PRELIMINARY RESULTS 2013
TRANSCRIPT

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Julian Roberts: We're quite proud of the new Wealth Select offering, so that's what was running on the screens, I know it's going to be running outside afterwards if you get a chance to look in a bit of detail at it. But, may I say good morning to everybody, welcome here to us in London and to everybody in Johannesburg, as well as people who are joining on the phones and the webcasts. As usual, and there he is on the screen, Ralph Mupita is hosting in Johannesburg with Mike Brown and other executives in attendance. Let's just do our normal check that the connection is working, Ralph, we can see you, can you hear us?

Ralph Mupita: We can hear you, Julian.

Julian Roberts: Excellent, thank you. We, of course, during and after the presentation a Q and A will go back to Johannesburg. I have Philip with me here on stage, and as usual a number of executives in the audience, you will have seen in Johannesburg and also here in London.

Now, on the basis that change is generally a good thing, we're going to do things slightly differently this morning. I'm going to start with the commentary on our group and business unit performance, including some of the operation detail. I'll then hand over to Philip to go through his review of the financial results, I'll then go through an update on group strategy and, as part of that, Paul Feeney is going to come up and update on Old Mutual Wealth, you will have seen the announcement we made on Old Mutual Wealth. And finally, as always, we'll open up to questions.

So let me start, I'm delighted to report that 2013 was another year of profitable business growth and strategic delivery, against the continuing backdrop of squeezed household incomes, consumers still trust us to look after more of their money. Gross sales were up by 17% in constant currency at £25 billion. All parts of the business generated positive net client cash flows with total net

flows of £15.5 billion, representing 6% of opening funds under management. That's our strongest performance in terms of NCCF since 2007. Funds under management grew 19% in constant currency, and 12% on a reported basis, as market growth on the underlying investment was partly offset by the weaker rand. Our business generated £811 million of free surplus. Underlying adjusted operating profit was up 15%, although on a reported basis was flat. Earnings per share at 18.4 pence was up 21% in constant currency, and 5% reported. Group ROE was 13.6%, well within the targeted 12% to 15% range that we set. Based on these results and our strong capital position, the board is recommending a final dividend 6 pence per ordinary share, or its equivalent in other currencies, making 8.1pence for the full year, up 16% on 2012.

So let's look at a few highlights from the operational results, starting with Emerging Markets which grew its adjusted operating profit by 12%. Gross sales were up by 9% overall, but by 21% in the South African retail affluent market and 14% in mass foundation. Gross sales in the rest of Africa were up by 13%. Sales growth was driven by product innovation, advisor growth and group collaboration. Looking just at product innovation it was a busy year, for example, in May we launched a structured investment product, XtraMax, into the South African retail affluent market, and sales from May to the end of the year were 1.6 billion rand. We've also generated a 1 billion rand of net flows from the South African Old Mutual Wealth proposition which was launched to customers in September. And, we launched new products in Kenya, Namibia and Mexico. So emerging market net client cash flows were 24.7 billion rand, and were positive in each region which is the first time that in my time at Old Mutual I can remember that being case. Funds under management grew by 16% due to both positive flows and also gains in equity markets.

For Nedbank it was an excellent year with 12% growth in AOP and 16% growth in headline earnings. Non-interest revenue is one of the bank's key targets, this grew by 12% driven principally by growth in commissions and fees which occurred on the back of higher transaction volumes and improved cross-sell. And these commission and fees were up across all of the different clusters in Nedbank.

Impairments are up year on year, as expected given the economic climate, more conservative provisioning and a single large impairment recorded by business banking in the first half. But I believe the credit loss ratio at 1.06% it was in line with 2012 but improved quite significantly in the second half of the year. Each division is within its through-the-cycle target range. The bank

increased its capital strength with its common equity tier one ratio improving to 12.5%.

In line with other property and casualty insurers, Mutual and Federal had another year of abnormally high claims costs which impacted the underwriting result. Both the incidence and severity of claims have increased, weather was a big factor, yet again, for the second year running, from first drought, to flood and hail damage in the final quarter. There was a general rise in claims from household policies and higher commercial and corporate fire claims. And also a higher cost of settling motor claims due to the inflationary impact of rand weakness on the cost of imported car parts. On a more positive note, we saw reduced losses in iWYZE, the direct business, and a substantial improvement in its claims ratio, which is significant as building a profitable direct franchise is strategically important to us. Mutual and Federal remains an important element of our African strategy, and I am seeing evidence that the new management team is doing the right things to improve this business. We should expect to see the market begin to harden as a result of the claims pressures on all insurers, but I think the claims environment will remain difficult for some time to come.

Let's turn to the northern hemisphere, let me start with Old Mutual Wealth which made £217 million of pre-tax adjusted operating profit. Gross sales were up by 24% and were particularly strong on the UK platform in Old Mutual Global Investors and in international cross border business, including business from South Africa. The recently published Pridham Report showed that in 2013 Old Mutual was the second largest fund group in the UK, as measured by net retail sales. This is the first time that we have featured so high in that report. Net client cash flows across Old Mutual Wealth were £2.3 billion positive, but remember that this after an outflow of £1 billion of low margin Nordic assets from Old Mutual Global Investors, of course that follows the sale of the Skandia Nordic business last year. Excluding that outflow, total NCCF was up by more than 50% on last year. In the UK we continued to take assets on to the platform with gross retail sales of £4.7 billion in the year, up 14% despite the disruptive impact of RDR, which you will remember we had in the first quarter. Platform assets at 31st December stood at over £27 billion. We always said £20 billion was the level of break even for this platform, in 2013 the platform made around £13 million of profit compared with the £2 million in the previous year.

Turning now to US asset management, which delivered a very satisfactory result with adjusted profit up 21%, gross cash inflows were up by 24%. Client outflows were reduced and were broadly flat throughout the four quarters,

while net client cash flows were a substantial $16.3 billion. Funds under management grew by 23%. Investment performance and global distribution are key drivers of future growth in this business, and good progress is being made on both. Investment performance across the three and five year periods improved in 2013. And nearly a quarter of the net client cash flows in the year came from our global distribution initiatives. So that concludes my brief review of operational performance, I'm now going to hand over to Philip for the financial review.

Philip Broadley: Good morning everyone. It's five years, all but four days, since I first presented Old Mutual results at this platform. Five years on, in what I'm confident will be my last set of full year results, it gives me great pleasure to talk about the progress that the business has made, the strong platform that we have going forward, supported by the group's capital position. So in my remarks this morning I'll talk about profit at a group level, I'll then talk about the cash, capital, balance sheet strength and our dividend.

