Improving business operational efficiency
- The rapid increase in the number of people entering the Mass and Foundation markets continues to propel growth
- Get the right people

Corporate – Impact of economic downturn

- Increased benefit outflows
- Increased disability claims
- New business is affected by the economic downturn in a number of ways.
 - Umbrella fund business – sales lower as adding new benefits to employees falls down the list of company priorities
 - Outsourced annuity market - Funds unable to outsource because they cannot afford the annuity purchase price as the assets of the fund have been affected by market falls in 2008/early 2009.
 - Trustees have become more hesitant about making investment decisions

Corporate – Game plan for growth

- Larger deals still happen (once funds return to being funded).
- Growth in the small/medium market remains because many employers do not yet have retirement funding in place.
- Opportunities for inorganic growth in this market as some providers may be getting into difficulty
- New products and channels
- Retailisation of funds
- Leverage off deep institutional client relationships

OMIGSA– Impact of economic downturn

- Lower market levels reducing revenue
- Pressure on investment performance
- Reduced performance fees

OMIGSA – Game plan for growth

- Retain and attract talent
- Focus the talent on areas where we will win
- Product innovation
- Increased focus on selling and distribution methodologies
- Increased “number of lines in the water” through differentiation
- Deliver good performance relative to peers
- Brand positioning

Africa – Impact of economic downturn

■ Zimbabwe

- Strong life sales to date due to clients re-establishing group life benefits on a US dollar basis.
- AUM boosted by good Stock Exchange performance
- Political uncertainty still a major concern

■ Swaziland

- Sales under pressure due to poor economic outlook.

■ Kenya

- Unit trust business negatively affected by falling markets.
- Drought, political instability and lower tourism revenue affecting the country's economy

Africa – Impact of economic downturn cont.

- Malawi
 - Life sales stable due to acquisition of new corporate clients.
 - Profits affected by negative investment returns
 - General economy dependent on SA consumption, availability of forex and donor funding
- Namibia
 - Slowing GDP growth, falling interest rates , economic uncertainty
 - Life single premium sales negatively affected
 - Clients moving to non-life money-market products for stability
 - Recurring premium risk sales improving

Africa – Game plan for growth

- Customer focus, client segmentation and clear branding
- Distribution management
- Operational efficiency
- Investing in and developing people
- Involvement in economic transformation
- Greenfield operations in selected countries in West Africa and East Africa
- Establish OM Africa as a growth platform for OMSA

Summary Game Plan

- Investment in people
- Relentless focus on retention
- Increased focus on the customer
- Continued innovation
- Build on core strengths
- Develop a strong African presence
- Exogenous factors have not derailed growth plans
- Well placed for market recovery

Looking ahead

Condition

Impact on Old Mutual

Equity markets recovering

Higher FuM, fee growth, higher transaction volumes

Low interest rate conditions

Shift in product mix

Stabilising GDP

Consumer confidence rises but lapse & new business experience lags GDP