NEWS RELEASE

06 November 2008

Old Mutual plc Interim Management Statement
For the nine months ended 30 September 2008

Operational and Financial Highlights

- Pleasing net client cash flows, with good performance in UK, Nordic and ELAM offset by outflows in other regions
- Funds under management down 9% from 31 December 2007 to £254.4 billion; robust third quarter performance
- Life APE sales down 4%* to £1,245 million
  - UK down 18%*: single premiums affected by market
  - Nordic up 35%*: continued excellent growth
  - SA up 16%*: positive sales momentum continues
  - US down 6%*: variable annuity products withdrawn from sale
- Mutual fund sales down 23%* to £4,796 million: strong growth in SA (up 36%) more than offset by market declines in UK, ELAM and US
- Value of new business (excluding US Life)** down 10%* to £125 million
- Strong capital position maintained with pro-forma FGD surplus of £1.1 billion at 30 September (£0.8 billion at 31 October rates)
- Major progress in addressing issues in US Life business
  - New experienced management team appointed
  - Significantly improved hedging in place
  - Innovative offer to de-risk Bermuda book launched yesterday

Julian Roberts, Chief Executive, commented:

We have delivered a resilient performance in what have been extremely challenging market conditions with our South African and Nordic businesses continuing to deliver excellent results. Despite the fall in equity markets and movement in exchange rates we remain well capitalised and we have liquidity which is in excess of our needs for the foreseeable future.

"Since my appointment as Group Chief Executive eight weeks ago, we have taken further major steps towards de-risking the US Life business including launching an initial offer to Bermuda clients which should provide greater certainty about the liabilities in that business.

"While we expect market conditions to remain difficult in the balance of the year, I am confident that the Group as a whole remains resilient and our businesses are well positioned to deal with the challenges. Over the next few months I will take a fresh and objective look at all parts of the Group."

** For the nine months to 30 September 2008, with comparisons to the nine months to 30 September 2007*
*** US Life VNB numbers not included since the products and pricing assumptions are under review*

OLD MUTUAL

Interim Management Statement

GROUP RESULTS

Group Highlights at 30 September 2008 (£m)	**Q3 YTD 2008**	Q3 YTD 2007	% Change
Life assurance sales (APE)	**1,245**	1,294	(4%)
Europe	***746***	*808*	*(8%)*
South Africa	***271***	*248*	*9%*
US	***228***	*238*	*(4%)*
Asia Pacific	**-**	-	
Unit trust / mutual fund sales	**4,796**	6,192	(23%)
Europe	***2,697***	*3,343*	*(19%)*
South Africa	***1,030***	*801*	*29%*
US	***814***	*1,570*	*(48%)*
Asia Pacific	***255***	*478*	*(47%)*
Value of new business	**125**	139	(10%)
Europe	***82***	*97*	*(15%)*
South Africa	***43***	*42*	*2%*
*US**	***n/a***	*n/a*	
Asia Pacific	**-**	-	
Group Highlights at 30 September 2008 (£bn)	**Q3 2008**	FY 2007	% Change
Funds under management	**254.4**	278.9	(9%)
Europe	***52.9***	*60.6*	*(13%)*
South Africa	***37.8***	*41.7*	*(9%)*
US	***159.8***	*170.1*	*(6%)*
Asia Pacific	***3.9***	*6.5*	*(40%)*
	Q3 YTD 2008	Q3 YTD 2007	Annualised % of opening FUM
Net Client Cash Flows	**0.0**	17.0	-
Europe	***2.3***	*4.1*	*5%*
South Africa	***(0.3)***	*(1.2)*	*(1%)*
US	***(0.4)***	*14.1*	*0%*
Asia Pacific	***(1.6)***	*0.0*	*(33%)*

***** US Life VNB numbers not included since the products and pricing assumptions are under review***

Overview

We have delivered a resilient performance in what have been extremely challenging market conditions. Our South African and Nordic businesses, which enjoy dominant market positions with strong brands, have again delivered an excellent performance.

Net client cash flows are neutral for the nine months to 30 September 2008 ("the period") which is a pleasing performance in this economic climate. Total life sales on an APE basis remained robust with a small decline of 4% when compared with the nine months to 30 September 2007 ("the comparative period").

Skandia

In Europe, our UK and Offshore business produced a resilient performance despite the poorer market conditions for the types of product we offer. Positive net client cash flows of £1.4 billion were strong. Despite our funds under management falling by 13% since 31 December 2007, this compares favourably with a drop of 24% in the FTSE 100 index. Although single premium sales were lower, we believe our UK business is in a stronger place than many of our competitors because our proposition supports mutual funds as well as bonds. Our Nordic business continued to perform strongly with net client cash flows of SEK4.6 billion produced from excellent life sales on an APE basis which were up 35% in local currency over the comparative period. In ELAM, performance in continental Europe has been challenging with customers moving to traditional life and non-equity investments rather than unit-linked products. This has mainly affected our single premium business.

Interim Management Statement

South Africa

In South Africa, sales growth was excellent with life sales on an APE basis up 16% in rand terms due to sales force growth, increased productivity and a swing to life single premium sales. Capital remains very strong, covering the statutory capital requirement 3.7 times.

