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If you have sold or otherwise transferred all of your Ordinary Shares, please forward this document and the accompanying documents (but not the personalised Proxy Form (or Voting Instruction Form as appropriate)) as soon as possible to the purchaser or transferee or to the bank, stockbroker, CSDP, or other agent through or to whom the sale or transfer was effected, for onward transmission to the purchaser or transferee. Any person (including, without limitation, custodians, nominees and trustees) who may have a contractual or legal obligation or may otherwise intend to forward this document to any jurisdiction outside the United Kingdom, South Africa, Namibia, Zimbabwe and Malawi should seek appropriate advice before taking any action.



Old Mutual plc

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 3591559)

**Proposed Sale of Skandia AB,
Related Special Dividend and Share Consolidation
and
Notice of General Meeting**

Morgan Stanley & Co. Limited (“**Morgan Stanley**”) is acting as financial adviser and sponsor under the UK Listing Rules to Old Mutual plc (“**Old Mutual**”) and no one else in connection with the Disposal and will not be responsible to any person other than Old Mutual for providing the protections afforded to the clients of Morgan Stanley, nor for providing advice in relation to the Disposal, the contents of this document or any transaction, arrangement or other matter referred to in this document.

Evercore Partners International LLP (“**Evercore Partners**”), which is authorised and regulated in the UK by the Financial Services Authority, is acting as financial adviser to Old Mutual and no one else in connection with the Disposal and will not be responsible to any person other than Old Mutual for providing the protections afforded to the clients of Evercore Partners, nor for providing advice in relation to the Disposal, the contents of this document or any transaction, arrangement or other matter referred to in this document.

Merrill Lynch International (“**Bank of America Merrill Lynch**”) is acting as corporate broker and sponsor under the Johannesburg Stock Exchange listing requirements to Old Mutual, and has provided financial advice to Old Mutual and no one else in connection with the Disposal and will not be responsible to anyone other than Old Mutual for providing the protections afforded to the clients of Bank of America Merrill Lynch, nor for providing advice in relation to the Disposal, the contents of this document or any transaction, arrangement or other matter referred to in this document.

Deutsche Bank AG, London Branch (“**Deutsche Bank**”) is acting as corporate broker and has provided financial advice to Old Mutual and no one else in connection with the Disposal and will not be responsible to any person other than Old Mutual for providing the protections afforded to the clients of Deutsche Bank, nor for providing advice in relation to the Disposal, the contents of this document or any transaction, arrangement or other matter referred to in this document.

Save for the responsibilities and liabilities, if any, of Morgan Stanley, Evercore Partners, and Deutsche Bank under FSMA or the regulatory regime established thereunder, Morgan Stanley, Evercore Partners, and Deutsche Bank assume no responsibility whatsoever and make no representations or warranties, express or implied, in relation to the contents of this document, including its accuracy, completeness or verification or for any other statement made or purported to be made by Old Mutual, or on Old Mutual’s behalf or by Morgan Stanley, Evercore Partners or Deutsche Bank, or on Morgan Stanley’s, Evercore Partners’ or Deutsche Bank’s behalf and nothing contained in this document is, or

shall be, relied on as a promise or representation in this respect, whether as to the past or the future, in connection with Old Mutual or the Disposal. Each of Morgan Stanley, Evercore Partners and Deutsche Bank accordingly disclaim to the fullest extent permitted by law all and any responsibility and liability whether arising in tort, contract or otherwise which it might otherwise be found to have in respect of this document or any such statement.

For a discussion of the risks relating to the Disposal, see the discussion of risks and uncertainties set out in Part II (Risk Factors) of this document.

This document should be read as a whole. Your attention is drawn to the letter from Patrick O’Sullivan, the Chairman of Old Mutual, which is set out in Part I (Letter from the Chairman of Old Mutual plc) of this document in which the Board of Old Mutual recommends that you vote in favour of the resolutions to be proposed at the General Meeting referred to below.

No person has been authorised to give any information or make any representations other than those contained in this document and, if given or made, such information or representations must not be relied on as having been so authorised. The delivery of this document shall not, under any circumstances, create any implication that there has been no change in the affairs of Old Mutual since the date of this document or that the information in it is correct as of any subsequent time.

A notice convening a General Meeting of the Company to be held in the Presentation Suite, 2nd Floor, Old Mutual Place, 2 Lambeth Hill, London EC4V 4GG on 14 March 2012 at 11:00 a.m. is set out at the end of this document. A Proxy Form for use at the General Meeting by Ordinary Shareholders other than SA Dematerialised Shareholders, and a Voting Instruction Form for use at the General Meeting by SA Dematerialised Shareholders, is enclosed. Whether or not you intend to attend the General Meeting in person, please complete, sign and return the accompanying Proxy Form (or, in the case of SA Dematerialised Shareholders, the Voting Instruction Form) in accordance with the instructions printed on it as soon as possible but, in any event, so as to be received by the Registrar no later than 11:00 a.m. on 12 March 2012, being 48 hours before the time appointed for the holding of the meeting. If you are a UK Dematerialised Shareholder you may appoint a proxy by completing and transmitting a CREST Proxy Instruction in accordance with the procedures set out in the CREST Manual so that it is received by the UK Registrar (under CREST participant ID 3RA50) by no later than 11:00 a.m. on 12 March 2012. The time of receipt will be taken to be the time from which the UK Registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

Completion and posting of the Proxy Form (or, in the case of SA Dematerialised Shareholders, the Voting Instruction Form) or completing and transmitting a CREST Proxy Instruction will not prevent you from attending and voting in person at the General Meeting if you wish to do so.

This document contains forward-looking statements relating to the Group, the Retained Group, the Skandia AB Group, and the Disposal. Statements containing the words “intends”, “expects” and “outlook” and words of similar meaning are forward-looking. By their nature, all forward-looking statements are subject to assumptions, risks and uncertainties. Although Old Mutual believes that the expectations reflected in these forward-looking statements are reasonable, there can be no assurance that these expectations will prove to have been correct. Because these statements involve risks and uncertainties, actual results may differ materially from those expressed or implied by those forward-looking statements. Each forward-looking statement speaks only as of the date of this document. Old Mutual does not undertake any obligation publicly to update or revise any forward-looking statement as a result of new information, future events or other information, although such forward-looking statements will be publicly updated if required by the Listing Rules, the rules of the London Stock Exchange or by law.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Latest time and date for receipt of Proxy Forms and Voting Instruction Forms for the General Meeting of the Company	11 a.m. 12 March 2012
General Meeting	11 a.m. 14 March 2012
Expected date of Completion	21 March 2012

NOTES:

1. Future dates are indicative only and are subject to change in which event details of the new times and dates will be notified to the FSA and, where appropriate, to Ordinary Shareholders.
2. If the Disposal is approved at the General Meeting, Completion is currently anticipated to occur on or around 21 March 2012. It is expected that the timing of the payment of the Special Dividend (including the Dividend Record Date) and the Share Consolidation (including the Consolidation Record Date) (if approved) will be announced with the Group's preliminary results for 2011 on 9 March 2012. The timing of Completion is dependent upon, amongst other things, the satisfaction (or waiver) of regulatory conditions. If there is any delay in obtaining such clearances, the expected date of Completion may change and the timing of the payment of the Special Dividend and Share Consolidation will need to be changed to reflect this.
3. It is the Board's current intention for the Special Dividend to be paid at the same time as the Group's final dividend with respect to the 2011 financial year. This is likely to be in early to mid-June 2012.
4. Unless otherwise stated, references to times in this document are to London times.

PART I

LETTER FROM THE CHAIRMAN OF OLD MUTUAL PLC



(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 3591559)

Directors		Registered office
Patrick O'Sullivan	(Chairman)	5th Floor
Julian Roberts	(Group Chief Executive)	Old Mutual Place
Philip Broadley	(Group Finance Director)	2 Lambeth Hill
Alan Gillespie	(Senior Independent Director)	London EC4V 4GG
Mike Arnold	(Independent Non-Executive Director)	
Eva Castillo	(Independent Non-Executive Director)	
Russell Edey	(Independent Non-Executive Director)	
Reuel Khoza	(Non-Executive Director)	
Roger Marshall	(Independent Non-Executive Director)	
Bongani Nqwababa	(Independent Non-Executive Director)	
Lars Otterbeck	(Independent Non-Executive Director)	

To: Old Mutual plc Ordinary Shareholders

3 February 2012

Proposed Sale of Skandia AB and related Special Dividend and Share Consolidation

1. Introduction

Capitalised terms used in this document have the meaning given in Part XV (Definitions).

On 15 December 2011, the Board announced that it and its wholly owned Swedish company, Skandia AB, had entered into a binding agreement with the effect that Skandia AB would be sold to Skandia Liv. This would be achieved by the following legal process:

- disposal by Skandia AB of Skandia Liv to the Foundation, for net cash proceeds of SEK 600,000 (£56,354); and
- disposal by Old Mutual of Skandia AB to Skandia Liv, for net cash proceeds of SEK 22.4 billion (£2.1 billion) (the "**Purchase Price**").

Skandia Liv is a traditional life assurance company serving customers in Sweden and Denmark. Whilst Skandia Liv is a wholly owned Swedish company of Old Mutual, it is operated on a mutual basis with independent governance and all the benefits usually associated with share ownership accrue to Skandia Liv Policyholders rather than Old Mutual. Accordingly, the results of Skandia Liv are not consolidated into the results of the Old Mutual Group. The Foundation was established on 19 January 2012 by Skandia Liv as a Swedish legal entity acting in the interest of Skandia Liv Policyholders.

It is intended that, following Completion of the Disposal, the Group will pay a Special Dividend to Ordinary Shareholders of approximately £1 billion (equivalent to 18 pence per Ordinary Share (or its equivalent in other applicable local currencies as determined by the Directors)). The remaining proceeds of £1.1 billion are intended to be used, subject to regulatory approvals, to reduce the Retained Group's indebtedness.

The Disposal, if completed, is of sufficient size relative to the Company to constitute a class 1 disposal under the Listing Rules. In addition, in view of the fact that Leif Göran Victorin is a director of Skandia Liv and also a director of the Foundation, the Disposal is categorised as a related party transaction under the terms of the Listing Rules. Completion of the Disposal is therefore conditional, amongst other things, upon the Disposal receiving the approval of Ordinary Shareholders which will be sought at a

General Meeting of the Company. Accordingly, you will find set out at the end of this document a notice convening a General Meeting to 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, at which the Disposal Resolution and the Share Consolidation Resolution will be proposed to approve the Disposal and the Share Consolidation.

I am writing to you on behalf of the Board to give you details of the Disposal, the Special Dividend and the related Share Consolidation, including the background to and reasons for the Disposal, and to explain why the Board considers the approval of the Resolutions to be in the best interests of the Company and Ordinary Shareholders as a whole.

It should be noted that Lars Otterbeck is a member of the boards of Old Mutual and Skandia Liv and was a director of Skandia AB at the time the Sale Agreement was entered into. Given the potential conflict of interest, Lars Otterbeck has not participated in any matters related to the Disposal, the Special Dividend or the Share Consolidation.

You should read the whole of this document and not rely solely on the summarised financial information contained in this Part I (Letter from the Chairman of Old Mutual plc).

2. Background to and reasons for the Disposal

Background

On 11 March 2010, Old Mutual set out its strategy to build a cohesive long-term savings, protection and investment group by leveraging the strength of its capabilities in South Africa and around the world. In addition, Old Mutual committed to reduce the complexity of the Group by streamlining and simplifying the Group's operations to maximise the value of its assets and to reinforce its focus on its core business. Old Mutual also announced its intention to reduce Group debt by at least £1.5 billion by the end of 2012.

A significant step in realising this strategy was the sale of Old Mutual's US Life operations to affiliates of Harbinger Capital Partners LLC which completed on 7 April 2011.

Discussions with respect to the sale of Skandia AB were initiated by Skandia Liv, with Skandia Liv submitting an indication of interest, subject to due diligence and contract, to Old Mutual. Following a process of due diligence, discussions with Skandia Liv regarding its proposal and the preparation of legal documentation to effect the Disposal, Skandia Liv and Old Mutual entered into a binding agreement with respect to the Disposal.

Benefits for Old Mutual

The Skandia AB Group continues to be a successful contributor to the performance of the Group. However, the level of synergies achieved with the broader Group is limited. The Skandia AB Group achieved a return on equity of 11.2 per cent. in 2010 and 11.7 per cent. in 1H 2011 (12.8 per cent., excluding one-off costs associated with the cost reduction programme). This compares to Old Mutual's target return on equity for the Skandia AB Group of 12 to 15 per cent. and for its long-term savings business as a whole of 16 to 18 per cent. Were the Disposal not to take place, the Board believes that there would be some opportunities to improve its profitability under Old Mutual's ownership, including through closer integration with other parts of the Group.

The Disposal proposed by Skandia Liv provides Old Mutual with cash consideration that reflects Skandia AB's current leading market position, its potential future development and a share of the synergies expected to be realised by Skandia Liv through the Disposal.

As discussed below, the Disposal will allow Old Mutual to reduce group debt and return surplus capital arising from the Disposal.

Old Mutual's strategy will continue to be that of building a long-term savings, protection and investment group by leveraging the strength of its people and capabilities in South Africa and around the world. Old Mutual is confident of meeting the targets it has set and will continue to focus on building shareholder value in the Retained Group and improving its structure. Following the Disposal, Old Mutual will retain ownership of, and will continue to use, the Skandia brand in markets outside Sweden, Denmark and Norway.

Benefits for Skandia Liv

Skandia Liv has informed Old Mutual as follows:

The Disposal is in the best interests of the Policyholders of Skandia Liv and will result in the following benefits for Skandia Liv and the Skandia Liv Policyholders:

- the creation of a Nordic market champion under a unified ownership structure that provides the best available platform for long-term growth;
- moving away from the existing Hybrid Structure allows Skandia Liv to extract significantly greater synergies than under the current structure; and
- gives Skandia Liv scope to expand its product range and operate in areas which were otherwise exclusive to Old Mutual under the existing Hybrid Structure.

Following the Disposal, Skandia Liv will initiate a mutualisation process. After completion of the mutualisation, Skandia Liv will be a mutual, that is, a policyholder-owned company. The Disposal is a carefully considered and a strategically important investment for Skandia Liv, as the Disposal will bring significant cost and revenue synergies for the benefit of Skandia Liv Policyholders, which could not otherwise have been achieved under the current Hybrid Structure. The Purchase Price would have represented approximately 8 per cent. of Skandia Liv's investment assets as at 30 September 2011. Skandia Liv has informed Old Mutual that it believes that following the Disposal its solvency and debt coverage ratios will continue to be substantially above the requirements of the SFSA. Skandia Liv has also informed Old Mutual that it believes its investment portfolio will be in a position to continue to provide attractive long-term returns to the Skandia Liv Policyholders.

The Disposal has been initiated by Skandia Liv's independent board members, in the interests of Skandia Liv Policyholders. The Disposal process has been structured to ensure that Skandia Liv has acted as an independent party on arm's length terms. Skandia Liv has obtained fairness opinions in relation to the terms of the Disposal (including the Disposal consideration) from two well-known investment banks. Skandia Liv has also received legal opinions in relation to the terms of the Disposal from two separate independent legal advisors with specific expertise on relevant matters. The independent financial and legal advice, and the fairness opinions obtained by Skandia Liv with respect to the Disposal confirm that there is no reason to expect that the Disposal would amount to a value transfer or be in violation of the general clauses of the Swedish Companies Act or the Swedish Insurance Business Act (which prevents corporate bodies from passing resolutions that provide undue advantage to a shareholder or others, to the disadvantage of policyholders).

3. Description of Special Dividend and Share Consolidation

The Special Dividend will return approximately £1 billion (equivalent to 18 pence per Ordinary Share (or its equivalent in other applicable local currencies as determined by the Directors)) to Ordinary Shareholders. Old Mutual proposes to implement a Share Consolidation in conjunction with the payment of the Special Dividend. Payment of the Special Dividend is conditional on Ordinary Shareholders approving the Disposal and the Share Consolidation at the General Meeting and Completion of the Disposal becoming effective. The payment of the Special Dividend does not itself need to be approved by Ordinary Shareholders.

The purpose of the Share Consolidation is, amongst other things, to allow comparability of earnings per share and share prices with prior financial periods and to preserve the position of holders of options and awards under the relevant Old Mutual Share Plans who are not entitled to receive the Special Dividend.

The total amount of the Special Dividend is equivalent to approximately 11.87 per cent. of the market capitalisation of Old Mutual at the close of business on 2 February 2012, being the latest practicable trading date prior to the publication of this document. The effect of the Share Consolidation will be to reduce the number of Ordinary Shares in issue by approximately the same percentage, with the result that Ordinary Shareholders will receive 7 New Ordinary Shares for every 8 Ordinary Shares held at the Consolidation Record Date. Although, following the Share Consolidation, each Ordinary Shareholder will hold fewer shares in number than before, his or her shareholding as a proportion of the number of shares in issue, and, therefore, his or her ownership in the Company will be the same both before and immediately after the Share Consolidation.

Any holding of Ordinary Shares which is not exactly divisible by 8 will generate an entitlement to a fraction of a New Ordinary Share (known as a fractional entitlement). As illustrated in the table below, fractional entitlements will arise on the Share Consolidation.

Ordinary Shares	New Ordinary Shares	Special Dividend (£ or foreign currency equivalent)	Fractional Entitlements (Fraction of New Ordinary Share)
200	175	£36	Nil
300	262	£54	0.5
500	437	£90	0.5
1,000	875	£180	Nil

The fractional entitlements will not be allotted to Ordinary Shareholders and will not be retained by the Company. Instead, the Company intends to put in place arrangements for such fractional entitlements to be aggregated and sold in the market. This is in accordance with usual market practice and the Articles. On the basis that the market price of each Ordinary Share is £1.52 / ZAR18.35 at the close of business on 2 February 2012, being the latest practicable trading date prior to the publication of this document, the proceeds from the sale of an entitlement to a fraction of a New Ordinary Share will always be less than £1.33 / ZAR16.06. Such proceeds will be donated to charity, with guidance on the donations to be given by the Old Mutual Foundations or existing charitable donation governance structures in the United Kingdom, South Africa, Zimbabwe, Malawi and Namibia. The Company will report the total proceeds donated and the recipient charities after donations have been made.

Apart from having a different nominal value, each New Ordinary Share will carry the same rights, including voting and dividend rights and be subject to the same restrictions, as each Ordinary Share, as set out in the Articles.

In relation to the Special Dividend and Share Consolidation, participants in the Old Mutual Share Plans will be dealt with according to the respective rules of the plans concerned. In the case of those Old Mutual Share Plans where participants have received restricted shares and whose rules provide that the participants are entitled to receive dividends on their restricted shares, the participants will receive the Special Dividend in the usual way, and their restricted shares under award will be affected by the Share Consolidation in the same way as other Ordinary Shareholders. Where the rules of the Old Mutual Share Plans concerned do not entitle participants to receive any dividends, the participants will not be entitled to receive the Special Dividend. Old Mutual anticipates that those awards and options outstanding at the Consolidation Record Date and not entitled to the Special Dividend will not be adjusted so that such participants will be entitled to the same number of shares as they were entitled to prior to the Share Consolidation. The intention behind this approach is to ensure equality of treatment by preserving the economic value of the awards and options following the payment of the Special Dividend and the Share Consolidation. Details of any adjustments, as they affect the executive Directors of Old Mutual and any other Persons Discharging Managerial Responsibilities, will be publicly announced through the usual regulatory news service channels once they have been made.

Following the Share Consolidation and assuming no further shares are issued between 2 February 2012, being the latest practicable date prior to the publication of this document, and the date that the Share Consolidation becomes effective, the Company's issued share capital will comprise 4,866,973,209 New Ordinary Shares.

If the Disposal is approved at the General Meeting, Completion is currently anticipated to occur on or around 21 March 2012. It is expected that the timing of the payment of the Special Dividend (including the Dividend Record Date) and the Share Consolidation (including the Consolidation Record Date and the New Ordinary Shares issue and trading admission dates) (if approved) will be announced with the Group's preliminary results for 2011 on 9 March 2012. It is the Board's current intention for the Special Dividend to be paid at the same time as the Group's final dividend with respect to the 2011 financial year. This is likely to be in early to mid-June 2012. The timing of Completion is dependent upon, amongst other things, the satisfaction (or waiver) of regulatory conditions. If there is any delay in obtaining such clearances, the expected date of Completion may change and the timing of the payment of the Special Dividend and Share Consolidation will need to be changed to reflect this.

Further information on the Special Dividend and Share Consolidation is set out in Part VI (Further Information on the Special Dividend and the related Share Consolidation) of this document.

4. Principal terms and conditions of the Disposal

Structure

The Foundation has been established by Skandia Liv as a Swedish legal entity acting in the interest of Skandia Liv Policyholders. Under the terms of the Sale Agreement, at Completion, Skandia AB will sell its entire shareholding in Skandia Liv to the Foundation for net cash proceeds of SEK 600,000 (£56,354). Following this, Skandia Liv will be established as a standalone entity, separate from Old Mutual. Skandia Liv will then immediately acquire Skandia AB from Old Mutual for the Purchase Price.

The directors of the Foundation are Bo Eklöf, Leif Göran Victorin and Kajsa Lindståhl.

The Sale Agreement contains representations, warranties, and covenants given by Old Mutual to Skandia Liv and the Foundation, and from Skandia Liv and the Foundation to Old Mutual which are customary for a disposal of this nature. Old Mutual also gives certain indemnities to Skandia Liv.

Brand

Old Mutual will retain ownership of and continue to use the Skandia brand following Completion in markets outside of Sweden, Denmark and Norway as it implements its long-term savings strategy. Skandia Liv will have ownership of and continue to use the Skandia brand in Sweden, Denmark and Norway.

China JV Interest

Old Mutual has a joint venture interest in China. Old Mutual's stake in the relevant joint venture company, Old Mutual–Guodian, is held through Skandia AB (the "**China JV Interest**").

