



**LSE FTSE 100 PCFM Conference**

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# Disclaimer

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# Agenda

- Introduction to Old Mutual
- Exposure to growth markets
- Q1 2011 IMS
- Summary

# Old Mutual plc

- Founded in 1845
- Listed in London, South Africa, Malawi, Namibia and Zimbabwe
- No. 41 in FTSE 100<sup>1</sup>
- £6.6bn market capitalisation<sup>1</sup>

£309.3bn

FUM<sup>2</sup> (of which  
£166.6bn from  
USAM<sup>3</sup>)

1 in 4 South  
Africans are  
Old Mutual  
policyholders<sup>4</sup>

No. 1  
insurance  
company in SA  
by FUM

Listed on  
FTSE4GOOD  
and JSE SRI  
Index

No. 1  
platform  
business in UK  
by market share

No. 1  
in client service  
Skandiabanken  
Norway

1. As at 31 December 2010

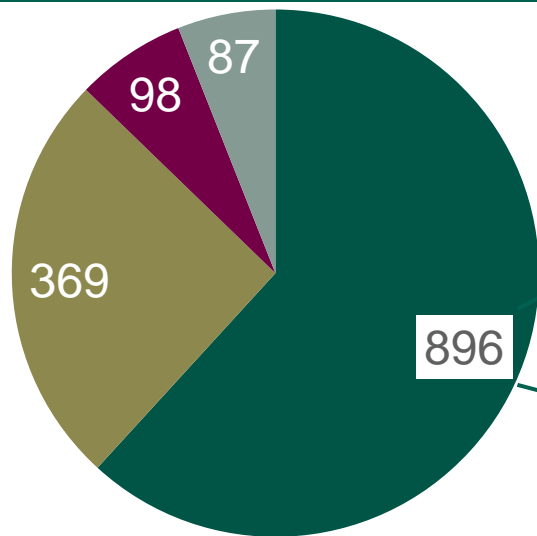
2. FUM – Funds under management. As at 31 December 2010

3. USAM – US Asset Management

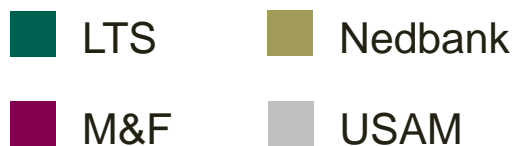
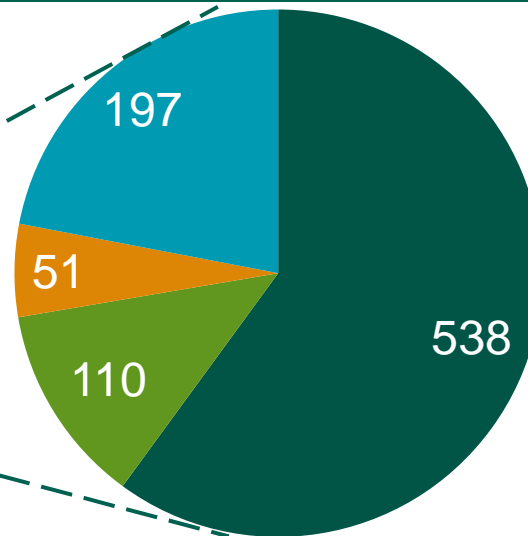
4. Of the economically active population

