OLD MUTUAL

Interim Results 2010

6th August 2010

Johannesburg & London

Julian Roberts ***- Old Mutual Group Chief Executive***

Slide: 2010 Interim Results

I know this is the end of what has been a long week for you, but hopefully what we're about to go through has livened up your week a little bit. We're just waiting for South Africa to come on line. They're on line now, are they? Okay, well, let's start then.

Welcome to the presentation of our 2010 Interim Results. As usual on the stage with me here is Philip Broadley, our Group Finance Director, and in the front row a number of our executives. In Johannesburg, Paul Hanratty is with our host today, Kuseni Dlamini, Head of Emerging Markets.

Kuseni, welcome, can you hear us?

Kuseni Dlamini ***- Old Mutual – Head of Emerging Markets***

Yes, indeed, Julian. Thank you very much indeed.

Julian Roberts ***- Old Mutual Group Chief Executive***

Slide: 2010 Interim Results

Good.

As usual, there are a number of people on the phones and the webcast. Welcome to all of you. I hope you can hear us well as well.

Slide: Introduction

Let me start with a few comments.

When we talked to you in March, we did set out our strategy. We said that over the next three years, we wanted to enhance value for shareholders and customers by optimising the shape and size of the Group, focusing our businesses, and driving change. You can see from this morning's announcement that, less than six months later, we are making good progress.

We said specifically that we were looking to sell US Life, and as we announced earlier today, we've taken a major step forward with our agreement to sell this business to Harbinger at a premium to market consistent embedded value, and as a guide, approximately 1 times traditional embedded value. With this transaction, we'll bring to an end the troubled history of the US Life Onshore business within Old Mutual.

We said we were driving towards cost reduction and return on equity targets by 2012, and you can see we're already well on track. From our striving forward on the strategy we've also been quietly getting on with the business, and we've delivered what I believe is an excellent set of results for the first half. So I'm delighted with what we've achieved so far.

After Philip has gone through the numbers, I'll talk a bit more about the US Life transaction, but let me start with an overview of the first half.

Slide: Overview of H1

Sales performance was excellent. We had two very strong quarters in which we maintained the momentum generated in the latter part of 2009. Group APE sales were up 28% year-on-year, and unit trust sales up 43%.

In particular, I draw your attention to the Wealth Management business, which had a superb first half, driven in particular by the performance in Italy, and in the UK, where we're taking market share on the Platform.

You've heard me say several times that the UK market is evolving towards a new model which would be fundamentally different, and that in this model Platform would be the way forward. I believe that the trends we are now seeing support that view, and we retain a market-leading position.

In South Africa, economic growth is returning, but the trading environment remains tough with unemployment still high. You've already seen that reflected in the Nedbank results and other South African businesses that have released their results recently.

However, with our comprehensive range of products against our target markets, we are well positioned. Long term savings sales performance in South Africa in the first half was strong, particularly in the retail markets, where APE sales were up 18% overall, and net client cash flows were positive. Our Group operating result for the first six months was 43% ahead of the comparative period.

We are seeing the benefits of the actions that we took last year to build a more profitable product mix, re-pricing where necessary for ROE, and pulling out of certain unprofitable products and blocks of businesses. And of course, we delivered our highest sales volume within our strictly controlled capital and risk appetite.

All of our businesses, with the exception of Bermuda, delivered underlying year-on-year profit improvements. Individual ROEs were all higher, as was the Group ROE at 11.6%. And we continue to strengthen our capital position, ensuring that the Group retains a solid financial base.

At this point, I'll hand over to Philip to go through the details

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Philip Broadley - *Old Mutual Group Finance Director*

Title Slide: Business & Financial Review

Thank you, Julian, and good morning, everyone.

Slide: Agenda

I know that we're at the end of a long week in which a lot of companies have been reporting in the sector, but I hope you've had at least some time to read our release this morning, and perhaps you'll also let me observe that what has been a busy week for you, it's not exactly been a quiet week here either. And so let me begin by thanking Katie Murray, Andrew Birrell, Patrick Bowes here, and all their teams, for their efforts in putting together what until late last night could have been any one, either one of two stories, and also Alex Duncan and Jim Ritchie, who've been leading the transaction in New York.

In the presentation, I'll pick out some of the key points from the information we've provided. I'll talk about Group profit, cash flow generation, liquidity and regulatory capital. I'll talk about trading performance around each of the business units, and then give an update on the performance to date against the strategic targets we set in March, the cost reduction and ROE targets.

In retrospect, it's been a complex half year, with equity markets and currency rates really quite variable. That's between the markets in which we operate, and between the two quarters that make up the half.

In South Africa, the JSE All Share Index rose by 4% in the first quarter and then fell back 9%. The rand started the year at nearly ZAR12 against sterling, strengthened to just over ZAR11, and then weakened again to ZAR11.45 at 30 June.

In the US, the S&P was up by 5% in quarter one, fell back 12% in quarter two, with the dollar strengthening against sterling in both quarters.

So overall, the continuing volatility that we've observed makes commenting on outlook quite difficult.

Slide: Financial overview

Let's move on to the financial results.

The Group generated GBP735 million of pre-tax adjusted operating profit in the first half, up 43% on the first half 2009. Of the growth, about two thirds is attributed to improved trading performance, and one third was the result of currency movement, the rand and dollar again, as I've commented. On a constant currency basis AOP was up 22%.

Earnings per share at 8.3p for the period were up 69% on the comparative period, and return on equity improved from 7.6% to 11.6%.

Let me just remind you that as we said in March, Bermuda has been reclassified as non-core and, therefore, we've restated our 2009 AOP, earnings per share and return on equity to take account of that.

The improvement on 2009 reflects management efforts to improve the profitability of the product mix and our tight focus on risk and expense management. It's been assisted by improved persistency, and a higher level of funds under management. And the gains have been partly offset by a lower long term investment return as a result in the reduction in the rate we apply to OMLAC(SA) and Mutual & Federal, as we flagged to you in March.

At the EPS level, the improvement was also assisted by a lower effective tax rate of 22% compared to 29% in the same period last time.

Overall Group net client cash flows were a negative GBP1.6 billion, although there were net inflows of GBP2.8 billion for long term savings, reflecting the positive impact of the strong sales performance over the half, of which more later. And the Group result also includes GBP5.2 billion of outflows at US Asset Management, and I'll also talk about that.