But let me start with a look at the macro environment against which our results have been delivered. In terms of equity markets, to use a phrase I've used before, it's been a year of two halves. We saw a fair amount of volatility in the first half, but a more consistent and upward trend in the second half. The FTSE 100 ended the year some 14% higher than at the start, the JSE All-Share index was up around 18%, and the S&P 500 gained 30% ending the year at a record high. Compared with 2012, average values of the FTSE 100 and the JSE All-Share index were higher by 13% and 19% respectively. If you look on the right hand side of the chart you see South African ten year government bond yields falling to almost a record low of 6.2% in May, but increased up to over 8% just two weeks later, an almost unprecedented increase, and remained above 8% for most of the second half. At the end of the year the rate was 8.1% compared with 6.9% at the end of 2012. To take account of these movements we've now increased our long term investment return rate for 2014 from 8% to 8.6% for Old Mutual Emerging Markets.

It's important, I guess, now to look at currency. The US dollar weakened against Sterling by around 2% in the year, though on average it was actually 1% stronger than the 2012 average. In contrast however, the real story of the year was the rand which continued to weaken and was 27% weaker against Sterling at the end of the year than at the start. And given this depreciation it's worth spending a few moments considering the average rates for the two halves. In the first half of the year the average rate was 14.23, this deteriorated to 15.97 for the second half of the year. And the rate has

continued to worsen since; the closing rate last Friday was about 18.2. So we would expect the average rate for the first half of 2014 to be higher again, and that's something I would ask you to think about when you're looking at your models. I said in August that, as usual, we'd sold forward rand in expectations of future cash flows to cover future dividends, but clearly our reported results are affected by the continued weakness of the rand. For example, let's take a look at the year end funds under management. Net flows contributed £15.5 billion to funds under management, market gains then contributed over £30 billion, but half of that was lost in foreign exchange translation. This is principally the consequence of the rand, as you can see from the Emerging Markets and Nedbank FX bars on this chart, but also £4.3 billion as a result of the weakening of the US dollar. And this is the practical impact of the exchange rate movements that I was talking about on my last slide.

Let's now go on to look at operating profit. Here you see AOP from the core businesses up 10% in constant currency, with double digit increases in each unit with the exception of property and casualty. Our finance costs reduced from £130 million to £92 million. This is principally the result of a lower level of outstanding debt following the execution of our debt repayment programme. The comparative period also included a cost incurred in restructuring a funding instrument that was related to our Nordic business. The tax charge is an effective rate of 26%, slightly lower than last year, the decrease being largely due to the abolition of STC in South Africa which gave rise to a lower effective tax rate at both Emerging Markets and Nedbank. And we guide you towards an effective tax rate in future periods of 25% to 28%. After tax and non-controlling interests, IFRS adjusted operating profit was up by 22% in constant currency, 6% on a reported basis.

Over a third of our revenue comes from the fees that we earn on managing and administering assets. In this chart I'm showing funds under management, adjusted operating profit and net margin earned by our Wealth business, that's the left hand columns, and Emerging Markets on the right hand side. And note that this chart is showing both businesses in their local currencies. As we grow the non-covered proportion of our total business we'd expect to see operating margins fall, insurance business margins are higher than investment business margins, but being less capital intensive we'd also expect to see an offsetting rise in the return on equity.

If I talk first about Old Mutual Wealth, the business made £217 million of pre-tax AOP, but remember that in 2012 we had a £13 million profit contribution from

the Finnish business which we sold in August of that year. And we also had £22 million of exceptional benefits related to policyholder tax, in part due to the move to a new life tax regime in the UK. If you exclude for a moment Finland and that non-repeating policy holder tax related benefit from the comparator, underlying profits are up by over 30%. And if you project forward that rate of growth you can see that Old Mutual Wealth remains on track to achieve its 2015 target of delivering at least £300 million of pre-tax AOP. I've resisted the temptation to strip out Finland and that tax benefit from the numbers for purpose of comparing margins; the figures are what they are. But I think it's positive to see that the business held its net operating margin stable despite the change in business mix, and this largely due to the success of cost management initiatives which we've implemented over the last few years.

In Emerging Markets the overall margin reduced, this partly reflects a gradual shift in business mix and increased development spend to support our expansion in Africa. Margin reductions are also the consequence of funds growing faster in the second half of the year than in the first half. Mathematically the average funds under management are inflated at the year-end level, but we haven't held the funds for long enough to earn a full year of fees. The difference in net operating margin between Old Mutual Wealth and Emerging Markets reflects a somewhat different nature of the two businesses, with Emerging Markets being more heavily weighted towards to covered business and Old Mutual Wealth towards non-covered.

If I turn now to MCEV, adjusted operating group MCEV earnings per share were up by 16%, and 44% of the earnings per share came from the non-covered business. Within the covered business the value of new business and PVNBP margin were both up, principally a result of expense reduction initiatives carried out over the last few years. In the South African retail businesses the value of new business was up by 15% in local currency, although at a group level the improvement was masked by exchange rate movements.

As our business mix continues to transition from traditional insurance to more modern investment products, it is appropriate that we consider the future of our MCEV reporting, as I said last year. It's our intention in future that we'll no longer produce MCEV numbers for our Wealth business, and I'll happily discuss that with you in the coming weeks.

Adjusted group MCEV at 31st December was £10.2 billion. The chart on the left of the slide shows the MCEV for each of our core businesses, Bermuda and other net assets, as well as the market value of debt. The £10.2 billion total is equivalent to 207.5 pence per share. Positive economic variances and other earnings added 6.3 pence, but these gains were more than offset by reductions of 24.9 pence for exchange rate movements, 7.9 pence for the payment of dividends, and 2.6 pence for the Nedbank Sterling market value adjustment, some of which is of course also related to the rand weakness. Without the impact of currency movement MCEV per share would have been over 230 pence.

The chart on the right of the slide illustrates the progression since December 2009 of both the MCEV and our IFRS net asset value per share. The latter also being reduced by currency effects by around 18 pence per share in 2013.