# Operating profit analysis: 2010 IFRS AOP post MI

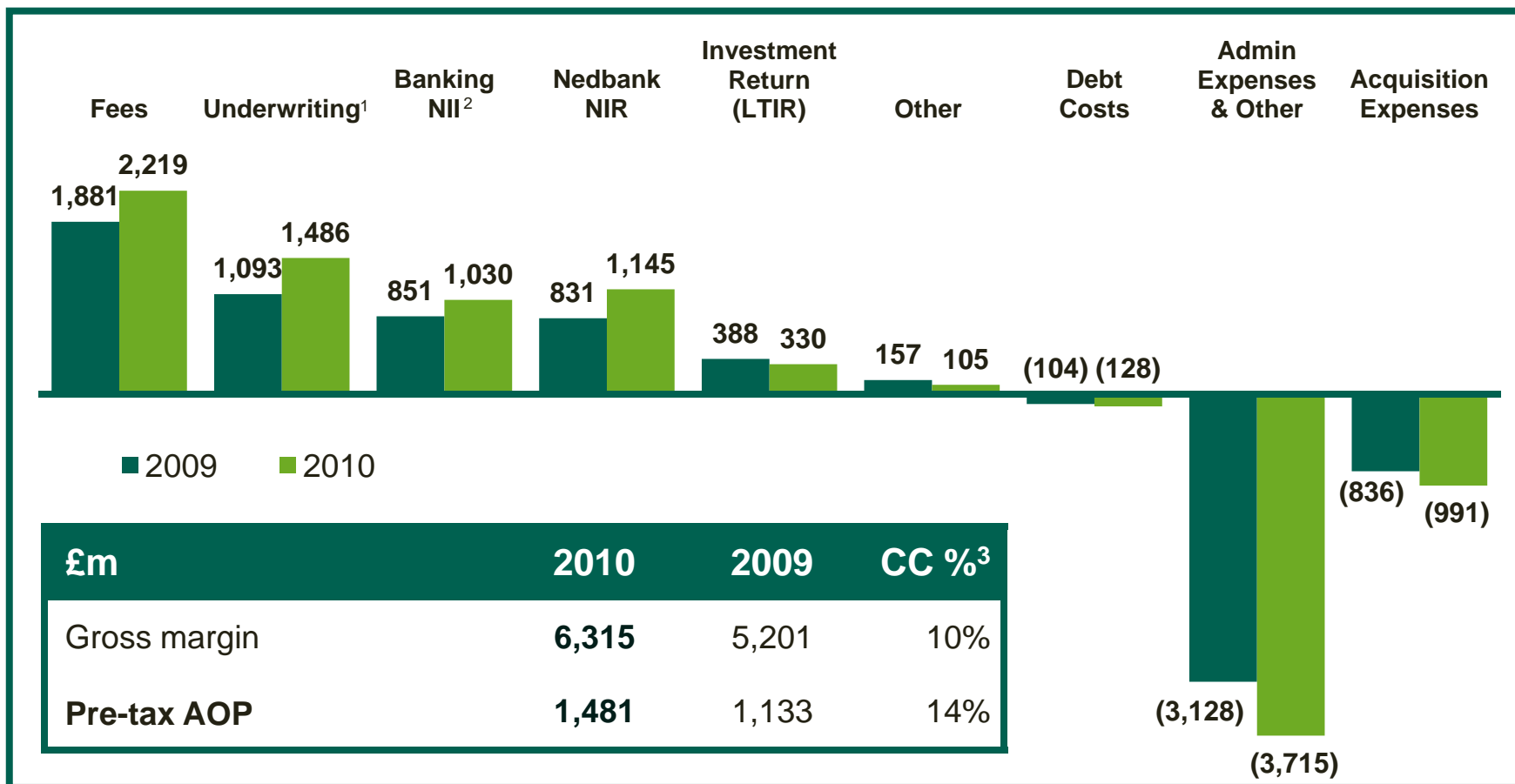
Group IFRS AOP post MI £m



LTS IFRS AOP post MI £m



# Sources of earnings



1. Underwriting includes net income and investment returns from writing insurance products (Protection, Annuity, General Insurance)