Improved market conditions relative to 2009 contributed to funds under management at the period end, of GBP292 billion, 3% higher than at the start of the year, and 18% above the level at the end of June 2009. Clearly, the declining markets in the second quarter brought the level down a little from that which we reported to you at the end of March.

Given our strong performance, and reflecting the Board's confidence in our prospects, we've declared an interim dividend of 1.1p per ordinary share.

So let's now delve into the Group results a little more, looking first at AOP earnings per share.

Slide: AOP earnings per share (waterfall)

We saw an increased contribution of 2p per share from profits in the LTS division. Nedbank, Mutual & Federal, and US Asset Management were also positive, so all of the business units have contributed to the profit growth. Currency effects contributed 0.9p per share, and the various other effects netted out to a negative 0.2p.

Total profit after tax was GBP380 million, and total comprehensive income was GBP810 million. And a reconciliation between AOP, profit after tax, and total comprehensive income is in the appendix slides, and the adjusting items, and the other details in the notes to the financial statements.

Slide: Adjusted Group MCEV per share (waterfall)

On MCEV, I'll just talk about MCEV per share today. The full disclosures are in the statement, and they're prepared in full compliance with the CFO Forum principles.

Our adjusted Group MCEV per share was 166.6p, down 2.5% from 2009. MCEV operating earnings were strong at 10.6p per share. I think it's worth drawing attention to the effect of the M&F transaction, which resulted in a 7.1p reduction in MCEV per share. And this can be analysed between a dilution of 4.6p on the issue of 147 million shares to M&F minorities, and a 2.5p reduction as a result of now including the business at 100% of its IFRS net asset value instead of our proportionate holding of the market value as previously.

In terms of the other movements, a positive 2.7p from currency offset by 4.9p of negative economic and other variances, 1.9p of dividends to shareholders, and a 2.4p per share reduction in the market value uplift for Nedbank.

Slide: Free surplus generation H1 2010 (£m) (waterfall)

Turning now to free surplus generation, and I'm pleased to report that in the period, we generated GBP246 million of free surplus compared to a negative of GBP158 million in the first half last year.

Of the total, GBP204 million comes from the Covered business, which was achieved even after GBP263 million of investment in new business, and GBP42 million comes from Non-covered business.

As you can clearly see, we are generating, continuing to generate substantial surplus from operations whilst continuing to invest in business growth.

Moving on now to holding company cash, liquidity and regulatory capital.

Slide: Holding company cash

At the end of June, the holding company had available cash and committed facilities of GBP1 billion. At an individual business level, each of our businesses continues to have the liquidity that they need to support their normal trading operations.

Net debt at the end of June was GBP2.5 billion, which is an increase from the year-end position, but we've repaid GBP44 million of external debt, and paid ordinary dividends of GBP37 million in the half. The other movements in debt include GBP82 million revaluation of underlying swap contracts, with the balance primarily the effect of foreign exchange rate movements on the value of issued debt.

We anticipate higher operational cash inflows to the Holding Company in the second half, reflecting our typical funding patterns.

Slide: Movement of FGD regulatory capital surplus (£bn) (waterfall)

At 30 June, our pro-forma FGD surplus on a statutory basis was GBP1.7 billion. The movements for the six months include the addition of GBP400 million of statutory profits, and the benefit of GBP300 million in respect of a lower capital requirement for Bermuda due to increased hedging of the equity portfolio put in place during the second quarter. We paid ordinary and preferred dividends of GBP100 million, and other movements in capital requirements were a negative GBP100 million.

Netting out these effects gives us a like-for-like FGD improvement of GBP500 million over the first half to GBP2 billion.

However, we have a GBP300 million lower Tier 2 instrument, a five-year note issue, with a first call date of January 2011. Under the FSA rules, if we wish to retain the right to call it on its first call date, and as that's within the next six months, we must deduct the value of the instrument from our FGD calculations. And I would stress that that's a requirement in order to give us the ability to make the call, but we have not yet made that decision, and it's one that we'll consider later in the year in the normal course of business.

Slide: Capital

Looking at FGD sensitivity, you can see on this slide that our currency and equity market sensitivities remain small in relation to the size of our surplus, and you can also see that our individual businesses continue to have strong local statutory capital cover, and I draw particular attention to OMLAC(SA) and the UK 3.9 and 3.6 times covered respectively. And the increase in regulatory capital in the US from 312% to 347% has once again, been achieved without any capital injection from the holding company.

Slide: Dividend

Looking at dividend. The Board's considered the dividend position, taking into account our capital, liquidity and earnings, as well as the current and expected economic conditions, and on this basis, has declared an interim dividend for 2010 of 1.1p per ordinary share. Once again, we'll offer a scrip dividend alternative to eligible shareholders.

And the interim dividend is in line with our policy of targeting dividend cover over time of at least 2.5 times.

If I go down now into the results in a bit more detail, I'll highlight a few of the numbers on the following chart. As ever, there's no shortage of detail in our interim results statement or the additional disclosures that you have.

Slide: Long-Term Savings

Let me start talking about Long-Term Savings. We will be talking more about this business at a showcase event in October. We're finalising the details at the moment and information will be sent out to you shortly.

In the first half of the year, about two thirds of the Group's pre-tax AOP was contributed by our Long-Term Savings business. The momentum we saw in the second half of 2009 has continued into 2010, and we've had a very strong sales performance.

Life new business APE on a sterling basis was up 28% on the same period of 2009, despite the withdrawal of a number of unprofitable products and blocks of business. For example, there's an unprofitable recurring premium unit-linked product in the Nordic region that we withdrew in September last year. The value of new business was up 31%, and the APE margin of 11% unchanged from a year ago.

The combined effect of the sales performance in expense management, in addition to improved persistency, contributed to overall AOP in sterling for the LTS division up 50% on first half, although that result is flattered somewhat by a favourable movement in the sterling/rand exchange rate. On a local currency basis, all parts of the division delivered increased profits.

About three quarters of LTS operating profit comes from Wealth Management and OMSA, so let me talk a little bit more about those businesses now, starting with OMSA and emerging markets.
Slide: Emerging Markets

This division includes our businesses in South Africa, Africa, Latin America, and Asia. They're markets with high current and projected GDP growth rates. South African GDP grew by 4% to 4.6% in the first quarter of the year, and we're well positioned to take advantage of the improving economic environment.

In the first half, APE sales in South Africa were up 17% on the comparative period, with particular strength in the retail markets. Regular premium sales were up on the prior year in both Retail Affluent and Retail Mass by 16% and 3% respectively. Retail Affluent also achieved 48% growth in gross single premium sales to over ZAR5 billion in the half, and these sales were achieved at a higher margin.