Skandia AB is in the process of transferring the China JV Interest to Old Mutual South Africa (or an Old Mutual nominee). This transfer remains subject to receipt of Chinese and South African regulatory approvals. Following receipt of these regulatory approvals and upon legal completion of the transfer, Old Mutual South Africa (or an Old Mutual nominee) will pay the consideration with respect to this transfer to Skandia AB. It has been agreed as part of the Sale Agreement that this consideration will be paid on by Skandia AB to Old Mutual.

As part of the Sale Agreement, Old Mutual has provided certain indemnities to Skandia Liv with respect to the China JV Interest.

The parties entered into a separate side letter to the Sale Agreement (the "**China JV Side Letter**") to agree that planned capital contributions in connection with the China JV Interest in 2012 would be made directly by Skandia AB, rather than by Old Mutual. The arrangements under the China JV Side Letter have been put in place instead of the £10 million distribution from Skandia AB to Old Mutual contemplated under the Sale Agreement. The arrangements under the China JV Side Letter have been agreed to address regulatory requirements.

Approvals and Consents

Owing to the size of the Disposal relative to the size of Old Mutual, the Disposal constitutes a class 1 disposal for the purpose of the Listing Rules. In addition, in view of the fact that Leif Göran Victorin is a director of Skandia Liv, and also a director of the Foundation, the Disposal is categorised as a related party transaction under the terms of the Listing Rules.

Accordingly, the Disposal is conditional, amongst other things, upon obtaining the approval of Ordinary Shareholders by ordinary resolution at the General Meeting. The Disposal does not require the approval of Skandia Liv Policyholders.

The Disposal is also subject to regulatory, competition authority and other approvals. The Disposal is currently expected to complete on or around 21 March 2012. The necessary competition authority approvals have already been obtained and regulatory approvals are expected in or around February 2012.

If the above approvals are not received, or if certain of the other conditions to Completion set out in the Sale Agreement are not satisfied or waived on or before 30 April 2012, Old Mutual and Skandia Liv are

entitled to terminate the Sale Agreement by giving 25 business days' notice to the other (starting after 30 April 2012). If the approvals and conditions precedent are fulfilled or waived by parties to the Sale Agreement during that notice period, the parties are required to proceed to Completion notwithstanding the service of any such notice to terminate unless Old Mutual and Skandia Liv agree otherwise.

Consideration

The gross cash consideration payable under the Sale Agreement is SEK 22.5 billion (£2.1 billion). Net of remaining inter-company loans from Skandia AB to Old Mutual of SEK 97 million (£9.1 million), which will be repaid at or before Completion by Old Mutual, the net cash proceeds receivable by Old Mutual at Completion with respect to the Disposal will be SEK 22.4 billion (£2.1 billion).

Old Mutual will also receive interest on the Purchase Price at an annualised rate of 5 per cent. with respect to the period from 20 February 2012 to Completion.

Pre-Signing Dividend

On 9 December 2011, Skandia AB paid a dividend to Old Mutual of approximately SEK 1.7 billion (£156.7 million) by way of a waiver of certain inter-company loans from Skandia AB to Old Mutual. This had the effect of reducing the net assets of Skandia AB by an equivalent amount.

A description of the Sale Agreement is set out in Part III (Principal Terms of the Proposed Disposal) of this document.

5. Financial effects of the Disposal and use of proceeds

The net cash proceeds of SEK 22.4 billion (£2.1 billion) represent approximately 24.94 per cent. of Old Mutual's market capitalisation as at 2 February 2012, being the latest practicable date prior to the publication of this document.

Old Mutual expects the net cash proceeds of SEK 22.4 billion (£2.1 billion) to be available to the Retained Group since it is expected that no UK tax will be payable by Old Mutual on the Purchase Price. The Company intends to use the net proceeds as follows:

- approximately £1 billion (equivalent to 18 pence per Ordinary Share (or its equivalent in other applicable local currencies as determined by the Directors)) to be returned to Ordinary Shareholders by means of a Special Dividend; and
- £1.1 billion to be used, subject to regulatory approvals, to reduce the Retained Group's indebtedness. The timing and process for implementing this further debt reduction will be determined based on optimising the benefits for the Retained Group and market conditions. This use of proceeds from the Disposal will also enable the Retained Group to increase its capital flexibility by retaining an increased proportion of the cash flows expected to be generated from operational activity and other corporate actions.

In March 2010, Old Mutual announced its intention to reduce the Group's debt by £1.5 billion by the end of 2012, while ensuring that the Group's balance sheet and the holding company liquidity continued to be prudently managed. As at 2 February 2012, the Group had repaid approximately £600 million of debt and, based on the use of net proceeds as set out above, will meet the debt reduction target, subject to regulatory approvals.

The Board expects that the use of proceeds from the Disposal will enable a total of approximately £1.7 billion to be repaid under the Group's increased debt repayment plan. Old Mutual is proceeding with the previously announced transfer of legal ownership of certain parts of its Emerging Markets business to its South African operations for up to £300 million in cash. As a result of the Disposal, Old Mutual is reviewing whether to proceed with all of the other corporate actions that had been planned to meet the debt reduction target.

The Retained Group will also retain a significant level of holding company liquidity to increase capital flexibility. The Retained Group will continue to actively monitor its capital structure, including the appropriate level of liquidity on a regular basis considering, inter alia, investment market conditions, opportunities to develop further the Retained Group's businesses and developments in regulatory requirements.

The removal of Skandia AB's earnings from the Group's results, partly offset by the reduction in net interest expense resulting from reduced indebtedness and after taking into account the effect of the Share Consolidation, means that the Disposal is expected to have an insignificant effect on the Group's earnings per share.

Your attention is drawn to Part V (Unaudited Pro Forma Statement of Net Assets of the Group) of this document, which contains a pro forma statement of the net assets of the Group as at 30 June 2011 as if the Disposal, reduction in net indebtedness, Pre-Signing Dividend, Special Dividend and Share Consolidation had been completed at that date.

6. Information on Skandia AB

Old Mutual operates in Sweden, Denmark and Norway offering banking, long-term savings, investment and insurance services to both retail and corporate customers under the Skandia brand. Skandia AB is the parent company for Old Mutual's operations in these countries.

Established in 1855 in Stockholm, Skandia AB is one of the largest life assurers in Sweden, providing a full product range under the Skandia brand name in the areas of protection, investments, healthcare and pensions. Skandia Link has a strong and growing unit-linked business which is a market leader in the Swedish unit-linked market. Private Health Care Solutions is a market leader in health care insurance solutions to individual customers and corporate employees in Sweden and also provides a range of pensions and healthcare products to both retail and corporate customers in Denmark and Norway. Skandiabanken is a successful consumer on-line banking operation in Sweden and Norway.

Summary financial information with respect to the Skandia AB Group is set out below:

£m	1H 2011 (ended 30 June 2011)	FY 2010 (ended 31 December 2010)
IFRS basis		
IFRS profit before tax	57	68
IFRS profit after tax	31	3
Gross assets	21,460	20,233
Net assets	1,885	1,683
Funds under management	14,046	13,953

7. Information on Skandia Liv

Skandia Liv is a traditional life assurance company serving customers in Sweden and Denmark. Skandia Liv aims to offer value-for-money products with guarantees that are easy to understand and give its policyholders financial security for retirement, illness and death.

Skandia Liv has a hybrid structure whereby it is a wholly owned company of Skandia AB, which is itself a wholly owned subsidiary of Old Mutual, but is operated on a mutual basis with independent governance ("**Hybrid Structure**"). It operates within a strict Swedish legal framework under SIBA. All the benefits usually associated with share ownership accrue to Skandia Liv Policyholders rather than Old Mutual. In particular, Skandia Liv is prohibited from distributing profits to Old Mutual; all profits accrue to Skandia Liv Policyholders and, save for the share capital, all assets and liabilities of Skandia Liv are wholly attributable to the Skandia Liv Policyholders. Old Mutual and Skandia AB receive no financial benefits through the ownership of Skandia Liv's share capital, which is held at a nominal valuation to reflect the lack of tangible benefits that both Skandia AB and Old Mutual receive as owners of Skandia Liv. Old Mutual therefore lacks any of the financial benefits which would usually be associated with control of a subsidiary.

Due to the nature of Old Mutual's ownership structure of Skandia Liv, Skandia Liv is not consolidated within the financial results of Old Mutual. Old Mutual's shareholding in Skandia Liv is accounted for in accordance with the accounting policies for equity financial instruments and is held at a nominal valuation. Since the 2005 acquisition of Skandia AB and Skandia Liv, no profit or loss generated from Skandia Liv's operations has been consolidated within the financial results of Old Mutual as these results accrue for the benefit of Skandia Liv Policyholders alone. The Hybrid Structure of Skandia Liv ensures that results from Skandia Liv's operations have no impact on Old Mutual's consolidated

financial results. Accordingly, matters such as significant changes in Skandia Liv's financial or trading position, the entry by Skandia Liv into material contracts or its involvement in litigation have no impact on Old Mutual.

Skandia Liv and Skandia AB co-operate across certain functions such as distribution, premises and information technology with the aim of achieving revenue and expense synergy benefits for Skandia Liv Policyholders and Skandia AB. However, the degree of co-operation is restricted by the existing Hybrid Structure and transactions between the entities are transacted on an arm's length basis. Other than these matters, the remainder of the Group currently derives no material benefits from the ownership of Skandia Liv.

As at 31 December 2010, Skandia Liv had managed assets of SEK 296 billion (£28 billion) and solvency capital of SEK 122 billion (£11 billion).

Skandia Liv - Governance

Reflecting Skandia Liv's Hybrid Structure, the Skandia Liv Board comprises a majority of independent members who are not employed within the Group (other than at Skandia Liv). Any board member holding a board seat in a Group company (other than at Skandia Liv) has a conflict of interest in all issues in relation to agreements between Skandia Liv and Group companies. These rules are aimed at safeguarding policyholder interests.

Skandia Liv has confirmed to Old Mutual that, with respect to the Disposal, it has addressed all conflict of interest issues and has relied upon proper internal resources and external advisers. Accordingly, it has ensured that any board member in Skandia Liv also being a board member in another Group company is disqualified from participating in any matters related to the Disposal and has received advice from independent financial and legal advisers. Skandia Liv has obtained fairness opinions in relation to the terms of the Disposal (including the Disposal consideration) from two well-known investment banks. Skandia Liv has also received legal advice in relation to the terms of the Disposal from two separate independent legal advisors with specific expertise.

Skandia Liv has confirmed that the discussions regarding the Disposal were initiated and managed by the independent members of the Skandia Liv Board (comprising Gunnar Palme, Chairman of the Skandia Liv Board, Jens Erik Christensen, Gunnar Holmgren, Monica Lindstedt and Leif Göran Victorin).

8. Board, management and employees

The key individuals important to the business of the Skandia AB Group and their principal functions are set out below:

Person	Position
Paul Hanratty	Chairman
Mårten Andersson	Chief Executive
Marek Rydén	Chief Financial Officer
Pelle Wahlström	Deputy Chief Executive
Bo Ågren	Head of BU Advice
Øyvind Thomassen	Head of BU Direct
Bengt-Åke Fagerman	CEO Skandia Liv
Ann-Charlotte Stjerna	Chief Risk Officer
Johan Ekström	Head of Strategy & Change
Nils Bolmstrand	Head of Product
Viveka Classon	Head of Legal
Mårten Lundberg	HR Director

Following the Disposal, Paul Hanratty will remain with Old Mutual in his role as Chief Executive of Old Mutual's Long Term Savings division and will resign from the board of Skandia AB.

Skandia Liv has confirmed to Old Mutual that, following Completion of the Disposal, the existing employment rights, including pension rights, of all management and employees of Skandia AB will be safeguarded, in accordance with applicable laws and regulations.

Old Mutual does not anticipate that any changes will be made to the Board as a result of the Disposal.

9. Trend information

Current trading

Trading in the six months to 30 June 2011

The first half of 2011 was a period of strong profit growth and good operational performance for the Group. As set out in the Group's interim results for the six months ended 30 June 2011, published on 5 August 2011:

- The Long Term Savings business saw positive net client cash flows of £2.4 billion, APE life assurance sales were down 3 per cent. to £763 million and unit trust sales were up 10 per cent. to £5,928 million, on a constant currency basis.
- Nedbank had a strong six months with headline earnings increasing 28.8 per cent., driven by strong non-interest revenue growth, growing margins and lower retail impairments.
- Mutual & Federal delivered a very strong underwriting result.
- US Asset Management profits improved by 25 per cent.. Net client cash outflows during the first half were driven by outflows from short-term, low margin products.
- Group IFRS basis adjusted operating profit was up 15 per cent. year on year to £845 million, on a constant currency basis.

Significant operational efficiencies were also achieved during this period and these improvements are expected to contribute to future earnings growth.

Trading in the six months to 31 December 2011

The Group's interim management statement for the third quarter of 2011, published on 3 November 2011, confirmed a continuation of the key operational trends identified in the first half of 2011:

- In the Long Term Savings business, net client cash inflows were £1.4 billion, APE life assurance sales grew 8 per cent., on a constant currency basis, driven primarily by the Emerging Markets business and unit trust sales increased by 1 per cent., on a constant currency basis.
- Nedbank maintained the momentum established in the first half of 2011. For the nine months ended 30 September 2011, net interest income grew by 9 per cent. to R13.3 billion (£1.1 billion), non-interest revenue increased 16 per cent. to R10.9 billion (£0.9 billion) and the credit loss ratio improved to 1.13 per cent. from 1.21 per cent. for the six months to June 2011.
- At Mutual & Federal, gross written premiums increased by 5 per cent. to R2.3 billion (£0.2 billion).
- US Asset Management saw continued net client cash outflows. However, investment performance, an important indicator of future positive net client cash flow, has continued to be good.

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.

Prospects

The Group has a mix of emerging markets and developed world business. In the emerging markets the Group is benefiting from the strong economic growth of Africa and Latin America. The Group has positioned itself in the affluent long term savings investment market in Europe by providing retail customers with choice and transparency and to take the opportunities created by changes in regulation.

10. Risk Factors

Ordinary Shareholders should consider fully and carefully the risk factors associated with the Disposal. Your attention is drawn to the risk factors set out in Part II (Risk Factors) of this document.

11. Dividend policy

Old Mutual's dividend policy will continue to have regard to the Group's overall capital requirements, liquidity and profitability, and targets a dividend cover, in respect of ordinary dividends, of at least 2.5 times IFRS adjusted operating profit over time. The Group intends to announce its 2011 final dividend, the amount of which has yet to be determined, with the Group's preliminary results for 2011 on 9 March 2012.

12. Exchange rate

The Purchase Price will be received by Old Mutual in SEK. References in this document to the expected proceeds and other items relating to the Disposal in Sterling have been converted from the SEK amount applying an exchange rate of 10.647:1, being the closing UK rate as published by close of business on 2 February 2012, being the latest practicable date prior to the publication of this document. References in this document to Euro, USD and ZAR amounts have been converted to a Sterling amount applying an exchange rate of 1.2014:1, 1.5809:1 and 12.0684:1 respectively, being the closing rate as published by close of business on 2 February 2012, being the latest practicable date prior to the publication of this document.

13. General Meeting

In view of the size of the Disposal and its classification under the Listing Rules as a related party transaction, the Disposal is conditional on the approval of the Ordinary Shareholders (excluding Leif Göran Victorin and his associates) at a General Meeting. Set out on page 65 of this document is a notice convening a General Meeting to 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, at which the Disposal Resolution and the Share Consolidation Resolution will be proposed. The Resolutions are set out in full at the end of this document in the Notice of General Meeting.

In compliance with the Listing Rules, Leif Göran Victorin has undertaken to abstain from voting on the Disposal Resolution at the General Meeting, and he has undertaken to take all reasonable steps to ensure that any associates of his will abstain from voting from such resolution.

In addition, Ordinary Shareholders' approval will be sought at the General Meeting for the Share Consolidation as required under the Companies Act 2006. The Share Consolidation Resolution is set out in full at the end of this document in the Notice of General Meeting.

14. Action to be taken

You will find enclosed a Proxy Form for use by Ordinary Shareholders (other than SA Dematerialised Shareholders) in connection with the Disposal Resolution and the Share Consolidation Resolution to be proposed at the General Meeting.

If you are an SA Dematerialised Shareholder, you should submit a Voting Instruction Form in accordance with the instructions as set out in note 4 to the Notice of General Meeting on page 66).

Whether or not you intend to be present in person at the General Meeting, you are requested to complete the Proxy Form (or, if you are an SA Dematerialised Shareholder, the Voting Instruction Form) and return it in accordance with the instructions printed on it and as set out in note 4 to the Notice of General Meeting on page 66. Apart from completing and returning the Proxy Form, you need take no further action. The return of a Proxy Form (or Voting Instruction Form) will not prevent you from attending the meeting and voting in person if you so wish. If you are an SA Dematerialised Shareholder and wish to attend the General Meeting, you should contact the registered shareholder (which is the relevant Old Mutual Nominee depending on which share register you hold your Ordinary Shares), or your CSDP if you do not hold your Ordinary Shares through the Old Mutual Nominee, to arrange to be appointed as a proxy or corporate representative.

15. Additional information

Your attention is drawn to the additional information set out in Part XIV (Additional Information) of this document. You are advised to read the whole document and not merely to rely on the key or summarised information in this letter. Further procedural information and guidance for retail shareholders including, for example, how to exercise votes at the General Meeting and details of any steps required to receive the Special Dividend will be provided on the Group's website at <http://www.oldmutual.com/event>. This site is expected to be available shortly after the date of this document.

16. Electronic Communications

An election to receive shareholder communications by email will:

- result in annual cost savings to the Group since less paper documentation will need to be produced and posted;
- benefit the environment; and
- allow for more efficient communications with Ordinary Shareholders.

If you would like to receive future communications from the Company by e-mail, please log on to the Old Mutual website, www.oldmutual.com/ir/index.jsp, go to the “Electronic Communication” section of this website and follow the instructions there for registration of your details. In order to register, you will need your shareholder reference number, which can be found on the payment advice notice or tax voucher accompanying your last dividend payment or notification. The number is also on the Proxy Form (but not the Voting Instruction Form).

Before you register, you will be asked to agree to the “Terms and Conditions for Electronic Communication with Shareholders”. It is important that you read these terms and conditions carefully, as they set out the basis on which electronic communications will be sent to you. If you choose to receive documents electronically, this instruction will generally remain in force unless and until you contact the Registrar to terminate or change it.

The use of the electronic communications facility described above is entirely voluntary. If you wish to continue to receive communications from Old Mutual by post, you do not need to take any action.

17. SA Registrar share dealing services

The SA Registrar administers a telephone and postal sales service for shares held through Old Mutual (South Africa) Nominees (Pty) Limited on the SA Register and shares held through Old Mutual (Namibia) Nominees (Pty) Limited on the Namibian Register. If you hold your Ordinary Shares in this way and wish to sell them by telephone, the SA Registrar may be contacted on +27 0861 100 940 between 8.00 a.m. and 4.30 p.m. (South African time) on Mondays to Fridays (excluding public holidays). A service fee is payable based on the value of the Ordinary Shares sold.

These services are offered on an execution-only basis and subject to the applicable terms and conditions. This is not a recommendation to buy, sell or hold shares in Old Mutual. Ordinary Shareholders who are unsure of what action to take should obtain independent financial advice. Share values may go down as well as up, which may result in a shareholder receiving less than he or she originally invested.

18. Directors’ Recommendation

The Board, which has been so advised by Evercore Partners and Morgan Stanley, considers the terms of the Disposal to be fair and reasonable so far as the Ordinary Shareholders as a whole are concerned. In providing their advice to the Board, Evercore Partners and Morgan Stanley have taken into account the Board’s commercial assessment of the Disposal.

Further, the Board considers the Disposal, the Disposal Resolution, the Special Dividend, the related Share Consolidation and the Share Consolidation Resolution to be in the best interests of the Company and the Ordinary Shareholders taken as a whole. Accordingly, the Board recommends that Ordinary Shareholders vote in favour of the Resolutions to be put to the General Meeting, as Directors intend to do, or procure, in respect of their own beneficial holdings of 1,722,901 Ordinary Shares as at 2 February 2012, being the latest practicable date prior to the publication of this document, representing approximately 0.03 per cent. of the Company’s existing issued ordinary share capital.

Lars Otterbeck is a member of the boards of Old Mutual and Skandia Liv and was a director of Skandia AB at the time the Sale Agreement was entered into. Given the potential conflict of interest, Lars Otterbeck has not participated in any matters related to the Disposal, the Special Dividend or the Share Consolidation and did not take part in the discussions relating to the recommendation given by the Board in respect of these matters.

Yours sincerely

Patrick O’Sullivan

Chairman
Old Mutual plc

PART II

RISK FACTORS

Prior to voting on the Disposal, you should carefully consider the specific risks and uncertainties described below, in addition to all other information in this document. The Company considers these risks to be the known material risks relating to the Disposal for investors to consider. The risks described below relate only to the Disposal.

If any or a combination of these risks actually materialise, the business, operations, financial condition and prospects of the Retained Group (or the Group if the Disposal does not take place) may be materially and adversely affected to the detriment of the Company and the Ordinary Shareholders. Similarly, additional risks and uncertainties relating to the Disposal which are not known to the Board as at the date of this document, or that the Board currently deems immaterial, may also, if they materialise, have a material adverse effect on the Retained Group (or the Group if the Disposal does not take place). If this occurs, the market price of the Ordinary Shares could decline and you may lose all or part of your investment.

1. Risks related to the Disposal taking place

A. The Company may not realise all of the perceived benefits of the Disposal

The Company may not realise all of the anticipated benefits of the Disposal set out in Part I (Letter from the Chairman of Old Mutual plc) of this document. The Company may encounter unforeseen substantial difficulties in achieving these anticipated benefits and/or these anticipated benefits may not materialise. There is a risk that, even if the Disposal proceeds, the Share Consolidation Resolution will not be approved by the Ordinary Shareholders and therefore the Company may be unable to realise the anticipated benefits set out in Part I (Letter from the Chairman of Old Mutual plc) of this document.

B. The Retained Group's operations will be less diversified

On Completion of the Disposal, the Retained Group's business will be less diversified and have greater reliance on the South African businesses. Weak performance in that business, or in any particular sector of that business, may therefore have a proportionally greater adverse impact on the financial condition and credit rating of the Retained Group.