2. Net of impairments

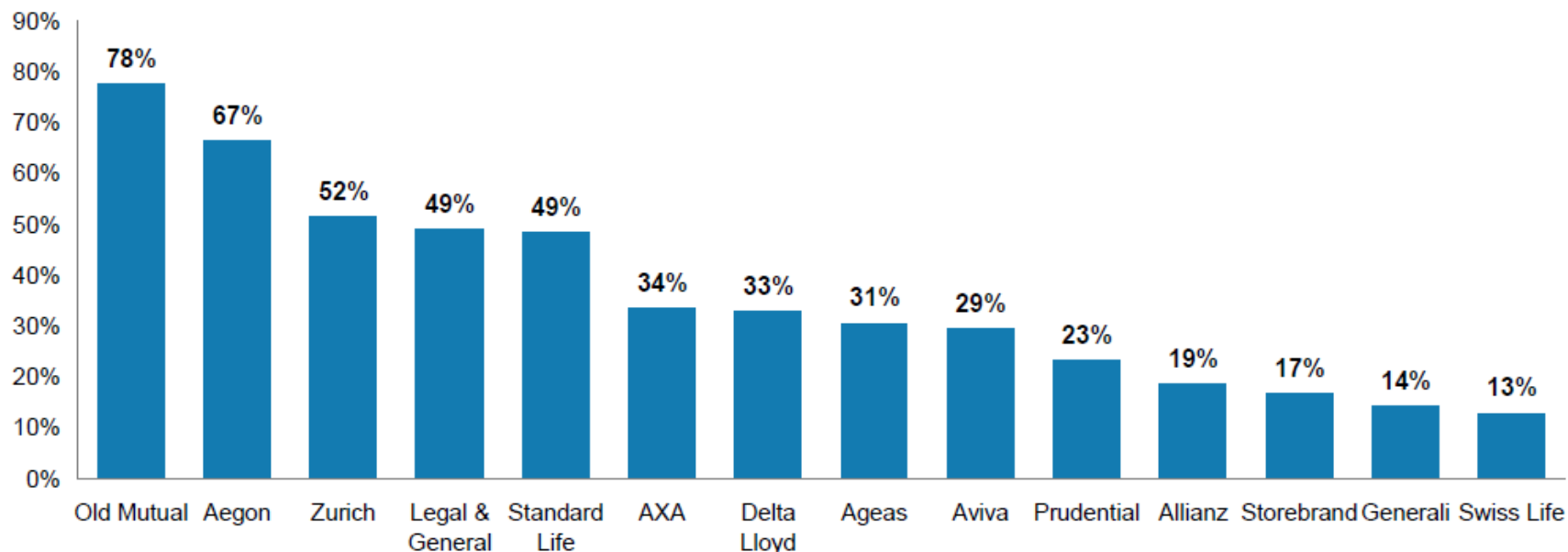
3. Constant currency

# Unit-linked product skills

Exhibit 8

**2010 proportion of life insurance liabilities in unit-linked products – the UK based life insurers in particular have greater exposure to unit-linked, as they shifted product mix earlier than continental European peers in response to an earlier introduction of fair value and risk-based capital regulatory principles**

% of life insurance technical liabilities in unit-linked products



1. Source: Morgan Stanley Fat Tail Friday 4 March 2011

# Building a solid foundation for growth in emerging markets

## Emerging Markets

### Building the Foundation

- Positioned well in growth sweet spots
- Broad product range & distribution channels
- Highly cash generative
- Long history and strong brands
- Management structures



### Opportunities for Growth

Emerging Markets	GDP (%) <sup>1</sup>	
	2011	2015
South Africa	3.5	4.5
Sub-Sahara Africa	5.5	5.4
China	9.6	9.5
Colombia	4.6	4.5
Mexico	3.9	3.8
India	8.4	8.1

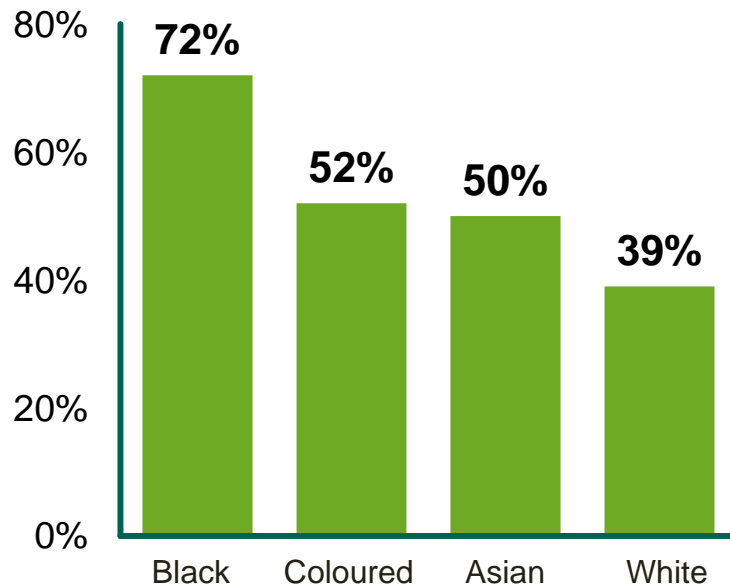
1. Source: IMF



# SA higher income people are now more diverse and wealthier

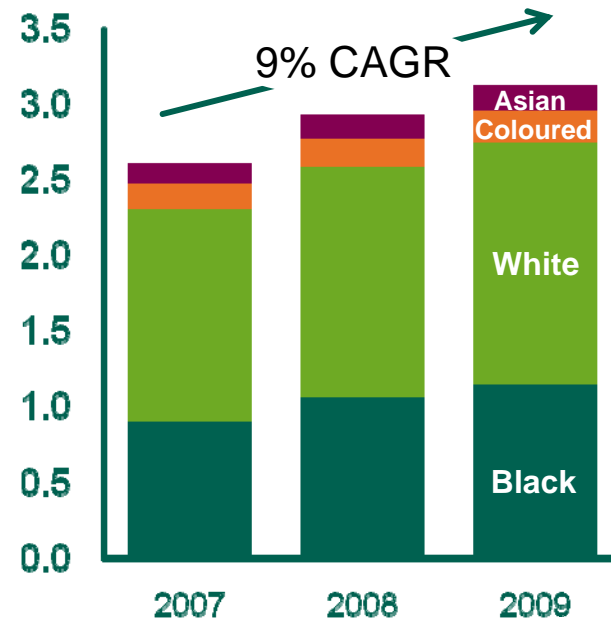
**Black disposable income growth has outpaced other demographic groups over the past 10 years<sup>1</sup>**

Cumulative real disposable income growth (1999–2008)



**Total number of middle and high income earners is increasing<sup>2</sup>**

Number of people earning above R12,000/month (millions)