Net client cash flows were positive in Retail Mass and Retail Affluent, and although still negative in the Corporate segment and OMIGSA, have improved on the prior year.

In the other emerging markets, sales performance was also strong. In local currency, Life sales were up 40% in Latin America, 11% in India, and 13% in China.

Slide: Emerging Markets AOP

Looking now at AOP, in OMSA it was flat year-on-year at just over ZAR3 billion. That's partly due to the inclusion in the 2009 figures of some positive assumption changes, as well as profits from Nedgroup Life and BoE private client joint ventures, which we sold in June 2009. And the year-on-year comparison is also affected adversely by the 390 basis reduction in the LTIR rate.

Lower profits in the Long Term business were offset by a stronger result in Asset Management on the back of higher average asset values and higher performance fees. The 2010 result also includes the contribution from ACSIS, which we acquired in the second half of 2009. South Africa continues to give us a significant contribution to Group profits, as well as future growth potential.

Our new markets generated ZAR86 million in the half, reversing the ZAR50 million loss experienced in the same period last year. This is principally due to increased Asset Management operating profit as a result of higher asset average values. And whilst small in relative terms, these markets do provide growth opportunities, and we'll continue to position ourselves well for these by making full use of our South African skills and experience.

Slide: UK product sales and H1 performance

If we look now Wealth Management, it's had a very strong half with operating profit more than doubled on the same period last year. The main contributor to Wealth Management in the UK, which is what the slide focuses on, and you can see after a very strong first quarter the sales momentum continued in the second quarter, and indeed has continued on into July.

For the first half, UK single premium APE sales were up by 83%, and recurring premium up 28%, with increases across all product types, as you see. As a result of this strong performance, net client cash flow for the UK was 1.3 billion, and that's equivalent to the whole of last year in just the first half. Funds under management were up by 4% in the year, despite a 9% fall in the FTSE 100.

UK profits were up 60%, benefitting from high sales, as well as the aggressive cost management that's been undertaken in the business, including the restructuring we talked about in March.

We've been very clear about our strategy in the UK, and this has underpinned our investment in the Platform. By developing products that meet the needs of IFAs and their customers, we've achieved significant inflows. Around GBP1 billion has been taken on to the Platform in each of the first two quarters. About 12% of this came from switches from our own Legacy book, but 88% was the transfer of in-force blocks of business as IFAs have signed up on the Platform and are in the process of transferring their client monies on to it.

We've always said that the Platform economics required us to build scale, and we're encouraged by the progress we're making towards the goal.

Although we don't target market share, and we haven't changed our charging structure, it's interesting to note that Skandia UK's market share of sales grew to over 7% in the first quarter, almost double its share 18 months earlier, and we believe a record for Skandia, demonstrating that the Platform is becoming a mainstream part of the savings market.

Slide: US Life: performing in line with plans and stable portfolio

Finally within LTS, some comments on US Life, which has performed in line with our plan, and which has a stable portfolio in the general account. In the six months to the end of June, the business delivered APE sales of $68 million, in line with our target, and consistent with our capital and risk appetite. Surrender performance improved on last year, and operating profit of $45 million was broadly unchanged from the comparative period.

The recovery in financial markets has continued to benefit the portfolio, with valuations moving favourably, leading to a net unrealised gain on the overall portfolio for the first time in a while, as you see on the chart, at $138 million.

Impairments totalled $23 million in the first half, very much lower than previous periods, as you can see, and we've been able to reverse some of the impairments that we recorded in 2009 in relation to certain structured securities, and that's generated $54 million of gains.

Over the last two years, the US Life business has had a remarkable turnaround, and credit is due to Chris Chapman, Barry Ward, and their management team for their efforts in bringing this around and leading to the sale announced today.

Slide: Mutual & Federal

Turning now to Mutual & Federal; there, the operating profit was up significantly on the first half of 2009, again despite further reduction in LTIR. The business made an underwriting profit of ZAR88 million in the first half compared with a ZAR96 million loss in the comparative period. The level of profit was, however, less than in the second half of 2009 due to a more difficult trading environment as a result of a high level of primarily weather-related claims, but the claims ratio did improve in the second quarter.

Overall, premiums were down. Pricing increases were implemented successfully, but have been offset by a decision to cancel a number of unprofitable portfolios on renewal.

The strategic review of M&F that Julian talked about in March has been concluded, and we now have an implementation plan to focus the business on product innovation, efficiency, cost reduction, and increased profitability.

Slide: Nedbank

As usual, I won't say too much about Nedbank as it's already announced its results on Monday of this week. Operating profit was up 5.6% at over ZAR3 billion for the period. Net interest income decreased slightly as a result of endowment-related margin compression, there having been a further 50 basis point interest rate reduction in March.

Non-interest revenue, a key target area for the Nedbank, was up 8% on a like-for-like basis, benefiting from growth in transaction volumes and annual inflation-linked fee rises. Improving economic conditions were positive for both impairments in the credit loss ratio, and strong balance sheet management has continued to keep Nedbank's capital ratio above its internal target.

Slide: US Asset Management

Lastly amongst the businesses, the core businesses, Asset Management; US Asset Management. Although many affiliates delivered positive client cash flows, there was significant outflows on some products, and let me highlight two. First, there were outflows from Heitman's Real Estate Investment Trust product as investors crystallised strong gains. Much of this money had actually been left with us for less than a year, and Heitman still has more dollars of funds under management at 30 June than it had 12 months ago.

Secondly, there were outflows from Dwight's relatively low margin stable value product as investors regained confidence in higher risk investments and switched their money to other asset classes. Excluding Heitman and Dwight, NCCF for US Asset Management was positive in the second quarter.

That combination of negative flows and market falls in the second quarter resulted in a 7% drop in funds under management from the beginning of the year, although funds over the period were above the comparative period in 2009, with a consequent 16% increase in management fees.

AOP was up 33% on the first half of 2009, aided by $15 million of cost savings as a result of the expense management actions that we implemented last year.

You will recall that we have said we anticipate and are planning a partial IPO of US Asset Management, and we're beginning to prepare for the separate listing. For example, we are implementing internal reporting structures which will ensure the business is US GAAP compliant by the end of the year. We are, however, conscious that we need to see improved NCCF and margins before we set a firm date.