Let me now move on to cash, and to begin with, updating the charts that I hope by now are familiar to you. First the conversion of business unit profit to cash at the holding company. Remember that the net free surplus columns, so that's the second one from the left, other than for Nedbank, is the sum of transfers from the VIF, the release of capital as products run off, initial strain from writing new business, operating and economic variances, and also free surplus generated from non-covered business. For Nedbank alone the figure represents the actual amount of dividend paid to us. Our operating businesses generated a net £811 million of free surplus in the year, which is equivalent to a very efficient 81% conversion of AOP. And 54% of AOP was converted into remittances to the PLC which are then used to fund interest payments, group costs and the increasing amount of cash dividends. So you see that 544 from the last slide as the second number on this chart, operational remittances from business units, £334 million of that is the Sterling equivalent of rand remittances, and £210 million came from Old Mutual Wealth and US asset management.

The net capital flows, the bottom of the chart, are as discussed at the half year. The intra-group flows to the PLC arose from the transfer to Old Mutual South Africa of the legal ownership of our share of the Chinese joint venture, together with the transfer of the Columbian and Mexican businesses. The intra-group funding outflows included the payment of some seed capital to Old Mutual Global Investors, and a payment to Bermuda which was used to fund its highest anniversary value hedging programme. The cash and liquid assets at the holding company ended the year at £545 million. And there are two very important points that I want to make about our sources and uses of

holding company cash which I'll do on this new slide in which I've tried to make the points as simply as I can.

First, in the top half of the chart you can see that remittances from South Africa are closely matched to the cash dividends we pay on ordinary shares. This would be the same if you looked back at earlier years and follows from the standard practice agreed with South Africa's National Treasury that group dividend is the only thing that the group can use South African operational cash flow to pay for without special consent. Secondly, in the bottom half of the chart we show our hard currency inflows and, what I would call our business as usual, hard currency outflows, which comprise interest payments and central costs. Remittances from Old Mutual Wealth were lower in 2013 than in 2012 as the business retained some cash to fund, amongst other things, increased capital requirements and development spend, whereas the remittances from the US rose due to the higher pre-tax profits.

The point I want to illustrate is the improvement in our hard currency cover. In 2012 the hard currency inflows were broadly matched to the structural outflows, but by 2013 we had a surplus in hard currency of £98 million. Our interest charges are now at a structurally lower level as a consequence of the debt repayment programme, and our cash balance at the holding company gives us some flexibility. So too does our ability to determine the proportion of free surplus that we pay up to the PLC from South Africa. And therefore we're able to commit to a progressive dividend policy despite any potential future rand weakness.

If I move on from cash to look at our capital position. At 31st December 2013 our capital resources were £5.2 billion and capital requirements were £3.1 billion. Our £2.1 billion surplus represented an increased coverage level of 169%. The reduction in our available liquid assets and undrawn committed facilities is due in part to the repayment of debt due in the year, but we also in August reduced our committed revolving credit facility from £1.2 billion to £800 million. In addition to this, all of our individual businesses retain sufficient liquidity to support their normal trading operations. And to dwell for just a little bit longer on FGD, you may recall in August that I said while rand weakness reduces the absolute amount of our surplus, it affects both our capital resources and our capital requirement in a way that may seem counter-intuitive. So if I just remind you how it works. The rand rate against Sterling at the end of the year was 17.4, had it been, say, 25 our surplus would have been lower at £1.8 billion but the coverage ratio would have been higher at 178%. That improvement in coverage arises because the rand proportion of our

capital resource is marginally lower than the rand proportion of our capital requirement. The point to appreciate is that irrespective of movements in the rand we retain capital strength and resilience, and at the level of our operating businesses we're largely indifferent to exchange rates.

I'll turn now to debt, and this slide shows the very clear improvement in our debt position over the last five years. We've reduced gross debt by around £1.5 billion, about half. Net gearing has improved to just 6.5%, hard interest cover has risen from 1.8 times to 4.2 times, and the improving hard interest cover was, of course, one of the key objects of the debt repayment target that we set ourselves. In terms of future debt, the chart at the bottom of the slide illustrates the debt maturity profile, from which you can see that the majority of our debt matures in more than five years' time.

So having delivered good financial performance and taking into account market and economic conditions and outlook, the board is recommending a final dividend of 6 pence per ordinary share. If approved by shareholders at the annual general meeting in May, this will bring the total dividend for 2013 to 8.1 pence which represents an increase of 16% on the 2012 full year dividend. Based on the rand exchange rate last Friday, South African shareholders can look forward to an increase of 48%. But please note that I quote this simply as a guide, the actual rate for conversion of the dividend will not be set until April.

We are mindful both of our capital strength and our cash position, and they continue to improve. But we're comfortable that this situation is sensible, given continued uncertainties around and amongst other things the final implementation of Solvency 2 and its South African equivalent, SAM. In the meantime, as always, it's helpful to explain our dividend recommendation by reference to our dividend policy. We remain committed to pursuing a progressive policy having regards to our overall capital requirements, liquidity and profitability. The 2013 dividend is covered 2.27 times by earnings, broadly achieving our current target of 2.25 times cover and it's a step up from the 2.5 times cover we delivered for shareholders in 2012. Going forward, we now intend to target dividend cover in a range of 2.0 to 2.25 times which we believe is both appropriate and prudent, and we'll continue to set our interim dividend at approximately 30% of the prior year total. This adjustment to our target dividend cover is part of a progression that I've been contemplating for some time. It's appropriate to make this further enhancement now, having completed the debt reduction programme with the attendant benefits to our overall cash position that I illustrated earlier. Future dividend progression

remains supported by earnings, operational remittance and our low servicing cost of debt.

So let me finish with some concluding remarks. We delivered a very good set of results in 2013, we grew profit by 15% and our earnings remain well diversified. Our businesses converted 81% of their profits into £811 million of free surplus. We have a strong balance sheet with FGD coverage at 169% which is prudent given various economic and regulatory uncertainties. With an eye to the future we're comfortable with our economic capital position with a coverage ratio of 160%; something that we intend to talk more about in the second quarter. And finally, earnings growth and our capital position support our 16% increase in the ordinary dividend. This may or may not be my last results presentation for Old Mutual, and I look forward to meeting many of you in the investor meetings that we're holding in the coming weeks.

Julian Roberts: Thank you, Philip. As Philip said in his opening remarks, this is the last set of full year results for Old Mutual that he will be giving, so I'd like to say a public thank you to you, Philip, for everything you've done, everything you've contributed to Old Mutual over these five years. It was a pretty traumatic period when you joined us, and I think he will be leaving us with a much stronger balance sheet, a much better group, a group with strong growth and strong cash flow. I will miss you.

My only disappointment is you promised me on your last full results presentation you would be wearing a big green bright bow tie, where is the bow tie?