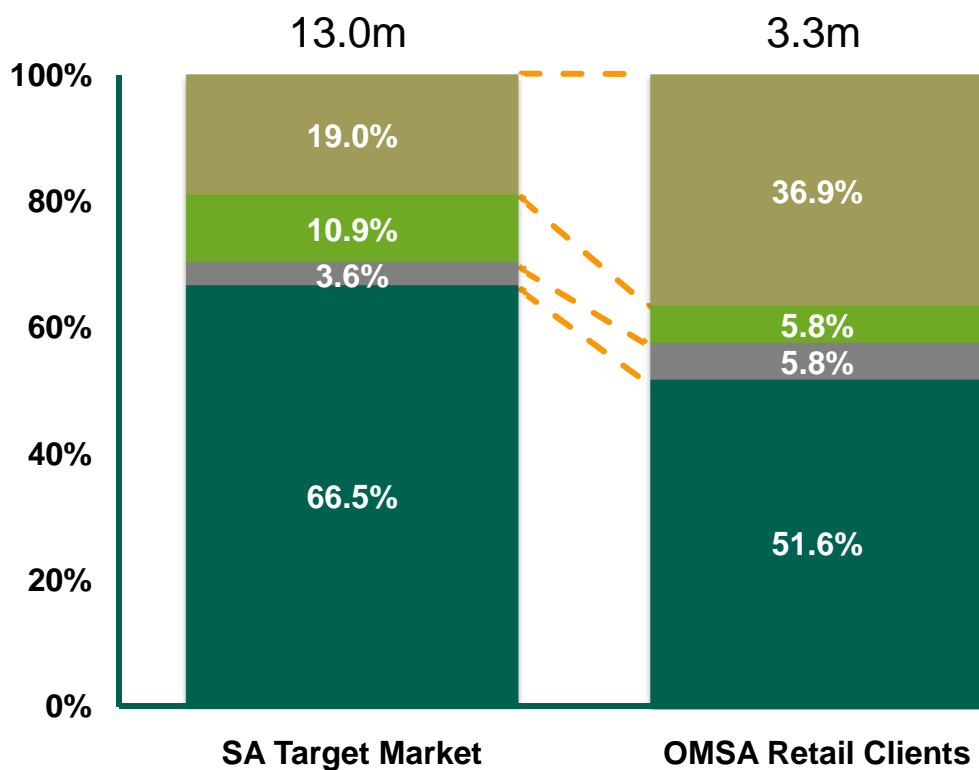
**CAGR '07-'09**

10%  
13%  
6%  
13%

1. Source: Information Handling Services (IHS) Global Insight  
2. Source: Bureau for Market Research (BMR)

# The black customer base is growing fastest and getting richer

## OMSA retail customer base compared to the SA target market (2009)



	OMSA penetration (2009) (%)	OMSA customer growth p.a. (2007-09) (%)
White	49.5	-2.8
Coloured	13.5	5.2
Asian	40.3	1.3
Black	19.7	7.8

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	2007	1995
Black share of the richest 10% of the population <sup>1</sup>	32%	10%
Black share of the richest 20% of the population <sup>1</sup>	42%	25%

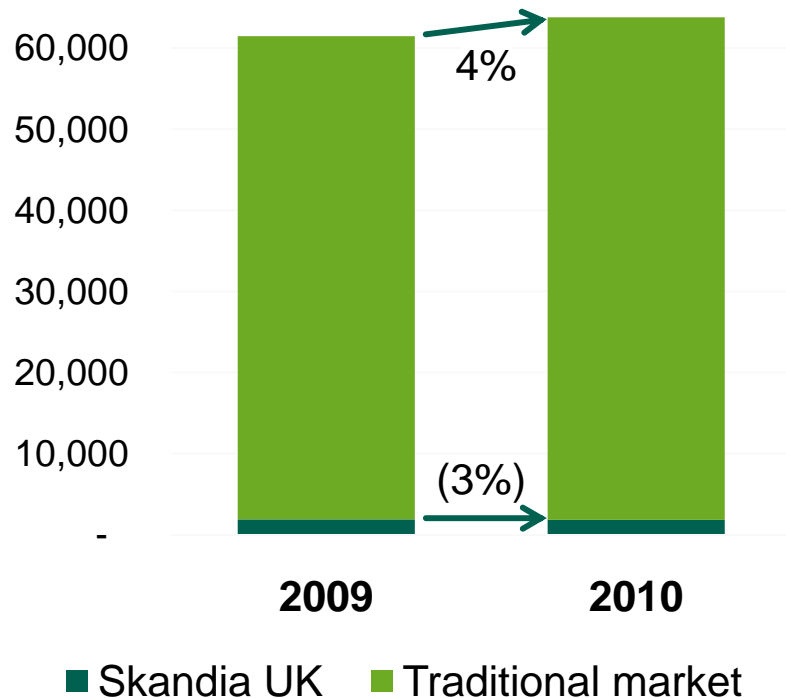
Source: Bureau for Market Research (BMR), OMSA CII Unit

Note: It is assumed that customers with unknown race in the OMSA customer base have a similar racial breakdown as those for whom data is available

