



Old Mutual plc Interim Results 2004

Strength of diversity, power of focus



Introduction

Jim Sutcliffe
Chief Executive

Strength of diversity, power of focus

Strong earnings and customer cash flow

- Adjusted EPS up 21% to 6.8p
- Nedcor stable
- Record cash flows in US
- Assets under management up 12%* to £130bn
- Embedded value up 9% to 114p
- ROE 19% (H1 '03 16%)
- Interim dividend 1.75p

Strength of diversity, power of focus

* Comparison to 30 June 2003, excluding Gerrard

Building momentum

OMSA

- Generating solid profit, but sales lower than planned

Nedcor

- H1 ROE 14% (pre fx and M&R)

M&F

- Exceptional performance, special dividend, 88% owned

US Life

- Record new business sales and margins

OMAM(US)

- Good investment performance, profits up 43%

UK

- Building distribution, delivering investment performance



Operating and Financial Review

Julian Roberts
Group Finance Director

Strength of diversity, power of focus

2004 financial perspective

- Key financial highlights
- Highlights of Business Unit results
- Group capital position

Key financial highlights – Sterling

£m	H1 2004	H2 2003	H1 2003	Prior yr % change
Adjusted operating profit	422	255	395	7%
Adjusted operating EPS	6.8p	4.4p	5.6p	21%
Achieved profits EPS	7.4p	4.8p	6.0p	23%
Life new business*	262	268	261	-
AUM (£bn)	130	125	**116	*** 12%
Dividend per share	1.75p	3.10p	1.70p	3%

* APE

** Excluding Gerrard

*** Comparison to 30 June 2003, excluding Gerrard

Key financial highlights – Rand

Rbn	H1 2004	H2 2003	H1 2003	Prior yr % change
Adjusted operating profit	5.1	2.9	5.1	-
Adjusted operating EPS	82.7c	50.4c	73.4c	13%
Achieved profits EPS	89.4c	55.4c	78.4c	14%
Life new business*	3.2	3.1	3.4	(6%)
AUM	1,469	1,495	**1,432	3%
Dividend per share***	19.8c	36.5c	19.5c	2%

* APE

** Comparison to 30 June 2003, excluding Gerrard

*** Indicative rate only

Strong delivery in the first half

	H1 2004	H1 2003	Prior yr % change
OMSA	3,065	2,900	6%
Nedcor (including UK/RoW)	712	1,308	(46%)
Mutual & Federal	569	368	55%
South Africa (Rm)	4,346	4,576	(5%)
South Africa £m	359	353	2%
US Life	73	62	18%
OMAM (US)	87	61	43%
US (\$m)	160	123	30%
US £m	87	76	14%
UK & RoW £m	4	9	(56%)
Debt and other income	(28)	(43)	35%
Adjusted operating profit	422	395	7%
Tax	(106)	(129)	18%
Minority interests	(60)	(56)	(7%)
Adjusted operating profit after tax and minority interests	256	210	22%

2004 financial perspective

- Key financial highlights
- Highlights of Business Unit results
- Group capital position



South Africa

Strength of diversity, power of focus

OMSA – generating solid profits ...

Rm	H1 2004	H1 2003	Prior yr % change
Adjusted operating profit:			
SA Life	1,825	1,592	15%
LTIR	1,023	1,075	(5%)
Asset management	217	233	(7%)
Total	3,065	2,900	6%
Average AUM - Life (Rbn)	211	192	10%
Life return on allocated capital	26%	22%	

... but OMSA sales lower than planned

Rm	H1 2004	H1 2003	Prior yr % change
Life new business (APE)	1,356	1,576	(14%)
Individual	1,158	1,196	(3%)
Group	198	380	(48%)
Unit trust sales (gross sales)	4,092	3,198	28%
Life new business margins*	19%	18%	
Individual	18%	15%	
Group	30%	28%	
Life VNB (Rm)	264	285	(7%)

* After tax

Mutual & Federal – exceptional performance

	H1 2004	H1 2003	Prior yr % change
Gross premiums (Rm)**	3,592	3,010	19%
Adjusted operating profit (Rm)**	569	368	55%
Underwriting result*	10.7%	4.1%	
Solvency ratio*	59%	54%	
ROC*	27%	22%	

* Based on SA GAAP

** Based on UK GAAP

Nedcor – 3 year recovery underway ...