Although the current global economic environment has been especially challenging in the banking environment, Nedbank continued to grow its net interest income to R12.1 billion and improved its efficiency ratio to 52.5% from 54.6% in the comparative period. Strong deposit growth of 28% was above annualised advances growth of 19%. Whilst impairments have risen above medium- to long-term target levels, the credit loss ratio of 1.02% compares well with Nedbank's South African banking peers. The total capital adequacy ratio remains solid and has increased since 31 December 2007 from 11.2% to 11.7%.

US

In the US, our solid sales performance, where life sales on an APE basis reduced by 6% in dollar terms over the comparative period, has been overshadowed by the reserving problems in our Old Mutual Bermuda business and by the level of asset impairments in the US Life onshore business. On 5 November 2008, we commenced an offer to policyholders in our Bermuda business with products that carry a guarantee, to accelerate the receipt of the guarantee in exchange for topping up their funds balance to 85% of original premiums. We believe this is an attractive offer in the current climate and that the cost of policyholders accepting the offer will be covered by the current guarantee provisions made. In the onshore business, due to the volatile markets, impairments on the bond portfolio have significantly exceeded expectations with $531 million recorded in the year to date. The business remains well capitalised with the Risk Based Capital multiple at 30 September 2008 improving slightly since 30 June 2008 and remaining within our operating target range.

Our US asset management business continued to produce a strong long-term investment performance. Excluding the outflows due to a cessation of securities lending, net client cash flows were $4.2 billion for the period, which is an excellent performance in these market conditions.

Financial Position

Our capital position remains strong with a pro-forma Financial Groups Directive ("FGD") surplus at 30 September 2008 of £1.1 billion. Applying 31 October 2008 currency and market positions to this would equate to a surplus of £0.8 billion. Sensitivities to market movements, although not linear, are that a 1% fall in South African rand against sterling is broadly equivalent to an £11 million reduction in FGD, with a 1% fall in the JSE broadly equivalent to £8 million decline in FGD and a 1% gain in the US dollar against sterling is broadly equivalent to a £17 million fall in FGD. Other global market movements do not materially impact FGD in the short term. Our FGD position has been positively underpinned by the de-risking of the South African shareholder assets implemented over the last year, which is discussed later. In current markets, we consider an FGD surplus in excess of £750 million to be a sufficient buffer against further adverse market developments.

Each of our businesses maintains sufficient capital and liquidity to support their individual regulatory and operational needs. The Group's overall capital position also remains comfortable, with gearing in line with the target required to support a single 'A' senior credit rating. The Group continues to retain liquidity headroom over and above that required to meet anticipated funding flows.

Mutual & Federal

The process whereby Old Mutual intends to dispose of its shareholding in Mutual & Federal is progressing well and we are pleased with the level of interest we have received. The process has progressed to the next phase, with a short list of bidders selected. Old Mutual is currently considering proposals from those bidders that have been shortlisted and expects that an announcement with regard to the disposal will be made before the end of the year.

Market Consistent Embedded Value (MCEV)

MCEV will be mandatory from year end 2009 and will replace the EEV principles which underpin our current EV results. Old Mutual intends to adopt the new MCEV principles for the first time in our 2008 report and accounts. We anticipate releasing the restated 2007 full year results together with 2008 full year results at the time of our Preliminary Announcement.

Interim Management Statement

Management Changes

On 29 September we announced the appointment of Chris Chapman as CEO of the US Life onshore business. Today we announce that Bob Head will assume the role of Regional Director of Old Mutual Europe (the Skandia branded businesses). Separately we have announced the appointment of Philip Broadley as Group Finance Director. He will succeed Jonathan Nicholls, who is leaving Old Mutual in order to pursue interests outside the life insurance sector.

Material Events and Transactions

Other than disclosed in the relevant business units in this Interim Management Statement, there have been no material events and transactions since 30 September 2008.

EUROPE: UNITED KINGDOM AND OFFSHORE

Resilient performance despite volatile market conditions

Despite the adverse market conditions, Skandia UK continued to attract positive net client cash flows of £1.4 billion in the period, representing 5% of opening funds under management on an annualised basis. Funds under management were impacted by the continued market downturn resulting in a 13% decrease since the beginning of the year to £36.3 billion. However, this compares favourably with the 24% fall in the FTSE 100 over the equivalent period. Funds under management have held up particularly well in the International business due in part to the diversity of investments with a significant proportion of assets held in cash and deposits.

Life sales on an APE basis were £464 million, down 18% over the comparative period, largely driven by a reduction in sales of single premium pensions and bonds which reflects the lack of investor confidence being experienced across the entire long-term savings market. Regular premiums have held up better and were up 10% over the comparative period. In the UK, uncertainty over the suitability of bonds continues following the introduction of the 18% flat rate of CGT in the March 2008 Budget. With our platform approach and a full set of product wrappers, Skandia is better placed than many competitors in the market because our proposition supports mutual funds as well as bonds.

Unit trust sales of £1.4 billion were down 25% over the comparative period. As a result of one of the lowest ISA seasons on record for the whole industry, sales (excluding institutional investment business) were down 31%. Offsetting this, institutional mutual fund business of £205 million was up 48% over the comparative period.

As a result of lower new business volumes, VNB was down 17% to £49 million. These lower volumes are only partially reflected in expenses due to the semi-variable nature of acquisition costs. The reduction in VNB was partially mitigated by a strengthening of the assumptions for the amount of fee income that is rebated from fund managers as communicated at the Interim Results, adding £9 million for the period. The new business margin ended the period at 11%, up from 10% for the comparative period.