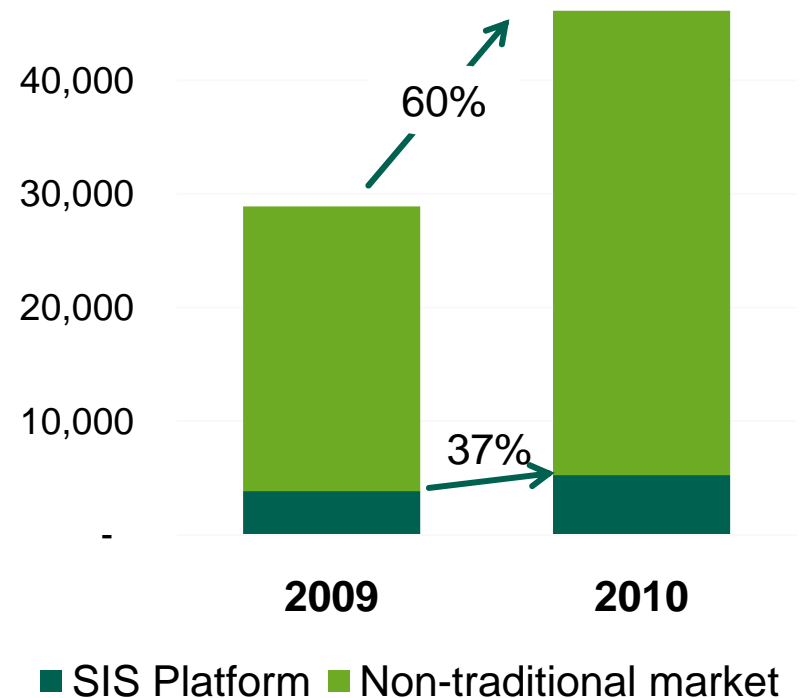
1. AMPS 1993-2008

# UK market

**OM share of traditional product sales £m**



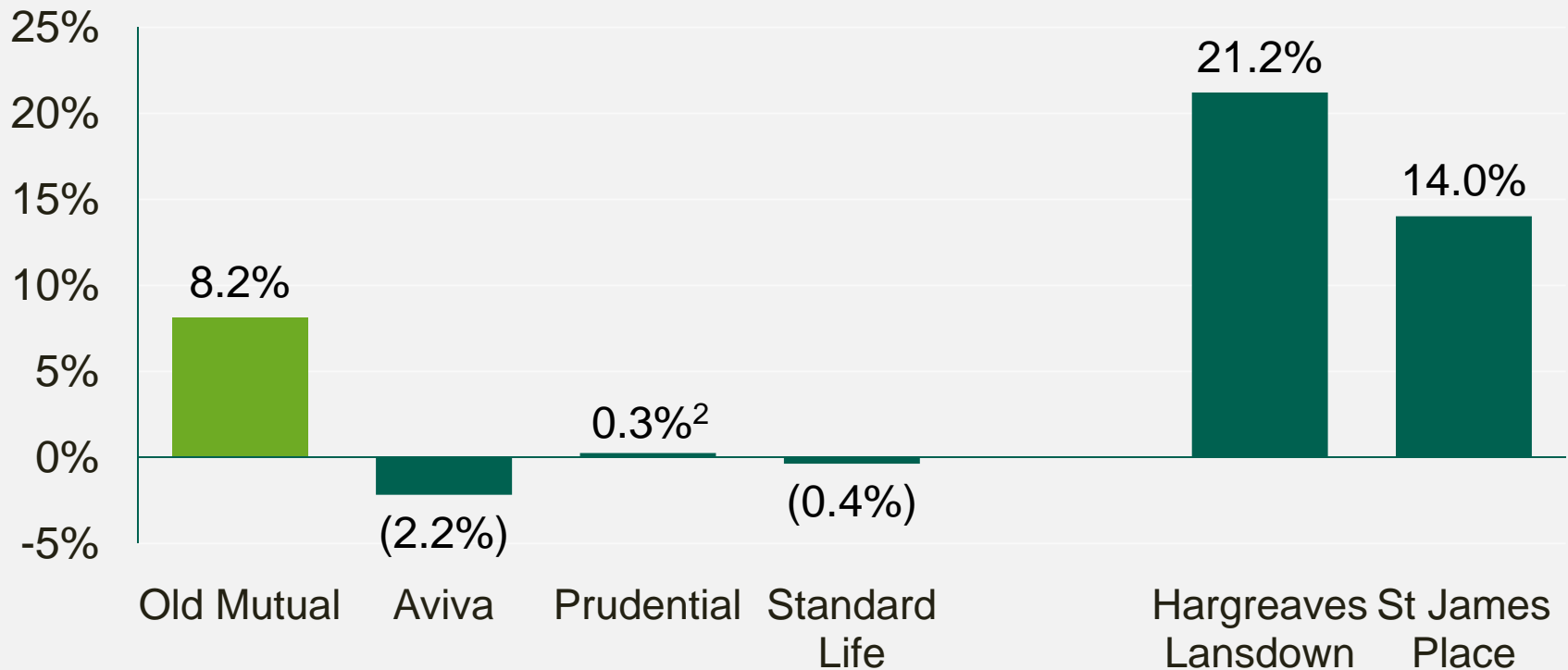
**SIS<sup>1</sup> share of calculated non-traditional product sales £m**