Philip Broadley: You'll have to wait for August.

Julian Roberts: Over the past three years we've not only restructured and simplified our business, strengthened our capital base, generated higher levels of cash flow and enhanced our dividend, but we've also set clear strategies for our businesses, and as you'll have seen from the several years of profit growth, we have implemented those strategies. We now want to focus our attention more on a growth agenda, managing for profit and return on equity.

As we said last year, we are pursuing growth in four key areas, let's go through them, but I'm going to do this in a slightly different order than you see on the slide.

So let me start with Old Mutual Wealth, this has at its heart the quality Skandia UK and International businesses coupled with Old Mutual's UK asset management business.

In a little over 18 months Paul Feeney and his team have taken these businesses, combined them, adapted them to current market regulatory requirements, reduced expenses, expanded margins, improved their capability in asset management, and are building them into a substantial retail investment business. So Paul, why don't you come up and tell us a bit more?

Paul Feeney: Thank you, Julian. Our goal at Old Mutual Wealth is to be the best retail investment business in the UK. And we will achieve that, just as we said we would when we stood here in November 2012 to talk to you, by building a modern vertically-integrated wealth management business with strong asset management at its core. Our aim is to increase our participation in those parts of the value chain where we can gain competitive advantage and margin, and to reduce our participation in those parts where margins are thin and differentiation is difficult. We've always been strong in the platform market, and we remain strong in the platform market, for the fifth time we've been named Platform of the Year at the Professional Advisor Awards last month. And we're also now expanding into other parts of the value chain, for instance, we've launched a number of new wealth solutions over the last 12 months, most recently our Wealth Select proposition which is hot off the press. As Julian mentioned, that was the video earlier on, I hope you've had a chance to perhaps see it. And in 2013 we've also made strong progress in building out our asset management capabilities, and several of our asset managers have appeared on the leader boards last year. Julian mentioned the Pridham Report; I think that's real proof that increasingly our brand is being recognised for strong asset management.

But there are two things particularly I want to talk to you about this morning. The first is the changing distribution landscape and our position in this new world. And secondly, I want to talk to you a bit more about the financial implications of the outsourcing agreement that we announced with IFDS in August last year. So let me start with distribution. We believe that financial advice is of fundamental and growing importance in financial services. Our core market is the IFA market and we remain absolutely committed to that market. But it is clear that restricted advice is becoming more and more important. Just one year after the implementation of RDR approximately 40%

of the UK market is now restricted. So we believe, and I believe, that within the next five years that number will move from 40% to approximately 80%. In this new world we believe that our strategy for growth is best executed through a multi-channel distribution model, and of course as a group we have deep and long standing experience in managing multi-channel distribution models. This sort of landscape will be very familiar to those of you from South Africa, or those of you who have examined other markets like the UK who have gone through similar regulatory changes, for instance, Australia. But there are a couple of differences in the UK market which I think give us even greater opportunity.

First of all, the banks have all pulled out of the retail financial advice market in this country and, secondly, clients want to increasingly connect digitally with their financial advisor and product suppliers. So we've announced this morning that we intend to acquire Intrinsic Financial Services as a forward looking diversification of our distribution strategy. Intrinsic is one the UK's largest networks of financial advisors with approximately 3,000 financial advisors, of which just one year after RDR 1,000 of those are already restricted financial advisors. As an indication of just how important Intrinsic is in the market, one in ten of every financial advisor in the United Kingdom now operates as part of the Intrinsic group, a group which generates around £200 million of fee income a year. And post the acquisition, the restricted advisors within Intrinsic will offer Old Mutual Wealth's investment and wealth propositions. The independent financial advisors within Intrinsic will also have our wealth and investment propositions to offer, but will probably also offer some other suppliers' products. Intrinsic is a good strategic and cultural fit for us, and over time it will result in a material increase in the assets that Old Mutual Wealth manages directly.

Now, let me move on to the agreement with IFDS to outsource our new platform development and also a substantial part of our back office to a partner who has both the scale and expertise to invest in that part of the value chain on our behalf. I'm going to talk about the financial aspect of the agreement, but I want to do so by looking at our heritage or closed books separately to our new world platform business, because there are different aims and benefits for each.

So turning first to our heritage business, this is a declining volume business, so if we do nothing, our maintenance cost per policy will rise, as the dotted line shows, as our volumes increase, because essentially we've got a fixed cost base. What the outsourcing agreement with IFDS does is effectively move us

from a fixed cost base to a variable cost base, which is exactly what you'd want to do in a declining volume business. So you can see from the solid green line that as soon as the agreement is implemented we get a significant and virtually immediate reduction in maintenance costs per policy, and that reduction, that lower amount is maintained as policies fall over time. Now, to achieve this will cost us around £70 million, of which we've already spent £10 million in 2013. These costs represent the costs of decommissioning, migrating and re-platforming our back book of business. And they also represent not just the cost that we are paying IFDS, but also the costs of our internal resources applied to this programme. This is a significant change for this business, and as such these costs will be treated as restructuring charges and taken below the line.

Turning now to our new world business where the primary aim of outsourcing is to gain a platform which is modern, efficient and scalable. It will be easier to make changes, launch new products and keep up with regulatory demands and, importantly, we won't have to bear all the cost of that ourselves, which we've had to hitherto. It will also increase our time to market, make it quicker for us to get to market and it will enable us to bear up to, turn our cost base over a wider number of revenue pools, such as SIPPs, ETFs, stocks and shares. And as you can see, from 2016 we'll start to incur far lower development costs on our platform, and our on-going operational and IT run rate costs will also drop significantly.

So, to get there we need to invest around £90 million, of which £10 million has already been incurred and, again, on the same basis as the heritage book, this will be taken as a restructuring charge below the line. Now, this is a significant change for us but it's a really important development for us in achieving our goal of being the best retail investment business in the United Kingdom.

So I just wanted to end with this chart which illustrates that Old Mutual Wealth is changing. It's not just the size of the profit pool that we are growing; it's also the shape of the profit pool. So yes, our heritage books remain an important contributor to profit, but that proportion is reducing rapidly, and it will continue to reduce as we build out our new world business. We are no longer an insurance company, we're a wealth and asset management business, and I think that's really important to how you look at us in the future.

So that's been a bit of a rapid run through of some of the most recent and important current developments at Old Mutual Wealth. Thanks for your attention, I'll hand back to Julian.

Julian Roberts: Thank you very much, Paul. So let's go back to the rest of the group strategy.

