

OLD MUTUAL CAPITAL MARKETS DAY



11 October 2016

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PRESENTATION AGENDA

Introduction to the day and overview of managed separation strategy

Bruce Hemphill, Group CEO

Business presentations

– Old Mutual Wealth

Paul Feeney, CEO and Steve Braudo, COO

– Nedbank

Mike Brown, CEO

– Old Mutual Emerging Markets

Ralph Mupita, CEO

– OM Asset Management

Peter Bain, CEO

Execution of the strategy

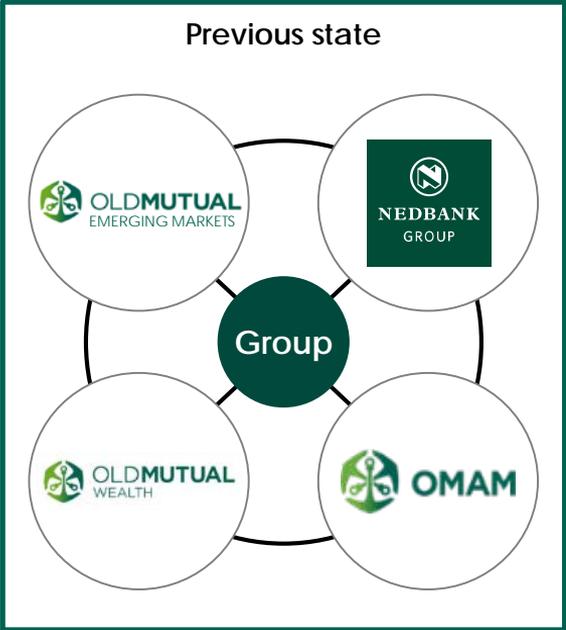
Rob Leith, Director of Managed Separation