1. Skandia Investment Solutions is the Skandia platform

# UK retail net client cash flows<sup>1</sup> / funds under management

2010 UK NCCF<sup>1</sup> / FUM



1. NCCF as a percentage of opening FUM

2. Prudential UK excluding bulk annuity, based on with-profits policyholder liabilities

Source: Company announcements, Aviva derived from segmental company information

# 2011 Q1 IMS<sup>1</sup>

- Long-Term Savings net client cash flows £0.9 billion
- 1% increase in funds under management to £303 billion
- Life APE sales down 4% on a strong 2010 Q1
- Unit trust sales up 20%
- Completed sale of US Life
- Little exposure to Euro Peripheral Sovereign debt
- On track towards our financial targets

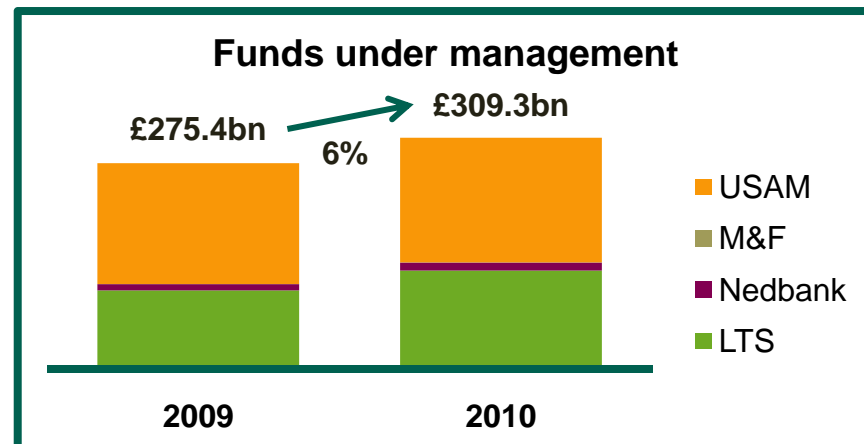
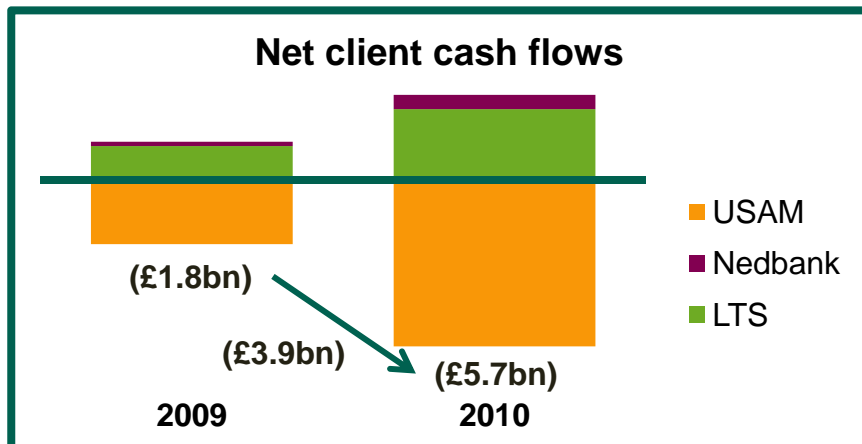
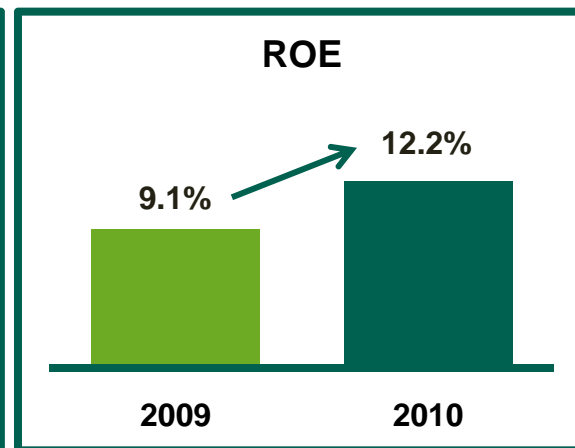
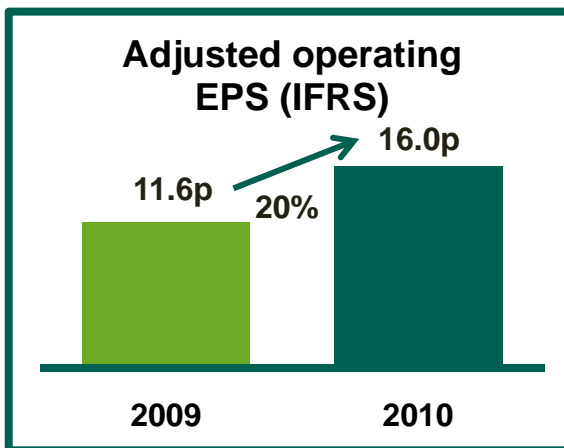
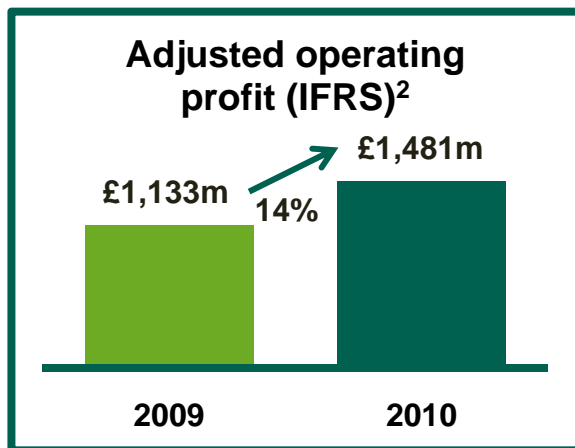
1. Percentage movements are on a constant currency basis