International business performance was solid, despite the difficult market conditions, due to its geographic diversity and full open-architecture investment proposition. This, combined with the Singapore branch now being open for business, means the outlook continues to look relatively positive, though clearly the current economic climate may dampen prospects in the short term.

Skandia Investment Group's range of risk-controlled *Spectrum Funds* which provide a solution for customers of a risk-rated portfolio and launched on 28 April 2008, have been well received by the market. The methodology behind the *Spectrum Funds* is that it is specifically designed for investors to have more confidence to invest during bear markets by selecting the fund that matches the investors' attitude to loss. Following the communication of the investment proposition, sales have increased rapidly during the third quarter with over £61 million invested since launch.

The FSA will be publishing their Consultation Paper on the Retail Distribution Review ("RDR") on 25 November 2008. It is widely expected that this paper will require the remuneration system on long-term savings to fundamentally change from providers paying advisers commission, to advisers agreeing "fees" with customers, with the ability of the fees being deductible from the product. Skandia UK announced a new pricing structure in September which removed the initial charge on platform sales. This move introduces a simpler and transparent charging structure and has been positively received by Financial Advisers. It also puts Skandia UK in good shape to manage the likely change in remuneration that the RDR may introduce. On 3 November 2008 Skandia UK announced that it is ending its membership of the Association of British Insurers ("ABI"). Skandia is clearly differentiated from old style life and pensions companies and finds little alignment of interests with the broader ABI membership.

EUROPE: NORDIC

Despite turbulent financial markets, Nordic continuing to deliver excellent growth in sales during the period

Net client cash flows were an exceptional SEK4.6 billion in light of market conditions, representing 5% of opening funds under management on an annualised basis. The positive performance was driven by strong net inflows in the life business as a result of an excellent sales performance and reduced outflows. Net outflows were experienced in the non-life business as a consequence of high withdrawals due to the market turbulence. Volatile equity markets had a negative impact on asset growth, with funds under management at the end of the period down 18% on the position at 31 December 2007 to SEK95.6 billion.

Business Update

Nordic continued to deliver excellent growth in sales during the period. Life sales on an APE basis exceeded the comparative period by 35% due to strong sales in Sweden. The very strong trend in new sales continued throughout the third quarter of 2008, following a steady increase taking place since the last quarter of 2007. So far there are no signs of any negative effect from the turbulent financial markets. The broker sales channel accounted for the largest part of the increase over the comparative period as a result of strengthened relationships supported by the new investment portfolio product and faster introduction of new funds to the market. There has been a continued focus throughout the internal sales force on the selling of unit linked products, which together with several sales initiatives, have contributed to the positive trend resulting in higher new sales over the comparative period.

Nordic produced solid growth in mutual fund sales of SEK2.3 billion, up 2% over the comparative period. The increase was mainly due to deposits in fixed income and money market funds and a newly launched hedge fund.

VNB of SEK281 million for the period, up 43% over the comparative period, was positively impacted by higher new sales on an APE basis, the introduction of currency spreads and tighter cost controls. This compensated for the change in business mix in Sweden in 2008 (particularly since the *Kapitalpension* product tax advantages were removed) as well as the net negative impact from operating assumption changes (strengthened paid-up/surrender assumptions and the negative economic assumption changes in 2007).

The new business margin of 15% has continued to improve since the downward trend in 2007, where the margin was 14% in the comparative period. The improvement was attributable to positive volume effects as new sales were higher and expenses decreased. In the medium term, the new business margin is expected to improve to reach the high teens. This will be achieved through continued growth in sales leading to economies of scale, product development and good cost control and we are already demonstrating that we are on the right track to deliver the margin target.

SkandiaBanken is completely funded by deposits hence has a unique liquidity position and has been able to benefit from the current market situation with an improved interest margin. SkandiaBanken has sufficient surplus liquidity and further actions have been taken to ensure that the liquidity position remains stable. The capital ratio as at 30 September 2008 was 14.25% (under Basel II, pillar one). SkandiaBanken's lending portfolio is comprised 95% of mortgages with excellent credit worthiness due to sound lending practices. The average loan-to-value in the portfolio at the end of the period was approximately 40 to 50%. As a consequence, the bank has so far only marginally been affected by the market turbulence with only a slight increase in provisions for credit losses. The credit loss ratio (credit losses as a percentage of the opening lending balance) remains low at only 0.09%.

As announced on 3 October 2008, a ruling has been passed in respect of the arbitration proceedings between Skandia AB and Skandia Liv. The arbitration board did not accept Skandia Liv's claim to any part of the purchase price paid, but ruled that Skandia AB is obliged to pay Skandia Liv a total sum of SEK580 million (£47 million) plus interest by way of compensation in relation to fees under the asset management agreement which Skandia Liv deemed to be higher than prevailing market rates. Old Mutual had already set aside SEK500 million (£41 million) to cover the arbitration within our pre-acquisition balance sheet.