C. Representations, warranties and indemnities in the Sale Agreement

The Sale Agreement contains current customary warranties and indemnities given by Old Mutual in favour of Skandia Liv in respect of the Skandia AB Group, which could cause the Retained Group to incur liabilities and obligations to make payments which would not have arisen had the Disposal not taken place. Any such payments could have an adverse effect on the Retained Group's cash flow and financial conditions. Further details of the warranties and indemnities given are set out in Part III (Principal Terms of the Proposed Disposal) of this document.

D. The Disposal could be challenged by Skandia Liv Policyholders

As a so-called hybrid company, Skandia Liv is prohibited from distributing profit to its shareholders. Instead, any surplus generated in the business must be allocated to the Skandia Liv Policyholders. The Skandia Liv Policyholders may seek to challenge the Disposal on the basis that the Disposal is: (i) an unlawful value transfer; or (ii) in violation of the general clause in the SIBA (which states that corporate bodies are prevented from passing resolutions that provide undue advantage to a shareholder or others, to the disadvantage of policyholders).

A successful challenge in respect of an unlawful value transfer could result in the Company being required to repay any amount paid in excess of fair market value to Skandia Liv.

A successful challenge in respect of a violation of the general clause in the SIBA would void the Disposal. The Disposal consideration would be returned to Skandia Liv and the Skandia AB Shares and Skandia Liv Shares would be returned to the Company (or compensation provided if return were not possible). If Skandia Liv, the Skandia Liv Policyholders or another person were to suffer any damage, the Company could be held liable to compensate for such damage.

Whilst the risk of the Disposal being challenged as an unlawful value transfer or as in violation of the general clause of the SIBA should be regarded as low, were a successful challenge to be made by Skandia Liv Policyholders, the consequences for the Company would be significant.

2. Risks related to the Disposal not taking place

A. The Company may not deliver the perceived benefits of the Disposal if the transaction does not proceed

Completion of the Disposal is subject to the satisfaction of certain conditions, details of which are set out in Part III (Principal Terms of the Proposed Disposal) of this document, including, amongst others, Ordinary Shareholder approval at the General Meeting, as well as regulatory and other approvals. There can be no assurance that these conditions will be satisfied or, where relevant, waived. In the event that any condition is not satisfied or waived, the Disposal will not proceed.

The Board is of the opinion that the Disposal is in the best interests of the Ordinary Shareholders as a whole and currently provides the best opportunity to accelerate the delivery of tangible value to Ordinary Shareholders including the payment of the Special Dividend and the reduction of debt as contemplated in Part I (Letter from the Chairman of Old Mutual plc) of this document. Accordingly, if the Disposal does not complete, the Company will be unable to pay the Special Dividend proposed in Part VI (Further Information on the Special Dividend and the related Share Consolidation) of this document, may have less flexibility to reduce Group debt and its ability to implement the Group's stated strategy may be delayed or prejudiced.

B. Potential adverse effect on the Group if the Disposal does not proceed

Since the Disposal was announced on 15 December 2011, there has been a significant increase in the Company's share price, primarily due to positive market reaction to the Disposal and simplification of the Group's balance sheet. If the Disposal does not proceed, this may have an adverse effect on the Group and its management and employees who have committed considerable time, effort and resources in preparing for the sale of Skandia AB and the execution of the Disposal. This could have an effect on the value of the Company's shareholding in Skandia AB and the Company's share price may be adversely impacted.

PART III

PRINCIPAL TERMS OF THE PROPOSED DISPOSAL

1. Sale Agreement

The Sale Agreement was entered into on 14 December 2011 between Old Mutual, Skandia Liv, Skandia AB and the Foundation.

2. Structure and Consideration

Under the Sale Agreement, Old Mutual will procure the sale of the entire issued share capital in Skandia Liv to the Foundation for net cash proceeds of SEK 600,000 (£56,354). Immediately after and conditional on such sale, Old Mutual will sell the entire issued share capital in Skandia AB to Skandia Liv for net cash proceeds of SEK 22.4 billion (£2.1 billion). Where Completion of the Disposal has not occurred prior to 20 February 2012, Old Mutual will also receive interest on the Purchase Price at an annualised rate of 5 per cent. with respect to the period from 20 February 2012 to Completion. The Disposal does not include the Skandia brand outside the Nordic region or the China JV Interest.

The Foundation has been established by Skandia Liv as a Swedish legal entity acting in the interest of the Skandia Liv Policyholders. On Completion, Skandia Liv will be a standalone entity, separate from Old Mutual.

3. Conditions and termination

Completion is subject to a limited number of approvals, including financial supervisory and competition approvals in Sweden and Denmark. Completion is also subject to approval of the Disposal by Ordinary Shareholders at the General Meeting. The necessary competition authority approvals have already been obtained and regulatory approvals are expected in or around February 2012. Completion is currently anticipated to occur on or around 21 March 2012.

If the above approvals are not received, or if certain of the other conditions to Completion set out in the Sale Agreement are not satisfied or waived on or before 30 April 2012, Old Mutual and Skandia Liv are entitled to terminate the Sale Agreement by giving 25 business days' notice to the other (starting after 30 April 2012). If the approvals and conditions precedent are fulfilled or waived by parties to the Sale Agreement during that notice period, the parties are required to proceed to Completion notwithstanding the service of any such notice to terminate unless Old Mutual and Skandia Liv agree otherwise.

4. Representations and warranties

Old Mutual has provided general warranties customary for a transaction of this kind to Skandia Liv and the Foundation with respect to itself and Skandia AB. Skandia Liv and the Foundation have provided similar warranties to Old Mutual. The warranties relate to, amongst other things, title, capacity, authority and solvency matters, together with additional warranties as are customary for a transaction of this nature. Certain of these warranties will be repeated at Completion.

Old Mutual (on its own behalf and on behalf of the Skandia AB Group) has also provided to Skandia Liv certain representations and warranties relating to the assets, liabilities and obligations of Old Mutual and Skandia AB, as well as Group arrangements, key agreements and limited tax warranties. These warranties, with the exception of the warranty relating to Old Mutual's ownership of the shares in the Skandia AB Group, will not be repeated at Completion. In general, no claims may be brought by Skandia Liv under these warranties after 12 months from Completion.

The total liability of Old Mutual in the event of a claim under the Sale Agreement is generally capped at 10 per cent. of the Purchase Price. A limited number of warranties and covenants are capped at 100 per cent. Warranties capped at 100 per cent. include ownership of Skandia AB Shares and value transfer and leakage. Covenants capped at 100 percent. include covenants in relation to completing the Disposal, business operation, branding and the China JV Interest.

5. Undertakings

Old Mutual and Skandia Liv have given customary undertakings to each other, restricting the conduct of business and affairs during the period from the date of the Sale Agreement to Completion. In particular, the parties agreed to restrict transfer of value, and certain arrangements between Old Mutual and the Skandia AB Group must be approved by representatives of each party. However, these undertakings do not restrict Old Mutual from carrying out certain restructuring steps prior to Completion, including the transfer of certain trade mark and domain name rights to Skandia Holdings and the transfer of the China JV Interest to Old Mutual South Africa (or an Old Mutual nominee).

The SFSA, which regulates both Skandia Liv and Skandia AB, required that Skandia Liv secure representation on the boards of Skandia AB and Skandiabanken prior to Completion. As a first step, Old Mutual has effected certain changes to the directors representing Old Mutual on the boards of Skandia AB and Skandiabanken, and the appointment of certain directors representing Skandia Liv to the boards of Skandia AB and Skandiabanken. Old Mutual retains greater representation than Skandia Liv on the boards of Skandia AB and Skandiabanken after these changes.

As a second step, Old Mutual has undertaken once regulatory approvals are received to procure that the number of directors representing Old Mutual on the boards of Skandia AB and Skandiabanken are at least the same as the number of directors representing Skandia Liv. An Old Mutual representative shall be Chairman of the board of Skandia AB and Skandiabanken.

6. China JV Interest

Old Mutual had already taken steps to transfer the China JV Interest to its wholly owned subsidiary, Old Mutual South Africa, before the Disposal was contemplated. The parties agreed that the sale to Old Mutual South Africa (or an Old Mutual nominee) should proceed as soon as possible following receipt of necessary regulatory approvals. The parties agreed that if the sale did not proceed before Completion, the China JV Interest would remain with Skandia AB, to be sold as soon as possible following Completion. Skandia AB agreed to enable Old Mutual to continue to act, in effect, as shareholder of Old Mutual-Guodian until the China JV Interest is sold to Old Mutual South Africa (or an Old Mutual nominee). The parties agreed that consideration received from Old Mutual South Africa (or an Old Mutual nominee) would be paid on by Skandia Liv to Old Mutual. Old Mutual has provided certain indemnities to Skandia Liv with respect to the China JV Interest.

The parties entered into the China JV Side Letter to agree that planned capital contributions in connection with the China JV Interest in 2012 would be made directly by Skandia AB, rather than by Old Mutual. The arrangements under the China JV Side Letter have been put in place instead of the £10 million distribution from Skandia AB to Old Mutual contemplated under the Sale Agreement. The arrangements under the China JV Side Letter have been agreed to address regulatory requirements.

7. Ancillary Agreements

Old Mutual and Skandia Liv agreed to enter into certain ancillary agreements relating, among other things, to trade marks and transitional services.

Transitional Services Arrangements

The parties have, as is customary in a transaction of this kind, undertaken in the Sale Agreement to negotiate in good faith to enter into an agreement or agreements on Completion in respect of separation of the Skandia Liv Group and the Skandia AB Group from the Old Mutual Group, which includes support arrangements in respect of Royal Skandia and certain transitional services and arrangements to be provided by the Old Mutual Group to the Skandia AB Group or the Skandia Liv Group (or vice versa) to continue for a period from Completion (the “**Transitional Services Arrangements**”). The parties have agreed in the Sale Agreement to take steps between signing the Sale Agreement and Completion to minimise the services and arrangements to be provided on a transitional basis.

Skandia Holdings Agreement

Under the Sale Agreement, Skandia AB agreed to transfer the entire issued share capital of Skandia Holdings (the “**Skandia Holdings Shares**”) to Old Mutual for SEK 131,000,000 (£12.3 million) with inter-company receivables owed by the Skandia Liv Group or the Skandia AB Group to Skandia Holdings having been settled on or before Completion. The parties entered into a share purchase agreement on 23 December 2011 and effected the transfer of the Skandia Holdings Shares (the “**Skandia Holdings Agreement**”).

Trade Mark Assignment Agreement and Co-Existence Agreement

Under the Sale Agreement, Skandia AB agreed to transfer certain trade mark and domain name rights, including “Skandia” in respect of all jurisdictions other than Denmark, Norway and Sweden and “Royal Skandia” in respect of all jurisdictions including Denmark, Norway and Sweden, to Skandia Holdings for SEK 100,000 (£9,392). Skandia AB retained equivalent ownership and usage rights for certain trade mark and domain name rights, including “Skandia” but excluding “Royal Skandia”, in respect of Denmark, Norway and Sweden. The parties entered into a trade mark assignment agreement on 27 December 2011 to effect the transfer of such branding rights (the “**Trade Mark Assignment Agreement**”).

The parties also entered into a co-existence agreement on 27 December 2011 to govern the continued use of the branding rights in relation to their respective businesses in their respective territories (the “**Co-Existence Agreement**”). Skandia Holdings and Skandia Liv provided certain undertakings as to usage, licensing and quality control, and agreed to establish a brand management committee. The Co-Existence Agreement enters into force upon Completion and shall be perpetual and irrevocable. The Retained Group is required to wind-down its use of the Royal Skandia Brand in Denmark, Norway and Sweden by December 2014.

Year End Arrangement

Skandia Liv and Skandia AB entered into certain year end arrangements as at 31 December 2011, including a group contribution from Skandia Liv to Skandia AB, to be off-set against Skandia AB’s existing tax losses, and a shareholder contribution to Skandia Liv (the “**Year End Arrangement**”). Any potential tax or other liability arising in connection with the Year End Arrangement rests with Skandia Liv, rather than Old Mutual. The parties to the Sale Agreement have acknowledged that the Year End Arrangement shall not affect the Sale Agreement.

8. Governing Law

The Sale Agreement, the Skandia Holdings Agreement, the Trade Mark Assignment Agreement, the Co-Existence Agreement, the China JV Side Letter and the Year End Arrangement are governed by the laws of Sweden.

9. Impact of Swedish Law

The Sale Agreement, which is governed by Swedish law, requires the parties thereto (including Old Mutual, Skandia Liv and the Foundation) to take actions to effect completion of the Disposal. In addition, under Swedish law, there is an implied duty of loyalty between the parties in a contractual relationship, which applies to the parties to the Sale Agreement. This means in broad terms that the parties to the Sale Agreement are prevented from taking any actions that may adversely affect completion of the Disposal and prevents Old Mutual from, among other things, soliciting other offers, negotiating with other potential acquirors, recommending a competing offer and convening a shareholders’ meeting to consider a competing offer. The duty of loyalty will not prevent Old Mutual from objectively and accurately informing its shareholders about a competing unsolicited offer (after consultation with Skandia Liv) and does not prevent a competing unsolicited offeror from trying to influence Old Mutual’s shareholders in their decision to approve the Disposal. In the event that Old Mutual’s shareholders do not approve the Disposal, Old Mutual or Skandia Liv would be entitled to terminate Sale Agreement. Old Mutual would, after such termination, no longer be bound by the Sale Agreement or the implied duty of loyalty in respect of the Sale Agreement.

PART IV

FINANCIAL INFORMATION FOR THE SKANDIA AB GROUP

The financial information for the Skandia AB Group presented below relates to the banking, long-term savings, investment and insurance services offered to both retail and corporate customers under the Skandia brand in Sweden, Denmark and Norway. The financial information for the Skandia AB Group for the three years ended 31 December 2010 and the unaudited interim results for the six months ended 30 June 2011 has been:

- Extracted without material adjustment from the consolidation schedules that support the published audited financial statements and unaudited interim results of Old Mutual.
- Prepared using the accounting policies adopted in Old Mutual's published consolidated financial statements, which have been prepared using IFRS adopted by the European Union.

The financial information contained in this Part IV (Financial Information for the Skandia AB Group) does not constitute statutory accounts within the meaning of section 240 of the Companies Act 1985 or as the case may be section 434(3) of the Companies Act 2006.

The consolidated statutory accounts of Old Mutual in respect of the year ended 31 December 2010 have been delivered to the Registrar of Companies. The consolidated statutory accounts of Old Mutual and the auditor's reports in respect of those statutory accounts for the three years ended 31 December 2010 were unqualified and did not contain statements under section 237(2) or (3) of the Companies Act 1985 or as the case may be section 498(2) or (3) of the Companies Act 2006.

KPMG Audit Plc were the auditors of Old Mutual in respect of the three years to 31 December 2010 and reviewed the interim results for the six months ended 30 June 2011.

Skandia AB separately publishes its own audited financial statements; however, the financial information presented below has not been extracted from Skandia AB's audited financial statements because:

- In accordance with Chapter 7 of the Swedish Annual Accounts Act for Insurance Companies, Skandia AB does not prepare consolidated accounts.
- The accounting policies of Skandia AB may vary from those adopted in Old Mutual's published consolidated financial information which could reduce the comparability of the financial information.
- Skandia AB has been conducting a restructuring process since the acquisition by Old Mutual, to align its legal structure with the Old Mutual Group operating structure, as the Skandia AB statutory accounts for the three and a half years ended 30 June 2011 include operations which have been sold to other companies in the Old Mutual Group. This reduces the consistency of the financial information with the sale of Skandia AB under this process.

Accordingly, the financial information presented below may differ from the information published by Skandia AB.

It is also noted that the consolidated financial statements of Old Mutual and the Skandia AB Group do not include the wholly owned company Skandia Liv and its subsidiaries. Skandia Liv's business is a mutual life assurance company that is highly regulated within a strict legal framework for mutual life assurance companies in Sweden, particularly in relation to its relationship with its holding company. Due to the legal and regulatory restrictions, Old Mutual does not have the power to control Skandia Liv so as to access the benefits usually associated with share ownership. Those benefits accrue to the Skandia Liv Policyholders. Consequently, Skandia Liv is not consolidated. The shares in Skandia Liv are accounted for in accordance with the accounting policies for equity financial instruments.

Ordinary Shareholders should read the whole of this document and not rely solely on the financial information contained in this Part IV (Financial Information for the Skandia AB Group).

(i) Consolidated income statement

£m	Period ended 30 June 2011	Year ended 31 December 2010	Year ended 31 December 2009	Year ended 31 December 2008
Revenue				
Gross earned premiums	65	122	109	92
Outward reinsurance	(4)	(5)	(5)	(4)
Net earned premiums	61	117	104	88
Investment return (non-banking)	(367)	1,143	2,034	(2,313)
Banking interest and similar income	113	169	157	266
Banking trading, investment and similar income	(2)	5	—	24
Fee and commission income, and income from service activities	135	238	190	184
Other income	4	8	6	20
Inter-segment revenues	11	20	32	104
Total revenues	(45)	1,700	2,523	(1,627)
Expenses				
Claims and benefits (including change in insurance contract provisions)	(51)	(83)	(72)	(68)
Reinsurance recoveries	4	5	2	4
Net claims and benefits incurred	(47)	(78)	(70)	(64)
Change in investment contract liabilities	417	(1,066)	(1,972)	2,390
Losses on loans and advances	(2)	(4)	(5)	(4)
Banking interest payable and similar expense	(61)	(78)	(70)	(183)
Fees and commission expense, and other acquisition costs	(22)	(39)	(32)	(27)
Other operating and administrative expenses	(141)	(225)	(117)	(269)
Goodwill impairment	—	—	—	(12)
Amortisation of PVIF and other acquired intangibles	(40)	(142)	(131)	(129)
Inter-segment expenses	—	(2)	(38)	(126)
Total expenses	104	(1,634)	(2,435)	1,576
Share of associated undertakings profit/(loss) after tax	(2)	2	—	—
Profit/(loss) before tax	57	68	88	(51)
Income tax expense	(26)	(65)	(21)	6
Profit/(loss) after tax for the financial year*	31	3	67	(45)

*all attributable to equity holders of parent

(ii) Consolidated statement of financial position

£m	At 30 June 2011	At 31 December 2010
Assets		
Goodwill and other intangible assets	981	995
Property, plant and equipment	10	12
Deferred tax assets	83	78
Investments in associated undertakings and joint ventures	4	4
Deferred acquisition costs	77	66
Reinsurers share of life assurance policyholder liabilities	15	12
Loans and advances	5,521	5,216
Investments and securities	13,851	13,392
Current tax receivable	1	1
Trade, other receivables and other assets	161	191
Derivative financial instruments – assets	11	10
Cash and cash equivalents	538	198
Inter-segment assets	207	58
Total assets	21,460	20,233
Liabilities		
Life assurance policyholder liabilities	12,465	12,248
Borrowed funds	2	2
Provisions	(46)	(38)
Deferred revenue	2	1
Deferred tax liabilities	102	98
Current tax payable	35	12
Trade, other payables and other liabilities	237	259
Amounts owed to bank depositors	6,769	5,957
Derivative financial instruments – liabilities	9	10
Inter-segment liabilities	—	1
Total liabilities	19,575	18,550
Net assets	1,885	1,683
Equity		
– attributable to equity holders of the parent	1,885	1,683

(iii) Consolidated statement of financial position – Analysis of most significant balances

Intangibles

£m	At 30 June 2011	At 31 December 2010
Goodwill	249	243
Present value of acquired in-force business	556	568
Software development	4	4
Other intangibles	172	180
	981	995

Loans and advances

£m	At 30 June 2011	At 31 December 2010
Home loans	4,909	4,730
Credit cards	41	40
Overdrafts	265	262
Other loans to clients	259	149
Term loans	59	47
Gross loans and advances	5,533	5,228
Provisions for impairment		
Specific impairment	(3)	(3)
Portfolio impairment	(9)	(9)
	<u>5,521</u>	<u>5,216</u>

Investments and securities

£m	At 30 June 2011	At 31 December 2010
Government and government-guaranteed securities	178	167
Other debt securities, preference shares and debentures	3,083	2,798
Unlisted equity securities	1	4
Listed pooled investments	311	408
Unlisted pooled investments	10,278	10,015
	<u>13,851</u>	<u>13,392</u>

Life assurance policyholder liabilities

£m	At 30 June 2011 Gross	At 31 December 2010 Gross
Insurance contracts	64	45
Unit-linked investment contracts and similar contracts	12,292	12,094
Outstanding claims	109	109
	<u>12,465</u>	<u>12,248</u>

Amounts owed to bank depositors

£m	At 30 June 2011	At 31 December 2010
Current account	3,253	3,379
Savings deposits	3,034	2,295
Call and term deposits	479	278
Other	3	5
Amounts owed to bank depositors liabilities	<u>6,769</u>	<u>5,957</u>

PART V
UNAUDITED PRO FORMA STATEMENT OF NET ASSETS OF THE GROUP

Set out below is an unaudited pro forma statement of consolidated net assets of the Group as at 30 June 2011, which has been prepared on the basis described in the notes below to illustrate the effect on the consolidated net assets of the Group of the Disposal of the Skandia AB Group if it had occurred on that date. Because of its nature, the pro forma statement addresses a hypothetical situation and, therefore, does not represent the Group's actual financial position or results following Completion of the Disposal and has been prepared for illustrative purposes only.

The unaudited pro forma statement of net assets for the Group does not include the wholly owned company Skandia Liv and its subsidiaries for the reasons described in Part IV (Financial Information for the Skandia AB Group).

Ordinary Shareholders should read the whole of this document and not rely solely on the summarised information contained in this Part V (Unaudited Pro Forma Statement of Net Assets of the Group).