Three years ago we assembled a new team at US asset management, set them the task of improving performance, in part by exiting loss making and non-strategic affiliates. We had a business with some high quality, high margin affiliates, but we also had too many initiatives and too many small, loss making affiliates that were significantly affecting margin. The future strategy of this business is to pursue future growth initiatives, including collaborative investments in affiliate growth, further penetration of non-US markets through global distribution, and strategic partnerships with high quality boutique firms with complementary investment products.

So today we're in a position where we can move forward with an initial public offering of a minority interest in the US asset management business to take place, we hope, in 2014 subject to market conditions.

The purpose of doing this is to enhance USAM's financial and operating flexibility to allow it to deploy a broader base of capital in order to grow and develop its business. I'm afraid under US securities regulations we're unable to say any more about this topic this morning.

So let me move on and talk about our Emerging Market businesses in South Africa and Africa. In South Africa we're continuing to develop our business in the growth markets, particularly focused on retail customers. In 2013 we gained 280,000 new mass foundation customers, gross sales were up 21% in retail affluent, and profit in those segments grew by 14% and 11% respectively. Nedbank gained over 500,000 new retail customers, and its overall profit was up by 12%. Increasing alignment between Old Mutual Emerging Markets, Nedbank, and Mutual and Federal is an absolutely critical part of achieving our strategy, and we're really starting to see that happening. Let me give you an example, in 2013 Nedbank financial planners delivered gross flows to Old Mutual of 4.3 billion rand, up more than 50% on the previous year. Retail affluent sold 600 million rand worth of Mutual and Federal products. Recognising the importance of these businesses working together, and the significant additional value that can be generated for shareholders, management will have an element of their remuneration based on

collaboration, on revenue, costs and capital synergies. We plan to implement this new long term incentive plan in Old Mutual PLC shares for senior executives in Old Mutual Emerging Markets, Nedbank, and Mutual and Federal. In addition, reflecting the regulatory importance of the insurance and banking businesses to South Africa, in 2014 we'll be activating a new holding company board in the country to oversee risk, capital and strategy across the South African part of the group.

So moving on to the rest of Africa, at the end of December we had over 1.9 million customers, and in 2013 life sales, pre-minorities, were up 31% on the prior year. I think that's proof that our strategy is working. We set aside 5 billion rand to help us achieve our goal, acquisitions to date total approximately 700 million rand. In 2013 we announced a number of acquisitions in Nigeria, Ghana and Kenya. We're continuing to explore options in both east and west Africa which will enable us to capitalise on the opportunities that exist in these crucial markets where structural growth is supported by positive economic, demographic and consumer trends. We are looking actively, but we won't rush, we'll wait to find acquisitions that we think are right for us and will produce the value we expect.

Nedbank has made its first move for many years to expand in the rest of Africa by acquiring an initial 36% stake in Banco Unico in Mozambique, and retains its subscription rights to buy 20% of Ecobank. As a group we are going forward in Africa, not as an insurer, not as an asset manager, not as a bank, we're going forward together as a co-ordinated financial services group.

Finally on strategy, we're now being very explicit about our commitment to be a responsible business, responsible to our customers and employees, responsible in the way that we invest, responsible to the communities in which we operate and responsible in our environmental management. Over the past few years we've had so much to talk to you about in terms of business transformation and growth potential that we've been much quieter on the subject of being a responsible business, but it is important to us and is a fundamental part of the Old Mutual culture. We'll come back and talk about that more in the future.

So to summarise, the business is growing strongly with a sound capital base and excellent cash flows. We're rewarding shareholders with a progressive dividend, 16% increase in Sterling and considerably more for shareholders on the South African register. I'm sure you'll also welcome our intention to move

the dividend cover to between 2.00 and 2.25 times earnings. We are clear on our strategy and our priorities. We are driving for growth and each of our businesses has clear and publically stated targets. 2013 was a good year and I look forward to talking to you about developments throughout the year.

Ladies and gentlemen, that concludes our presentation. Paul, I wonder as I have this impression there may be questions on Mutual Wealth, now, I don't want you to get carried away, why don't you come and sit in my chair here, temporarily? And I'm going to turn around to everybody, first of all in London and then in Johannesburg, if there are any questions on Old Mutual Wealth, let's start with those, let's clear the agendas, again, as normal, if you could say who you are, what your name is, what your organisation is, and the roving mic will find you. So have we got a mike for John? Yeah, there we go.

Jon Hocking: Good morning, it's Jon Hocking from Morgan Stanley; I've got a few questions on Old Mutual Wealth please. Firstly, on the Intrinsic network, could you give us some colour in terms of how tightly controlled the network is, and particularly with the restricted advisors; what qualification standards do they have? Are they going to be branded Old Mutual because you're going to be standing behind the advice here? Are you going to basically try and make this a network of proper financial planners in the future? That's the first question. And the second question, in terms of the scale of the advisory ambition in the UK, you've got, sort of, 10% of the advisor base here, how far do you want to go? Are you going to end up trying to, sort of, grow your own advisors as well? One of your competitors was commenting on the difficulty of recruiting new advisors given the fall in the population. And then finally, given you're using IFDS, you know, Legals are using IFDS, St James's Place are using IFDS, is there a danger here you're stuck in a development queue when you want to get things done? I realise the cost benefits, but is there a negative here as well? Thank you.

Paul Feeney: Well, first of all we are going to grow an excellent financial planning force, and Intrinsic's own goal is to be the controlled advice and investment management business of choice in the UK. So our strategies are completely aligned. So we believe in control, you know, the regulatory term is 'restricted advice', I prefer the term 'controlled advice', we do want to build that substantially in that market, but we want to be a multi-channel provider. We don't see why customers shouldn't be able to access us how they want to access us, whether through an IFA, whether through controlled advice, or whether digitally, they should be able to operate whichever they prefer. In terms of how well-controlled is the business, we spent a lot of time looking at

this market and Intrinsic stood out head and shoulders for us in terms of, if we could get it, if we could acquire it, right from Lord Leitch, Sandy Leitch who runs it, through to the management team there. So we're very happy with it, we think it's very well controlled, we do have the goal of building that as a controlled advice network. In terms of: will we build out a separate, our own sales force? As far as we're concerned the key issue, for us, is having a great proposition for financial advisors, so we've backed the proposition that we think is the winning proposition in the market. If you like, you might call it a franchise based proposition, that's up to you, but that's the proposition that we're backing. We're also backing completely the IFA market, we're not saying this one is better than another one; we have to operate in both sides of that market.