EUROPE: EUROPE AND LATIN AMERICA (ELAM)

Customer focus and innovation resulting in good net client cash flows

Our ongoing focus on business development and persistency management, coupled with resilient regular premium business, has resulted in good net client cash flows of €0.8 billion achieved in current market conditions. This represented a pleasing 8% of opening funds under management on an annualised basis. Across our businesses, our strong relative net client cash flow performance is reflected in market statistics, notably in Italy, where we believe we were one of the few life companies to achieve positive net client cash flows during the third quarter.

Funds under management of €11.1 billion reflect the global market volatility and were down 9% against 31 December 2007 on a like-for-like basis (excluding Palladyne which was sold during the period). Net market movements on opening funds under management accounted for a 14% reduction in funds under management for the period, a resilient result when compared to deeply negative developments across the global equity indices. At 30 September 2008, equity investments represented 38% of funds under management, compared with 43% at 31 December 2007, while fixed income and guarantee funds increased from 22% and 12% to 31% and 16% respectively. This trend reflects the shift in investor preference away from equity-based towards lower volatility investments.

Business Update

New sales volumes have been under significant pressure in the context of the global financial crisis, with investor confidence shifting away from equity and unit-linked investments towards traditional life, non-equity investments and cash deposits. Our single premium business continues to experience this more severely than regular premium business which has been relatively resilient to the market volatility. Life sales on an APE basis of €164 million were 19% lower than the comparative period. Regular premium business was 10% below 2007 levels, while single premium new sales were 30% lower than the comparative period.

VNB of €13 million was down 63% over the comparative period, mainly as a result of lower sales in 2008 in light of the market crisis as well as a change in the business mix from 2007, where Poland was a stronger relative contributor with higher margins in the first half of that year. The period end APE margin has deteriorated to 8% from 17% in the comparative period. The reduction in margin is attributed to decreased APE sales, a shift in new business mix to lower average premiums, and acquisition expense over-runs encountered by the more recently established businesses. In addition the Polish business experienced strong sales in 2007 which were not sustained.

Product innovations have continued to support business development in the third quarter. Several product and service innovations have been launched so far this year and are supporting our position in the market and are positioning us well for the future. For example, the launch of a simple variable annuity product in Germany, distributor-specific products in Italy and France, a dollar cost averaging feature in Italy and rebalancing features in Poland.

We continue to look for development opportunities to create new business inflows, whilst reassuring our current and potential clients during these extremely challenging times. We continue to receive favourable feedback from customers and distributors on our offerings and service levels through survey results and industry awards. This underlines our commitment to creating sustainable, long term relationships and meeting customer needs.

SOUTH AFRICA: LONG-TERM BUSINESS & ASSET MANAGEMENT - OLD MUTUAL SOUTH AFRICA (OMSA)

Continuing strong life sales growth despite tightening economic conditions

Although net client cash flows have improved over the comparative period, we continued to have small net outflows. This is despite a significant improvement in retention of third party assets, having bedded down the OMIGSA boutiques. Outflows were affected by higher bonuses declared in 2007 and early 2008 which increased the level of normal benefit payments, particularly in Employee Benefits, as well as higher member withdrawals from pension funds as a result of the economic environment. The lower non-life sales also adversely impacted the net client cash flow position. Funds under management were R439 billion, down 1% on 31 December 2007. This was a result of negative market movements combined with net client cash outflows offset by the inclusion of the acquisition of Futuregrowth's R35 billion of funds under management. The acquisition of Futuregrowth has resulted in an expanded set of fixed income products available to the Old Mutual client base.

Sales have continued to show strong growth during the third quarter, particularly life single premium sales, with slowing growth in unit trust sales. Life assurance sales on an APE basis of R3.9 billion were up 15% over the comparative period driven by sales force growth, increased productivity and a swing to life single premium products. This improvement is reflected across all the customer segments and was particularly pleasing considering the effect of the current economic climate on available consumer spend. We expect the negative sentiment of the global financial crisis to impact sales growth for the remainder of the year.

Life recurring premium sales grew moderately, at 6%. Sales of recurring premium savings products increased 15% over the comparative period driven by an investment in expanding the Retail Mass segment sales force as well as customers in the Corporate segment opting to invest in smoothed bonus products (where Old Mutual has highly competitive offerings) as a result of the high level of uncertainty in global markets. Retail Affluent sales of the *Max Investments* recurring premium savings product saw strong growth of 13% with the trend towards the non-life (LISP) wrapped product continuing. Sales of risk products have grown by a modest 2% with a decline in the Retail Affluent market offset by a stronger contribution from the Retail Mass segment. Risk sales were lower in the Retail Affluent market because of lower credit life sales off low lending volumes as a result of high interest rates, tightening liquidity and financially squeezed middle income customers resulting in flat sales of *Greenlight* product sales and lower voluntary premium increases on old generation products.

Excellent growth was experienced in life single premium sales, up 37% over the comparative period. Savings products sales have grown by 33% as investors opt for more conservative fund options. Annuities sales were up 54% with some good flows in the Corporate Segment's term certain annuities. Unit Trust sales of R14.4 billion continued to show strong growth albeit at lower levels as investors moved to lower risk money market funds. Other non-life sales (mainly third party asset management sales) declined by 17% as flows from institutional investors slowed because of investor caution in the volatile markets despite substantial activity in terms of sales pitches. Compared to industry median, overall, 62% of unit trust funds were above median over one year, 38% over three years and 50% over five years to the end of September 2008.

