NEWS RELEASE

Ref 8/12

3 February 2012

Old Mutual plc

PROPOSED SALE OF OLD MUTUAL'S NORDIC BUSINESS:
ISSUE OF CIRCULAR AND PROPOSED £1 BILLION SPECIAL DIVIDEND

Further to the announcement by Old Mutual plc on 15 December 2011 that it intends to divest its Nordic business, comprising Old Mutual's long-term savings and banking operations in Sweden, Denmark and Norway, to Skandia Liv for net cash consideration of SEK22.4 billion (£2.1 billion), Old Mutual announces that a circular containing further details of the Disposal, the related Special Dividend and Share Consolidation, together with a notice convening a General Meeting is today being sent to Ordinary Shareholders.

The General Meeting will be held in the Presentation Suite, 2nd Floor, Old Mutual Place, 2 Lambeth Hill, London, EC4V 4GG at 11:00 a.m. on 14 March 2012, to approve the Disposal and the Share Consolidation.

A copy of the circular is now available on the Group's website at *www.oldmutual.com/ir*. Definitions found in this announcement are consistent with those set out in the circular.

Key Points (which should be read in conjunction with the full text of the circular):

- Old Mutual intends to return approximately £1 billion of net proceeds from the Disposal to Ordinary Shareholders by means of a Special Dividend (equivalent to 18 pence per Ordinary Share, or its equivalent in other applicable local currencies).
- Old Mutual intends to use the remaining £1.1 billion of net proceeds, subject to regulatory approvals, to reduce indebtedness.
- Old Mutual's capital flexibility will be enhanced by retaining an increased proportion of the cash flows expected to be generated from operational activity and other corporate actions planned for 2012.
- As at 31 January 2012, the Group had repaid approximately £600 million of debt and, based on the use of net proceeds from the Disposal, will meet its £1.5 billion debt reduction target by the end of 2012, subject to regulatory approvals.
- The Group expects a total of approximately £1.7 billion to be repaid under the Group's increased debt repayment plan.
- If the Disposal is approved at the General Meeting on 14 March 2012, Completion is currently expected to occur on or around 21 March 2012. The timing of Completion is dependent upon, amongst other things, the satisfaction of regulatory conditions.
- The necessary competition authority approvals have already been obtained and regulatory approvals are expected during February 2012.

- Subject to the timely receipt of regulatory approvals, it is expected that the timing of the payment of the Special Dividend and the Share Consolidation (if approved) will be announced with the Group's 2011 preliminary results. It is the Board's current intention for the Special Dividend to be paid at the same time as the Group's 2011 final dividend. This is likely to be in early to mid-June 2012.

- The Group will announce its preliminary results for 2011 on 9 March 2012 and expects these to reflect continued strong operational performance in the second half of 2011. Extracts from the circular regarding current trading are set out in the Appendix to this announcement.

Enquiries:

Media		**Investors/Analysts**	
William Baldwin-Charles	+44 20 7002 7133 +44 7834 524 833	Patrick Bowes	+44 20 7002 7440
		Kelly de Kock	+27 21 509 8709

Finsbury
Andrew Dowler +44 20 7251 3801

About Old Mutual plc

Old Mutual is an international long-term savings, protection and investment Group. Originating in South Africa in 1845, the Group provides life assurance, asset management, banking and general insurance to more than 15 million customers in Europe, the Americas, Africa and Asia. Old Mutual is listed on the London Stock Exchange and the Johannesburg Stock Exchange, among others.

In the year ended 31 December 2010, the Group reported adjusted operating profit before tax of £1.5 billion (on an IFRS basis) and had £309 billion of funds under management from core operations, and shareholders' equity of £9.0 billion.