Unlocking value and closing remarks

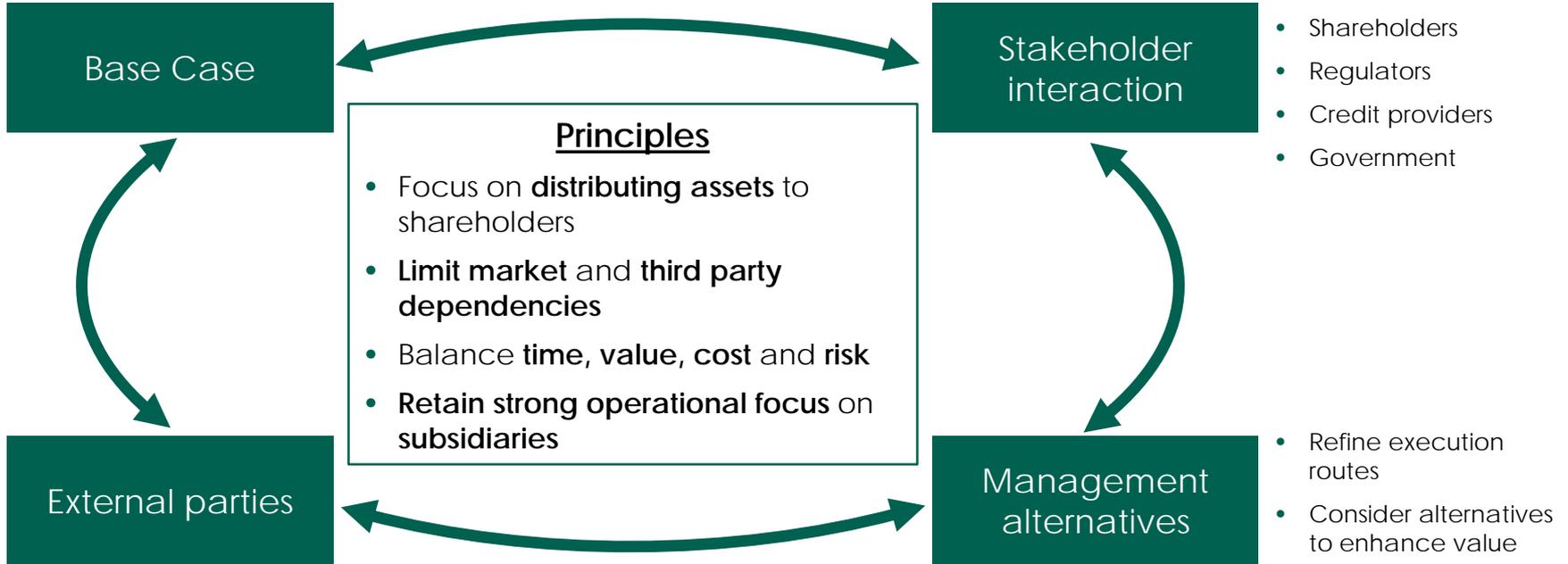
Bruce Hemphill, Group CEO

Evening event and meet with management teams

STRATEGIC PATH



A FLEXIBLE AND ITERATIVE PROCESS



TRANSACTIONS AS INDICATED PREVIOUSLY

Business Readiness key determinant of timing



<p>Phased reduction of OMAM 66% stake</p>		<p>Material completion</p> 	<p>Target completion end-2018</p>
<p>Creation of two separate entities, both listed in both London and Johannesburg</p> <ul style="list-style-type: none"> • Old Mutual Wealth operations • Creation of a new South African holding company to hold remaining plc assets (principally OMEM & Nedbank) 	 		
<p>Distribution of significant proportion of current stake in Nedbank</p> <ul style="list-style-type: none"> • Appropriate strategic minority stake retained 			

plc

Material reduction in **holding company debt** and **reshaping the balance sheet**

IMPLEMENTATION – DELIVERING VALUE TO SHAREHOLDERS



CORPORATE FINANCE

- Investment case development
- “Go-to-market” strategies *(including appropriate portfolio perimeters)*
- Stand-alone Balance Sheets
- Technical preparation for separation

- Delivery of MS Balance Sheet

BUSINESS READINESS

- Operating Model
- Governance structure
- Management structure
- Cost structure
- Functional capability
- Inter-group arrangements
- Operating performance

- Transitioning

Individual **projects and plans** for each business, **co-ordinated** with an overall MS project plan

MANAGED SEPARATION COSTS AND SAVINGS

MS Costs

One off transaction costs¹

- Financial advisors
- Legal/Accounting specialists
- Shareholder communications
- Printing circulars
- Documentation
- Capital items
- ...etc.

One off cost of PLC wind down

£50m - £65m²



One off costs

- Redundancy
- Retention
- Contract termination
- ...etc.

Recurring listed entity costs

- 2 additional listed entities
- £5-10m p.a. each
 - Share registers, shareholder communications