**Unaudited pro forma statement of
net assets of the Group
At 30 June 2011**

£m	Group – as reported	Adjustments		Group – Pro - forma
		Skandia AB Group	Other Adjts	
Assets				
Goodwill and other intangible assets	4,833	(981)	—	3,852
Mandatory reserve deposits with central banks	1,073	—	—	1,073
Property, plant and equipment	962	(10)	—	952
Investment property	1,980	—	—	1,980
Deferred tax assets	396	(83)	—	313
Investments in associated undertakings and joint ventures	176	(4)	—	172
Deferred acquisition costs	1,565	(77)	—	1,488
Reinsurers share of life assurance policyholder liabilities	1,114	(15)	—	1,099
Reinsurers share of general insurance liabilities	115	—	—	115
Loans and advances	49,417	(5,521)	—	43,896
Investments and securities	106,428	(13,851)	(1,190)	91,387
Current tax receivable	151	(1)	—	150
Clients indebtedness for acceptances	254	—	—	254
Trade, other receivables and other assets	4,144	(161)	(272)	3,711
Derivative financial instruments – assets	1,770	(11)	—	1,759
Cash and cash equivalents	4,526	(538)	1,017	5,005
Non-current assets held-for-sale	6	—	—	6
Inter-segment assets	—	(207)	207	—
Total assets	178,910	(21,460)	(238)	157,212
Liabilities				
Life assurance policyholder liabilities	97,429	(12,465)	—	84,964
General insurance liabilities	386	—	—	386
Third party interests in consolidation of funds	4,711	—	(1,277)	3,434
Borrowed funds	4,497	(2)	—	4,495
Provisions	230	46	—	276
Deferred revenue	773	(2)	—	771
Deferred tax liabilities	830	(102)	—	728
Current tax payable	244	(35)	—	209
Trade, other payables and other liabilities	5,106	(237)	(258)	4,611
Liabilities under acceptances	254	—	—	254
Amounts owed to bank depositors	51,564	(6,769)	—	44,795
Derivative financial instruments – liabilities	1,355	(9)	—	1,346
Total liabilities	167,379	(19,575)	(1,535)	146,269
Net assets	11,531	(1,885)	1,297	10,943

£m	Group - as reported	Adjustments		Group - Pro-forma
		Skandia AB Group	Other Adjs	
Equity				
Equity attributable to equity holders of the parent	9,031	(1,885)	1,297	8,443
Non-controlling interests				
Ordinary shares	1,783	—	—	1,783
Preferred securities	717	—	—	717
Total non-controlling interests	2,500	—	—	2,500
Total equity	11,531	(1,885)	1,297	10,943

Notes:

- 1) The financial information for the Old Mutual Group at 30 June 2011 has been extracted without material adjustment from the Old Mutual interim financial statements for the six months ended 30 June 2011, published on 5 August 2011.
- 2) The financial information for the Skandia AB Group at 30 June 2011 has been sourced from Part IV (Financial Information for the Skandia AB Group) of this document.
- 3) Other adjustments include:
 - a) Reversal of the Group consolidation adjustments relating to the Skandia AB consolidation of funds, which are recorded under 'Consolidation adjustments' in the Group segmental statement of financial position. These consolidation adjustments are made to the financial information of the Skandia AB Group on consolidation within the Group to reflect the gross up of funds of which the Skandia AB Group own greater than 50 per cent. Such funds are not consolidated within Skandia AB Group, however, are consolidated at a Group level under IFRS in line with the Group accounting policies. The disposal of the Skandia AB Group necessitates the reversal of the gross up. The reversal of the consolidation adjustments results in a reduction in Total Assets of £1,535m, being £1,190m from Investments and Securities, £262m from Trade, other receivables and other assets and £83m from Cash and cash equivalents. The corresponding £1,535m reduction in Total Liabilities is £1,277m from Third party interests in consolidated funds and £258m from Trade, other payables and other liabilities.
 - b) Inclusion of £164m representing the Pre-Signing Dividend, paid by Skandia AB on 9 December 2011, by way of a waiver of certain inter-company loans from Skandia AB to Old Mutual. This is reflected by a reduction in Skandia AB Inter-segment assets of £164m and a corresponding increase in Equity attributable to equity holders of the parent.
 - c) The transfer of the book value of the China JV Interest of £32m. Skandia AB is in the process of transferring the China JV Interest to Old Mutual South Africa (or an Old Mutual nominee). This is reflected by a reduction in Skandia AB Inter-segment assets of £32m and a corresponding increase in Equity attributable to equity holders of the parent.
 - d) Reversal of residual intercompany balances between Skandia AB and the Group. This is reflected by a reduction in the Group's Trade, other receivables and other assets of £10m and a corresponding increase in Inter-segment assets of £10m.
 - e) The impact of the transaction, representing net sale proceeds of approximately £2,100m, with £1,000m being returned to Ordinary Shareholders by means of the Special Dividend.

The combined impact of the above adjustments is summarised as follows:

Investments and securities adjustment = £(1,190)m (a)

Trade, other receivables and other assets = £(262)m (a) + £(10)m (d) = £(272)m

Cash and cash equivalents = £(83)m (a) + £2,100m (e) + £(1,000)m (e) = £1,017m

Inter-segment assets = £164m (b) + £32m (c) + £10m (d) + £1m (rounding difference) = £207m

Third party interests in consolidation of funds = £(1,277)m (a)

Trade, other payables and other liabilities = £(258)m (a)

Equity attributable to equity holders of the parent = £164m (b) + £32m (c) + £2,100m (e) + £(1,000)m (e) + £1m (rounding difference) = £1,297m

- 4) Other than the specific adjustments required by the terms of the disposal arrangement, no adjustments have been made to account for any trading or transactions or changes in financial position of either Old Mutual or the Skandia AB Group subsequent to 30 June 2011.



KPMG Audit Plc
Transaction Services
15 Canada Square
Canary Wharf
London E14 5GL
United Kingdom

The Directors
Old Mutual plc
2 Lambeth Hill
London
EC4V 4GG

3 February 2012

Dear Sirs

Old Mutual plc

We report on the pro forma net assets (the 'Pro forma financial information') set out in Part V of the Class 1 circular dated 3 February 2012, which has been prepared on the basis described in the notes 1 to 4 to Part V of the Circular, for illustrative purposes only, to provide information about how the Transaction might have affected the financial information presented on the basis of the accounting policies adopted by Old Mutual plc in preparing the financial statements for the period 30 June 2011. This report is required by paragraph 13.3.3R of the Listing Rules of the Financial Services Authority and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibilities

It is the responsibility of the directors of Old Mutual plc to prepare the Pro forma financial information in accordance with paragraph 13.3.3R of the Listing Rules of the Financial Services Authority.

It is our responsibility to form an opinion, as required by paragraph 7 of Annex II of the Prospectus Directive Regulation, as to the proper compilation of the Pro forma financial information and to report that opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro forma financial information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and which we may have to Ordinary shareholders as a result of the inclusion of this report in the Class 1 circular, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Listing Rule 13.4.1R(6), consenting to its inclusion in the Class 1 circular.

KPMG Audit Plc, a UK public limited company, is a subsidiary of KPMG Europe LLP and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative, a Swiss entity.

Registered in England No 3110745
Registered office: 15 Canada Square, London, E14 5GL



KPMG Audit Plc
3 February 2012

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro forma financial information with the directors of Old Mutual plc.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro forma financial information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of Old Mutual plc.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion:

- the Pro forma financial information has been properly compiled on the basis stated; and
- such basis is consistent with the accounting policies of Old Mutual plc.

Yours faithfully

A handwritten signature in black ink that reads 'KPMG Audit Plc'.

KPMG Audit Plc

PART VI

FURTHER INFORMATION ON THE SPECIAL DIVIDEND AND THE RELATED SHARE CONSOLIDATION

1. Introduction

If the Disposal is approved at the General Meeting and the Completion becomes effective, the Board is proposing to return a proportion of the proceeds from the Disposal to Ordinary Shareholders by way of a Special Dividend. The Board considered a number of methods for returning value to shareholders and, having regard to the differing positions of shareholders in the Company, concluded that a special dividend would be the most appropriate method. In reaching this conclusion, the Board considered in particular the position of retail shareholders, who would not for example be able to participate directly in a share buy-back and the benefits of completing the return of value to all shareholders within a fixed time frame. Following the payment of the Special Dividend, the balance of the net proceeds from the Disposal is intended to be used, subject to regulatory approvals, to reduce the Retained Group's indebtedness. In conjunction with the Special Dividend, the Board proposes to implement the Share Consolidation.

Under the Companies Act 2006, the Share Consolidation requires the approval of Ordinary Shareholders. The Disposal is not conditional on Ordinary Shareholders approving the Share Consolidation. The Special Dividend is conditional upon Ordinary Shareholders approving the Disposal, Completion occurring and the Share Consolidation being approved by Ordinary Shareholders and becoming effective. If these matters do not occur, the Special Dividend will not be paid.

If the Share Consolidation is approved, a letter will be sent to the UK Listing Authority requesting an amendment to the Official List to reflect the Share Consolidation. Application will be made to the JSE to amend the JSE List, and to the Namibian Stock Exchange, the Zimbabwean Stock Exchange and the Malawian Stock Exchange for the amendment of their respective lists, to reflect the Share Consolidation, once the Share Consolidation Resolution has been passed. The New Ordinary Shares will be admitted to trading on the LSE, the JSE, the Namibian Stock Exchange, the Zimbabwean Stock Exchange and the Malawian Stock Exchange.

If the Disposal is approved at the General Meeting, Completion is currently anticipated to occur on or around 21 March 2012. It is expected that the timing of the payment of the Special Dividend (including the Dividend Record Date) and the Share Consolidation (including the Consolidation Record Date and the New Ordinary Shares issue and trading admission dates) (if approved) will be announced with the Group's preliminary results for 2011 on 9 March 2012. It is the Board's current intention for the Special Dividend to be paid at the same time as the Group's final dividend with respect to the 2011 financial year. This is likely to be in early to mid-June 2012. The timing of Completion is dependent upon, amongst other things, the satisfaction (or waiver) of regulatory conditions. If there is any delay in obtaining such clearances, the expected date of Completion may change and the timing of the payment of the Special Dividend and Share Consolidation will need to be changed to reflect this.

2. Special Dividend

The Special Dividend will return approximately £1 billion (equivalent to 18 pence per Ordinary Share (or its equivalent in other applicable local currencies as determined by the Directors)) to Ordinary Shareholders.

It is anticipated that the Special Dividend will be paid as a special interim dividend alongside the payment of the final dividend for the year ended 31 December 2011. This is likely to be in early to mid-June 2012.

Certain tax consequences of the Special Dividend for UK, South African, Namibian, Zimbabwean, Malawian and US taxpayers are summarised in Part VII (United Kingdom Taxation), Part VIII (South African Taxation), Part IX (Namibian Taxation), Part X (Zimbabwean Taxation), Part XI (Malawian Taxation) and Part XII (US Taxation) of this document respectively.

3. Share Consolidation

The total amount of the Special Dividend is equivalent to approximately 11.87 per cent. of the market capitalisation of Old Mutual at the close of business on 2 February 2012, the latest practicable trading

date prior to the publication of this document. The effect of the Share Consolidation will be to reduce the number of Ordinary Shares in issue by approximately the same percentage, with the result that Ordinary Shareholders will receive 7 New Ordinary Shares for every 8 Ordinary Shares held at the Consolidation Record Date.

The purpose of the Share Consolidation is, amongst other things, to allow comparability of earnings per share and share prices with prior financial periods and to preserve the position of holders of options and awards under the relevant Old Mutual Share Plans who are not entitled to receive the Special Dividend. Although following the Share Consolidation each Ordinary Shareholder will hold fewer New Ordinary Shares than the number of Ordinary Shares held before, his or her shareholding as a proportion of the total number of New Ordinary Shares in the capital of the Company in issue, and therefore his or her ownership interest in Old Mutual, will be the same before and immediately after the Share Consolidation, save in respect of fractional entitlements. Apart from having a different nominal value, the New Ordinary Shares will carry the same rights as currently attach to Ordinary Shares under the Articles.

The Share Consolidation will replace every 8 Ordinary Shares with 7 New Ordinary Shares. If an individual shareholding is not exactly divisible by 8, the Share Consolidation will generate an entitlement to a fraction of a New Ordinary Share (known as a fractional entitlement). For purely illustrative purposes, examples of the effect of the Special Dividend and the Share Consolidation are set out in the table below.

Ordinary Shares	New Ordinary Shares	Special Dividend (£ or foreign currency equivalent)	Fractional Entitlements (Fraction of New Ordinary Share)
200	175	£36	Nil
300	262	£54	0.5
500	437	£90	0.5
1,000	875	£180	Nil

The fractional entitlements will not be allotted to Ordinary Shareholders and will not be retained by the Company. Instead, the Company intends to put in place arrangements for such fractional entitlements to be aggregated and sold in the market. This is in accordance with usual market practice and the Articles. On the basis that the market price of each Ordinary Share is £1.52 / ZAR18.35 at the close of business on 2 February 2012, being the latest practicable trading date prior to the publication of this document, the proceeds from the sale of an entitlement to a fraction of a New Ordinary Share will always be less than £1.33 / ZAR16.06. Such proceeds will be donated to charity, with guidance on the donations to be given by the Old Mutual Foundations or existing charitable donation governance structures in the United Kingdom, South Africa, Zimbabwe, Malawi and Namibia. The Company will report the total proceeds donated and the recipient charities after donations have been made.

Ordinary Shareholders who hold fewer than 8 Ordinary Shares will still have their shareholding consolidated, and their shareholding will be dealt with in accordance with the procedure for fractional entitlements to New Ordinary Shares. Following the Share Consolidation and assuming no further shares are issued between the date of this document and the date that the Share Consolidation becomes effective, the Company's issued share capital will comprise 4,866,973,209 New Ordinary Shares.

To effect the Share Consolidation, all Ordinary Shares of 10 pence each in the capital of the Company will first be sub-divided into ordinary shares of $1\frac{3}{7}$ pence each (the "**Intermediate Ordinary Shares**"). This will be immediately followed by a consolidation of all Intermediate Ordinary Shares into New Ordinary Shares of $11\frac{3}{7}$ pence each (the "**New Ordinary Shares**").

To be approved, the Share Consolidation requires a majority in number of Ordinary Shareholders present and voting at the General Meeting to vote in favour of the Share Consolidation Resolution. The Share Consolidation is conditional on Ordinary Shareholders approving the Disposal, on Completion occurring, on the Company declaring and not revoking the Special Dividend and the amendment of the Official List for the New Ordinary Shares.

To effect the Share Consolidation, it will be necessary (in the case of Certificated Ordinary Shareholders only) to recall all share certificates in issue in respect of Ordinary Shares in order to replace them with share certificates reflecting the number and nominal value of the New Ordinary Shares subsequent to the Share Consolidation.

To facilitate the timeous receipt by Certificated Ordinary Shareholders of new share certificates, Certificated Ordinary Shareholders who wish to anticipate the Share Consolidation and who do not wish to deal in their Ordinary Shares prior to the Share Consolidation are requested to surrender their share certificates by completing the Form of Surrender (blue) and returning it together with the share certificates to the relevant Registrar as follows:

By hand to:

By post to:

In the case of UK Ordinary Shareholders

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS13 8AE
United Kingdom

Computershare Investor Services PLC
Corporate Actions Project 1
Bristol BS99 6AF
United Kingdom

In the case of SA Ordinary Shareholders

Computershare Investor Services (Pty) Ltd
70 Marshall Street
Johannesburg 2001
South Africa

Computershare Investor Services (Pty) Ltd
PO Box 61763
Marshalltown 2107
South Africa

In the case of Namibian Ordinary Shareholders

Transfer Securities (Pty) Ltd
4 Robert Mugabe Street
Windhoek, Namibia

Transfer Securities (Pty) Ltd
PO Box 2401
Windhoek, Namibia

In the case of Zimbabwean Ordinary Shareholders

Corpserve Share Transfer Secretaries
2nd Floor ZB Centre
Cnr First Street & Kwame Nkrumah Avenue
Harare, Zimbabwe

Corpserve Share Transfer Secretaries
PO Box 2208
Harare, Zimbabwe

In the case of Malawian Ordinary Shareholders

National Bank of Malawi
Financial Management Services Dept
Cnr Victoria Avenue / Henderson Street
Blantyre, Malawi

National Bank of Malawi
Financial Management Services Dept
PO Box 1438
Blantyre, Malawi

Replacement share certificates reflecting the Share Consolidation will be posted to Certificated Ordinary Shareholders by registered post (in the case of South Africa, Namibia, Malawi and Zimbabwe) and by normal post in the UK, provided that their share certificates are received by 12:00 p.m. on the Consolidation Record Date or within five business days if received after 12:00 p.m. on the Consolidation Record Date.

Share certificates so received will be held in trust by the relevant Registrar pending the fulfilment of the conditions precedent to the Share Consolidation. In the event that the Share Consolidation does not become unconditional, the relevant Registrar will, within five business days thereafter, return the share certificates to the Certificated Ordinary Shareholders concerned by registered post (in the case of South Africa, Namibia, Malawi and Zimbabwe) and by normal post in the UK, at the risk of such shareholders.

In the event that a Certificated Ordinary Shareholder does not complete the attached Form of Surrender (blue) and return it together with the share certificates to the Registrars by 12:00 p.m. on the Consolidation Record Date, if such Certificated Ordinary Shareholder later wishes to obtain a replacement share certificate reflecting the Share Consolidation, such shareholders will be required to return their share certificates to the Registrar together with certified copies of their identity documents, if they are individuals, or otherwise, certified copies of their constitutional documents.

If share certificates have been lost or destroyed and the shareholder concerned produces evidence to this effect to the satisfaction of Old Mutual, then Old Mutual may dispense with the surrender of such existing share certificates against provision of an acceptable indemnity.

UK Dematerialised Shareholders will have their CREST accounts credited directly with the relevant New Ordinary Shares and will be notified via CREST on the same day the Special Dividend is paid in cash. If Old Mutual is unable to do this under the provisions of the Uncertificated Securities Regulations 2001, or the facilities and requirements of CREST, the relevant New Ordinary Shares will be issued as certificated shares and definitive share certificates will be posted to the relevant shareholder at that shareholder's risk.

SA Dematerialised Shareholders will have their CSDP accounts credited directly with the relevant New Ordinary Shares and will be notified by their CSDP or broker in accordance with their custody agreements.

4. Old Mutual Share Plans

In relation to the Special Dividend and Share Consolidation, participants in the Old Mutual Share Plans will be dealt with according to the respective rules of the plans concerned.

In the case of those Old Mutual Share Plans where participants have received restricted shares and whose rules provide that the participants are entitled to receive dividends on their restricted shares, the participants will receive the Special Dividend in the usual way, and their restricted shares under award will be affected by the Share Consolidation in the same way as other Ordinary Shareholders.

Where the rules of the Old Mutual Share Plans concerned do not entitle participants to receive any dividends, the participants will not be entitled to receive the Special Dividend. Old Mutual anticipates that those awards and options outstanding at the Consolidation Record Date and not entitled to the Special Dividend will not be adjusted so that such participants will be entitled to the same number of shares as they were entitled to prior to the Share Consolidation. The intention behind this approach is to ensure equality of treatment by preserving the economic value of the awards and options following the payment of the Special Dividend and the Share Consolidation. Details of any adjustments, as they affect the executive Directors of Old Mutual and any other Persons Discharging Managerial Responsibilities will be publicly announced through the usual regulatory news service channels once they have been made.

PART VII

UNITED KINGDOM TAXATION

The following paragraphs are intended as a general guide only and are based on current UK tax law and HM Revenue and Customs practice as at the date of this document. They relate only to certain limited aspects of the UK taxation treatment of the Special Dividend and the Share Consolidation for shareholders resident or ordinarily resident in the UK for tax purposes, who are the absolute beneficial owners of their Ordinary Shares and who hold them as investments. Certain Ordinary Shareholders, such as dealers in securities, insurance companies, collective investment schemes and persons who have acquired their Ordinary Shares by reason of their or another's employment may be taxed differently and are not considered.

Ordinary Shareholders who are in any doubt about their tax position, or who are subject to tax in a jurisdiction other than the UK, should take appropriate independent advice without delay.

1. Special Dividend

Individual shareholders within the charge to UK Income Tax

An Ordinary Shareholder who is an individual resident or ordinarily resident in the UK will be entitled to a tax credit equal to one-ninth of the dividend he receives. The dividend received plus the related tax credit (the "**gross dividend**") will be part of the Ordinary Shareholder's total income for UK income tax purposes and will be regarded as the top slice of that income. However, in calculating the Ordinary Shareholder's liability to income tax in respect of the gross dividend, the tax credit (which equates to 10 per cent. of the gross dividend) is set off against the tax chargeable on the gross dividend.

Basic Rate Taxpayers

In the case of an Ordinary Shareholder who is liable to income tax at the basic rate, the Ordinary Shareholder will be subject to tax on the gross dividend at the rate of 10 per cent. The tax credit will therefore satisfy in full the Ordinary Shareholder's liability to income tax on the gross dividend.

Higher Rate Taxpayers

To the extent that the gross dividend falls above the threshold for the higher rate of income tax but below the threshold for the additional rate of income tax, the Ordinary Shareholder will be subject to tax on the gross dividend at the rate of 32.5 per cent. This means that the tax credit will satisfy only part of the Ordinary Shareholder's liability to income tax on the gross dividend, so that to that extent the Ordinary Shareholder will have to account for income tax equal to 22.5 per cent. of the gross dividend (which equates to 25 per cent. of the dividend received). For example, assuming the entire gross dividend falls above the higher rate threshold and below the additional rate threshold, a dividend of £90 from the Company would represent a gross dividend of £100 (after the addition of the tax credit of £10) and the Ordinary Shareholder would be required to account for income tax of £22.50 on the dividend, being £32.50 (i.e. 32.5 per cent. of £100) less £10 (the amount of the tax credit).

Additional Rate Taxpayers

To the extent that the gross dividend falls above the threshold for the additional rate of income tax, the Ordinary Shareholder will be subject to tax on the gross dividend at the rate of 42.5 per cent. This means that the tax credit will satisfy only part of the Ordinary Shareholder's liability to income tax on the gross dividend, so that to that extent the Ordinary Shareholder will have to account for income tax equal to 32.5 per cent. of the gross dividend (which equates to approximately 36.1 per cent. of the dividend received). For example, assuming the entire gross dividend falls above the additional rate threshold, a dividend of £90 from the Company would represent a gross dividend of £100 (after the addition of the tax credit of £10) and the Ordinary Shareholder would be required to account for income tax of £32.50 on the dividend, being £42.50 (i.e. 42.5 per cent. of £100) less £10 (the amount of the tax credit).