Slide: Bermuda hedging: balancing trade-offs

Turning now to Bermuda, the non-core business. As you're aware, no new customer contributions to the problematic guarantee products are permitted, but in meetings over the last few months with investors, we've had a number of questions about how we're managing the run-off, particularly around the hedging strategy, so as I've got some time this morning against the backdrop of good results, I thought I'd take a few minutes to go through our thinking.

Managing the run-off requires us to balance capital, liquidity, and risk. In the first half of last year, we were fully hedged against equity markets, as well as declines in interest rates and the strengthening of the US dollar. But as we entered a period of what we anticipated would be rising markets during the third quarter, in September last year we decided to reduce some of the liquidity risk that arises from a fully hedged position. We therefore, began a program of selected releases of hedges, subject to a defined risk appetite and stop-loss protocol.

Slide: Bermuda hedging to 31 Dec 2009

So if we look now at this chart as it will build over time, what you see here is the accumulated daily economic profit or loss, which of course is unrealised, arising from the movement in reserves in respect of guaranteed minimum benefits relative to the change in value of the hedged assets. And firstly, we show the period from September to 31 December last year. And you can see that through that period, the decision to remove some of the hedges was positive in terms of unrealised profit as we benefited from rising equity markets and avoided the consequent liquidity opportunity cost of maintaining short futures positions.

Slide: Bermuda heding to 31 Mar 2010

Then if you look at the first quarter, we were happy to maintain our position and it gave rise to further gains by the end of the quarter. But in March, we decided to reintroduce some of the hedges in the light of growing negative global market sentiment, particularly in the Eurozone at that time, so we adopted a partial hedged position across equity markets and FX, with full hedge protection against equity and currency risks in the Eurozone and in the UK. This decision mitigated market risk and proved to be sound ahead of the substantial equity and foreign exchange falls experienced in the second quarter.

Slide: Bermuda hedging to 30 June 2010

And now you see the position up until the end of June. In June, we took a decision to put on further hedges, and this helped to generate hedged asset gains to counter the increase in guarantee reserves as markets fell. But for the quarter as a whole, those early gains generated in quarter one were reversed, contributing to an overall guarantee loss for the half-year. Had we not reinstated hedges, market volatility would have exposed us to further market risk, and our unrealised loss position would have been significantly higher.

Slide: Bermuda hedging to 31 July 2010

And if I update it finally to July, you see the aggregate economic result from September to the end of July was a loss of $54 million. We have made trade-offs between liquidity risk and market risk. Initially, we increased market risk but reduced liquidity risk when we took the hedges off, and we partially reversed this as the hedges were reinstated. We avoided margin calls when markets were rising, but protected against the full extent of guarantee losses when markets fell.

We currently have partial hedges on equity and currency, but do not hedge volatility or reductions in interest rates given current low yield curves. We continue to monitor daily our value at risk, cash, and profit and loss for all principal exposures, and adapt our hedging as appropriate, taking into account this balance I refer to between capital, liquidity and risk as the run-off continues.

That's probably enough on the individual businesses.

Title Slide: 2012 Targets

Julian said in his introduction that we're making good progress towards the ROE and cost reduction targets that we set for 2012, and I'll show you how we're getting on.

Slide: Progress against 2012 cost reduction targets

Firstly, for cost reductions, various expense management programs are embedded within our businesses, and they're already beginning to deliver results. On a run rate basis, Retail Europe achieved 40% of its 2012 target, and we expect further benefits to come through as the transfer of IT and client administration functions to South Africa continues.

Wealth Management has undergone a very significant restructuring, specifically in the UK, and it's well on track to meet its target having taken out GBP17 million of annual operating costs against its GBP45 million target.

Restructuring in US Asset Management in 2009 delivered actual savings in the first half, and on a run-rate basis, the business has already achieved its target.

We're pleased with these figures, but it's still early days. It's a three-year program, and as you can see from the chart, we've been operating on the Pareto Principle and tackling the largest areas and the quickest wins first. We will have to maintain our focus to ensure that the reductions we've achieved so far are sustained as we continue to grow the business. And I would remind you, there's a cost to achieving savings. In March we said the cost this year would be in the order of GBP50 million.

Slide: Progress against 2012 ROE and margin targets

So finally to ROE and margin. We're driving the business for ROE, and in the first half we were helped by the profitability benefits of relatively high asset levels, and as a result, overall, we are ahead of the targets we set for the Long Term Savings business. But we will not allow ourselves to get carried away by these results. There's still a lot of work to do, and as markets appear to remain uncertain, we do expect to see some variation in ROE over future periods. But so far so good; these are encouraging results.

Slide: Financial summary

So finally to summarise; AOP at a pre-tax level, up significantly on the first half of 2009, benefiting from lower expenses, buoyant sales, and more profitable product mix, improved persistency, and favourable currency movements.

Earnings of 8.3p per share benefiting in part from a lower effective tax rate. Adjusted MCEV per share, 166.6p. Our Solvency II implementation is well underway and we've been admitted to the FSA's initial internal model approval process. We've continued to strengthen our capital position, and we've had satisfactory levels of capital and liquidity at both the holding company and in our individual businesses. And we will pay an interim dividend of 1.1p per share.

And with that, I'll hand back to Julian.

Julian Roberts ***- Old Mutual Group Chief Executive***

Title Slide: US Life Transaction

Thank you, Philip. I know you won't have had much time to assimilate the details of the US Life transaction, so let me take a moment to take you through the key points.

Slide: Transaction rationale

But just to remind you of the background of the transaction, we bought US Life in 2001 with the aim of building a Life business in the United States. This has proved to be a poor acquisition for the Group, and we acknowledge it, largely due to taking excessive credit risk, the impacts of which came to a head in the 2008 global financial crisis. So we said in March we intended to explore the sale of the business. We wanted to simplify the Group. We wanted only to have businesses that operated within our Group risk appetite. We only wanted businesses that achieved our hurdle rates. And in reality, US Life has little overlap with the rest of our Long Term Savings division as well.

With the business on a stable footing, as Philip has acknowledged in his presentation, and anticipating consolidation in the industry, we concluded that US Life could best fulfill its potential under different ownership.

Slide: Principal terms

So following a thorough process, we have now agreed to sell this business to Harbinger Capital Partners for a consideration of $350 million. This is subject to an adjustment for capital movements between 31 December and closing, and we hope the closing -- we expect closing to take place around the end of the fourth quarter of this year.

Up to $125 million of the consideration will be held in escrow for six months after closing. This is part of an asset protection agreement for Harbinger to cover fair value movements on certain credit instruments. The balance will be paid in cash on completion.