In terms of IFDS, I think it's great that David Bellamy and me are both in the same spot with IFDS. And they're a great partner, St James's Place are taking their pensions software off Bluedoor, exactly what we're taking, and I think, you know, put it this way, if there were two companies in the market to mess it up with, we're probably them so you don't want to do that.

Julian Roberts: We decided, you know, a year or so back that we don't want to be in the IT game of building software. So we then did the research and then liked the IFDS package. We accept that other people will use it, what we believe is it's the solutions we have, the products we have that give us the competitive advantage, not the platform.

Paul Feeney: Yeah. And we both have exclusivity with IFDS, so they won't go with any other partners until they've serviced us.

Julian Roberts: Until it's done.

Jon Hocking: On the Intrinsic advisors that are restricted, are they going to remain branded Intrinsic or are they going to move to the Old Mutual branding?

Paul Feeney: There's no intention at the moment to move to Old Mutual, we could do that over time, at the moment I think Intrinsic Wealth is great brand.

Julian Roberts: Okay, next question.

Oliver Steel: Oliver Steel, Deutsche Bank. Again, sticking with Old Mutual Wealth and Intrinsic, I mean, what are your expectations of the other 2,000 advisors, sort of, shifting across towards the controlled advice model? And then secondly, on the 1,000 who are already operating under that model, are they all, I mean, presumably you already have a restricted agreement with Intrinsic, I assume you don't acquire them without having had some link beforehand? So how much business are you already getting from them and how much are you not getting in the chosen products?

Paul Feeney: Well, we're not getting a tremendous amount of business at the moment within their present restricted proposition, as you would expect. They've had to choose, really chosen from their own shareholders at the moment. So to answer your first question, Oliver, we don't expect that the whole of the 2,000 will move over to fully controlled advice, but we do suspect that, with the proposition that we now have together with Intrinsic and Old Mutual Wealth that a large portion may choose to do so. But there will always be an element of, there will always be of IFAs within the network and that's fine. In terms of our, as I say, in terms of our own proposition, yes, of course our investment propositions, wealth propositions will form the core of the restricted proposition, as you'd expect.

Ed Houghton: Hi, Ed Houghton, Sanford Bernstein. You talked about the vertical integration of your platform, and I'm interested in what proportion of administered assets you'd like to see going in to the asset management business? Where do you think this could get to? What does it mean for margin?

Paul Feeney: Well, I mentioned that over time this will be, you know, a material increase in the assets that we manage within Old Mutual Wealth, that's clearly within our own investment management solutions. I'm not sure we're actually, we have targets, I'm not sure we are giving a target out today, but it's, you know, multiple billions - multiple, multiple billions. And also not just in terms of assets under management, also assets under advice and assets under our platform. So if you look at that chart that I put up of vertical integration, distribution, platform, wealth solutions, asset management and outsource the IT and administration, we expect to take margin in all parts of that chain, and actually gain from the outsourcing because we're on a variable, basically, rate card, you know, going forward. So I'm not sure we're actually giving a target today, but we needed to, if we were going to do this it made no sense for us to do it unless we did it in a proper way. Because we're a big business, so we need big distribution if we're going to move the needle, yeah? There's no point us doing this in a small way.

Julian Roberts: Okay, any other question, Blair?

Blair Stewart: Thanks very much. It's Blair Stewart from BofA Merrill. Your experience of owning of IFA networks has not been particularly successful; I just wonder what has changed? Is it the restricted nature of this agreement? And I'm still not clear why you need to own the business to be the preferred provider for the platform, and presumably take the advice risk as well? If something goes wrong with the advice, as owner you're on the hook.

Paul Feeney: Two questions there, the first part is this is a very, very different model to previous models. There are two models on the market, one is a directly organised model where IFAs effectively take the risk themselves, they sell whatever they wish to sell within the regulations. And that was the previous model where'd been. The model that we have here is an appointed representative model; that means the advisors… So basically, the distributor is taking the liability on the advice that the advisors are giving, which is why we want controlled advice. And also the environment has changed fundamentally. As I said, 40% of the market is moving now towards restricted. Other markets have already done that who've been through similar regulatory change, so the environment is very different, and the model is very different, and the strategy is very different. The strategy is integration, that was not the strategy before. So then why do we need to own this, why can't we just stand back and be apart? Well, it's a little bit like, you know, there's going to be a bit of a binary outcome out there in the market, as a result of this distribution is consolidating, it's consolidating very rapidly. Now, two things, one is we also, for those advisors out there in the market now who don't feel that they have the safety and security of a major network or national, they have another option now in the market for when they're thinking about restricting advice. And secondly, would you find it easier if we were sat here saying the market's going the direction we now know it's going and actually we're just going to sit back and watch it and hope that we're okay?

Julian Roberts: Okay. I just want to check whether there are any questions in South Africa on Old Mutual Wealth?

Ralph Mupita: Any questions from the floor? No. One question, Brian Mushonga.

Brian Mushonga: It's Brian Mushonga from Credit Suisse. I want to find out what the implication for cash remittances will be of all the restructuring charges that you will take below the line?

Philip Broadley: I can deal with that I think quite quickly. I wouldn't expect you'll see any difference in the aggregate amount of contribution from Old Mutual Wealth to PLC than you've seen over the last couple of years. There is a cash consideration we expect to receive from the sale of our Poland business in the first half of this year, there is a consideration out in respect of Intrinsic; neither of those amounts is disclosed at the request of the other parties respectively. But if you look at it all in aggregate I don't expect to see a change in the overall level of remittances.

Julian Roberts: Any other Old Mutual questions, Ralph?

Ralph Mupita: None, Julian.

Julian Roberts: Okay. I've got two questions, you can just stay there until we absolutely finish off. I've got two questions over the telephone, a certain Mr Greig Paterson: What is the price paid for Intrinsic and the Schroders' team, how is this factored in to the IFRS operating profit for Wealth management? That is, does the £300 million target include these costs?

First of all, we have agreed with the Intrinsic sellers that we're not going to quote the price for Intrinsic, but I will give you a little clue, we sold Poland last year and roughly the amount of money we're talking about is similar to the amount of money we've got for the disposal of Poland. So it's just, so I just wanted to give you that, and you probably thought we didn't get anything for Poland. But there we go. And secondly, are we revising our targets? No, we're not revising our targets, we're not revising the £300 million, you can see from the statement – Intrinsic, as it is at the moment, doesn't make a huge amount of money, so the £300 million target is remaining exactly as it is.