Forward-Looking Statements

This statement may contain certain 'forward-looking statements' with respect to certain of Old Mutual's plans and its current goals and expectations relating to its future financial condition, performance, results, strategy and objectives. Statements containing the words 'believes', 'intends', 'expects', 'plans', 'seeks' and 'anticipates', and words of similar meaning, are forward-looking. By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances which are beyond Old Mutual's control including among other things, economic and business conditions, market related risks such as fluctuations in interest rates and exchange rates, and the performance of financial markets generally; the policies and actions of regulatory authorities, the impact of competition, inflation, and deflation; experience in particular with regard to mortality and morbidity trends, lapse rates and policy renewal rates; the timing, impact and other uncertainties of future acquisitions or combinations within relevant industries; and the impact of changes in capital, solvency or accounting standards, and tax and other legislation and regulations in the jurisdictions in which Old Mutual and its affiliates operate. This may for example result in changes to assumptions used for determining results of operations or re-estimations of reserves for future policy benefits. As a result, Old Mutual's actual future financial condition, performance and results may differ materially from the plans, goals, and expectations set forth in Old Mutual's forward-looking statements. Old Mutual undertakes no obligation to update the forward-looking statements contained in this statement or any other forward-looking statements it may make.

This announcement is for information purposes only and does not constitute an offer or invitation to acquire or dispose of any securities or investment advice in any jurisdiction.

Appendix

Current Trading

The Group will announce its preliminary results for 2011 on 9 March 2012 and expects these to reflect continued strong operational performance in the second half of 2011.

Sterling earnings from the Group's South African businesses were favourably impacted by Rand movements in the first half of 2011. The Rand has weakened in the second half, which negatively impacted Sterling earnings for the full 2011 year and reduced the Group's Sterling unaudited net asset value at 31 December 2011. The translation impact on the Group's Sterling net asset value as at 30 June 2011 of the Rand depreciation was approximately £940m. However, this reduction in net assets will be partially offset by profits earned over the period, the inclusion of the other African operations in the consolidated results of the Group and other financial and foreign exchange movements.

Management information indicates that in the fourth quarter of 2011 net client cash flows in the Long Term Savings business remained positive and although APE life assurance sales for the fourth quarter were below those of the equivalent period in 2010, unit trust sales were ahead of the fourth quarter of 2010.

The Nordic business within Long Term Savings has continued to benefit from its product depth and good operational performance.

Nedbank is in a good position to deliver solid earnings growth in the second half of 2011, notwithstanding the strong second half of 2010. In the US Asset Management business, net client cash outflows are expected to continue during the fourth quarter of 2011 largely due to short-term outflows.

The carrying value of goodwill included in the US Asset Management statement of financial position is dependent on growth rate assumptions. As part of its results process, the Group is reviewing these assumptions in the context of the outlook for US nominal GDP growth. It is likely that the growth rate will be reduced as a result of the review, in which case it is expected that there would be a goodwill impairment charge of approximately £270 million. The impairment charge would be excluded from Adjusted Operating Profit but would reduce IFRS net income and the net asset value in the 31 December 2011 statement of financial position.

As indicated in the third quarter interim management statement, certain African businesses will be consolidated for the first time for the year ended 31 December 2011. It is expected that this will result in an increase in net assets of approximately £200 million.

Treasury and capital

The pro-forma Financial Groups Directive surplus was £1.9 billion at 30 September 2011. All the Group's businesses remained well capitalised throughout the period. The Financial Groups Directive surplus at 31 December 2011 is estimated to be in line with that at 30 September 2011.

Since the third quarter interim management statement, the Group repaid on 18 January 2012 the remaining €200 million (£166.5 million) of the €750 million Euro bond that was partially redeemed in July 2011. The Group has therefore completed the repayment of £0.6 billion in cash towards the Group's target of £1.5 billion debt repayment by 31 December 2012.

Non-core businesses

Bermuda remains a non-core business in run-off. Reserves in respect of Guaranteed Minimum Accumulation Benefits, to which shareholders are exposed, reduced by $42 million (£26.6 million) in the first half of 2011, but increased by $541 million (£342.2 million) in the third quarter of 2011. The Group estimates Guaranteed Minimum Accumulation Benefits reserves as at 31 December 2011 to be below those announced for 30 September 2011 in the third quarter interim management statement.