Savings

plc corporate cost

YE 2015

£23m

£57m

Historic cost

Currently recharged to businesses

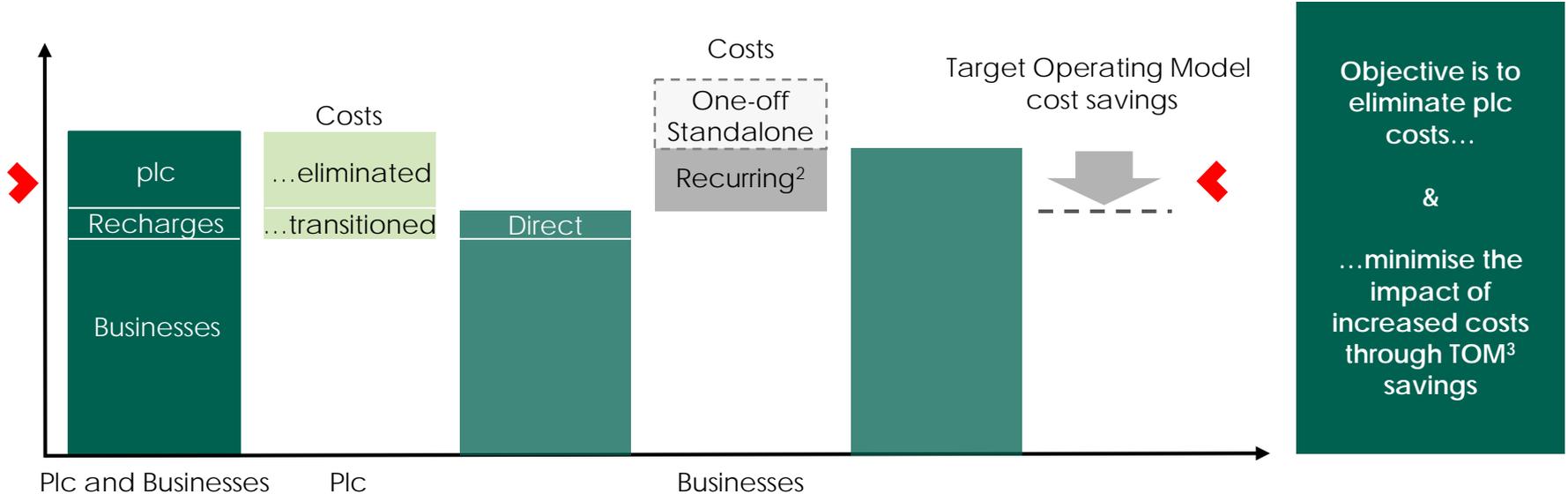
YE 2019

Recurring residual cost³

1. Route and transaction dependent
2. Indicative level of costs
3. Not to scale

ILLUSTRATIVE OPERATING COSTS¹

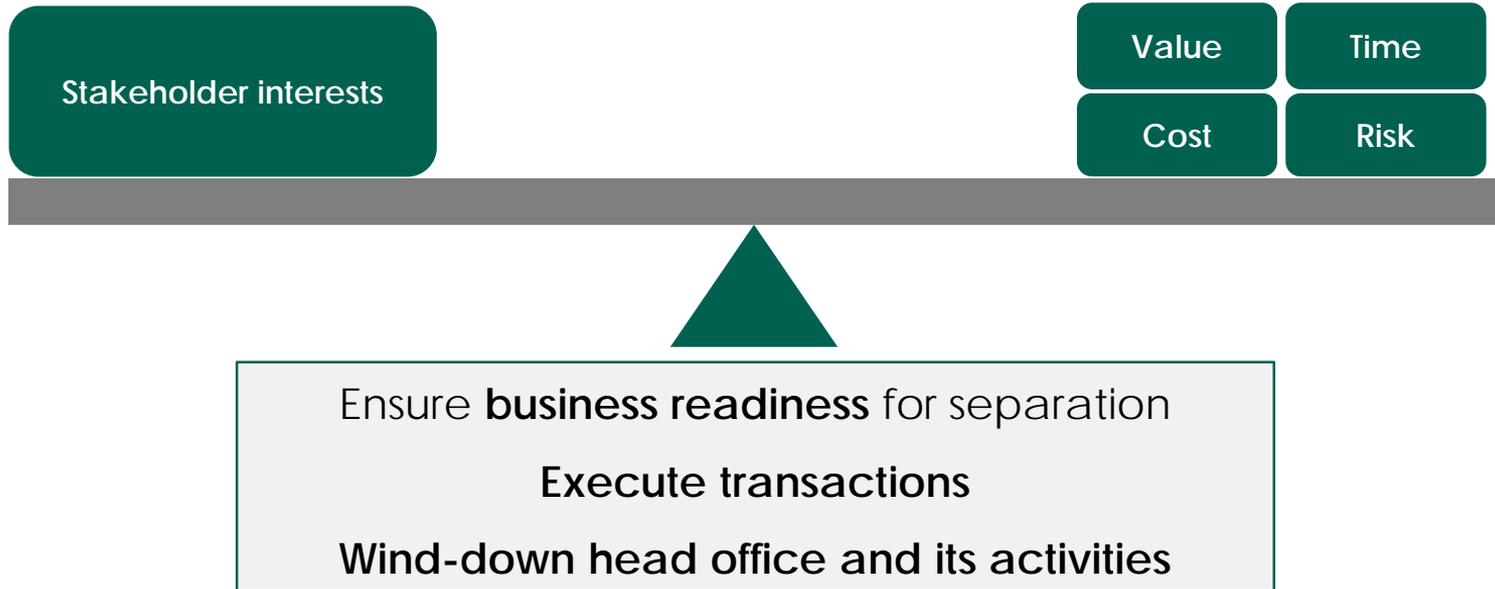
Other than MS transaction costs



Cost implications to be refined during the business planning cycle for 2017

1. Cost base not to scale
2. Incremental local listing and standalone business costs
3. Target operating model

2016-2018 MS AGENDA



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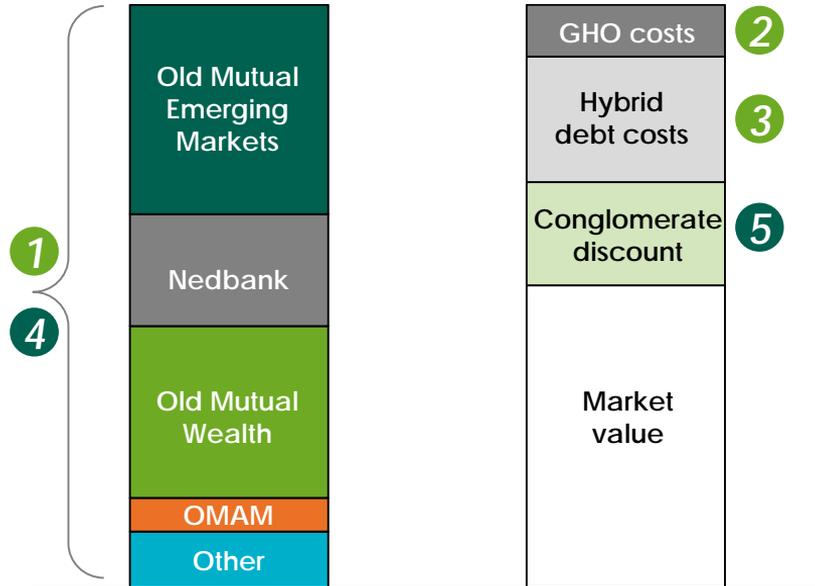
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Evening event and meet with management teams

DELIVERING FOUR GREAT BUSINESSES

	Strength	Areas to address
	SA franchise, integrated offering	Optimising the portfolio, cost efficiencies, East Africa and Property & Casualty turnaround
	Corporate and commercial strength, great risk-adjusted returns	Increasing market share in SA Retail, value creation through the ETI relationship, cost-income ratio
	Well positioned with a sizeable market opportunity	Cost efficiencies, successful implementation of IT system, FCA investigation and optimising margin through integration opportunities
	Specialist focus in large market	Integration of Landmark and further strategy diversification, optimising cost base

UNLOCKING VALUE



(Illustrative)

Actions:

- 1 Deliver enhanced business performance
- 2 Reduce cost of central activities
- 3 Manage down Group debt

Outcomes:

- 4 Valuation re-rating of the businesses
- 5 Removal of conglomerate discount

Q&A

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CLOSING REMARKS

Update on activities for each business



Strategic positioning of the businesses to generate sustainable competitive advantage



Focus areas for management



Business readiness for independence



Next update: Preliminary Results – 9 March 2017

DRINKS WITH MANAGEMENT ROOM 501 UPSTAIRS



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