Philip Broadley: Can I deal with the accounting question in that first one?

Julian Roberts: Certainly.

Philip Broadley: Which is, basically, Intrinsic is a capital acquisition; in contrast the Schroders' team is effectively a revenue item, so the costs of acquisition of that group are included within the 2013 numbers. Going forward, given the assets that have been generated by Richard and his colleagues, you'll expect to see an enhancement in the profitability of the business as a result of the contribution they're now making.

Julian Roberts: Okay, Paul, I don't want you to get too comfortable sitting, if you want to go back. And I'm going to stay with you, Ralph, let's move now, that's the end of Old Mutual Wealth, no more questions on Old Mutual Wealth. Let's move, if there are any other general questions, starting in Johannesburg.

Ralph Mupita: Michael?

Mike Christelis: Hi, Mike Christelis from UBS. Just a question on the South African credit life market and your strategy there, we've seen a lot of your competitors re-pricing products downwards quite considerably. Can you just comment on firstly the size of the credit life sales and, secondly, what you've done with pricing and the impact that will have on margins going forward?

Ralph Mupita: We'll just wait for Katie to give us the credit life sales for 2013. But in terms of the regulatory changes that we're seeing in the marketplace, particularly around the costs of credit life, what I can say comfortably is that we are priced in a way that we don't think that it will change the economics of our business fundamentally. There has been talk about a cap on R4 per 1,000, and I think what we can see is that we're comfortably in that region. And Katie, in terms of the absolute numbers?

Katie Murray: Thanks very much. In terms of our sales, our loans advances were R6.2 billion this year, compared with 5.4 the previous year. [Note credit life sales are disclosed in the prelims statement.]

Ralph Mupita: Risto?

Risto Ketola: Okay, it's Risto from Standard Bank. Three questions, first one is Retail Affluent agent numbers, you quote the mass market but I'd like to know how many agents you're adding in the top end of the market, also, any comments on productivity there? The second question is somewhat related, Nedbank

financial planners, I see Nedbank Wealth is growing quite nicely, what are the advisor numbers there and proportion of business goes to Old Mutual? And the last question is a bit harder in that this comment about having a separate holding company board in South Africa together with incentivising Nedbank management, for example, using Old Mutual plc shares, do you think the Nedbank minorities will feel that that will somehow restrict the listed entity from acting in their best interests?

Ralph Mupita: Julian, I'll leave the third question to you, but let me deal with the first one and I'll ask Mike to deal with the NFP proportion of sales to Nedbank, Mike Brown is here. But on the affluent side, we saw good manpower growth in 2013, and we certainly had, you know, close on to 10% of manpower growth for the top end of the market. Our growth, if you look at it in terms of the sales that we had, as Julian said, the key drivers were product innovations, so *XtraMax* product, even our fixed bond sales were really strong, and we launched our new Wealth proposition. So I would argue that that was biggest driver for the growth and the sales that we saw. And also Nedbank rationalised the platforms that NFP, the bank brokerage, was using single premium sales and that helped boost a very strong R4 billion plus sales coming out of Nedbank on to our platform. But Mike, do you want to talk about the contribution?

Mike Brown: So I think there were two parts, a couple of parts to the question. Firstly, the number of advisors is roughly about 400 advisors in NFP, currently in terms of the total flows through NFP about 25% to a third of those flows are going to Old Mutual. And I think what's also important is if you take the combined flows that go to either Old Mutual or to Nedbank, there's only 7% that goes outside of that grouping.

Ralph Mupita: Thanks, Mike. Julian, do you want to pick up the third question about the board in South Africa?

Julian Roberts: Yeah, I think there are two parts to the question, the board and then the African LTIP. Let me do the board first of all, you know, we have to accept that to South Africa we have two systemically important assets in the insurance business and the bank. And therefore it's quite within reason that the regulator may turn round and say, "Actually, we want an exposure area, we want to see the exposures for the Old Mutual Group in South Africa," and that's why we're driving that through. At the same time, it makes sense; as the Group, we want strategies to be absolutely aligned for that entity to also, not just deal with the risk and regulatory matters, but to make sure that we're

aligning the strategies for the Group, so that will be a part of that as well. There is more in due course as we work out the structure of that board and how it's going to operate, so we'll come back to that later. I think when it comes to the incentive plan – look, first and foremost; I am not going to do anything that would harm the growth of each of the individual businesses, including Nedbank. But where there are opportunities and there is value that we can extract by them working closer together, I want that value, and I'm sure the shareholders at Nedbank and Old Mutual want that value too. So therefore we will construct the LTIP that will be a part of the remuneration of the senior execs we've got in South Africa to try and unlock that value. As with an LTIP, if value isn't produced they won't get paid, but we believe that there is a significant amount of value that can be done. And I think the third item, I would say, is we respect the minorities at Nedbank, so part of this process, I'm not announcing the details of this scheme, that we will talk to the Nedbank minority shareholders just to make sure that they are comfortable with the scheme as part of the design process moving forward. But overall, I want to increase value for Nedbank and Old Mutual, and I think this is a way of making sure that the collaboration carries on moving forward. Anything else, Ralph? We'll stay with you.

Sean Ashton: Sean Ashton from Anchor Capital. Just a question on return on equity targets, you talk about 12% to 15%, but the comment was made earlier that you want to move the business more toward a wealth and asset management business as opposed to a pure insurer, as it was in the past perhaps. Now, to the extent that that's done organically, I mean, these businesses are very capital light and don't require much incremental capital, you know, longer term do those targets still make sense or could we see them as low ball?

Julian Roberts: They're the targets that we have set in this next cycle, our next three year planning cycle. As the businesses change, if it warrants it, we'll reset the targets but we think 12% to 15% is right for the nature of our business and our targeted growth. And when you compare, those targets are creating real value above the group's cost of capital. I'm going to switch to London now, Ralph, as time is moving forward.

Philip Broadley: Someone who hasn't spoken yet.

Julian Roberts: Yes, put your hands down, those that have spoken.

Philip Broadley: New ones first.

Marcus Barnard: Yeah, Marcus Barnard from Oriel Securities. Just on the potential IPO of the US, what are you going to do with the proceeds? Can we assume that, in the same manner as Skandia, you'd return this to shareholders?

Julian Roberts: As I said earlier, I really can't say any more under the SEC rules, otherwise Paddy will jump up and thump me. You know, we just can't say any more about anything, that's what the SEC rules say.