Corporate shareholders within the charge to UK Corporation Tax

Ordinary Shareholders within the charge to UK corporation tax which are “small companies” (for the purposes of UK taxation of dividends) will not generally be subject to tax on dividends from the Company.

Other Ordinary Shareholders within the charge to UK corporation tax will not be subject to tax on dividends from the Company so long as the dividends fall within an exempt class and certain conditions are met. In general, dividends paid on non-redeemable shares that do not carry any present or future preferential rights to dividends or to the paying company’s assets on its winding up, and dividends paid to a person holding less than 10 per cent. of the issued share capital of the paying company (or any class of that share capital) are examples of dividends that fall within an exempt class.

No Payment of Tax Credit

An Ordinary Shareholder (whether an individual or a company) who is not liable to tax on dividends from the Company will not be entitled to claim payment of the tax credit in respect of those dividends.

No Withholding

There is no UK withholding tax on dividends.

2. Share Consolidation

It is expected that for the purposes of UK taxation on chargeable gains the Share Consolidation will be treated as follows:

- 2.1 The New Ordinary Shares arising from the Share Consolidation will result from a reorganisation of the share capital of the Company. Accordingly, to the extent that an Ordinary Shareholder receives New Ordinary Shares, the Ordinary Shareholder will not generally be treated as making a disposal of all or part of his existing holding of Ordinary Shares by reason of the Share Consolidation being implemented, and the New Ordinary Shares which replace an Ordinary Shareholder’s existing holding of Ordinary Shares as a result of the Share Consolidation (the “**new holding**”) will be treated as the same asset acquired at the same time as the Ordinary Shareholder’s existing holding of Ordinary Shares was acquired.
- 2.2 If an Ordinary Shareholder holds fewer than 8 Ordinary Shares at the Consolidation Record Date and so is not entitled to any New Ordinary Shares, the Ordinary Shareholder will be treated as disposing of all of his existing holding of Ordinary Shares for nil consideration.
- 2.3 On a subsequent disposal of the whole or part of the New Ordinary Shares comprised in his new holding, an Ordinary Shareholder may, depending on his circumstances, be subject to tax on the amount of any chargeable gain realised.

3. Transactions in Securities: Anti-avoidance

Under the provisions of Chapter 1 of Part 13 of the Income Tax Act 2007 (for income tax purposes) and Part 15 of the Corporation Tax Act 2010 (for corporation tax purposes), HM Revenue and Customs can, in certain circumstances, counteract tax advantages arising in relation to certain transactions in securities. The Company has not sought clearance on behalf of Ordinary Shareholders in respect of the special dividend in relation to the applicability of those provisions. However, it is not expected that they will, as a general matter, affect the taxation treatment of Ordinary Shareholders receiving the Special Dividend.

PART VIII

SOUTH AFRICAN TAXATION

The following paragraphs are intended as a general guide only and are based on current South African tax law and the practices of the South African Revenue Service (“SARS”) as at the date of this document. They relate only to certain limited aspects of the South African taxation treatment of the Special Dividend and the Share Consolidation for shareholders that are resident in South Africa for tax purposes, who are the owners of their Ordinary Shares and who hold them as investments. Certain Ordinary Shareholders, such as dealers in securities, insurance companies, collective investment schemes and persons who have acquired their Ordinary Shares by reason of their or another’s employment may be taxed differently and are not considered.

Ordinary Shareholders who are in any doubt about their tax position, or who are subject to tax in a jurisdiction other than South Africa, should take appropriate independent advice without delay.

1. Special Dividend

Although the Company will formally declare the Special Dividend, its actual payment will be effected to SA Ordinary Shareholders through a dividend paid from Old Mutual South Africa and/or its subsidiaries. The relevant South African subsidiary (or subsidiaries) of Old Mutual (“SA Sub”) will declare to the trustees of a South African dividend access trust or a company established for the same purpose (“SA DAT”), the Rand equivalent amount of the Special Dividend due on the Ordinary Shares on the SA Register (“SA DAT Dividend”). The actual declaration of the SA DAT Dividend will be made shortly before, and in anticipation of, the date payment of the Special Dividend is due.

The SA DAT will operate as a conduit and will, on receipt of the SA DAT Dividend pay the SA DAT Dividend to the SA Ordinary Shareholders in settlement of the Special Dividend. As such, the SA DAT Dividend will retain its character as if these SA Ordinary Shareholders held the shares in the SA Sub directly. The SA DAT Dividend will not be categorised as a foreign dividend, but as a dividend declared by a South African resident company. The SA DAT Dividend will accordingly be exempt from income tax in the hands of these SA Ordinary Shareholders in terms of the general exemption that applies to South African dividends, although it will be subject to the new South Africa dividend tax regime that is due to come into force from 1 April 2012, as detailed below.

1.1 Dividends tax implications of South African dividends distributed by SA Sub to SA Ordinary Shareholders

If the Special Dividend is paid and the dividend is declared to the SA DAT after 1 April 2012, the exposure to South African dividends tax (“SA DT”) will be relevant.

The payment of the Special Dividend to SA Ordinary Shareholders will be administered via Computershare Investor Services (Pty) Ltd acting as CSDP in respect of Ordinary Shares held by South African residents in Certificated Form and Uncertificated Form. The CSDP, as regulated intermediary, will accordingly be obliged to withhold 10 per cent. SA DT from all resident SA Ordinary Shareholders who have not made declarations in SARS’s prescribed format to the effect that they are exempt from SA DT.

In practice, this should result in the 10 per cent. SA DT being withheld from all SA Ordinary Shareholders who are ordinary persons. SA DT should not be withheld from SA Ordinary Shareholders (having met SARS’s declaration requirements) that are corporate entities.

2. Share Consolidation

2.1 A South African tax resident SA Ordinary Shareholder must disregard any capital gain or loss arising from the Share Consolidation. The details of the Ordinary Shares are carried over to the New Ordinary Shares, namely:

- (A) any expenditure allowable under the base cost determination of the New Ordinary Shares;
- (B) the date that expenditure was incurred;

- (C) the date of acquisition; and
- (D) any market value adopted or determined under the provisions for the base cost determination for Ordinary Shares held on 1 October 2001.

2.2 The aggregate expenditure or market value of the Ordinary Shares is allocated among the New Ordinary Shares according to their relative market values.

2.3 The carry over of these details:

- (A) enables an Ordinary Shareholder to use the time-apportionment base cost method when determining the base cost value of Ordinary Shares held on 1 October 2001; and
- (B) ensures that the available valuation provisions that were relevant to the Ordinary Shares will also apply to the New Ordinary Shares.

PART IX

NAMIBIAN TAXATION

The following paragraphs are intended as a general guide only and are based on current Namibian tax law and the practices of the Namibian tax authorities as at the date of this document. They relate only to certain limited aspects of the Namibian taxation treatment of the Special Dividend and the Share Consolidation for shareholders that are resident in Namibia for tax purposes, who are the owners of their Ordinary Shares and who hold them as investments. Certain Ordinary Shareholders, such as dealers in securities, insurance companies, collective investment schemes and persons who have acquired their Ordinary Shares by reason of their or another's employment may be taxed differently and are not considered.

Ordinary Shareholders who are in any doubt about their tax position, or who are subject to tax in a jurisdiction other than Namibia, should take appropriate independent advice without delay.

1. Taxation of Special Dividend

Dividends received by or accrued to or in favour of a Namibian Ordinary Shareholder who is a Namibian taxpayer constitute exempt income for the purposes of income tax. A Namibian Ordinary Shareholder affected by Namibian tax laws who receives a dividend from a foreign entity will not be taxed on such a dividend.

Although the Company will formally declare the Special Dividend, its actual payment will be effected to Namibian Ordinary Shareholders through a dividend paid from a Namibian subsidiary (or subsidiaries) of Old Mutual ("**Namibian Sub**"). The Namibian Sub will declare to the trustees of a Namibian dividend access trust ("**Namibian DAT**"), the equivalent amount of the Special Dividend due on the Ordinary Shares on the Namibian Register ("**Namibian DAT Dividend**"). The actual declaration of the Namibian DAT Dividend will be made shortly before, and in anticipation of, the date payment of the Special Dividend is due.

The Namibian DAT will operate as a conduit and will, on receipt of the Namibian DAT Dividend pay the Namibian DAT Dividend to the Namibian Ordinary Shareholders in settlement of the Special Dividend. As such, the Namibian DAT Dividend will retain its character as if these Namibian Ordinary Shareholders held the shares in the Namibian Sub directly. The Namibian DAT Dividend will not be categorised as a foreign dividend, but as a dividend declared by a Namibian resident company. The Namibian DAT Dividend will accordingly be exempt from income tax in the hands of these Namibian Ordinary Shareholders in terms of the general exemption that applies to Namibian dividends.

2. Share Consolidation

Capital gains are not taxable under Namibian taxation laws. The Share Consolidation will not result in the accrual of taxable income to Namibian Ordinary Shareholders.

PART X

ZIMBABWEAN TAXATION

The following paragraphs are intended as a general guide only and are based on current Zimbabwean tax law and the practices of the Zimbabwean tax authorities as at the date of this document. They relate only to certain limited aspects of the Zimbabwean taxation treatment of the Special Dividend and the Share Consolidation for shareholders that are resident in Zimbabwe for tax purposes, who are the owners of their Ordinary Shares and who hold them as investments. Certain Ordinary Shareholders, such as dealers in securities, insurance companies, collective investment schemes and persons who have acquired their Ordinary Shares by reason of their or another's employment may be taxed differently and are not considered.

Ordinary Shareholders who are in any doubt about their tax position, or who are subject to tax in a jurisdiction other than Zimbabwe, should take appropriate independent advice without delay.

1. Taxation of Special Dividend

Payment of the Special Dividend to Zimbabwean Ordinary Shareholders who are resident in Zimbabwe will trigger a withholding tax on dividends. The Special Dividend is thus subject to the deduction at source of a withholding tax imposed on companies listed on the Zimbabwe Stock Exchange at a rate of 10 per cent.

The tax rate and method applies to all Zimbabwean Ordinary Shareholders resident in Zimbabwe, whether individual or corporate.

Although the Company will formally declare the Special Dividend, its actual payment will be effected to Zimbabwean Ordinary Shareholders through a dividend paid from a Zimbabwean subsidiary (or subsidiaries) of Old Mutual ("**Zimbabwean Sub**"). The Zimbabwean Sub will declare to the trustees of a Zimbabwean dividend access trust ("**Zimbabwean DAT**"), the equivalent amount of the Special Dividend due on the Ordinary Shares on the Zimbabwean Register ("**Zimbabwean DAT Dividend**"). The actual declaration of the Zimbabwean DAT Dividend will be made shortly before, and in anticipation of, the date payment of the Special Dividend is due.

The Zimbabwean DAT will operate as a conduit and will, on receipt of the Zimbabwean DAT Dividend, pay the Zimbabwean DAT Dividend to the Zimbabwean Ordinary Shareholders in settlement of the Special Dividend. If the conduit principle is recognised, the Zimbabwean DAT Dividend will retain its character as if these Zimbabwean Ordinary Shareholders held the shares in the Zimbabwean Sub directly. The Zimbabwean DAT Dividend may then not be categorised as a foreign dividend, but as a dividend declared by a Zimbabwean resident company, and will be subjected to the according Zimbabwean tax treatment.

2. Share Consolidation

The Share Consolidation will not create a tax liability under Zimbabwean tax laws and no capital gains tax will arise.

PART XI

MALAWIAN TAXATION

The following paragraphs are intended as a general guide only and are based on current Malawian tax law and the practices of the Malawian tax authorities as at the date of this document. They relate only to certain limited aspects of the Malawian taxation treatment of the Special Dividend and the Share Consolidation for shareholders that are resident in Malawi for tax purposes, who are the owners of their Ordinary Shares and who hold them as investments. Certain Ordinary Shareholders, such as dealers in securities, insurance companies, collective investment schemes and persons who have acquired their Ordinary Shares by reason of their or another's employment may be taxed differently and are not considered.

Ordinary Shareholders who are in any doubt about their tax position, or who are subject to tax in a jurisdiction other than Malawi, should take appropriate independent advice without delay.

1. Taxation of Special Dividend

Special Dividend payments received by Malawian Ordinary Shareholders resident in Malawi will not be taxed.

Although the Company will formally declare the Special Dividend, its actual payment will be effected to Malawian Ordinary Shareholders through a dividend paid from a Malawian subsidiary (or subsidiaries) of Old Mutual ("**Malawian Sub**"). The Malawian Sub will declare to the trustees of a Malawian dividend access trust ("**Malawian DAT**"), the equivalent amount of the Special Dividend due on the Ordinary Shares on the Malawian Register ("**Malawian DAT Dividend**"). The actual declaration of the Malawian DAT Dividend will be made shortly before, and in anticipation of, the due date of payment of the Special Dividend.

The Malawian DAT will operate as a conduit and will, on receipt of the Malawian DAT Dividend, pay the Malawian DAT Dividend to the Malawian Ordinary Shareholders in settlement of the Special Dividend. If the conduit principle is recognised, the Malawian DAT Dividend will retain its character as if these Malawian Ordinary Shareholders held the shares in the Malawian Sub directly. The Malawian DAT Dividend may then not be categorised as a foreign dividend, but as a dividend declared by a Malawian resident company, and will be subjected to Malawian tax treatment.

2. Share Consolidation

The Share Consolidation will not create any liability under Malawian tax laws, on the basis that the proportionate shareholding of Ordinary Shareholders will remain the same following the Share Consolidation and that the overall basis of the Ordinary Shares shall remain unchanged.

PART XII
US TAXATION

The following discussion is for general information only and is not intended to be, nor should it be construed to be, legal or tax advice to any Ordinary Shareholder and no opinion or representation with respect to the US federal income tax consequences to any Ordinary Shareholder is made. This disclosure is limited to the US federal tax issues addressed herein. Additional issues may exist that are not addressed in this disclosure and that could affect the US federal tax treatment of the Special Dividend and related Share Consolidation.

TO ENSURE COMPLIANCE WITH INTERNAL REVENUE SERVICE CIRCULAR 230, EACH ORDINARY SHAREHOLDER IS HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF UNITED STATES FEDERAL TAX ISSUES IN THIS DOCUMENT IS NOT INTENDED OR WRITTEN BY THE COMPANY TO BE RELIED UPON, AND CANNOT BE RELIED UPON BY ORDINARY SHAREHOLDERS, FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON ORDINARY SHAREHOLDERS UNDER THE INTERNAL REVENUE CODE OF 1986 AS AMENDED (THE "CODE"); (B) SUCH DISCUSSION IS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) EACH ORDINARY SHAREHOLDER SHOULD SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

1. General

The following is a discussion of certain material US federal income tax consequences of the Special Dividend and related Share Consolidation to US Holders (as defined below) who receive the Special Dividend, but it does not purport to be a comprehensive description of all the tax considerations that may be relevant to a particular person. This discussion does not address US state, local and non-US tax consequences. The discussion addresses only US Holders who hold Ordinary Shares as capital assets for US federal income tax purposes, and it does not address special classes of holders, such as, certain financial institutions; insurance companies; dealers and certain traders in securities or foreign currencies; persons holding Ordinary Shares as part of a hedge, straddle, conversion or other integrated transaction; persons whose functional currency for US federal income tax purposes is not the US dollar; partnerships or other entities classified as partnerships for US federal income tax purposes; persons liable for the alternative minimum tax; tax-exempt organisations; or persons that own or are deemed to own 10 per cent. or more of the Company's voting stock. This discussion does not address the US tax consequences applicable to a holder of the Company's American depository shares ("ADSs") or a participant in an Old Mutual Share Plan. Each holder of an ADS and each participant in an Old Mutual Share Plan should seek advice based on its particular circumstances from an independent tax adviser.

This discussion is based on the Code, administrative pronouncements, judicial decisions, final, temporary and proposed US Treasury regulations, all as of the date of this document. These laws are subject to change, possibly on a retroactive basis. US Holders should consult their tax advisers concerning the US federal, state, local and non-US tax consequences of the Special Dividend and related Share Consolidation in their particular circumstances.

As used in this document, a "US Holder" is a beneficial owner of Ordinary Shares that is, for US federal income tax purposes: (i) a citizen or resident of the United States; (ii) a corporation, or other entity taxable as a corporation, created or organised in or under the laws of the United States or any political sub-division thereof; (iii) an estate or trust, the income of which is subject to US federal income taxation regardless of its source; or (iv) a trust (A) if a court within the United States is able to exercise primary jurisdiction over its administration and one or more US persons have authority to control all substantial decisions of the trust or (B) that has a valid election in effect under applicable Treasury regulations to be treated as a US person.

If a partnership or other pass-through entity is a beneficial owner of Ordinary Shares, the tax treatment of a partner or other owner will generally depend upon the status of the partner (or other owner) and the activities of the entity. A partner (or other owner) of a pass-through entity that owns Ordinary Shares, should consult its tax adviser regarding the tax consequences of acquiring, owning and disposing of Ordinary Shares.

1.1 Special Dividend

Subject to the discussion on paragraph 1.3 of this Part XII (Passive Foreign Investment Company Considerations), the Special Dividend paid on Ordinary Shares will be treated as foreign-source dividend income to the extent paid out of the Company's current or accumulated earnings and profits (as determined under US federal income tax principles). To the extent the Special Dividend exceeds the Company's current and accumulated earnings and profits (as determined under US federal income tax principles), it will be treated first as a tax-free return of capital to the extent of the US Holder's tax basis in its Ordinary Shares, and capital gain thereafter. The Company does not maintain records of earnings and profits in accordance with US federal income tax principles. Accordingly, it is expected that the Special Dividend will be reported as a dividend for US federal income tax purposes. The Special Dividend will not be eligible for the dividends-received deduction generally allowed to US corporations under the Code.

In the case of a US Holder of Ordinary Shares, the dividend will be included in the US Holder's income in a US dollar amount calculated by reference to the exchange rate in effect on the date the dividend is received by such US Holder, regardless of whether the payment is in fact converted into US dollars at such time. If the dividend is converted into US dollars on the date of receipt, a US Holder generally should not be required to recognise foreign currency gain or loss in respect of the dividend income. If, instead, the dividend is converted at a later date, any currency gains or losses resulting from the conversion of the dividend will be treated as US source ordinary income or loss.

Subject to applicable exceptions with respect to short-term and hedged positions, certain dividends received by non-corporate US Holders prior to 1 January 2013 from a "qualified foreign corporation" may be eligible for reduced rates of taxation. A qualified corporation includes a foreign corporation that is eligible for the benefits of a comprehensive income tax treaty with the United States that the US Treasury Department determines to be satisfactory for these purposes and that includes an exchange of information provision. The US Treasury has determined that the income tax treaty between the United States and the United Kingdom meets these requirements, and the Company believes that it is eligible for the benefits of this treaty. If the preferential rates apply and the Special Dividend exceeds 10 per cent. of a US Holder's adjusted basis in Ordinary Shares (or, if the preferential rates apply and the Special Dividend and any other dividends with ex-dividend dates during the same period of 365 consecutive days in the aggregate exceed 20 per cent. of such basis), any loss on the sale or exchange of such Ordinary Shares would be treated as long-term capital loss to the extent of such dividends.

1.2 Share Consolidation

Subject to paragraph 1.3 of this Part XII (Passive Foreign Investment Company Considerations), a US Holder will not recognise gain or loss in connection with the exchange of Ordinary Shares for New Ordinary Shares in the Share Consolidation, except to the extent of the cash amount attributable to a fractional entitlement to a New Ordinary Share. Although there is no authority that directly addresses a company making charitable contributions in lieu of giving shareholders fractional entitlements, a US Holder may be treated as receiving the amount of cash attributable to the fractional entitlements to which the US Holder would otherwise have been entitled and then making a contribution to a charitable organisation in such amount. In such event, the difference, as determined in US dollars, between the US Holder's tax basis allocable to the fractional entitlement and the cash received upon the sale of such entitlement will be US-source capital gain or loss which will be long-term capital gain or loss if the US Holder has held its Ordinary Shares for more than one year. Unless the charitable contribution was made to an organisation exempt from US federal income taxation pursuant to Section 501(c)(3) of the Code, a US Holder would not receive a deduction for any amounts contributed to charity in lieu of receiving a fractional entitlement.

A US Holder's tax basis in its New Ordinary Shares will equal its tax basis in its Ordinary Shares less any tax basis that is allocable to any fractional entitlement to a New Ordinary Share. A US Holder's holding period for its New Ordinary Shares will include its holding period for the Ordinary Shares exchanged therefor. A US Holder should consult its tax adviser regarding the US tax treatment of the charitable contributions made in lieu of fractional entitlements.

1.3 Passive Foreign Investment Company Considerations

In general, a company would be considered a passive foreign investment company (“**PFIC**”) for any taxable year in which (i) 75 per cent. or more of its gross income consists of passive income (such as dividends, interest, rents and royalties) or (ii) 50 per cent. or more of the average quarterly value of its assets consists of assets that produce, or are held for the production of, passive income. In arriving at this calculation, a company must also include a pro rata portion of the income and assets of each corporation in which it owns, directly or indirectly, at least a 25 per cent. interest.

Passive income for this purpose generally includes dividends, interest, royalties, rents and gains from commodities and securities transactions. Exceptions are provided for income derived in the active conduct of an insurance business and income derived in the active conduct of a banking business (each as described in more detail below). A substantial portion of the income and assets of the Company and its subsidiaries is attributable to passive assets held in connection with insurance and banking businesses conducted by certain of the Company’s subsidiaries. Accordingly, the eligibility of these businesses for such exception is central to the determination of the Company’s PFIC status.

Income “derived in the active conduct of an insurance business by a corporation which is predominantly engaged in an insurance business...” is not considered passive for this purpose. This exception is intended to ensure that income derived by a bona fide insurance company is not treated as passive income, except to the extent such income is attributable to financial reserves in excess of the reasonable needs of the insurance business. The Company believes that its insurance subsidiaries are predominantly engaged in, and each derives its income from the active conduct of, an insurance business and does not have financial reserves in excess of the reasonable needs of its insurance business. Because these determinations are factual in nature and subject to future change as facts develop, there can be no assurance that any of the Company’s income qualifies, or will continue to qualify for this exception.