Significant progress made in the 1st half:

- Refinancing plan completed – capital strengthened
- Disposal of non-core assets – boosting capital & returns
- Executive team finalised – full bench strength
- Repatriation & hedging of offshore capital – foreign capital volatility neutralised
- Risk management strengthened – B/S risk controlled
- Expenses – retrenchments announced

Nedcor – business stabilised

<u>Rm</u>	<u>H1 2004</u>	<u>H2 2003</u>	<u>H1 2003</u>
Adjusted operating profit UK GAAP	712	(1,241)	1,308
Net interest income	3,549	3,271	3,483
Net interest margin**	3.05%	2.95%	2.96%
Non interest revenue*	3,156	3,585	3,332
Total banking assets (Rbn)	275	287	276

* Excluding asset management revenue

** Based on SA GAAP

Nedcor... and lots more to do

	H1 2004	H2 2003	H1 2003
Return on average equity*	7.3%	(2.5%)	9.2%
Return on average equity excluding fx & restructuring*	13.8%	12.5%	20.4%
Tier 1 Capital at period end*	7.9%	5.0%	6.3%
Capital adequacy ratio*	12.3%	10.1%	10.1%

* Based on Nedcor announcement SA GAAP



United States

Strength of diversity, power of focus

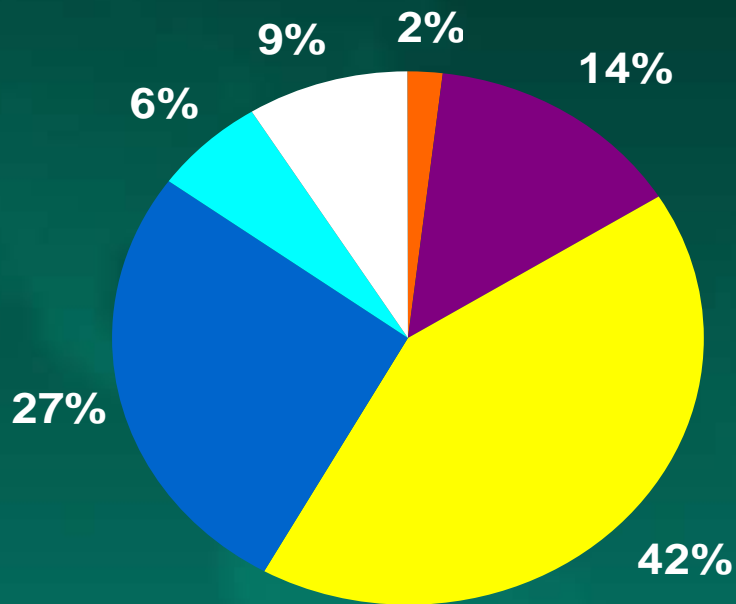
US Life – strong profits, sales and margins

	H1 2004	H1 2003	Prior yr % change
Adjusted operating profit (\$m)	73	62	18%
AUM (\$bn)	15.3	12.5	22%
Sales APE (\$m)	251	207	21%
Value of new business*	54	22	145%
New business margin*	22%	11%	

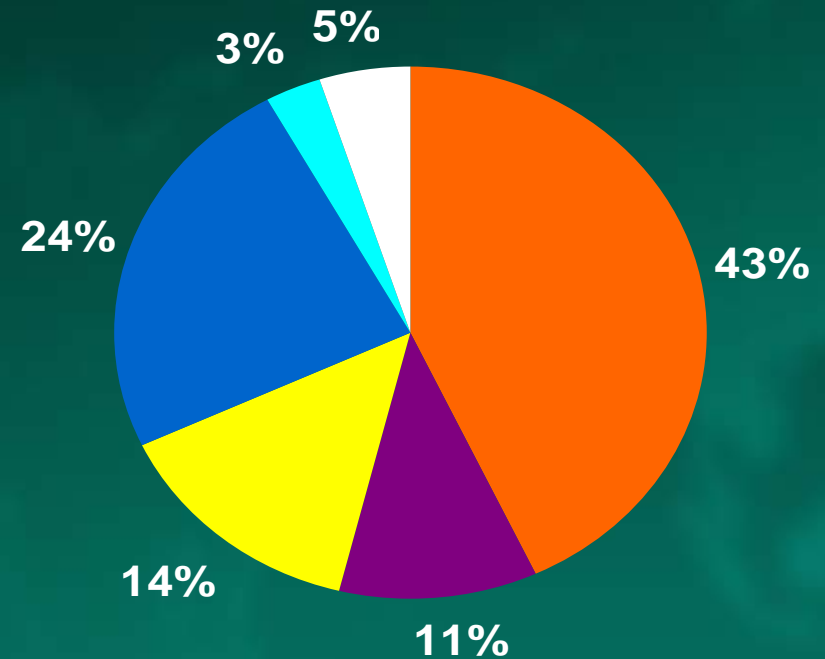
* After tax

US Life – successful product diversification

H1 2004 APE



H1 2003 APE



OMAM(US) – strong net cash flows and profits

	H1 2004	H1 2003	Prior yr % change
Gross cash inflow (\$bn)*	20.2	13.7	47%
Net cashflow (\$bn)*	5.3	2.4	121%
AUM as at period end (\$bn)*	163	136	20%
Adjusted operating profits (\$m)	87	61	43%
Operating margin	27%	24%	