VNB of R557 million increased 6% as a result of the higher sales, but was partially offset by a decrease in the APE margin. Although there has been an improvement in the proportion of higher margin products sold during the period, the APE margin has declined by 1.3% points over the comparative period primarily due to the strengthening of economic and lapse assumptions made at December 2007. The VNB margin was also adversely affected by the expected increase in opportunity cost of holding capital as a result of expected lower investment return and higher tax after the reduction in the proportion of capital invested in equities. We anticipate VNB to come under further pressure from worsening lapse experiences and lower sales of higher margin products as customers feel the impact of the current economic environment.

Old Mutual South Africa's capital position remains strong in spite of turbulent markets. As at 30 June 2008, OMLACSA had admissible capital of R42 billion, which exceeded its statutory capital requirement of R11.9 billion by a multiple of 3.5 times. This was the same as the statutory capital cover at the end of December 2007. At 30 September 2008, the statutory capital requirement had reduced to R11.3 billion due to the change in the allocation of shareholder assets backing the capital adequacy requirement, effected by sales of equities over the last year (including cash realised from the sale of the majority of our stake in Assore in June 2008). Admissible capital at 30 September 2008 is estimated to have reduced marginally to R41.5 billion, covering the statutory capital requirement 3.7 times, and is virtually unchanged over the quarter. This result was achieved since the general decline in equity values has been largely offset by the increase in the Nedbank share price, the effect of a hedge that was put in place on part of the remaining local shareholder equities and the appreciation of foreign assets. The market declines subsequent to 30 September 2008 have been largely mitigated by the same factors of asset profile applicable to shareholders assets and hedging on local equities.

The third quarter was a period of extreme market turmoil, with the South Africa equity market (JSE All Share Index) falling 22% over the quarter. The outperformance of resources during the six months to the end of June reversed abruptly in the third quarter, with resources down 38% relative to a positive 12% return from financial stocks. Compelling valuations in the financial sector meant that a number of OMIGSA boutiques have been underweight resources and overweight financials from the last quarter of 2007. This positioning led to improved performance over the third quarter of 2008, with some of the ground lost since September 2007 regained.

SOUTH AFRICA: BANKING - NEDBANK GROUP (NEDBANK)

Conservative stance taken in tough macro-economic environment

The full text of Nedbank's business update for the nine months ended 30 September 2008, released on 4 November 2008, can be accessed on Nedbank's website *http://www.nedbankgroup.co.za*

In an environment of unprecedented challenges for financial services businesses globally, Nedbank remained solidly profitable in the third quarter, although earnings growth rates have slowed. Liquidity remains sound and capital levels are at the top end of Nedbank's target ranges. While the retail businesses continue to experience cyclical impairment increases and investment banking revenues are slowing, the corporate businesses have continued to perform well.

Following the knock-on effect from global markets, the South African economic environment continued to deteriorate during the third quarter of 2008, particularly on the consumer front. The prime lending rate remained unchanged, but longer term interest rates fell by approximately 2% over the quarter. Food prices have started to stabilise and, importantly, the oil price declined. These are hopefully leading indicators that inflation has reached its peak and will start to decline into early 2009. This is currently expected to result in the prime interest rate decreasing during 2009. However, the volatility and rapid deterioration in the value of the rand against major currencies in recent weeks could impact negatively on this inflation and interest rate outlook.

Throughout the period, rand liquidity in South Africa has remained stable, with the interbank market operating normally. Banks in South Africa have therefore been able to finance new assets in the normal course of business.

Business Update

Nedbank has no direct exposure to the foreign subprime market or any of the related derivative instruments. Nedbank has strong retail, business and corporate banking deposit franchises that performed well during the third quarter and liquidity remained sound.

Net interest income grew by 17% over the comparative period to R12.1 billion. The net interest margin reduced to 3.75% for the period end (Q3 2007: 3.94%), reflecting the higher cost of term funding together with changes to the asset mix. Asset pricing continues to be a key focus for improving margins, with higher margins being generated on new assets. This, however, will take some time to filter through to the overall margin.

Nedbank's impairment charge of R3.1 billion for the period was up 89% over the comparative period. The credit loss ratio deteriorated 1.02% at the end of September (Q2 2008: 0.96%). Retail credit loss ratios have worsened since June and remain above expected through-the-cycle levels largely as a result of continued increases in defaulted advances in the Home Loan and Vehicle and Asset Finance Divisions. Wholesale banking credit loss ratios remain below expected through-the-cycle levels, although the credit loss ratio in Business Banking has increased marginally as expected. No large defaults were experienced in the quarter. While Nedbank's credit loss ratio is anticipated to remain above the medium- to long-term target range of between 0.55% and 0.85% for both 2008 and 2009, the credit loss ratio compares well with that of Nedbank's South African banking peers.

Non-interest revenue (NIR), excluding Bond Choice's commission and sundry income from the 2007 base, grew by 1% on a like-for-like basis. Total NIR (including Bond Choice in the 2007 base) for the period decreased by 5% to R7.1 billion (Q3 2007: R7.5 billion). Increases in commission and fee income of 13% (excluding Bond Choice) were offset by lower trading and private equity income in Nedbank Capital as unrealised gains in historic private equity investments and equity profit sharing arrangements reduced in line with market benchmarks.