The application of the PFIC rules to banks is unclear under present US federal income tax law. Banks generally derive a substantial part of their income from assets that are interest-bearing or that otherwise could be considered passive under the PFIC rules. The IRS has issued a notice and has proposed regulations that exclude from passive income any income derived in the active conduct of a banking business by a qualifying foreign bank (the “**Active Bank Exception**”). The IRS notice and proposed regulations have different requirements for qualifying as a foreign bank and for determining the banking income that may be excluded from passive income under the Active Bank Exception. Moreover, the proposed regulations have been outstanding since 1994 and will not be effective unless finalised.

Based on the composition of its income, the valuation of its assets and the activities conducted by it and its subsidiaries, the Company does not believe that it was a PFIC in prior taxable years and does not expect to be a PFIC for the current or future years. PFIC status depends upon the composition of a company’s income, the composition and fair market value of its assets from time to time, the nature of the activities of the Company and its subsidiaries (and their ability to qualify for the insurance and banking exceptions described above) and the application of proposed regulations. No assurance can be made, as to what positions the IRS or a court might take in the future regarding the application of the PFIC rules to the Company.

If the Company were classified as a PFIC for any taxable year during the holding period of a US Holder, such US Holder would be subject to increased tax liability (generally including an interest charge) upon the disposition of Ordinary Shares and the receipt of certain distributions, including the Special Dividend. Accordingly US Holders are urged to consult their own tax advisers concerning the US federal income tax consequences to them if the Company has been or becomes a PFIC.

1.4 Information Reporting and Backup Withholding

Payments of dividends and sales proceeds that are made within the US or through certain US-related financial intermediaries generally are subject to information reporting and to backup withholding unless the US Holder is a corporation or other exempt recipient or, in the case of backup withholding, the US Holder provides a correct taxpayer identification number and certifies that no loss of exemption from backup withholding has occurred. The amount of any backup withholding from a payment to a US Holder will be allowed as a credit against the US Holder’s US federal income tax liability and may entitle the US Holder to a refund, provided that the required information is furnished to the US Internal Revenue Service on a timely basis.

PART XIII

EXCHANGE CONTROL

The following is a general summary of the current exchange control positions in South Africa, Malawi, Namibia and Zimbabwe, and is intended as a guide only and is therefore not comprehensive. Ordinary Shareholders who are in any doubt as to the position in any particular case should consult their independent professional advisers. Please note that Old Mutual is not responsible for obtaining any exchange control consents that any Ordinary Shareholder may need to obtain.

1. SOUTH AFRICA

The South African exchange control system is used principally to control capital movements by South African residents to countries outside the CMA. In broad terms, transactions between South African residents and non-residents are subject to applicable South African exchange control regulations.

1.1 Share registers

Non-resident SA Ordinary Shareholders who hold Ordinary Shares through the SA Register through South African nominees (i.e. a CSDP or broker) who wish to re-register their holdings into their own names or to remove their registrations from the SA Register to the UK Register (either into their own names or into the name of a non-South African nominee) should approach an Authorised Dealer.

South African resident SA Ordinary Shareholders who hold Ordinary Shares on the UK Register and who acquired such shares either through their foreign investment allowance or through other legitimate offshore moneys will be entitled to participate in the Special Dividend and Share Consolidation without restriction.

In terms of Circular 22/2011 dated 7 December 2011, issued by the SARB, inward listed shares on the JSE traded and settled in Rand have been reclassified as a domestic asset in the hands of South African investors for the purposes of EXCON.

South African resident SA Ordinary Shareholders who hold Ordinary Shares on the SA Register are not permitted to transfer registration of their Ordinary Shares to the UK Register.

1.2 South African individuals

South African individuals (excluding Emigrants) will be allowed to participate in the Special Dividend and Share Consolidation for holdings on the SA Register, and can acquire or subscribe for Ordinary Shares listed on the SA Register without restriction. An acquisition or subscription by an individual will not affect such individual's offshore investment allowance.

1.3 South African corporates and trusts

South African companies, trusts and partnerships are permitted to invest in inward-listed (foreign) instruments on the JSE without restriction. Institutional investors are allowed to invest in inward listed shares without affecting their permissible foreign portfolio investment allowance. Authorised Dealers and South African banks are allowed to invest in inward listed shares without affecting their macro-prudential limit. South African institutional investors, banks and corporate entities will be allowed to participate in the Special Dividend and Share Consolidation for holdings on the SA Register as these rights are domestic assets for EXCON purposes.

Institutional investors comprising of, inter alia, retirement funds, long-term insurers, collective investment scheme management companies and investment managers, as well as Authorised Dealers and banks are allowed to transfer funds from South Africa for investment abroad subject to the various of the SARB prudential regulations and foreign exposure thresholds.

1.4 Non-residents of the CMA

Non-residents (excluding Emigrants) may acquire or subscribe for Ordinary Shares on the JSE provided they settle the purchase consideration from funds received in foreign currency or for which payment is made from a non-resident account. Proceeds from a sale of the Ordinary Shares by non-residents are freely transferable.

1.5 Emigrants

Emigrants may freely acquire or subscribe for Ordinary Shares by using their legitimate offshore currency (unblocked funds). Emigrants may also acquire or subscribe for Ordinary Shares from funds retained in an Emigrant's blocked account. In the latter case, after the endorsement has been annotated (if certificated), the Ordinary Shares will be returned to the Authorised Dealer controlling the Blocked Assets of the Emigrant concerned. Former residents of the CMA who have emigrated may not use Emigrant Blocked Funds to acquire Ordinary Shares on the UK Register.

2. MALAWI

Transactions between Malawi residents and non-residents are subject to applicable Malawi exchange control regulations.

2.1 Malawian residents

Malawians, namely, a person (natural or juristic) who is regarded as a resident of Malawi for exchange control purposes can acquire or subscribe for Ordinary Shares listed on the Malawian Register without restriction.

2.2 Non-residents of Malawi

Non-residents of Malawi may acquire or subscribe for Ordinary Shares on the Malawian Register provided they settle the purchase consideration from funds received in foreign currency or for which payment is made from a non-resident account. Proceeds from a sale of the Ordinary Shares so purchased by non-residents are freely transferable, subject to availability of foreign currency.

3. NAMIBIA

3.1 Namibian residents

Namibians, namely a person (individual or corporate) who is regarded as a resident of Namibia for exchange control purposes, can acquire or subscribe for Ordinary Shares on the Namibian Register without restriction. However, transactions by Namibians involving the transfer of assets (i.e. capital rather than income) to countries outside the CMA require exchange control approval.

3.2 Non-residents of Namibia

Non-residents of Namibia may acquire or subscribe for Ordinary Shares on the Namibian Register subject to Namibia's exchange control regulations in force from time to time. However, there are no general restrictions on foreign ownership of shares in Namibian listed companies, and all shares are freely tradable.

4. ZIMBABWE

4.1 Zimbabwean residents

Zimbabwean residents may acquire the New Ordinary Shares to be entered on the Zimbabwean Share Register without restriction.

4.2 Non-residents of Zimbabwe

All non-resident Zimbabwean Ordinary Shareholders of the Company's Ordinary Shares that are listed on the Zimbabwean Stock Exchange are subject to Zimbabwe's exchange control regulations in force from time to time. Subject to exchange control approval, any New Ordinary Shares issued to non-residents that are listed on the Zimbabwean Stock Exchange will be issued as "*new non-resident*" shares in the Company. The rights attaching to the New Ordinary Shares which are issued as "*new non-resident*" shares in the Company will not change. Such shares will remain subject to normal trade. The "*new non-resident*" designation is a designation by the Zimbabwe Reserve Bank for shares issued to non-residents.

PART XIV

ADDITIONAL INFORMATION

1. Responsibility Statement

The Directors, whose names appear in paragraph 2.2 below, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. The Company and the Directors

2.1 The Company

The Company was incorporated and registered in England and Wales as a private limited company on 26 June 1998 under the Companies Act 1985 with number 3591559 and the name Laudum (No 1) Limited. On 6 November 1998, the Company was reregistered as a public company and its name was changed to Old Mutual Group plc. The name of the Company was subsequently changed to Old Mutual plc on 19 November 1998. The principal legislation under which Old Mutual operates are the Companies Acts and the regulations made thereunder.

The Company is headquartered in the UK with its registered office at 5th Floor, Old Mutual Place, 2 Lambeth Hill, London EC4V 4GG. The business address of each of the Directors is 5th Floor, Old Mutual Place, 2 Lambeth Hill, London EC4V 4GG. The telephone number of the Company's registered office is +44 (0)20 7002 7000.

2.2 The Directors

Directors		<i>Registered office</i>
Patrick O'Sullivan	(Chairman)	5 th Floor
Julian Roberts	(Group Chief Executive)	Old Mutual Place
Philip Broadley	(Group Finance Director)	2 Lambeth Hill
Alan Gillespie	(Senior Independent Director)	London
Mike Arnold	(Independent Non-Executive Director)	EC4V 4GG
Eva Castillo	(Independent Non-Executive Director)	
Russell Edey	(Independent Non-Executive Director)	
Reuel Khoza	(Non-Executive Director)	
Roger Marshall	(Independent Non-Executive Director)	
Bongani Nqwababa	(Independent Non-Executive Director)	
Lars Otterbeck	(Independent Non-Executive Director)	

2.3 Senior Managers

Senior Managers	
Peter Bain	(President and Chief Executive Officer Old Mutual Asset Management (US))
Mike Brown	(Chief Executive of Nedbank Group Limited)
Ian Gladman	(Group Strategy Director)
Paul Hanratty	(Chief Executive Officer, Long-Term Savings division of Old Mutual plc and Chairman of Old Mutual South Africa)
Don Hope	(Senior Advisor)
Sue Kean	(Group Risk Officer)
Don Schneider	(Group Human Resources Director)

3. Directors' and senior managers' interests

As at 2 February 2012, being the latest practicable date prior to the publication of this document, the interests of each Director and senior manager (and their connected persons under the Companies Act 2006) in the

share capital of the Company, including interests arising pursuant to any transaction notified to the Company pursuant to rule 3.1.2 of the Disclosure and Transparency Rules made by the FSA pursuant to FSMA, are as follows:

(A) Holdings of shares in the Company:

<u>Name of Director</u>	<u>Number of Ordinary Shares</u>	<u>Percentage of issued Ordinary Shares</u>
Patrick O'Sullivan	104,365	0.00%
Julian Roberts	1,128,633 ¹	0.02%
Philip Broadley	412,178 ²	0.01%
Eva Castillo	—	—
Mike Arnold	12,725	0.00%
Russell Edey	25,000	0.00%
Reuel Khoza	—	—
Roger Marshall	40,000	0.00%
Alan Gillespie	—	—
Bongani Nqwababa	—	—
Lars Otterbeck	—	—

¹ 605,443 of these shares are held in his wife's name.

² 355,612 of these shares are held in his wife's name.

<u>Name of Senior Manager</u>	<u>Number of Ordinary Shares</u>	<u>Percentage of issued Ordinary Shares³</u>
Peter Bain	9,910	0.00%
Mike Brown	—	—
Ian Gladman	—	—
Paul Hanratty	1,200 ⁴	0.00%
Don Hope	194,445	0.00%
Sue Kean	—	—
Don Schneider	1,486	0.00%

³ Total ordinary issued shares refers only to shares carrying voting rights.

⁴ 300 of these shares are held in his wife's name.

(B) Share options and share awards

Certain directors and senior managers have share options and share awards that enable them to subscribe for Ordinary Shares under certain of the Old Mutual Share Plans:

Julian Roberts

<u>Share Plan</u>	<u>Date of grant</u>	<u>Exercise price</u>	<u>Exercisable from</u>	<u>Expiry</u>	<u>Number of Ordinary shares under option or award</u>
PSP Restricted Shares	08.04.09	n/a	08.04.12	08.04.12	860,508
	13.05.10	nil	13.05.13	12.05.20	1,743,698
	13.05.10	nil	13.05.14	12.05.20	1,743,698
	11.04.11	nil	11.04.14	10.04.16	734,278
	11.04.11	nil	11.04.15	10.04.16	734,278
PSP Share Options	08.04.09	£0.5410	08.04.12	07.04.15	55,241
	08.04.09	£0.5410	08.04.12	07.04.15	4,380,988
SRP Restricted Shares	08.04.09	n/a	08.04.12	08.04.12	301,594
	23.03.10	n/a	23.03.13	23.03.13	378,849
	11.04.11	n/a	11.04.14	11.04.14	421,597
SSP	09.04.09	£0.3200	01.06.14	30.11.14	48,906

Phillip Broadley

<u>Share Plan</u>	<u>Date of grant</u>	<u>Exercise price</u>	<u>Exercisable from</u>	<u>Expiry</u>	<u>Number of Ordinary shares under option or award</u>
PSP Restricted Shares	08.04.09	n/a	08.04.12	08.04.12	739,372
	08.04.09	n/a	08.04.12	08.04.12	85,805
	13.05.10	nil	13.05.13	12.05.20	1,155,464
	13.05.10	nil	13.05.14	12.05.20	1,155,462
	11.04.11	nil	11.04.14	10.04.16	488,079
	11.04.11	nil	11.05.15	10.04.16	488,079
PSP Share Options	08.04.09	£0.5410	08.04.12	07.04.15	55,452
	08.04.09	£0.5410	08.04.12	07.04.15	386,905
SRP Restricted Shares	08.04.09	n/a	08.04.12	08.04.12	44,235
	23.03.10	n/a	23.03.13	23.03.13	262,530
	11.04.11	n/a	11.04.14	11.04.14	267,969

Peter Bain

<u>Share Plan</u>	<u>Date of grant</u>	<u>Exercise price</u>	<u>Exercisable from</u>	<u>Expiry</u>	<u>Number of Ordinary shares under option or award</u>
SRP Restricted Shares	11.04.11	n/a	11.04.14	11.04.14	705,038

Paul Hanratty

<u>Share Plan</u>	<u>Date of grant</u>	<u>Exercise price</u>	<u>Exercisable from</u>	<u>Expiry</u>	<u>Number of Ordinary shares under option or award</u>
PSP Restricted Shares	08.04.09	n/a	08.04.12	08.04.12	97,741
	13.05.10	nil	13.05.13	12.05.20	498,950
	13.05.10	nil	13.05.14	12.05.20	498,950
	11.04.11	nil	11.04.14	10.04.16	342,088
	11.04.11	nil	11.04.15	10.04.16	342,088
PSP Share Options	08.04.09	£0.5410	08.04.12	07.04.15	625,009
SRP Restricted Shares	08.04.09	n/a	08.04.12	08.04.12	646,309
	23.03.10	n/a	23.03.13	23.03.13	499,569
	11.04.11	n/a	11.04.14	11.04.14	316,777
SRP Share Options	08.04.09	£0.5410	08.04.12	07.04.15	1,077,182

Don Hope

<u>Share Plan</u>	<u>Date of grant</u>	<u>Exercise price</u>	<u>Exercisable from</u>	<u>Expiry</u>	<u>Number of Ordinary shares under option or award</u>
PSP Restricted Shares	08.04.09	n/a	08.04.12	08.04.12	252,075
	13.05.10	nil	13.05.13	12.05.20	441,178
	13.05.10	nil	13.05.14	12.05.20	441,176
PSP Share Options	08.04.09	£0.5410	08.04.12	07.04.15	49,075
	08.04.09	£0.5410	08.04.12	07.04.15	1,250,463
SRP Restricted Shares	08.04.09	n/a	08.04.12	08.04.12	173,272
	23.03.10	n/a	23.03.13	23.03.13	95,943
	11.04.11	n/a	11.04.14	11.04.14	80,277
SSP	09.04.09	£0.3200	01.06.12	30.11.12	28,593

Sue Kean

<u>Share Plan</u>	<u>Date of grant</u>	<u>Exercise price</u>	<u>Exercisable from</u>	<u>Expiry</u>	<u>Number of Ordinary shares under option or award</u>
PSP Restricted Shares	11.04.11	nil	11.04.14	10.04.16	52,998
	11.04.11	nil	11.04.15	10.04.16	52,998
SRP Restricted Shares	11.04.11	n/a	11.04.14	11.04.14	49,759

Don Schneider

<u>Share Plan</u>	<u>Date of grant</u>	<u>Exercise price</u>	<u>Exercisable from</u>	<u>Expiry</u>	<u>Number of Ordinary shares under option or award</u>
PSP Restricted Shares	08.09.09	n/a	08.09.12	08.09.12	142,857
	13.05.10	nil	13.05.13	12.05.20	415,968
	13.05.10	nil	13.05.14	12.05.20	415,966
	11.04.11	nil	11.04.14	10.04.16	181,410
	11.04.11	nil	11.04.15	10.04.16	181,410
PSP Share Options	08.09.09	£0.9250	08.09.12	08.09.15	32,432
	08.09.09	£0.9250	08.09.12	08.09.15	681,854
SRP Restricted Shares	23.03.10	n/a	23.03.13	23.03.13	19,848
	11.04.11	n/a	11.04.14	11.04.14	85,889

4. Composition of the Board after Disposal

Immediately following the Disposal, the Board is expected to remain unchanged.

5. Details of the service contracts of the directors of the Company

The non-executive directors and chairman do not have service contracts and their appointment may be terminated at any time without compensation. The appointment of non-executive directors is terminable on one month's notice (except in the case of Patrick O'Sullivan, whose appointment is terminable on one year's notice) and, as from December 2011, non-executive directors are appointed for two terms of three years, followed by three terms of one year. Their appointments are reviewed at the end of each term. Dates of appointment and unexpired terms of the non-executive directors are as follows:

<u>Name of non-executive director</u>	<u>Date of first appointment to the Board</u>	<u>Date of current appointment to the Board</u>	<u>Unexpired term as at 31 December 2011</u>
Patrick O'Sullivan	1 January 2010	1 January 2010	1 year
Alan Gillespie	3 November 2010	3 November 2010	1 year 10 months
Mike Arnold	1 September 2009	1 September 2009	8 months
Eva Castillo	4 February 2011	4 February 2011	2 years 1 month
Russell Edey	24 June 2004	24 June 2010	1 year 5 months
Reuel Khoza	26 January 2006	26 January 2009 and 26 January 2012	25 days (since renewed to 25 January 2013)
Roger Marshall	5 August 2010	5 August 2010	1 year 7 months
Bongani Nqwababa	1 April 2007	1 April 2010	1 years 3 months
Lars Otterbeck	14 November 2006	14 November 2009	10 months

Details of the service contracts of those who served as executive directors are set out in the 'Remuneration Report' section of the Company's 2010 annual report and accounts. All executive directors have rolling service contracts which expire when terminated in accordance with the terms of the individual contract:

<u>Name of executive director</u>	<u>Contract date</u>	<u>Notice period from Company</u>	<u>Notice period from Director</u>
Julian Roberts	23 January 2009 (amended 22 November 2011)	12 months	12 months
Philip Broadley	10 November 2008 (amended 22 November 2011)	12 months	6 months

6. Major interests in shares

6.1 Set out in the table below are the names of those persons, other than a Director, who, so far as the Company is aware, are interested, directly or indirectly, in three per cent. or more of the Company's total voting rights and capital in issue as at 2 February 2012 (being the latest practicable date prior to the publication of this document).

<u>Name</u>	<u>Number of Ordinary Shares</u>	<u>Percentage of Issued Ordinary Shares⁵</u>
Cevian Capital Public Investment Corporation of the Republic of South Africa	410,748,581	7.38
Sanlam Investment Management (Pty) Ltd	307,212,664	5.52
Blackrock Inc	305,691,719	5.50
Legal & General Group PLC	264,286,239	4.75
Old Mutual South Africa	185,451,357	3.33
	185,464,458	3.33

6.2 The Company is not aware of any person who exercises, or could exercise, directly or indirectly, jointly or severally, control over the Company.

7. Material contracts

7.1 No contracts have been entered into (other than contracts entered into in the ordinary course of business) by any member of the Retained Group either: (i) within the period of two years immediately preceding the date of this document which are or may be material to the Retained Group; or (ii) which contain any provisions under which any member of the Retained Group has any obligation or entitlement which is, or may be, material to the Retained Group as at the date of this document, save as disclosed below:

- (A) Details of the terms of the Sale Agreement are set out in Part III (Principal Terms of the Proposed Disposal) of this document;
- (B) On 12 October 2005, Old Mutual established a Euro Note Programme, pursuant to which it may from time to time issue notes, denominated in any currency, the maximum aggregate amount of which shall not exceed £3,500,000,000. Old Mutual has made the following issues to external investors under this Euro Note Programme which remain outstanding: (i) in November 2005, €500,000,000 in principal amount of 5 per cent. perpetual notes; (ii) on 15 October 2009, £500,000,000 in principal amount of 7.125 per cent. notes due 2016; and (iii) on 1 June 2011, £500,000,000 in principal amount of 8 per cent. notes due 2021;
- (C) On 5 August 2010, Old Mutual and Harbinger OM LLC entered into an agreement for the sale of the Company's US Life operations to affiliates of Harbinger Capital Partners LLC for \$350m (approximately £220m). The sale completed on 7 April 2011; and

⁵ Total ordinary issued shares refers only to shares carrying voting rights.

(D) On 21 April 2011, Old Mutual entered into a new £1,200 million five-year multi-currency revolving credit facility for the Group. The new facility is to be used for the general corporate purposes of the Group and for refinancing Old Mutual's previous £1,232 million five-year multi-currency revolving facility, which had a maturity date of September 2012.

7.2 No contracts have been entered into (other than contracts entered into in the ordinary course of business) by any member of the Skandia AB Group either: (i) within the period of two years immediately preceding the date of this document which are or may be material to the Skandia AB Group; or (ii) which contain any provisions under which any member of the Skandia AB Group has any obligation or entitlement which is, or may be, material to the Skandia AB Group as at the date of this document, save as pursuant to the Sale Agreement detailed in Part III (Principal Terms of the Proposed Disposal) of this document.

8. Litigation

8.1 There are no, nor have there been any, governmental, legal or arbitration proceedings (nor is the Company aware of any such proceedings being pending or threatened by or against any member of the Retained Group) which may have, or during the last twelve months prior to the date of this document have had, a significant effect on the financial position or profitability of the Retained Group.