* Excluding affiliates disposed

OMAM(US) – additional disclosure

Asset allocation	Estimated management fee (bps)	Assets* (\$bn)		
		30 June 2004	31 Dec 2003	31 Dec 2002
Equity				
US value	40-50	58.0	54.0	40.9
US growth	65-75	9.0	11.0	11.6
US core	45-55	5.7	6.0	5.5
Non-US	35-45	16.0	14.0	9.0
		88.7	85.0	67.0
Fixed income	10-15	56.0	53.0	43.1
Alternative / real estate	40-50	16.0	15.5	13.0
Cash collateral	2-3	2.7	0.6	
	35**	163.4	154.1	123.1

*Excluding affiliates disposed **1st half average 2004



UK & RoW

Strength of diversity, power of focus

UK & RoW – building distribution

£m	H1 2004	H1 2003	Prior yr % change
UK & RoW operating profit	4	9	(56%)
<hr/>			
UK fund management			
Selestia sales	197	86	129%
Net cash fund inflows	76	292*	(74%)

* Excluding Gerrard

2004 financial perspective

- Key financial highlights
- Highlights of Business Unit results
- Group capital position

Group capital position remains robust

	H1 2004	H2 2003	H1 2003
Gearing*	17.5%	21.7%	24.3%
Interest cover – (EBITDA)**	22x	15x	14x
Interest cover – non Africa incl. Group admin. (EBITDA)**	4.1x	3.4x	2.3x

* New gearing calculation:

Core debt+hybrid capital / core debt+hybrid capital+adjusted embedded value

** Excludes pref. dividend

Summary

Building momentum...

- US businesses driving good profit growth
- ROE 19%
- Strong cash inflows boosted AUM
- Nedcor recovery started
- Achieved profits up strongly
- EV at 114p (31/12/03 105p*) per share

* Restated to reflect the adoption of UITF 38 "Accounting for ESOP Trusts"



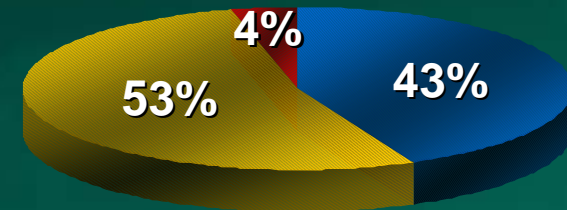
Looking Ahead

Jim Sutcliffe
Chief Executive

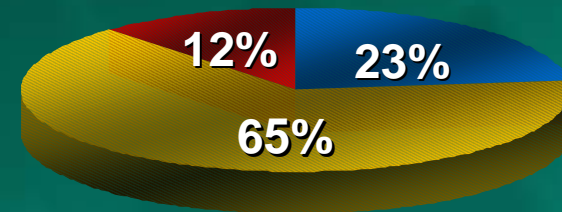
Progress in our journey...

- Use a strong SA base to build an international financial services group
- Provide high quality investment skills to build and protect client assets
- Target customer-focused regional businesses