Marcus Barnard: Okay, well, how about just a large general disposal of anything?

(Laughter)

Philip Broadley: If you'd asked that question first you might have got an answer, but sadly as they are now linked, you've shot your bolt.

(Laughter)

William Elderkin: Thank you, it's William Elderkin from Goldman. First of all, could you just give an update in terms of progress in Bermuda and release of capital? And then secondly, back to Old Mutual Wealth, if I may, I just want to check I've understood this correctly, within a couple of years the restricted advisors, as I understand it, are going to be mostly selling Old Mutual products, if all goes well, what will be the qualitative difference between, you know, an Old Mutual sales force and what you're doing on the ground? I just want to make sure I've understood that correctly. And secondly, can you just again reiterate what the strategic benefit of the independent advisory expertise within the Old Mutual Group actually is? And secondly, could you, sort of, elaborate on that in context of your experience some time ago with the Bankhall acquisition and your ability to increase your throughput of Old Mutual products through those independent advisors? And finally, just in terms of the restructuring expenses of Old Mutual Wealth, are those being funded by the proceeds of that Polish business or will that be an on-going charge to the UK cash flows over '14 and '15.

Julian Roberts: There was a time when Philip didn't particularly want to talk about Bermuda; that has long since passed. Do you want to go through Bermuda?

Philip Broadley: We agreed with the Bermudan regulator just before Christmas a further $100 million capital release, so that takes the total capital extinguished during the year to $550 million. Getting on for two-thirds of the policies written in Hong Kong have been surrendered, over 80% of the other policies with guarantee features have been surrendered, so the liability now, in total, is about $1 billion. It's not that long ago, you may recall, that the guarantee reserve in aggregate was $1 billion, it's now about $80 million. So in summary, I don't expect a lot to happen in Bermuda now. I suspect those customers who wish to surrender and take their benefit after five years have probably now done so, so there is a residual book of business that will remain until 2017 and 2018. We've hedged it, we continue to hedge it in line with the programme that we've discussed before. So that run off will take place over the remaining period of time, but it really won't trouble the scorer, I don't think, very much.

Julian Roberts: Having said earlier no more questions on Old Mutual Wealth, I'll be a generous person and Paul will answer those questions.

Paul Feeney: Okay. So, Intrinsic is a controlled advice business, so I think it is very possible and likely that a number of other IFAs will choose to join the restricted proposition. However, controlled advice is more than just restricted, different to, say, Bankhall in the past, this is not a directly authorised business, it's an appointed representative business. So all the sellers, whether they're IFA or restricted, have to use our technology, our advice processes, our risk process, so all of that. We've also got well over 100-odd people in the field, compliance managers in the field, Now owning this business, we will make sure that we have got that well under, it's well-resourced in that area, which we think it already is, but we'll do that. In terms of the other part… the independent part, don't forget we bought a business previously called AIVA in Latin America which we worked with for some time previously. That's been a wonderful acquisition for us. Now, even itself it's not a single tie, and Intrinsic won't be a single tie business at all. We'll still have, you know, two or three other partners for parts of the financial planning world that we don't really cover, and we expect to continue in that vein. But fundamentally, fundamentally it is going to be an integrated controlled advice, financial planning business within Old Mutual Wealth.

Julian Roberts: Okay. That definitely is it on Old Mutual Wealth. We've got time for a couple more questions, so let's got to Blair first of all then, Jon and then Oliver. And then we'll loop back to you, Ralph, if there is a final question from South Africa.

Blair Stewart: Thank you very much. I think at the Capital Markets Day last year the Emerging Markets business indicated that around 60% or two-thirds of its cash flow would be available to Group if Group needed it. Is that still the case? And, is a change of dividend policy a consideration for the board in due course? And secondly, your economic capital ratio, I think you mentioned was 160, Philip. What's that number if you calibrate it to 99.5, as most other companies do? Thank you.

Philip Broadley: I said at least 160, and that is on 99.5 now, isn't it. Well, the real, the final number, as at 31st December 2013, on a 99.5% basis is what we will talk about, as I said, in May. I'd expect we'll do that on the day of Q1 and on the day of the AGM and we'll give you an update then. But let's just say comfortably ahead of 160 at the moment. So far as the dividend policy is concerned, clearly the board actively considers its dividend policy, because I think we've changed it, or amended it in one respect or another, each year for the last three years. But with the interim dividend set by way of a formula, the board has the luxury of 364 days before it has to consider it again, and I'm sure it will in a year's time. And linked to that, to your first question, there is, I would say, flexibility around the level of remittances. Our free surplus from the Emerging Markets business to PLC, we will consider that again in the context of any developments in Emerging Markets business in terms of further acquisitions that it may be able to make within that target of R5 billion that we also communicated last year.

Blair Stewart: I think the business said that after considering its need to finance bolt-ons that two-thirds of its free cash would be available to Group.

Philip Broadley: And that flexibility remains.

Blair Stewart: Great, thank you.

Julian Roberts: Jon

Jon Hocking: I just had a question on the debt burden, obviously the debt burden has come down a long way, there's an opportunity next year with the call to do something more. Would it be something you'd consider in terms of moving the residual debt burden more to the South African business where the cash flow is? Or is that something you haven't really looked at, at the moment?

Philip Broadley: We have considered raising debt, again in the context of possible acquisition opportunities in Emerging Markets. As to what we'll do in a year's time, we'll think about that nearer the time.

Julian Roberts: Oliver. Last question from London.

Oliver Steel: Yes, two questions, one is on the hard interest cover, can you just remind us what the sort of target level is or where you feel comfortable? I think it's 4.2 at the moment. And then the second question is; you talk about capital synergies as a result of the new holding company, or at least I assume the two are linked, and talking about incentives around capital synergies. Do you want to expand on what potential capital synergies there could be?

Julian Roberts: Do you want to do hard interest cover first?

Philip Broadley: We're very comfortable with where we currently are, as anything above 3 is very satisfactory.

Julian Roberts: There is nothing specific I want to talk about capital synergies, but quite clearly when you look for synergies, they can be revenue, they can be costs and they could be capital, and they are the overall buckets that we'd be looking at. Ralph, can I come back and see if there's a final question from you, otherwise we'll wrap up?

Ralph Mupita: Any final questions from the floor? No final questions, Julian.

Julian Roberts: Okay. Thank you very much, everyone, for joining us. As I said, we're pleased with the progress the Group makes, has been making, I think it's an exciting period for us moving forward. So thank you.