Nedbank's efficiency ratio improved to 52.5% for the quarter, compared with the 54.6% reported in the comparative period. This is above the 51.5% reported at June 2008, owing largely to slower NIR growth in the third quarter. Good cost discipline across the businesses made it possible to keep expenses below budgeted levels, resulting in Nedbank maintaining a positive 'jaws' ratio of 4.1% (3.0% excluding Bond Choice) for the period.

Total assets increased by an annualised 20% to R563 billion at 30 September 2008. Advances were 19% (annualised) higher at R427 billion, largely resulting from growth in term loans. Growth in average interest-earning banking assets slowed to 23% (Q3 2007: 31%). Advances growth is expected to continue slowing, particularly in retail and business banking asset classes. Corporate Banking advances growth remains resilient.

Deposits have grown by a strong 28% (annualised) to R465 billion since December 2007, exceeding the growth in advances.

Income after taxation from non-trading and capital items increased to R634 million for the period from R37 million in the comparative period. The main contributions have been the R622 million after-tax profit on the sale of Visa shares and the R13 million profit on the sale of 36.5% in Bond Choice, both of which were reported at the Interim Results.

Capital adequacy ratios are robust and have continued to increase in line with Nedbank's conservative stance in the current environment. Nedbank's Tier 1 capital adequacy ratio increased to 8.8% in September 2008 from 8.0% in December 2007 and the total capital adequacy increased to 11.7% from 11.2% over the respective periods. These ratios are close to the top end of the group's current target ranges of 8% to 9% for the Tier 1 capital adequacy ratio and 11% to 12% for the total capital adequacy ratio.

Recent international developments have again highlighted that the appropriate level of capital for a bank is a function of its individual risk appetite and existing risk profile, including the proportion of fair-value assets in the overall portfolio. Nedbank has low levels of lending assets that are subject to the volatility of fair-value accounting, and current capital levels are considered appropriate in the context of our risk appetite, stress and scenario testing, and Nedbank not holding excess capital for acquisitions.

On 11 July 2008 Fitch Ratings reaffirmed the ratings of Nedbank Group and Nedbank Limited and on 6 October 2008, the ratings of Imperial Bank Limited were also reaffirmed.

In these challenging times Nedbank continued to focus on appropriate balance sheet positioning and applied risk-based measurement techniques in seeking to optimise economic profit. Nedbank is currently taking a conservative stance rather than seeking to maximise short-term profitability that could hamper longer-term sustainability.

Business Update

The economic environment remains uncertain. Pressures on the domestic economy, together with heightened market volatility, global uncertainty and the potential for an extended global recession, increase forecast risk. Increasing impairments and reducing transaction volumes continue to affect earnings growth negatively in Nedbank Retail and

Imperial Bank and investment banking revenues have slowed in Nedbank Capital. Growth in Nedbank Corporate's earnings remains solid, although impacted by lower levels of property private equity earnings as anticipated. Nedbank currently expects headline earnings for the full year to 31 December 2008 to be at similar levels to or slightly lower than those of 2007. Basic earnings for the full year are currently expected to be slightly higher than those of 2007.

SOUTH AFRICA: GENERAL INSURANCE – MUTUAL & FEDERAL

Challenging trading conditions

The full text of Mutual & Federal's trading update for the nine months ended 30 September 2008, released on 6 November 2008, can be accessed on Mutual & Federal's website *http://www.mf.co.za*

Mutual & Federal has successfully undertaken an internal staff and infrastructure reorganisation, reducing headcount by 21%, which amounted to more than 600 people. Whilst the overall expense savings in 2008 will be offset by the costs of the reorganisation, expense ratios will benefit in future years from the action taken.

Mutual & Federal achieved positive trading results despite a softer insurance market than the comparative period. A substantial number of group schemes were cancelled due to unsatisfactory performance whilst premiums on risk finance business declined following changes to insurance practices in the retail environment. Gross premiums for the period nevertheless remained steady relative to the comparative period.

Although underwriting results were negatively influenced by the group schemes portfolio and increases in the frequency and severity of commercial fire claims in the first half of the year, a significant improvement was achieved in the third quarter. Premium rates on fire risks were reviewed and this, together with remedial action on group schemes, has returned the business to underwriting profitability for the year to date.

Interest and dividend returns for the period were offset by losses on the revaluation of listed shares following the decline in global equity markets. In addition, certain non-operational expenses related to the restructure, as well as costs to exploit alternate distribution channels, were written off at 30 September 2008. The solvency margin (the ratio of net assets to net premiums) at the end of the period declined accordingly to 39% from 42% as at 31 December 2007. This remains within our target range of 30% to 40%.

UNITED STATES: US LIFE

Decrease in sales driven by withdrawal of guarantees on Bermuda variable annuities

Despite the turbulent markets, net client cash flows of $1.6 billion were achieved, equating to 9% of opening funds under management on an annualised basis. Funds under management were $21.8 billion as at 30 September 2008, down 10% from the position at 31 December 2007 primarily due to a 20% decrease in the market value of funds under management on an annualised basis (comprised of a decrease in the fixed income portfolio and separate account assets). This decrease was mainly the result of unfavourable fixed income and equity market conditions.

Total life sales on an APE basis were $443 million, a 6% decrease over the comparative period. Sales by Old Mutual Bermuda were the largest year to date contributor to APE. However as a consequence of the high cost of guarantees in the current volatile environment, we withdrew the guaranteed variable annuity riders effective 15 August 2008, and therefore the Bermuda sales in the month of September were significantly lower.