Slide: Financial effects: Group impact

So let's look at the financial effects of the transaction. It is positive for market consistent embedded value, based on the MCEV for the US Life business at 30 June; that is at a negative, which is at negative GBP387 million. The uplift in Group MCEV of this transaction is GBP718 million, equivalent to 13.2p per share.

There will, however, be an IFRS net asset write-off, expected to be GBP680 million, or 12.7p per share, based again on the net asset value of US Life as at June 30.

The transaction will reduce our group FGD surplus by approximately GBP100 million. However, as we've said before, one of the important sensitivities that our surplus has to cover is the risk of shocks in the US credit portfolio. Therefore, once we no longer have the responsibility for the portfolio, the amount of capital we need, and will target to hold as an FGD surplus, will reduce.

There will also be a material reduction in future volatility of the FGD capital at risk. In addition, the transaction will release approximately $115 million of capital from OM Re, our Irish reinsurance captive, which does remain under our ownership.

Slide: Transaction summary

Net proceeds from the transaction, after adjustments and the cost of sale, will be applied to reduce Group debt in line with our stated aim of improving the quality of our balance sheet. We expect to gain regulatory approval for the transaction in the fourth quarter with, as I said before, completion taking place shortly after.

In summary, we believe that this is a good transaction for shareholders. It releases cash for repayment of debt, it reduces the credit risk for the Group in the future, it reduces economic capital at risk, and it substantially reduces the capital intensitivity of the business we write internationally.

It is a significant step forward towards our strategic aim, and I am delighted that we've been able to reach agreement, when I do suspect some of you were skeptical that it could be done in this market.

Title Slide: Summary

So let me summarise what we have presented today.

Slide: Summary

We've announced, I believe, a strong set of results, which demonstrates the success of the management actions we are taking to turn Old Mutual around and restore it on an upwards growth trajectory. We are driving change throughout the Group, and I believe delivering on our strategy. We are simplifying our structure to unlock value, and we are delivering strong performance in each of our businesses.

At that, ladies and gentlemen, I'll now open the session to questions. We'll start here in London.

Blair Stewart – *Bank of America Merrill Lynch*

Thanks. It's always nice to beat Jon to the first question. Two questions, just on the US transaction.

Firstly, could you just talk in a bit more detail about the residual risks on US Life that stay; the $125 million aspect. That seems to be linked to Harbinger possibly selling those assets. Have they said they're going to sell them, or are they just going to hold onto them? What's the risk there? And also on the letters of credit, just summarise the view there.

And secondly on the appropriate level of FGD surplus post the US disposal. You have commented in the past about the level of surplus that you'd like. How does it change that, and what would be the implications for the dividend over the longer term?

Julian Roberts *- Old Mutual Group Chief Executive*

I'll turn to my lack of sleep Finance Director.

Philip Broadley *- Old Mutual Group Finance Director*

What we've said is the $125 million is a protection against adverse market movements in about $0.5 billion of assets that would be “the hard to value”, or “level three category items”; so ones where market prices are difficult. At 30 June, the difference between book and market was about $40 million, and so actually, we will be working between now and closing to seek to sell those assets ourselves; and if we are successful, obviously, the amount is reduced at the time of completion.

So far as the FGD is concerned, you're right, we've said before that we targeted a buffer of about $1 billion -- sorry, GBP1 billion, and the majority of that is being held against the risk of a shock deterioration in statutory capital in US Life.

I think we need to fully work through what our target will be on completion, but I think we might expect it to fall, say, to about GBP900 million; would then be a target buffer which would be very comfortable against a business then that would have very little shareholder supported investment risk. So at current levels, on a pro-forma basis at 30 June GBP1.6 billion of FGD comfortably above a buffer of GBP900 million I think in those terms.

Blair Stewart *- Bank of America Merrill Lynch*

And on the letters of credit?

Philip Broadley *- Old Mutual Group Finance Director*

On the letters of credit, we are working with Harbinger and a counterparty to introduce further protection of $600 million I think it is on that. Sorry, no. Alex, it is the full amount, isn't it?

Alex Duncan – *Old Mutual - Director of Finance; Capital*

[Inaudible]

Philip Broadley - *Old Mutual Group Finance Director*

Yes, so I will repeat it for South Africa. $600 million we hope to be able to refinance through a new arrangement between now and closing.

Jon Hocking - *Morgan Stanley*

Jon Hocking, Morgan Stanley. I've got three questions, please. Firstly on the US Life sale, can you give us some idea how to think about the economic capital released from selling this business? I know the IGD takes a small hit, but presumably there must be a big gain for the Group on an economic basis.

Secondly, are there any intangible complications in terms of deferred tax assets? I assume all the goodwill has already been written off from the US Life business. The book value you're selling, can you run through the structure of the balance sheet?

And then finally on Skandia in the UK, or the Wealth Management business, the FSA's talking about potentially banning rebates, or introducing a disclosure regime for rebates. If that came in, what would the impact on the business be? Could you actually introduce an explicit fee-based business? Does the technology Platform allow that? Does that impact the cost saving targets in any way in the UK?

Philip Broadley - *Old Mutual Group Finance Director*

Can you bring a microphone up to the front for Andrew, and he'll talk about economic capital, because otherwise he might not say anything.

Andrew Birrell - *Old Mutual - Group Risk & Actuarial Director*

Thank you, Philip. Good morning, everybody. The US Life credit risk has always been the single biggest component of economic capital for us. So by disposing of the business, it's removed the single biggest element that gave rise to economic capital. It was around about 28% of our economic capital requirement, although of course by taking the US Life out, we do lose some diversification benefit too.

Philip Broadley - *Old Mutual Group Finance Director*

As far as the balance sheet's concerned, page 58 is where you'll find the US Life balance sheet. There's less than GBP200 million of deferred tax assets.

You're right, there is -- goodwill has previously been written off, so the major item is actually GBP1.6 billion of DAC, which is, if you like, the source of the write-off on disposal.

Julian Roberts *- Old Mutual Group Chief Executive*

If you talk about the Skandia business, yes, there is this debate about whether rebates will go. We are, as you would expect, discussing that with the FSA. We don't actually believe that's in the best interests of customers.

However, we have been moving that business so that it can have a total unbundled pricing, so we have the systems and the systems movement so that if rebates go, we can quite easily impact the pricing.