# Summary

- Long-term savings, investment and protection group
- Earnings from fee income and underwriting profits
- Well positioned for growth
- Improving risk profile
- Sound capital and liquidity
- Steady progress in 2011

# Appendix

# Financial overview: Core operations<sup>1</sup>

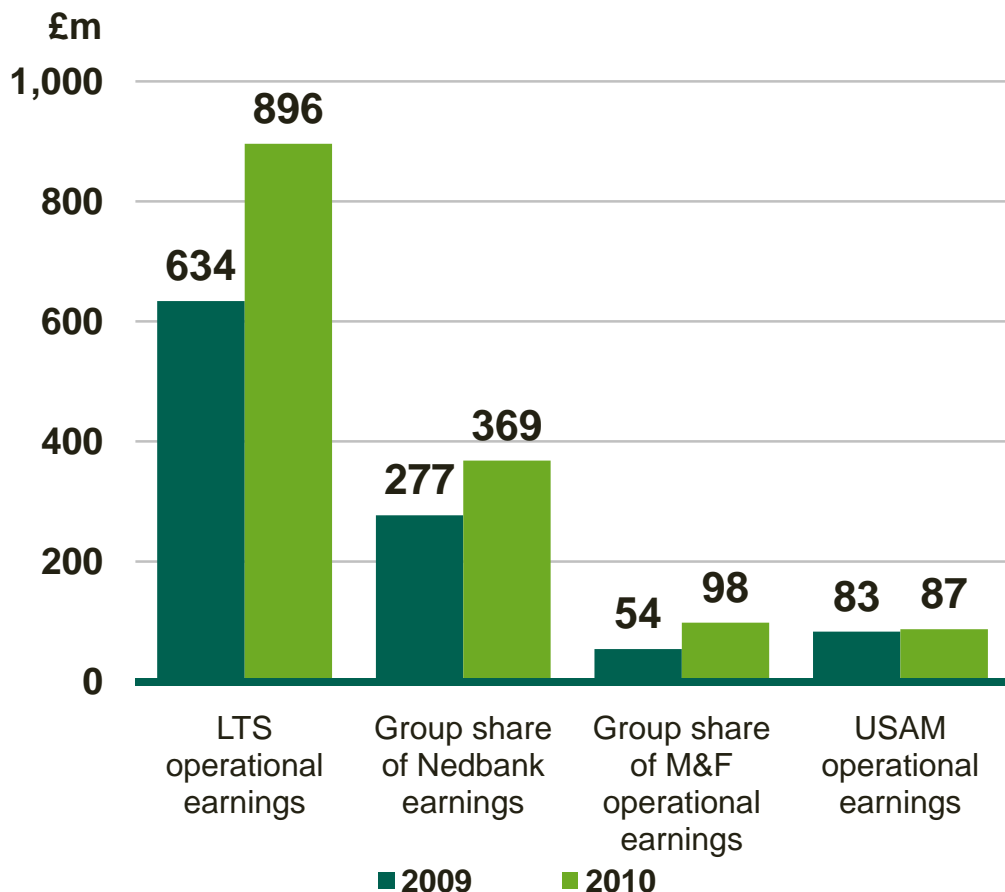


1. 2009 AOP, EPS and RoE restated to exclude US Life (treated as non-core, discontinued), 2009 NCCF and FUM restated to exclude Bermuda (treated as non-core) and US Life (treated as non-core, discontinued), percentage movements are in constant currency