8.2 There are no, nor have there been any, governmental, legal or arbitration proceedings (nor is the Company aware of any such proceedings being pending or threatened by or against any member of the Skandia AB Group) which may have, or during the last twelve months prior to the date of this document have had, a significant effect on the Skandia AB Group's financial position or profitability.

9. Working Capital

The Company and the Directors are of the opinion that, taking into account the cash and other facilities available to the Retained Group, the Retained Group has sufficient working capital for its present requirements, that is, for at least the next twelve months from the date of publication of this document.

10. Consents

10.1 Each of Morgan Stanley, Evercore Partners, Bank of America Merrill Lynch and Deutsche Bank has given, and has not withdrawn, its consent to the inclusion in this document of the references to its name in the form and context in which they are included.

10.2 KPMG Audit Plc is a member firm of the Institute of Chartered Accountants in England and Wales and has given, and not withdrawn, its written consent to the inclusion of its report on the unaudited pro forma statement of net assets in Part V (Unaudited Pro Forma Statement of Net Assets of the Group) of this document, in the form and context in which they appear.

11. Significant change

11.1 Save for the dividend of SEK 1,668 million from Skandia AB paid to Old Mutual on 9 December 2011, by way of a waiver of certain inter-company loans from Skandia AB to Old Mutual (as disclosed in Section 4 of Part I (Letter from the Chairman of Old Mutual plc) of this document), there has been no significant change in the financial or trading position of the Skandia AB Group since 30 June 2011, being the date to which the financial information for the Skandia AB Group presented in Part IV (Financial Information for the Skandia AB Group) has been prepared.

11.2 Save for the adverse impact on Group equity from the decline in the Rand against Sterling in the second half of 2011, and the expected impairment of goodwill relating to the US Asset Management business (as disclosed in Section 9 of Part I (Letter from the Chairman of Old Mutual plc) of this document), there has been no significant change in the financial or trading position of the Retained Group since 30 June 2011, being the date to which the latest published financial information for the Retained Group has been prepared.

12. Related party transactions

Related party transactions for the purposes of this paragraph 12 are those set out in the standards adopted according to Regulation (EC) No 1606/2002.

12.1 Details of related party transactions, the Company has entered into:

- (A) during the financial year ended 31 December 2008 are disclosed in accordance with the respective standard adopted according to Regulation (EC) No 1606/2002 in note 45 on pages 239 to 241 of the Company's 2008 annual report and accounts;
- (B) during the financial year ended 31 December 2009 are disclosed in accordance with the respective standard adopted according to Regulation (EC) No 1606/2002 in note G3 on pages 313 to 316 of the Company's 2009 annual report and accounts; and
- (C) during the financial year ended 31 December 2010 are disclosed in accordance with the respective standard adopted according to Regulation (EC) No 1606/2002 in note G3 on pages 303 to 305 of the Company's 2010 annual report and accounts.

12.2 During the period from 1 January 2011 up to 31 December 2011, the Company has provided certain pension fund, insurance, banking and financial services to related parties. These are conducted on an arm's length basis and are not material to the Group's results.

(A) Key management personnel remuneration and other compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group.

	Year ended 31 December 2011		Year ended 31 December 2010	
	Number of personnel	Value £000s	Number of personnel	Value £000s
Directors' fees	12	1,638	12	1,510
Remuneration		25,176		22,819
Cash remuneration	17	5,969	18	6,675
Short-term employee benefits	17	8,751	18	7,660
Post employment benefits	14	1,296	10	451
Other long-term benefits	5	12	7	14
Share-based payments	13	9,148	17	8,019
		<u>26,814</u>		<u>24,329</u>

	Year ended 31 December 2011		Year ended 31 December 2010	
	Number of personnel	Number of options/shares '000s	Number of personnel	Number of options/shares '000s
Share options				
Outstanding at beginning of the year	13	14,499	11	15,613
Leavers	1	(70)	2	(482)
New appointments	1	274	4	704
Granted during the year		193		425
Exercised during the year		(1,335)		(966)
Lapsed during the year		(2,079)		(795)
Outstanding at end of the year	11	<u>11,482</u>	13	<u>14,499</u>

	Year ended 31 December 2011		Year ended 31 December 2010	
	Number of personnel	Number of options/shares '000s	Number of personnel	Number of options/shares '000s
Restricted shares				
Outstanding at beginning of the year	14	19,142	10	7,832
Leavers	1	(641)	2	(1,565)
New appointments	2	1,580	6	1,314
Granted during the year		7,111		12,282
Lapsed during the year		(2,270)		(151)
Released during the year		(3,270)		(570)
Outstanding at end of the year	14	<u>21,652</u>	14	<u>19,142</u>

(B) Key management personnel transactions

Key management personnel and members of their close family have undertaken transactions with the Group, jointly controlled entities and associated undertakings in the normal course of business, details of which are given below. For current accounts positive values indicate assets of the individual whilst for credit cards and mortgages positive values indicate liabilities of the individual.

	Year ended 31 December 2011		Year ended 31 December 2010	
	Number of personnel	Value £000s	Number of personnel	Value £000s
Current accounts				
Balance at beginning of the year	7	672	7	265
Net movement during the year		(348)		407
Balance at end of the year	5	324	8	672
Credit cards				
Balance at beginning of the year	5	29	4	22
Net movement during the year		(3)		7
Balance at end of the year	5	26	5	29
Mortgages				
Balance at beginning of the year	5	1,791	5	3,028
Net movement during the year		(627)		(1,125)
Interest charged		49		86
Less repayments		(778)		(334)
Foreign exchange movements		186		136
Balance at end of the year	3	621	5	1,791
General insurance contracts				
Total premium paid during the year	3	15	3	18
Claims paid during the year	1	1	1	1
Life insurance products				
Total sum assured/value of investment at end of the year	10	16,029	13	23,501
Pensions, termination benefits paid				
Value of pension plan as at end of the year	10	5,700	13	6,714

Various members of key management personnel hold, and/or have at various times during the year held, investments managed by asset management businesses of the Group. These include unit trusts, mutual funds and hedge funds. None of the amounts concerned are material in the context of the funds managed by the Group business concerned, and all of the investments have been made by the individuals concerned either on terms which are the same as those available to external clients generally or, where that is not the case, on the same preferential terms as were available to employees of the business generally.

(C) Skandia Liv

Skandia Liv is a wholly-owned Swedish company of Old Mutual and a related party to the Group. Skandia Liv's business is operated on a mutual basis with independent governance and all the benefits usually associated with share ownership accrue to Skandia Liv Policyholders rather than Old Mutual. Accordingly, Skandia Liv's results are not consolidated into the results of the Group.

Material transactions between the Group and the Skandia Liv Group during the period from 1 January 2011 up to 31 December 2011 were as follows:

- Agreement in principle and framework agreement on co-operation covering market-related functions and certain staff functions – this involves distribution and distribution support, customer service, market communication, administration of group insurance products, and staff and service functions. Skandia Liv paid £84 million (2010: £88 million) for services rendered under this agreement.
- Premises – the Group rented office premises from Skandia Liv. The Group paid market rents of £1 million (2010: £16 million) for these premises.

- Occupational pensions – Skandia Liv provides occupational pensions for the employees of the Group, for which the Group paid £17 million (2010: £15 million).
- Agreement on IT services – the Group provides IT services to Skandia Liv. The amount charged to Skandia Liv was £10 million (2010: £7 million).
- Settlement with Skandia Liv regarding the arbitration settlement – in a ruling issued on 2 October 2008, the arbitration board ruled that the going rate level of compensation in the market pursuant to the 2002 Asset Management Agreement was a maximum of ten basis points including value added tax, and that Skandia AB – for the time from 1 July 2008 and onward – was obligated to pay an amount to Skandia Liv that corresponds to the share of asset management fees received that exceed ten basis points including value added tax. A reserve to cover asset management fees for the time after 1 July 2008 was charged to the income statement. On 21 July 2009, an agreement was reached between Skandia AB and Skandia Liv, under which Skandia AB would pay a fixed amount per quarter until the end of 2013. The total remaining amount to be paid to Skandia Liv is less than the reserve provision booked as per July 2009 with the difference resolved in 2009, the effect being a release of £10 million. The remaining provision of £10 million is shown as a liability to Skandia Liv in the statement of financial position.
- Currency derivatives – Skandia Liv hedge their currency position with forward contracts with the Skandia AB Group at the prices prevailing on the foreign exchange market. Skandia Liv paid £7 million (2010: £27 million) for forward contracts during the year.
- Capital Contribution – During the year, Skandia Liv made a group contribution of £154 million to the Skandia AB Group. Unrelieved tax losses have been used to offset the entire tax charge on this transaction. Simultaneously, the Skandia AB Group made a capital injection of £110 million back to Skandia Liv, corresponding to the group contribution net of tax relief.

The balance outstanding at 31 December 2011 due from Skandia Liv is £17 million (2010: £13 million).

Various other arrangements exist between the Group and Skandia Liv, principally in respect of provision of accounting, legal and treasury functions, all of which are transacted on an arm's length basis.

12.3 During the period from 1 January 2012 up to 2 February 2012 (being the latest practicable date prior to the publication of this document), the nature of the related party transactions of the Group has not changed from those described in paragraph 12.2 above.

13. Information incorporated by reference

Information from the following documents has been incorporated in this document by reference:

Documents containing information incorporated by reference	Paragraph of this document which refers to the document containing information incorporated by reference.	Where the information can be assessed by Ordinary Shareholders
The Company's 2008 annual report and accounts (note 45 on pages 239 to 241)	Part XIV, paragraph 12 (Related party transactions)	The Company's website
The Company's 2009 annual report and accounts (note G3 on pages 313 to 316)	Part XIV, paragraph 12 (Related party transactions)	The Company's website
The Company's 2010 annual report and accounts (note G3 on pages 303 to 305)	Part XIV, paragraph 12 (Related party transactions)	The Company's website
The Company's 2010 annual report and accounts ('Terms of engagement of the executive directors' on page 154)	Part XIV, paragraph 5 (Details of the service contracts of the directors of the Company)	The Company's website

A copy of each of the documents listed above has been filed with the FSA and is also available for inspection in accordance with paragraph 14 below. Those parts of the above documents not being incorporated by reference are not relevant to Ordinary Shareholders for the purposes of considering the Disposal.

14. Documents available for inspection

Copies of the following documents will be available for inspection at the offices of the Company at 5th Floor, Old Mutual Place, 2 Lambeth Hill, London EC4V 4GG and at the offices of Slaughter and May at One Bunhill Row, London EC1Y 8YY during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) up to and including the date of the General Meeting:

- (a) the Memorandum and Articles of Association of the Company;
- (b) the consolidated audited accounts of the Company and its subsidiary undertakings for the years ended 31 December 2008, 31 December 2009 and 31 December 2010;
- (c) the interim financial statements for the six months ended 30 June 2011;
- (d) the unaudited pro forma statement of net assets of the Group as at 30 June 2011;
- (e) the Sale Agreement;
- (f) the China JV Side Letter;
- (g) the Year End Arrangement;
- (h) the Trade Mark Assignment Agreement;
- (i) the Co-Existence Agreement;
- (j) the Skandia Holdings Agreement;
- (k) the consent letters referred to in paragraph 10 of this Part XIV (Additional Information) of this document; and
- (l) this document.

Date: 3 February 2012

PART XV

DEFINITIONS

The following terms have the following meanings throughout this document unless the context otherwise requires:

“2002 Asset Management Agreement”	a contract under which Skandia AB sold the asset management servicing for Skandia-branded funds, including Skandia Liv, to DnB ASA (formerly DnB NOR ASA);
“African Registers”	the SA Register, the Namibian Register, the Zimbabwean Register and the Malawian Register;
“African Ordinary Shareholders”	the SA Ordinary Shareholders, the Namibian Ordinary Shareholders, the Malawian Ordinary Shareholders and the Zimbabwean Ordinary Shareholders;
“APE”	A standardised measure of the volume of new life business written. It is calculated as the sum of (annualised) new recurring premiums and 10 per cent. of the new single premiums written in an annual reporting period. It gives a broadly comparable measure across companies to allow for differences between regular and single premium business;
“Articles” or “Articles of Association”	the articles of association of the Company as at the date of this document;
“Authorised Dealer”	banks appointed as “authorised dealers” in foreign exchange under paragraph 3 of the Orders and Rules under the South African Exchange Control Regulations, Orders and Rules of 1961, as amended;
“Bank of America Merrill Lynch”	Merrill Lynch International;
“Bermuda”	Old Mutual (Bermuda) Limited. A subsidiary of the Retained Group, offering international investment products. Bermuda is a non-core operation within the Retained Group and as such its profits are excluded from the Retained Group’s IFRS adjusted operating profit;
“Board” or “Directors”	the board of directors of the Company. Lars Otterbeck is a member of the boards of Old Mutual and Skandia Liv and was a director of Skandia AB at the time the Sale Agreement was entered into. Given the potential conflict of interests, Lars Otterbeck has not participated in any matters related to the Disposal, the Special Dividend or the Share Consolidation;
“Blocked Assets”	South African assets of Emigrants who have not paid the relevant 10 per cent. exit levy and which are on record as such with the relevant Authorised Dealer;
“Certificated Form”	recorded in physical paper form on the relevant Register without reference to the CREST or Strate systems;
“Certificated Ordinary Shareholders”	Ordinary Shareholders who hold their Ordinary Shares in Certificated Form;
“China JV Interest”	has the meaning given in paragraph 4 of Part I (Letter from the Chairman of Old Mutual plc) of this document;

“China JV Side Letter”	has the meaning given in paragraph 4 of Part I (Letter from the Chairman of Old Mutual plc) of this document;
“CMA”	the Common Monetary Area consisting of the Republic of South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland;
“Co-Existence Agreement”	has the meaning given in paragraph 7 of Part III (Principal Terms of the Proposed Disposal) of this document;
“Companies Acts”	has the meaning given in section 2 of the Companies Act 2006;
“Company” or “Old Mutual”	Old Mutual plc, Registered Number 3591559, a public company limited by shares, incorporated under the laws of England and Wales;
“Completion”	the completion of the Disposal in accordance with the terms of the Sale Agreement;
“Consolidation Record Date”	such time and date as the Directors may determine and announce, being the date on which Ordinary Shareholders’ holdings of Ordinary Shares will be consolidated;
“CREST”	the system of paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear UK & Ireland Limited in accordance with Uncertificated Securities Regulations 2001 (SI 2001/3755);
“CREST Manual”	the manual, as amended from time to time, produced by Euroclear UK & Ireland Limited describing the CREST system and supplied by Euroclear UK & Ireland Limited to users and participants thereof;
“CREST Proxy Instructions”	the instruction whereby CREST members send a CREST message appointing a proxy for the General Meeting and instructing the proxy on how to vote;
“CSDP”	a central securities depository participant accepted as such in terms of section 34 of the South African Securities Services Act 36 of the 2004;
“Deutsche Bank”	Deutsche Bank AG, London Branch;
“Disposal”	the proposed disposal of Skandia AB Shares and Skandia Liv Shares in accordance with the terms of the Sale Agreement;
“Disposal Resolution”	the ordinary resolution to approve the Disposal as set out in the first resolution contained in the Notice of General Meeting accompanying this document;
“Dividend Record Date”	such time and date as the Directors may determine and announce, being the date on which Ordinary Shareholders are required to be on the Ordinary Share Register in order to be entitled to the Special Dividend;
“Emerging Markets business”	the Retained Group’s Long Term Savings operations in South Africa, Namibia, Kenya, Malawi, Swaziland, Zimbabwe, Colombia, Mexico, India and China;

“Emigrants”	South African exchange control residents who have emigrated from South Africa for exchange control purposes;
“Emigrant Blocked Funds”	the bank account of an emigrant from the CMA to which control restrictions have been applied with the effect that no transfers may be made out of such account without prior EXCON approval;
“Evercore Partners”	Evercore Partners International LLP;
“EXCON”	the Financial Surveillance Department of the SARB;
“Form of Surrender”	the form of surrender for use by Certificated Ordinary Shareholders in order for such shareholders to exchange their documents of title in respect of the Ordinary Shares for documents in respect of the New Ordinary Shares;
“Foundation”	Thule-stiftelsen, a foundation formed under the laws of Sweden;
“FSA”	the Financial Services Authority of the United Kingdom;
“FSMA”	the Financial Services and Markets Act 2000, as amended;
“General Meeting”	the General Meeting of the Company convened by the notice which is set out at the end of this document to be held in the Presentation Suite, 2nd Floor, Old Mutual Place, 2 Lambeth Hill, London EC4V 4GG on 14 March 2012 at 11:00 a.m. or any reconvened meeting following any adjournment thereof;
“gross dividend”	has the meaning given in paragraph 1 of Part VII (United Kingdom Taxation) of this document;
“Group”	prior to the Disposal, the Retained Group, the Skandia AB Group and the Skandia Liv Group and, following the Disposal, means the Retained Group only; Financial Information for the Group does not include the wholly owned Skandia Liv Group for the reasons described in Part IV (Financial Information for the Skandia AB Group);
“Hybrid Structure”	has the meaning given in paragraph 7 of Part I (Letter from the Chairman of Old Mutual plc) of this document;
“IFRS”	International Financial Reporting Standards;
“Intermediate Ordinary Shares”	has the meaning given in paragraph 3 of Part VI (Further Information on the Special Dividend and the Related Share Consolidation) of this document;
“JSE”	the securities exchange operated by JSE Limited;
“JSE List”	the list maintained by the JSE of securities admitted to listing;
“Listing Rules”	the Listing Rules made by the FSA pursuant to FSMA governing, inter alia, admission of securities to the Official List;
“London Stock Exchange”	London Stock Exchange plc or any recognised investment exchange for the purposes of the Financial Services and Markets Act 2000 which may take over the functions of London Stock Exchange plc;

“Long Term Savings”	the division of the Retained Group that offers life assurance, pensions and investment products, operating through four main business units prior to the Disposal: Emerging Markets, Nordic, Retail Europe and Wealth Management;
“LSE”	the securities exchange operated by London Stock Exchange;
“Malawian DAT”	has the meaning given in paragraph 1 of Part XI (Malawian Taxation) of this document;
“Malawian DAT Dividend”	has the meaning given in paragraph 1 of Part XI (Malawian Taxation) of this document;
“Malawian Ordinary Shareholders”	Ordinary Shareholders who hold Ordinary Shares on the Malawian Register;
“Malawian Register”	the Malawian branch of Old Mutual’s share register maintained in Malawi on behalf of Old Mutual by the Malawian Registrar;
“Malawian Registrar”	the National Bank of Malawi (Financial Management Services Department);
“Malawian Stock Exchange”	Malawi Stock Exchange Limited, a company limited by guarantee and operates under the Capital Market Development Act (Cap 46:06) of the laws of Malawi and The Companies Act (Cap 46:03) of Malawi;
“Malawian Sub”	has the meaning given in paragraph 1 of Part XI (Malawian Taxation) of this document;
“Morgan Stanley”	Morgan Stanley & Co. Limited;
“Mutual & Federal”	Mutual & Federal Insurance Company Limited, a company incorporated in South Africa or, as the context requires, Mutual & Federal Insurance Company Limited and each of its subsidiaries;
“Namibian DAT”	has the meaning given in paragraph 1 of Part IX (Namibian Taxation) of this document;
“Namibian DAT Dividend”	has the meaning given in paragraph 1 of Part IX (Namibian Taxation) of this document;
“Namibian Ordinary Shareholders”	Ordinary Shareholders who hold Ordinary Shares on the Namibian Register;
“Namibian Register”	the Namibian section of Old Mutual’s principal share register maintained on behalf of Old Mutual in Namibia by the Namibian Registrar;
“Namibian Registrar”	Transfer Secretaries (Pty) Ltd;
“Namibian Stock Exchange”	Namibian Stock Exchange, an exchange licensed in terms of the Namibian Stock Exchanges Control Act; (Act 1 of 1985);
“Namibian Sub”	has the meaning given in paragraph 1 of Part IX (Namibian Taxation) of this document;

“Nedbank”	Nedbank Group Limited (formerly Nedcor Limited), a company incorporated in South Africa or, as the context requires, Nedbank Group Limited and each of its subsidiaries;
“new holding”	has the meaning given in paragraph 2 of Part VII (United Kingdom Taxation) of this document;
“New Ordinary Shares”	the proposed ordinary shares of 11 ^{3/7ths} pence each in the capital of the Company resulting from the Share Consolidation and “New Ordinary Share” shall be construed accordingly;
“Nordic”	the banking, long-term savings, investment and insurance services offered to both retail and corporate customers under the Skandia brand in Sweden, Denmark and Norway;
“Notice of General Meeting”	the notice of the General Meeting accompanying this document;
“Official List”	the Official List of the UK Listing Authority;
“Old Mutual Foundations”	Old Mutual Foundation (Charitable Trust) (Namibia); The Old Mutual (South Africa) Foundation; Old Mutual Foundation Trust (Zimbabwe); and Old Mutual (Bermuda) Foundation Limited;
“Old Mutual-Guodian”	Old Mutual-Guodian Life Insurance Company Limited (formerly known as Skandia-Guodian Life Insurance Company Limited), a limited liability company incorporated in the People’s Republic of China;
“Old Mutual Nominee”	Old Mutual (South Africa) Nominees (Pty) Limited, Old Mutual (Namibia) Nominees (Pty) Limited, Old Mutual Zimbabwe Nominees (Private) Limited or Old Mutual (Blantyre) Nominees Limited, depending on whether shares are held through the Group’s nominee on the SA Register, the Namibian Register, the Zimbabwean Register or the Malawian Register respectively;
“Old Mutual Share Plans”	The Old Mutual plc Share Reward Plan – Share Options (“SRP Share Options”), the Old Mutual plc Share Reward Plan – Restricted Shares (“SRP Restricted Shares”), the Old Mutual plc Performance Share Plan – Restricted Shares (“PSP Restricted Shares”), the Old Mutual plc Performance Share Plan – Share Options (“PSP Share Options”), the Old Mutual plc 2008 Sharesave Plan (“SSP”), the Old Mutual UK Sharesave Plan (“SAYE”), the Old Mutual Restricted Share Plan (“RSP”), the Old Mutual Share Option and Deferred Delivery Plan (“SOP”), the OMSA Broad-Based Employee Share Plan (“BBP”) the OMSA Senior Black Management Share Plan (“SBP”), the OMSA Management Incentive Share Plan (“MISP”), the Mutual & Federal Broad-Based Scheme (M&FBBS), the Mutual & Federal Namibia Broad-Based Scheme (“M&FNBBS”), the Mutual & Federal Senior Black Management Scheme (“M&FSBP”), the Mutual & Federal Namibia Senior Black Management Scheme (“M&FNSBP”), the Mutual & Federal Management Incentive Scheme (“M&FMISP”), the Mutual & Federal Namibia Management Incentive Scheme (“M&FNMISP”), and the Mutual & Federal Share Option Plan (“M&FSOP”);