And we don't think at the end of the day there would be a significant change. It means in unbundled pricing people will have to pay for the advisory piece and just where you were and the revenue will come from different places. But we're in pretty good shape if rebates do go.

Greig Paterson *- Keefe Bruyette & Woods Limited*

Hello. It's Greig Paterson, KBW. Three questions, just numbers, please. What is your cash at the centre? You used to disclose that; you've stopped disclosing that.

What is the leverage ratio? I couldn't find it in the financials. Maybe I just missed it.

And then the third thing is the US Asset Management. Dwight obviously has funds under management from the US Life Company. What is the contribution to operating profit from those funds under management?

Philip Broadley *- Old Mutual Group Finance Director*

Since I'll have to try and add up the net debt versus the total debt to get you the cash at the centre, would you like to do something else whilst I work it out?

Julian Roberts *- Old Mutual Group Chief Executive*

Well, let me go through to Dwight. Alex will correct me. I think Dwight has around $5 billion of assets. And as you know, it's relatively low margin business. So I think that gives you a guide.

I think the question moving forward is whether Dwight will retain any of that business or not. So it's open to conjecture and needs to be worked through.

Philip Broadley *- Old Mutual Group Finance Director*

And the available cash at the centre must be about GBP600 million.

Greig Paterson *- Keefe Bruyette & Woods Limited*

That puzzles me. How could it have gone up? [It was] GBP400 million. You paid out a divi, then dividends from the subs was minus --

Philip Broadley - ***Old Mutual Group Finance Director***

The answer is, Greig, I've been focusing on other things this week.

Greig Paterson - ***Keefe Bruyette & Woods Limited***

All right, no problem.

Philip Broadley - ***Old Mutual Group Finance Director***

So all I'm doing is subtracting the book value of the debt from the net debt to come to the cash figure.

Greig Paterson - ***Keefe Bruyette & Woods Limited***

No problem. And the leverage ratio?

Philip Broadley - ***Old Mutual Group Finance Director***

I'm sorry, I haven't had time to calculate that.

Greig Paterson - ***Keefe Bruyette & Woods Limited***

Right, thanks.

Oliver Steel - ***Deutsche Bank***

Oliver Steel from Deutsche Bank. Just to follow up on the letters of credit. Assuming you arrange refinancing of $600 million, are you still therefore on risk on the remaining $175 million? Perhaps you can just talk through what those risks are.

So that's question one.

The second one, I have to congratulate you on delivering two of your restructuring aims within about six months of giving them out, the second one, of course, being hitting the ROE targets on the LTS divisions.

But equally, you seem a bit hesitant, I guess, about encouraging us to assume that those are permanent. So I'm just wondering how those have been achieved. Have you taken capital out of those divisions?

And if it's purely a market issue could you give us some sort of guidance about what ROEs could be achievable if markets remain at these levels?

Julian Roberts - ***Old Mutual Group Chief Executive***

Let me just make a comment and then Philip can add.

I think you've beaten me up over the years in various places when we've hit targets and then when it has come to the actual date when we've said to the market, you've said, oh, you haven't hit that. And so we are a very long way away from 2012, and that's the year that we've promised.

And so if there is any caution, it is the fact that there's a lot of time to go through. But it's quite clear the businesses have performed well. Persistency has improved, as you can see everywhere, and that's had a good uptick in the ROEs of all the businesses.

Philip Broadley *- Old Mutual Group Finance Director*

So far as US Life is concerned, you're right to observe there will be a small amount of contingent risk for which we would remain responsible until 2012, and a smaller amount to 2015, as set out in the release.

Those are contingent risks that we have today, and we consider the risk that they crystallise as remote. And as I would view the transaction overall, and picking up what Julian said earlier, currently we bear -- a significant risk we bear with the US Life business is the credit risk on the entire bond portfolio; that goes; and the level of risk that we retain is relatively small.

And perhaps if I could just then comment more broadly on why we've retained that risk.

I think it's worth noting that so far as we've been able to establish, this is the largest transaction and the largest sale of a US life -- domestic US life insurance company - for about three years. And one of the reasons why we think there have been relatively few transactions from the conversations we've had with a number of parties is the lack of availability of capital, and perhaps even more so, the financing of mechanisms, traditional types of financing mechanisms like Triple-X and A-Triple-X.

So in order to facilitate the transaction taking place we have worked with potential purchasers over maintaining these sorts of structures. So that's why it is there, and the party that we hope to introduce into the transaction will be a new provider of finance into the US market.

Julian Roberts *- Old Mutual Group Chief Executive*

With that, if you don't mind, I'm just going to switch to South Africa. Can you hold your question? We'll come back to it in a moment. But we've had quite a few from here so, Kuseni, are there questions in the room in South Africa?

Kuseni Dlamini *- Old Mutual – CEO of Emerging Markets and OMSA*

Yes, we do have questions, Julian. May I ask that you introduce yourself and wait for the mic before you ask your question?

Michael Christelis *- UBS*

Hi, Julian. It's Michael Christelis from UBS. Three questions, if I may. The first one's fairly factual.

Can you confirm that the cost of the cost savings that you've got to date are not included in the AOP? In other words, was it below the line? So that AOP has got the saving but not the costs associated with that?

The second question involves Bermuda. It almost looks like you're trying to time the markets with your hedging strategy there, and I'm just wondering is there not an ability to perhaps offer another accelerated offer there, or try and run off that book sooner?

And then the third question, just -- the comment in the financial release about the IPO of US Asset Management mentioned 2012, or by the end of 2012, which just sounds like you're trying to indicate that it might be happening later rather than sooner. Is that the case?

Julian Roberts *- Old Mutual Group Chief Executive*

Well, let me start with that one first. And I accept reading that, that it could be confusing. We're still targeting, as I've said, mid-2011, but the long-stop date for all of the activities we said is 2012. So we are still a long way away from confirming the date, so we've still got the target of mid-2011, but bluntly it's got to be done by the end of 2012 because that's the long-stop date we've set for everything.

I think on Bermuda, if I may, really that's -- if you go back to the triangle that Philip put up in his presentation. What we're trying to do is to manage a number of different things at the same time. And by doing that, that means that we will change from periods of time the strategy that we've got.

So it's not trying to time, but we are managing that Bermuda risk on a proactive basis. We don't believe that it would be beneficial for us to run another offer. If we did, then we would do so. So we are maximising and trying to minimise the risk of the portfolio in Bermuda.