Fixed index annuity sales continue to be affected by difficult market and regulatory conditions, with sales on an APE basis down 37% over the comparative period. However, fixed annuity sales of $29 million were up 320% over the comparative period, following the industry trend as customers seek fixed interest guarantees during this period of extreme equity market volatility and economic instability.

US Life Offshore Update

Our US Life offshore business is conducted through Old Mutual Bermuda. Continuing market volatility and a significant strengthening of the US dollar have led to further increases in guarantee reserves in respect of variable annuity contracts. In the nine months to 30 September 2008, the business recognised $474 million in respect of these reserves. Capital of $425 million has been transferred to Old Mutual Bermuda during the period to 30 September 2008 with $157 million transferred in October 2008 This utilises the $300 million announced at the Interim Results, together with the $250 million announced on 10 September 2008 with an additional $32 million injected in October 2008.

Old Mutual Bermuda offers variable annuities under which clients can select a wide range of funds to invest in. These funds cover equities, fixed interest and alternative asset classes, across a wide range of geographies. Old Mutual Bermuda has offered guarantee riders which provide a guarantee in US dollars of 105% of original premium after five years and 120% of original premium after 10 years. A further option is offered that enhances the guarantee at year ten should the account value on any preceding policy anniversary be greater than 120%. The range of funds offered, have very broad investment mandates and have experienced considerable volatility under recent market conditions. Although we run a hedging programme in order to limit the cost of guarantees, given basis risk, market and currency volatility, the cost of providing the guarantees has increased substantially over the period.

A number of actions have been taken to limit Old Mutual Bermuda's exposure to further investment guarantee costs. These include withdrawing the problematic guarantee riders as previously announced, introducing currency hedges, improving fund mapping to reduce basis risk and reviewing actions available to de-risk the in-force book.

We have also made management changes, strengthened risk management and product guarantee approval processes and begun to initiate actions to de-risk the back book. On 5 November 2008 we announced an offer permitting direct customers of Old Mutual Bermuda with the UGO guarantee riders (excluding the fronted Hong Kong book) - many of whom have seen their initial investments fall substantially – to accelerate the guarantees under these riders. If selected, clients will not have to wait the remainder of the 5 or 10 years from the inception of their policy to receive the benefit of their guarantee, but can receive an immediate top-up to their account value to 85% of their initial investment (less any subsequent redemptions). In return, all guarantees will be terminated and all fees associated with these guarantees will no longer be charged. We believe this to be an opportunity for customers to position themselves for stronger returns should markets recover, or immediately access their capital on far better terms than would have been the case had the offer not been made. The offer is open for a two week window until 19 November 2008.

To the extent that clients accept the offer and their guarantees terminate, Old Mutual Bermuda will be able to reduce uncertainty in respect of future guarantee costs and release guarantee reserves held in respect of these clients. The release of guarantee reserves is expected to be broadly equivalent to the cost of topping up client account values to 85% of their original premium (less any subsequent redemptions). Old Mutual will be required to continue reserving for investment guarantees in respect of clients who do not accept the offer. The guarantee reserves have been funded to date and have not resulted in a cash outflow from the Group, since policies have not yet reached the five or ten year date at which the guarantees are payable.

US Life Onshore Update

On 29 September 2008 we announced the appointment of Chris Chapman as CEO of the US Life onshore business, and he has initiated a transformational exercise, which is reviewing a number of different operating scenarios. These range from continuing with the current product and distribution strategy to scaling back product lines and rationalising distribution, which would lead to lower sales, new business strain and operating expense levels in the upcoming year. The work required to select the preferred option is drawing to a close, and the implementation actions required are intended to be in place early in the second quarter of 2009. The preferred outcome will be to allow the business to focus on the distribution channels and products which are most efficient and profitable, such as its fixed annuity products. Key activities for the remainder of the year include managing the corporate bond portfolio to reduce weightings in finance and banking sectors and related risk of losses.

Multiple large, high profile financial firms suffered failures and regulatory interventions during the third quarter, resulting in creditor losses, almost completely illiquid credit markets, dramatically wider credit spreads and lower bond prices in all sectors. Our fixed income portfolio aggregate credit experience and current unrealised loss position have been affected by these events and market conditions. US Life's fixed income portfolio of $18.5 billion recorded impairments of $381 million in the third quarter of 2008, contributing to total impairments of $531 million for the year to date. The main components of this were public fixed income stock losses principally in respect of American International Group ($64 million), Washington Mutual ($58 million), Lehman Brothers ($50 million) and write-offs of preferred stock ($183 million) of which Freddie Mac and Fannie Mae was the majority ($143 million). US Life's net unrealised losses increased from $1,209 million at 30 June 2008 to $2,329 million at 30 September 2008 reflecting the market-wide re-pricing of credit spreads and other risks which do not relate to specific factors within the US Life portfolio.

3.5% of US Life's general account portfolio of $20 billion has direct exposure to sub-prime mortgage collateral. The sub-prime exposure ratings and market value have declined substantially (67% is AAA, 91% is AA and higher, and 100% is BBB and higher) with a 74% fair value-to-book value ratio.