“Old Mutual South Africa”	Old Mutual Life Assurance Company (South Africa) Limited;
“Ordinary Shares”	ordinary shares of 10 pence each in the capital of the Company and “Ordinary Share” shall be construed accordingly;
“Ordinary Shareholders”	means: a) prior to the Share Consolidation, the holders for the time being of Ordinary Shares; and b) after the Share Consolidation, the holders for the time being of New Ordinary Shares, and “Ordinary Shareholder” shall be construed accordingly;
“Ordinary Share Register”	the register of members of the Company, comprising the UK Register, the SA Register, the Namibian Register, the Zimbabwean Register and the Malawian Register;
“Persons Discharging Managerial Responsibilities”	has the meaning given in section 96B of FSMA;
“Pre-Signing Dividend”	has the meaning given in paragraph 4 of Part I (Letter from the Chairman of Old Mutual plc) of this document;
“Private Health Care Solutions”	the division of Skandia AB that provides health care insurance solutions to individuals and corporate customers in Sweden and a range of pensions and healthcare products in Denmark and Norway;
“Proxy Form”	the Proxy Form accompanying this document for use by Ordinary Shareholders in connection with the General Meeting;
“Purchase Price”	has the meaning given in paragraph 1 of Part I (Letter from the Chairman of Old Mutual plc) of this document;
“Registrar”	the UK Registrar, the SA Registrar, the Malawian Registrar, the Namibian Registrar or the Zimbabwean Registrar, as applicable;
“Resolutions”	the Disposal Resolution and the Share Consolidation Resolution as set out in the Notice of General Meeting;
“Retained Group”	Old Mutual and its subsidiaries and subsidiary undertakings following the Disposal (including Old Mutual-Guodian and Skandia Holdings), and for the avoidance of doubt, shall not include the Skandia AB Group and the Skandia Liv Group;
“SA DAT”	has the meaning given in paragraph 1 of Part VIII (South African Taxation) of this document;
“SA DAT Dividend”	has the meaning given in paragraph 1 of Part VIII (South African Taxation) of this document;
“SA Dematerialised Shareholders”	SA Ordinary Shareholders who hold their Ordinary Shares in Uncertificated Form;
“SA DT”	has the meaning given in paragraph 1 of Part VIII (South African Taxation) of this document;

“SA Ordinary Shareholders”	Ordinary Shareholders who hold Ordinary Shares on the South African Register;
“SA Register”	the South African branch of Old Mutual’s share register maintained in South Africa on behalf of Old Mutual by the SA Registrar;
“SA Registrar”	Computershare Investor Services (Pty) Limited;
“SA Sub”	has the meaning given in paragraph 1 of Part VIII (South African Taxation) of this document;
“Sale Agreement”	the conditional sale and purchase agreement dated 14 December 2011 between Old Mutual, Skandia AB, Skandia Liv and the Foundation, further details of which are set out in Part III (Principal Terms of the Proposed Disposal) of this document;
“SARB”	the South African Reserve Bank;
“SFSA”	the Swedish Financial Supervisory Authority;
“Share Consolidation”	the proposed share consolidation to be effected by consolidating every 8 Ordinary Shares into 7 New Ordinary Shares;
“Share Consolidation Resolution”	the ordinary resolution to approve the Share Consolidation as set out in the second resolution contained in the Notice of General Meeting;
“SIBA”	the Swedish Insurance Business Act;
“Skandia AB”	Försäkringsaktiebolaget Skandia (publ) (the English version of which is Skandia Insurance Company Ltd (publ)), registered number 502017-3083, a limited liability life insurance company incorporated under the laws of Sweden;
“Skandia AB Group”	Skandia AB and its subsidiaries and subsidiary undertakings (and, for the avoidance of doubt, excludes the Skandia Liv Group, Old Mutual-Guodian and Skandia Holdings). Financial information in relation to the Skandia AB Group has been extracted without material adjustment from the Nordic segmental information from the consolidation schedules that support the published audited financial statements of Old Mutual plc;
“Skandia AB Shares”	all of the 1,030,762,688 shares in Skandia AB;
“Skandia Holdings”	Skandia Holding Aktiebolag, Reg. No. 556000-1033;
“Skandia Holdings Agreement”	has the meaning given in paragraph 7 of Part III (Principal Terms of the Proposed Disposal) of this document;
“Skandia Holdings Shares”	has the meaning given in paragraph 7 of Part III (Principal Terms of the Proposed Disposal) of this document;

“Skandia Link”	the unit-linked pensions business of Skandia AB;
“Skandia Liv”	Livförsäkringsaktiefbolaget Skandia (publ), registered number 502019-6365, a limited liability life insurance company incorporated under the laws of Sweden;
“Skandia Liv Board”	the directors of Skandia Liv;
“Skandia Liv Group”	Skandia Liv and its subsidiaries and subsidiary undertakings;
“Skandia Liv Policyholders”	the policyholders of Skandia Liv;
“Skandia Liv Shares”	all of the 3,000 shares in Skandia Liv;
“Skandiabanken”	Skandiabanken Aktiefbolag (publ), a company registered in Sweden with registered number 516401-9738;
“Special Dividend”	means the proposed special interim dividend of 18 pence per Ordinary Share;
“Strate”	the electronic trading, custody and settlement system for dealings on the JSE operated by Strate Limited in terms of the South African Securities Services Act 36 of 2004;
“subsidiary” or “subsidiary undertaking”	have the meanings given to them in sections 1159 and 1162 (respectively) of the Companies Act 2006;
“Trade Mark Assignment Agreement”	has the meaning given in paragraph 7 of Part III (Principal Terms of the Proposed Disposal) of this document;
“Transitional Services Arrangements”	has the meaning given in paragraph 7 of Part III (Principal Terms of the Proposed Disposal) of this document;
“UK or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland;
“UK Dematerialised Shareholders”	UK Ordinary Shareholders who hold their Ordinary Shares in Uncertificated Form;
“UK Listing Authority”	the FSA acting in its capacity as the competent authority for the purposes of Part VI of FSMA;
“UK Ordinary Shareholders”	Ordinary Shareholders who hold Ordinary Shares on the UK Register;
“UK Register”	Old Mutual’s principal share register maintained in the UK on behalf of Old Mutual by the UK Registrar;
“UK Registrar”	Computershare Investor Services PLC;
“Uncertificated Form”	In relation to UK Ordinary Shareholders, recorded on the UK Register as being held in uncertificated form in CREST and title to which, by virtue of the Uncertified Securities Regulations, may be transferred by means of CREST or, in relation to SA Ordinary Shareholders and Namibian Ordinary Shareholders, recorded on a sub-register of the SA Register or Namibian Register maintained by a CSDP, title to which may be transferred by means of the Strate system;
“US Asset Management”	an investment organisation based in the US made up of distinct boutique firms, including asset managers that specialise in high-quality, active investment strategies for institutional and individual investors;

“Voting Instruction Form”	the Voting Instruction Form accompanying this document for use by Ordinary Shareholders holding their shares in dematerialised or immobilised form in the context of Strate in connection with the General Meeting;
“Year End Arrangement”	has the meaning given in paragraph 7 of Part III (Principal Terms of the Proposed Disposal) of this document;
“Zimbabwean DAT”	has the meaning given in paragraph 1 of Part X (Zimbabwean Taxation) of this document;
“Zimbabwean DAT Dividend”	has the meaning given in paragraph 1 of Part X (Zimbabwean Taxation) of this document;
“Zimbabwean Ordinary Shareholders”	Ordinary Shareholders who hold Ordinary Shares on the Zimbabwean Register;
“Zimbabwean Register”	the Zimbabwean branch of Old Mutual’s share register maintained in Zimbabwe on behalf of Old Mutual by the Zimbabwean Registrar;
“Zimbabwean Registrar”	Corpserve Share Transfer Secretaries;
“Zimbabwean Stock Exchange”	the Zimbabwe Stock Exchange, established under the Zimbabwe Stock Exchange Act Chapter 24:18, as subsequently repealed and replaced by Chapter 24:25 of the Securities Act No. 17/2004; and
“Zimbabwean Sub”	has the meaning given in paragraph 1 of Part X (Zimbabwean Taxation) of this document.

Old Mutual plc
(Incorporated in England and Wales under the Companies Act 1985
with registered number 3591559)

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a General Meeting of Old Mutual plc (the “**Company**”) will be held in the Presentation Suite, 2nd Floor, Old Mutual Place, 2 Lambeth Hill, London EC4V 4GG on 14 March 2012 at 11:00 a.m. to consider and, if thought fit, to pass the following resolutions as ordinary resolutions of the Company:

Ordinary Resolutions

1. THAT the disposal of the entire issued share capital of Försäkringsaktiebolaget Skandia (publ) and Livförsäkringsaktiebolaget Skandia (publ) (the “**Disposal**”) described in the circular to shareholders dated 3 February 2012 of which this Notice of General Meeting forms part (the “**Circular**”) and certain other ancillary arrangements described in paragraph 7 of Part III (Principal Terms of the Proposed Disposal) of the Circular (the “**Ancillary Arrangements**”) on the terms and subject to the conditions set out in the Circular with such modifications (if any) as may be made to them in the manner specified below is hereby approved for the purposes of Chapters 10 and 11 of the Listing Rules of the Financial Services Authority and that the board of directors of the Company be and are hereby authorised to (i) conclude and implement the Disposal and the Ancillary Arrangements in accordance with such terms and conditions and to make non-material modifications to and non-material variations, waivers and extensions of any of the terms of the Disposal and the Ancillary Arrangements and of any further documents or arrangements connected with the Disposal or the Ancillary Arrangements; and (ii) do all such acts and things and execute all such agreements and make such arrangements as may seem to them necessary or desirable for the purposes of giving effect to, or otherwise in connection with, the Disposal and the Ancillary Arrangements and any further documents or arrangements connected with the Disposal or the Ancillary Arrangements (the “**Disposal Resolution**”).
2. THAT, subject to and conditional upon the passing of the Disposal Resolution, completion of the Disposal occurring in accordance with, and subject to the terms of the Sale Agreement, the Company declaring and not revoking the Special Dividend and the amendment of the Official List in respect of the New Ordinary Shares (as defined in the Circular of which this notice forms part):
 - (A) all ordinary shares of 10 pence each in the capital of the Company be subdivided into ordinary shares of $1\frac{3}{7}$ pence each in the capital of the Company (the “**Intermediate Ordinary Shares**”); and
 - (B) immediately thereafter, all Intermediate Ordinary Shares be consolidated into new ordinary shares of $11\frac{3}{7}$ pence each in the capital of the Company (the “**New Ordinary Shares**”),

provided that no member shall be entitled to a fraction of a share and any fractions of New Ordinary Shares arising out of the consolidation pursuant to this resolution will be aggregated and sold and the net proceeds of sale will be donated by the Company to charity. For the purpose of implementing the provisions of this resolution, the board of directors of the Company may appoint any person to execute transfers on behalf of any person entitled to any such fractions and may generally make all arrangements which appear to the board of directors of the Company to be necessary or appropriate for the settlement and/or disposal of such fractional entitlements.

Registered Office:
5th Floor, Old Mutual Place, 2 Lambeth Hill, London
EC4V 4GG

By order of the Board

Martin C Murray
Group Company Secretary
3 February 2012

NOTES:

1. This is the formal notice to shareholders of the General Meeting and gives you information as to the date, time and place and the business to be considered at the meeting. If there is anything you do not understand, please talk to an appropriate professional adviser.
2. If you have recently sold or transferred all your Ordinary Shares, please send this document and accompanying documents (but not the Proxy Form (or Voting Instruction Form as appropriate) to the person who sold the shares for you. He/she can send them to the new owner of the shares. To have the right to come and vote at the General Meeting, you must hold Ordinary Shares, and your shareholding must be entered on the register of members by 11:00 a.m. on 12 March 2012.
3. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the General Meeting. A shareholder may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. If a share is held by joint shareholders and more than one of the joint shareholders votes (including by way of proxy), the only vote that will count is the vote of the person whose name is listed before the other voter(s) on the register for the share. A Proxy Form (or, if you hold your shares in dematerialised or immobilised form in the context of Strate, a Voting Instruction Form) which may be used to appoint a proxy and give proxy instructions (or give voting instructions) accompanies this document. If you do not have a Proxy Form or Voting Instruction Form and believe you should have one, or if you require additional forms, please contact Computershare Investor Services in South Africa on 0861 100 940 or +27 (0)11 870 8211 or in the UK on +44 (0)870 707 1212.
4. To be effective, the Proxy Form or, as the case may be, the Voting Instruction Form and any power of attorney or other authority under which it is signed, or a notarially certified copy of such power or authority, must be received by post or (during normal business hours only) by hand at the return address specified on the Proxy Form or Voting Instruction Form or by the Company's Registrar, Computershare Investor Services PLC, Corporate Actions Project 1, Bristol BS99 6AF, United Kingdom or via the CREST website by not later than 11 a.m. on 12 March 2012. If no return address is specified on the Voting Instruction Form, this will be because the records available to the Company show your shareholding to have been dematerialised or immobilised in the context of Strate through a CSDP or broker other than under the Issuer- Sponsored Nominee Programme. In that case, you should contact your CSDP or broker to ascertain the return address for it to process your voting instructions. It is recommended that, because of the requirement for votes in relation to shares dematerialised or immobilised in the context of Strate to be collated through CSDPs and brokers and then reconciled through PLC Nominees (Pty) Limited, voting instructions by beneficial owners of such shares should be submitted so as to arrive at least 72 hours before the time of the General Meeting.
5. The return of a completed Proxy Form, other such instrument or any CREST Proxy Instruction (as described in paragraph 10 below) will not prevent a shareholder attending the General Meeting and voting in person if he or she wishes to do so.
6. Beneficial shareholders who hold their shares through the Swedish nominee, Euroclear Sweden AB, may provide Euroclear Sweden AB with voting instructions or may apply for a letter of representation from the registered shareholder to enable them to attend the General Meeting in person. If you are such a beneficial shareholder and wish to submit voting instructions, it is recommended that you submit these to Old Mutual plc, c/o Computershare AB, Box 610, 182 16 Danderyd, Sweden so as to arrive by the close of business on 9 March 2012 in order to assist with the matching of records with data relating to underlying beneficial shareholders.
7. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights. The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 3 and 4 above does not apply to Nominated Persons. The rights described in those paragraphs can only be exercised by shareholders of the Company.

8. A member who holds shares through Old Mutual Nominees may instruct the nominee company to vote at the General Meeting on his or her behalf or request such nominee company to appoint or, in the case of shares in uncertificated form in Strate, to arrange with the registered shareholder to appoint him or her as proxy to enable him or her to attend the General Meeting in person (Old Mutual Nominees is Old Mutual (South Africa) Nominees (Pty) Limited, Old Mutual (Namibia) Nominees (Pty) Limited, Old Mutual Zimbabwe Nominees (Private) Limited or Old Mutual (Blantyre) Nominees Limited, depending on whether shares are held through the Group's nominee on the SA Register, Namibian Register, Zimbabwean Register or Malawian Register respectively). Beneficial holders of shares on the SA Register or the Namibian Register who hold their shareholdings in uncertificated form other than through Old Mutual Nominees may provide their CSDP or broker with voting instructions in accordance with the applicable custody agreement or may apply to that CSDP or broker for a letter of representation from the registered shareholder to enable them to attend the General Meeting in person.
9. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
10. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via www.euroclear.com/CREST). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by Computershare ID 3RA50 not later than 11 a.m. UK time (1 p.m. South African time) on 10 March 2012. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which Computershare is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
11. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
12. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
13. Any corporation which is a member of the Company can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
14. To be entitled to attend and vote at the General Meeting (and for the purpose of determination by the Company of the votes they may cast), shareholders must be registered in the register of members of the Company at 11:00 a.m. on 12 March 2012 (or, in the event of any adjournment, on the date which is two business days before the time of the adjourned meeting). Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
15. The total number of voting rights in the Company's issued share capital at 2 February 2012 (being the latest practicable date prior to the publication of this notice) was 5,562,255,097. It does, however, include 200,170,073 shares held at that date by African life assurance subsidiaries of the Company which may not, because of applicable provisions of English company law, be voted while so held.

16. The Proxy Form and Voting Instruction Form include a “Vote Withheld” option against each resolution, which enables a member to abstain on that resolution. However, it should be noted that a “Vote Withheld” is not a vote in law and will not be counted in the calculation of the proportion of the votes “For” and “Against” that resolution.
17. Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting, but no such answer need be given if: (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
18. A copy of this notice, and other information required by section 311A of the Companies Act 2006, is available on the Company’s website at <http://www.oldmutual.com/event>. This site is expected to be available shortly after the date of this document.
19. Shareholders may not use any electronic address provided in either this notice or any related documents (including the Proxy Form and the Voting Instruction Form) to communicate with the Company for any purposes other than those stated.
20. Should you have any further queries, please contact the Company as follows:

South Africa	+27 (0) 11 870 8205 0 800 006 709
Zimbabwe	+263 772 308107 +263 4 751559 +263 4 758193
Namibia	+264 61 213 957 +264 61 213 964
Malawi	+265 182 2076

FORM OF SURRENDER



Old Mutual plc

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 3591559))

("Old Mutual" or "the Company")

Please read the instructions overleaf. Non-compliance with these instructions may result in the rejection of this form. If you are in any doubt as to how to complete this form, please consult your stockbroker, banker, solicitor, attorney, accountant or other professional adviser.

Notes: A separate form is required for each Ordinary Shareholder.

Capitalised terms not specifically defined in this form shall have the meanings given to them in the circular to which this form is attached.

FORM OF SURRENDER FOR THE OLD MUTUAL PLC SHARE CONSOLIDATION

To: **OLD MUTUAL PLC**

By hand to:

By post to:

In the case of UK Ordinary Shareholders

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS13 8AE
United Kingdom

Computershare Investor Services PLC
Corporate Actions 1
Bristol BS99 6AF
United Kingdom

In the case of SA Ordinary Shareholders

Computershare Investor Services (Pty) Ltd
70 Marshall Street
Johannesburg 2001
South Africa

Computershare Investor Services (Pty) Ltd
PO Box 61763
Marshalltown 2107
South Africa

In the case of Namibian Ordinary Shareholders

Transfer Secretaries (Pty) Limited
4 Robert Mugabe Street,
(Entrance in Burg Street, opposite 2A Chateau Street)
Windhoek, Namibia

Transfer Secretaries (Pty) Limited
PO Box 2401
Windhoek, Namibia

In the case of Zimbabwean Ordinary Shareholders

Corpserve Share Transfer Secretaries
2nd Floor ZB Centre
Cnr First Street & Kwame Nkrumah Avenue
Harare, Zimbabwe

Corpserve Share Transfer Secretaries
PO Box 2208
Harare, Zimbabwe

In the case of Malawian Ordinary Shareholders

National Bank of Malawi
Financial Management Services Dept
Cnr Victoria Avenue / Henderson Street
Blantyre, Malawi

National Bank of Malawi
Financial Management Services Dept
PO Box 1438
Blantyre, Malawi

TO BE COMPLETED BY CERTIFICATED ORDINARY SHAREHOLDERS

I/We hereby surrender and enclose the Ordinary Share certificate(s) listed below:

Certificate number(s)

Number of Ordinary Shares covered by each certificate

Total

I/We irrevocably and in *rem suam* authorise you to produce the signature of such documents that may be necessary to complete the replacement of the Ordinary Shares represented by the share certificates surrendered herewith with New Ordinary Shares in terms of the Share Consolidation.

I/We hereby instruct you to forward the replacement share certificate/s to me/us by registered post (in the case of South Africa, Namibia, Malawi and Zimbabwe) and by normal post in the UK, at my/our own risk, to the address overleaf and confirm that, where no address is specified, the share certificate/s will be forwarded to my/our address recorded in the share register of Old Mutual.

My/Our signature(s) on the Form of Surrender constitutes my/our execution of this instruction.

Signature(s) of shareholder / all joint holders (where applicable)

1. _____
2. _____
3. _____
4. _____

Assisted by me (where applicable) _____

Name (please print in BLOCK letters) _____

Capacity (please print in BLOCK letters) _____

Signed on _____ 2012

The Certificated Ordinary Shareholder (where Ordinary Shares in Certificated Form are jointly held, the shareholder who is to receive the replacement share certificate) must complete the following information: (please print in BLOCK letters)

Surname or Name of corporate body _____

First name/s (in full, if applicable) _____

Title (Mr, Mrs, Miss, Ms, etc) _____

Postal address (preferably PO Box address) _____

_____ Postal code _____

Office hours telephone number (including area code) _____

NOTES:

1. A receipt will not be issued for this Form of Surrender, or the documents lodged with it. Lodging agents who require special transaction receipts are requested to prepare such receipts and submit them for stamping with the other documents lodged.
2. A Certificated Ordinary Shareholder married in community of property or a minor must ensure this Form of Surrender is also signed by his/her spouse or parent or guardian, as the case may be.
3. Where Ordinary Shares in Certificated Form are jointly held, this form must be signed by all joint holders. This form allows for up to four joint holders to sign.
4. If this form is signed under power of attorney, such power of attorney must be produced, unless it has already been registered with the Registrar.
5. If this form is signed on behalf of a company, close corporation, pension or provident fund, it must be accompanied by a certified copy of the resolution authorising the signature, unless it has already been registered with the Registrar.