Philip Broadley *- Old Mutual Group Finance Director*

And on the Bermuda point, can I add, bear in mind that a large number of the individual policyholder accounts are not relationships we have directly, we are a reinsurer. So the decision to make such an offer would be with the originator of the products, not with us.

So far as your first question, whilst it might be nice to take the savings in our AOP and the costs below the line, that would neither be prudent nor permitted, nor would our auditors allow it to pass unnoticed. So the costs, as well as the savings, are in AOP.

Julian Roberts *- Old Mutual Group Chief Executive*

Another question, Kuseni.

Larissa Van Deventer *- Deutsche Bank*

Larissa Van Deventer from Deutsche Bank. If you could please give a little bit more clarity on the cost savings of GBP17 million that you've achieved in Wealth Management?

Julian Roberts *- Old Mutual Group Chief Executive*

Yes, we've had a big process moving forward. I think you will know that a number of the senior management team are no longer with us. We have consolidated departments like Finance and IT across the whole of the Wealth Management division.

And I think, as we said earlier, Peter Mann in the UK has transformed the sales area, and there is a significant reduction in sales people and broker consultants dealing with the IFAs.

You might have thought that might have had a negative effect; clearly, from these numbers, that hasn't at all.

Kuseni Dlamini ***- Old Mutual - CEO of Emerging Markets and OMSA***

Do we have any other questions? Okay, one more.

Philip Broadley ***- Old Mutual Group Finance Director***

One more.

Brian Mushonga – ***Credit Suisse***

Morning, I've a number of questions. You talk about paying down debt. Could you give us a steer in terms the level of debt that you're targeting or comfortable with?

The second question I guess goes back to the partial listing of the US Asset Management business. That seems to be in contradiction with your previously stated policy of either owning 100% of a business, or 0%. Could you just give us a bit of clarity on why that is the case?

Julian Roberts ***- Old Mutual Group Chief Executive***

I think it's very different businesses. Mutual & Federal, it was quite clear we had a small minority, and we believe the best value for shareholders would be to buy in that minority so we could really move forward at pace to strengthen that business and move it forward.

I think the Asset Management business, I know we went through this in March, I think with the very nature of having a number of 20 different boutiques, we believe that we can gain additional business, that's what the boutiques think as well, by them being owned specifically through a listed entity in the USA rather than for American customers, a rather vague owner in the UK.

And so there are a number of other reasons going through, but that's the main issue. We do believe that that is a better structure having a quote for the Asset Management business than the structure we've got at the moment, and we believe that will enhance value by doing so.

Philip Broadley ***- Old Mutual Group Finance Director***

On debt, we set out in March a debt reduction target of GBP1.5 billion. We have not been specific about which particular issues we might seek to repay, and the reason for that is simply we have not made any decisions at the moment. It will depend on timing; it will depend amongst other things on the precise requirements of Solvency II.

We repaid GBP44 million in the half. We've said that the proceeds of the US Life transaction will be used to repay debt, so my rough calculation is we've got a further GBP1.2 billion to go.

Julian Roberts - ***Old Mutual Group Chief Executive***

Any more, Kuseni, or shall we move back to the UK?

Kuseni Dlamini - ***Old Mutual - CEO of Emerging Market and OMSA***

We don't seem to have any more questions.

Julian Roberts - ***Old Mutual Group Chief Executive***

Okay. Thank you, Kuseni. Can I just ask are there any on the telephone? Nothing on the telephone, so let's come back to the UK for the last few questions.

Tony Fieldman - ***Standard & Poor's Equity Research***

Tony Fieldman, Standard & Poor's Equity Research. Just one question on Wealth Management, and a couple of wider questions. I wonder if you could give us some indication of how sensitive deposits are to market levels; say, if market levels came down 5-10%, say, what sensitivity is that for deposits? It looks like the revenue line has gone up by far more than new money, and it's obviously benefited from better market levels.

On a wider question, I know you said that the -- you'll think of later what to do about calling the level two hybrid note, but I wonder if you could talk about what the considerations are as to whether you would call it or not and what the consequences of either course of action might be.

And finally, there have been reported stories about what the long term future of Nedbank might be, and it sort of reads -- I wonder if you could clarify for us whether in fact there's a soft sale process going on or not, and how we should view the longer term likely outlook.

Thank you.

Julian Roberts - ***Old Mutual Group Chief Executive***

Well, I've lost the bet with Philip, because I thought that question would have come a hell of a lot earlier in the meeting than it’s done. And as you'll expect, I'm not going to comment on speculation. Really my answer is exactly the same as I said in March; we have a new Chief Executive there, Mike Brown; we have continued to discuss, and he has continued to work on how he wants to take the Bank forward, and we continue to discuss the right strategy for the Bank. Other than that I'm not going to say any more.

Philip Broadley - ***Old Mutual Group Finance Director***

On the decision or otherwise to call a particular issue, I think the consideration is a general one that all companies would look to; cash, operational cash flow at the point in time, refinancing opportunities in the market, general market conditions. So I'm not trying to avoid the question, but simply the normal actions that you'd expect, or normal factors you'd expect a Treasurer and a Finance Director to advise the Board about. And we'll think about -- actually, let me just add to that specifically, any further progress that there may be on the broader debt repayment target at the time any particular issue was callable.

You asked about sensitivity on Wealth Management. We haven't published a sensitivity, but bear in mind that within the UK, there are the two distinct businesses of the Legacy business which is higher margin than the Platform. The Platform income comes partly from the management charge, but mainly from the level of rebate provided by fund managers, and that clearly is sensitive to market levels. So most of the revenue I guess therefore you can say for the Platform is market level dependent.

Julian Roberts *- Old Mutual Group Chief Executive*

Is there a call on the telephone?

Francois Du Toit *- JP Morgan*

Hi, guys. Just a quick question also to add on from the Nedbank potential issue. Your -- can you give us an indication of how much Nedbank counted both to your FGD surplus at 30 June, and also to your, really your South African Life capital, OMLAC(SA) capital position CAR cover?

That's the first question. I've got a few other questions. Should I ask them now, or first wait for the answer?

Philip Broadley *- Old Mutual Group Finance Director*

I'll tell you what; ask the other ones, because my colleagues are busily assisting me just at the moment.

Francois Du Toit *- JP Morgan*

Okay, well, that's good news. Next question then; can you maybe give some colour to the material improvement we've seen in persistency? I think you ascribe it to the retail side. And then also if we can -- if you can quantify the mark to market profits in OMSFIN? That's obviously boosted the SA Asset Management earnings nicely as well.