2. Pre-tax and MI



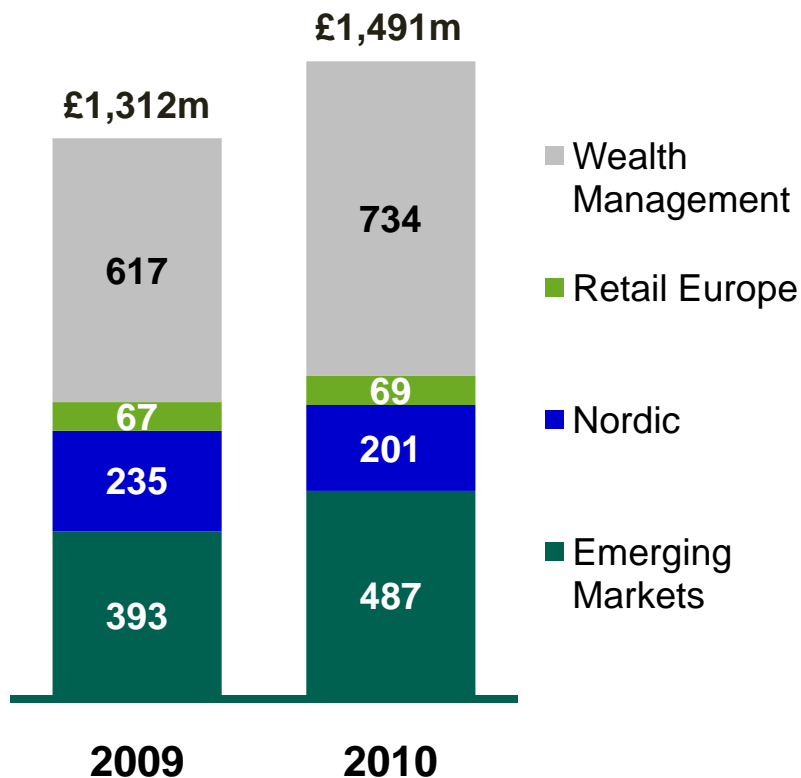
# IFRS simplified operating result



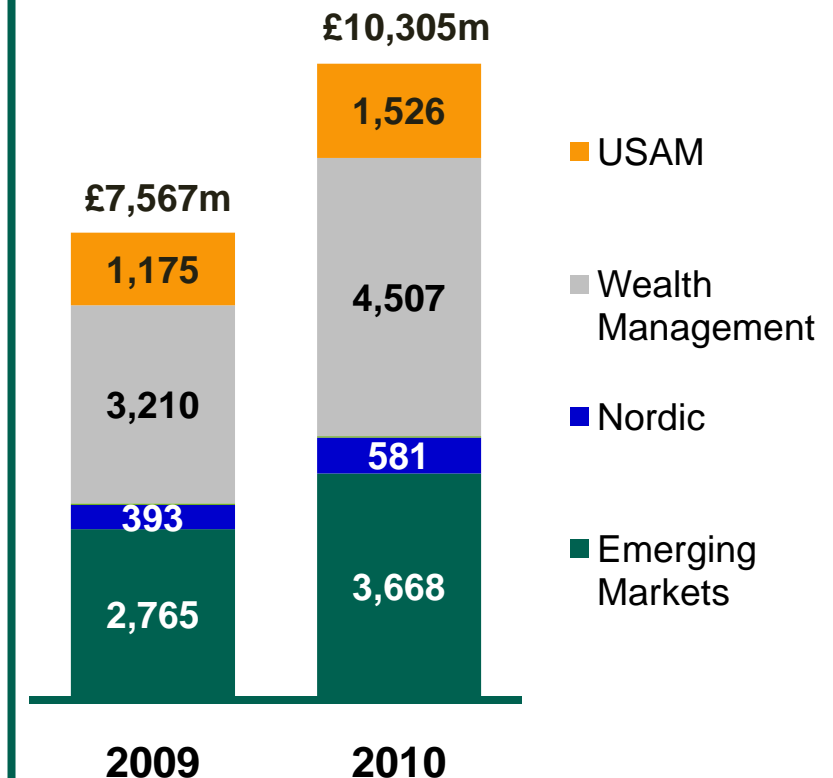
£m	2010	2009
TOTAL Business Units IFRS AOP post-MI	1,450	1,048
Interest and other	(248)	(160)
Taxation	(347)	(283)
<b>IFRS AOP post-tax and MI from core continuing ops</b>	<b>855</b>	<b>605</b>

# Life new business & unit trust sales<sup>1</sup>

## Life new business APE sales (£m)



## Unit trust sales (£m)<sup>2</sup>



1. Core operations

2. Retail Europe unit trust sales in 2010 were £23m (2009: £24m)