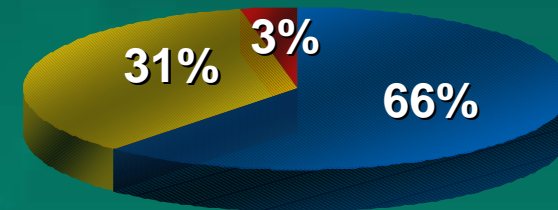
Life new business H1 2004



Funds under management June 2004 £130bn



Embedded value* June 2004 £5.5bn



South Africa



USA

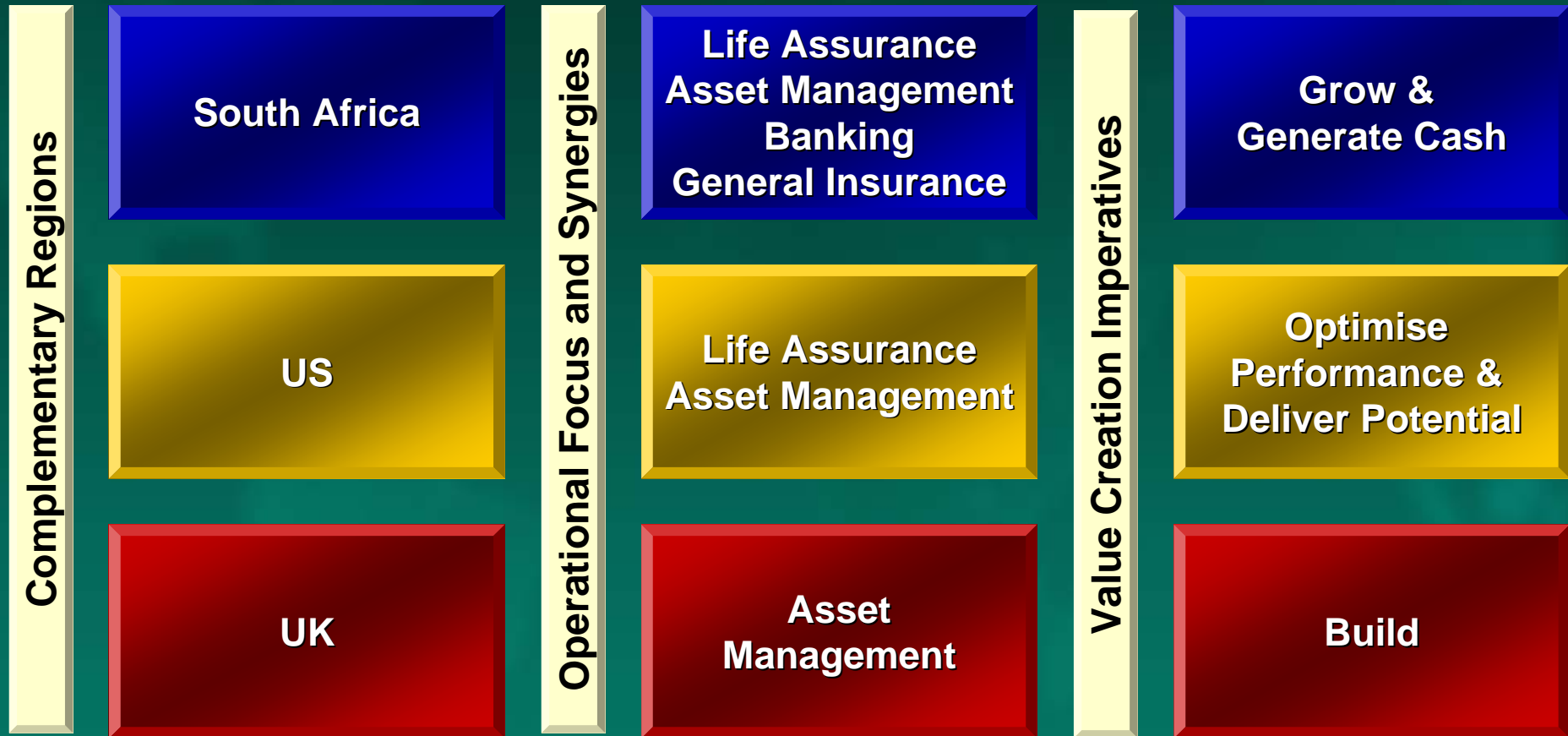


UK & ROW



* Pre-debt and preferred security

...towards an international business



Nedcor – pathway to growth

Milestones met:

- Covering cost of capital in H1 (excl FX and M & R costs)
- Tier 1 - 7.5%
- Risks reduced

Still ahead:

- Hold expense growth below revenue growth
- Attain market related asset growth
- Lower funding cost when expensive funding rolls off
- Focus on NIR, including bancassurance

Steady progress to 20% ROE target for 2007

Black Economic Empowerment

- Committed to progress on all fronts
- Ownership arrangements to include OMLAC(SA), Nedcor and Mutual & Federal
- Robust for the long term

Building momentum

OMSA

- Renewed sales efforts, grow AUM

M&F

- Manage pricing pressure, invest in systems

US Life

- Finalise transfer of outsourcer, control growth

OMAM(US)

- Launch load funds, further large cap growth capability

UK

- Build distribution and investment capability

Old Mutual's Journey....

- Key indicators demonstrate growing momentum
 - ROE 19%
 - Adjusted EPS 6.8p +21%
 - AUM £130bn +12%
 - EV 114p +9%
- Challenges being met
 - Nedcor.. Stabilised, potential to be unlocked
 - USAM.. Distribution built, PBA regulatory issues resolved
- Each of the three legs has the potential to deliver more
 - SA... Powerful market position, potential to grow
 - US... Growth pattern established
 - UK... Growing off small base, committed to build

..building a World Class Financial Services Provider



Old Mutual plc Interim Results 2004

Strength of diversity, power of focus