Then next question is on Bermuda. If you can maybe just remind us of when the last guarantees run off on that business. I notice that there's actually been positive net client cash flows again in the quarter on that business. So it's certainly not currently in run-off. And then maybe you can comment on why you are treating it as discontinuing. Have you got any --? I don't think you've committed to selling that in the short term either.

Julian Roberts *- Old Mutual Group Chief Executive*

Okay, a range of questions. So I'm going to ask Andrew to comment on the guarantees in Bermuda. I'm going to ask the team in South Africa, Kuseni and your team to comment on persistency in South Africa, and mark-to-market profits in OMSFIN. And I'm going to ask Philip when he comes back and joins me on the platform to talk about the impact on FGD of Nedbank.

So let's start with the easy one, or the most easy one, Andrew, Bermuda.

Andrew Birrell - ***Old Mutual - Group Risk & Actuarial Director***

Julian, the last of the guarantees will expire in early 2018, which would be 10 years after those contracts were initially issued.

Julian Roberts - ***Old Mutual Group Chief Executive***

Okay, thank you. Philip, have you got the answer?

Philip Broadley - ***Old Mutual Group Finance Director***

Yes. Nedbank is actually negative to the FGD calculation to the tune of almost GBP2 billion. And OMLAC(SA) contributes a GBP4 billion surplus to the FGD calculation. Andrew wants to say something further, I think.

Andrew Birrell - ***Old Mutual - Group Risk & Actuarial Director***

I think that Francois asked for how much it counts towards the OMLAC(SA) CAR, and that is, it counts at a market weight, so we don't like to count more than its weighting of the JSE.

Julian Roberts - ***Old Mutual Group Chief Executive***

And, Kuseni, the comment on OMSFIN and much improved persistency in OMSA generally?

Kuseni Dlamini - ***Old Mutual - CEO of Emerging Markets and OMSA***

Let me just start with your last one, Julian. Persistency has improved of course in all our segments in the South African business. Two main reasons for that, the first one is that in our Retail Affluent business, we're really focused on making sure that we improve the quality of new business, and we've seen some very good improvements on that.

The second point is that in our Retail Mass business, we've improved our premium collections through a new system that we have introduced, which has worked very well. I would like to ask our Chief Actuary, Gary Palser, who's here to talk about the OMSFIN mark-to-market profit. Di Radley will talk to that.

Diane Radley – ***Old Mutual – Chief Executive OMIGSA***

Just in terms of the OMSFIN numbers, its contribution is fairly small in relation to the greater picture, but about GBP3 million.

Julian Roberts - ***Old Mutual Group Chief Executive***

Okay, I think we're going to wrap up fairly soon. So let's have the last few questions.

Colin Simpson *- Goldman Sachs*

Can I go in before Greig? It's Colin Simpson from Goldman's. I just wondered now that the US Life sale is behind us, management will turn their attention to selling subscale businesses, and in particular how aggressive are you going to be? I notice that the UK Platform business is still loss making.

Julian Roberts *- Old Mutual Group Chief Executive*

Yes, let me just turn round and make a comment on the UK Platform business. That business is growing fast. Our net client cash flows have come through. We know and we've said before the profitability of that business is not good enough. That's why we've put the target of GBP45 million in there, and we believe over this period of time we can get the whole of the business, and particularly the Platform business, to a good return.

Having sold US Life, we continue on our strategy to make sure the businesses that we've got perform and carry on the good ROE. And that's what our driving factor is. If we find that businesses don't perform, or they don't fit in and connect with the rest, then we'll take action. But right now, having done the US Life business, we continue to drive all of our businesses forward.

Greig, go on?

Greig Paterson *- Keefe Bruyette & Woods Limited*

Yes. I just wonder if you can address a concern of mine. You currently have just running up the dividend for the full year. You have a pretty low dividend yield. The dividend came in 54% below consensus expectations. There was a comment about that was in line with the dividend cover policy. Does that mean expectations for dividends that we've had -- that the market's had before are unreasonably high, or you're being unreasonably cautious with this 1.1p dividend?

Julian Roberts *- Old Mutual Group Chief Executive*

Well, I respect your comment about consensus. We did not believe that we were too far out of line on it. Look, I think I said this before in March, and it's still the same; when you stop the dividend you are then more cautious about building the dividend up, certainly with the market uncertainties that there's still around. So we accept that the interim dividend is a cautious dividend, and we will build up to the target that we said of the 2.5 times cover.

Jon Hocking *Morgan Stanley*

Just very quickly, the LOC, the Harbinger, do they pay that back from this discrete transaction, or do you have any call on the Harbinger strategy outside of this deal?

Philip Broadley *- Old Mutual Group Finance Director*

It's effectively linked to the transaction.

Julian Roberts - ***Old Mutual Group Chief Executive***

And who is having the last question of the day?

Philip Broadley - ***Old Mutual Group Finance Director***

Jon, by the look of it.

Julian Roberts - ***Old Mutual Group Chief Executive***

Nobody else?

Marcus Rivaldi - ***Morgan Stanley***

Sorry, just a follow-up on the pay-down of the GBP1.5 billion. And I think you mentioned obviously you've paid some off in the quarter. You talked about there's this [forthcoming] call beginning of next year. This transaction doing so proceeding -- if this proceeds as expected, are there any other, apart from maybe Solvency II, any big road blocks to meeting that GBP1.5 billion target?

Julian Roberts - ***Old Mutual Group Chief Executive***

No, we don't think so. Quite clearly, we believe that that is the target that we set out, and I think today you'll agree we've made a good start with the transaction that we have.

Marcus Rivaldi - ***Morgan Stanley***

So no more asset sales required to reach that GBP1.5 billion target?

Julian Roberts - ***Old Mutual Group Chief Executive***

Well, I'm not going to go in to detail of what our strategy is, what we might or might not do, but all I say is we have a commitment and a plan to get to GBP1.5 billion, and that's open to the market, and that's what we've said we'll do.

Just really wrapping up, is there one last chance for anybody in South Africa for a question.

Kuseni Dlamini - ***Old Mutual - CEO of Emerging Markets and OMSA***

One last question here? We all seem to be satisfied.

Julian Roberts - ***Old Mutual Group Chief Executive***

Oh, right. Okay. Well, thank you very much everyone, and thank you for attending in South Africa as well, and on the telephone.

Philip Broadley - ***Old Mutual Group Finance Director***

Have a good summer.

Julian Roberts - ***Old Mutual Group Chief Executive***

Have a good holiday.