An additional capital injection of $100 million from Group was made to maintain the Risk Based Capital in line with the operating target. For the purposes of this Interim Management Statement, we have disclosed neither the value of new business nor APE margins for the US Life onshore and offshore businesses since the products and pricing assumptions are under review.

UNITED STATES: US ASSET MANAGEMENT

Net flows and assets impacted by market turbulence

Aggregate long-term investment performance from our member firms was robust. At 30 September 2008, 36% of assets had outperformed their benchmarks and 29% of assets were ranked above the median of their peer group over the trailing three year period. Our member firms deploy disciplined investment processes, based on sound valuation and business fundamentals. Recent volatile markets have not rewarded some of these investment techniques in the near term.

Although net client cash outflows were $2.5 billion in the period, we performed well in gathering cash flows relative to peers. During the third quarter, given recent market instability, Dwight Asset Management made the decision to suspend its securities lending business, which contributed $6.7 billion to the total net cash outflows for the period. Excluding this impact, net cash inflows for the period were $4.2 billion, at 1.7% of opening funds under management on an annualised basis. Given the difficult market conditions and the net outflows being experienced across the industry, the result for the period was encouraging, driven by positive flows at Acadian Asset Management, Rogge Global Partners, Heitman, and Ashfield Capital Partners. Old Mutual affiliates were also ranked in the top 15 for institutional net cash flows for the six months to 30 June 2008 within 11 of the 17 product categories tracked by Callan Associates. Our track record of investment performance coupled with our diverse multi-boutique model positions us well to continue to attract net inflows despite the current climate.

Funds under management were $279.7 billion as at 30 September 2008, down 16% during the period, $52 billion of which was due to negative market returns. Our diversified asset mix helped to lessen the impact with fixed income and alternatives, which comprise approximately half of the total funds under management at the end of the period, being less volatile and correlated in periods of market instability. On 1 July 2008, Rogge Global Partners acquired ING Ghent, which contributed $1.5 billion to funds under management during the period.

OMAM UK unit trust sales and Old Mutual Capital mutual fund sales for the period were $932 million and $653 million respectively, down a combined 49% on the comparative period as a result of the depressed selling environment.

We remain committed to the delivery of unique and innovative investment options. Recent product focus has included asset allocation and risk-adjusted return objectives which have positioned us well in the current market environment. Specifically, we recently launched *Old Mutual Target Plus Portfolios*, the only target-retirement mutual funds with three risk-specific asset allocation strategies. Amongst these, the *Conservative* series of funds has distinguished itself from peers. Other recent products have capitalised on the movement of industry asset flows towards both global and alternative products.

OTHER: ASIA PACIFIC

Continued focus on developing scale

We continue to develop our existing portfolio of businesses in Asia-Pacific. These include, a retail mutual funds platform and institutional asset manager in Australia, a joint venture with the Beijing State-owned Asset Management Company in China selling unit-linked insurance products (Skandia:BSAM) and a 26% holding in a life assurance venture in India (Kotak Mahindra Old Mutual).

Continued stock market volatility and increased competition has resulted in tough business conditions for the period. Sales and net fund inflows have been disappointing, primarily as a result of the lower equity markets. Funds under management have reduced accordingly.

Interim Management Statement

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Notes to Editors:

A conference call for analysts and investors will take place at 9.00 a.m. (UK time), 10.00 a.m. (Central European) and 11:00am (South African time) today. Analysts and investors who wish to participate in the call should dial the following toll-free numbers quoting conference ID 67635029:

UK (free call)	0800 694 0257
UK (local)	0844 493 3800
South Africa (free call)	0800 980 759
Sweden (free call)	0200 890 171
US (free call)	1866 966 9439
International	+44 (0)1452 555 566

Playback (available until midnight on 19 November 2008), access code: 67635029#:

UK (free call)	0800 953 1533
US (free call)	1866 247 4222
International	+44 (0)1452 550 000

Copies of this update, together with high-resolution images and biographical details of the Executive Directors of Old Mutual plc, are available in electronic format to download from the Company's website at http://www.oldmutual.com.

This Interim Management Statement has been prepared in accordance with section 4.3 of the Disclosure and Transparency Rules (DTR) and covers the period 1 January to 5 November 2008. The nine months business update is included in this Interim Management Statement.

A Financial Disclosure Supplement relating to the Company's nine month business update can be found on the website. This contains key financial data for the first nine months of 2008 and 2007.

Cautionary statement

This announcement has been prepared solely to provide additional information to shareholders to assess the Group's strategies and the potential for those strategies to succeed. It should not be relied on by any other party or for any other purpose.

This announcement contains forward-looking statements with respect to certain of Old Mutual plc's plans and its current goals and expectations relating to its future financial condition, performance and results. By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances that are beyond Old Mutual plc's control, including, among other things, UK domestic and global economic and business conditions, market-related risks such as fluctuations in interest rates and exchange rates, policies and actions of regulatory authorities, the impact of competition, inflation, deflation, the timing and impact of other uncertainties or of future acquisitions or combinations within relevant industries, as well as the impact of tax and other legislation and other regulations in territories where Old Mutual plc or its affiliates operate.

As a result, Old Mutual plc's actual future financial condition, performance and results may differ materially from the plans, goals and expectations set forth in Old Mutual plc's forward-looking statements. Old Mutual plc undertakes no obligation to update any forward-looking statements contained in this announcement or any other forward-looking statements that it may make.