

NEWS RELEASE

Old Mutual plc

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OMAM REPORTS FINANCIAL AND OPERATING RESULTS FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2016

OM Asset Management plc (OMAM), the majority-owned subsidiary of Old Mutual plc, today reports its results for the fourth quarter and year ended 31 December 2016.

The following is an extract from the OMAM announcement and the full announcement is available via the OMAM website – <http://ir.omam.com/investor-relations/news/>

“OMAM Reports Financial and Operating Results for the Fourth Quarter and Year Ended December 31, 2016

- U.S. GAAP earnings of \$25.3 million (\$0.21 per share) for the quarter, down (31.4)% compared to the 2015 period, and \$126.4 million (\$1.05 per share) for the year, down (18.7)% compared to the 2015 period
- Economic net income of \$38.9 million (\$0.33 per share) for the quarter, up 6.6% compared to the 2015 period, and \$145.1 million (\$1.21 per share) for the year, down (3.1)% compared to the 2015 period (excluding the non-recurring performance fee)
- AUM of \$240.4 billion at December 31, 2016, up 13.2% from December 31, 2015
- Net client cash flows ("NCCF") for the quarter of \$1.5 billion with an annualized revenue impact of \$14.6 million; full year NCCF of \$(1.6) billion with an annualized revenue impact of \$11.0 million
- Completed a secondary public offering of 14.95 million ordinary shares on behalf of Old Mutual plc, with a concurrent repurchase of six million shares from Old Mutual plc, both at a price of \$14.25 per share, in December 2016

“OMAM had a strong finish to 2016 from both a financial and strategic perspective, as successful execution of our growth strategy drove improved results across our business,” said Peter L. Bain, OMAM’s President and Chief Executive Officer. “A return to fundamental valuation in the equity market environment during the fourth quarter favored active asset management, and our equity-oriented Affiliates produced outperformance for their clients across a range of strategies. Net client cash flows for the fourth quarter were also strong at \$1.5 billion, and while net flows for the full year 2016 were \$(1.6) billion due largely to hard asset disposals and continued outflows in domestic large cap value products, gross flows into higher fee global, international equity and alternative products, including secondary strategies, resulted in annualized organic revenue growth of \$14.6 million for the quarter and \$11.0 million for the year.

“Our ability to deliver revenue growth from net client cash flows is a direct result of our differentiated multiboutique business model. Many of the strong-performing, in-demand strategies delivering incremental growth this year were developed through OMAM’s collaborative engagement with Affiliates to diversify and expand their businesses, and in several cases were marketed by our Global Distribution

team. In addition, our partnership with Landmark Partners is off to a strong start, which contributed to our earnings and net client cash flows during the quarter. Overall, 22.7% of our total gross sales of \$29.9 billion in 2016 stemmed from OMAM's ongoing acquisition and strategic initiatives.”

Mr. Bain concluded, “OMAM is well positioned to continue to increase shareholder value by supporting ongoing collaborative initiatives, investing in additional boutique asset management firms, and where appropriate, funding further share repurchases. The success of our secondary offering and share repurchase in December specifically enhanced the liquidity of our publicly traded stock and further enhanced overall value for our shareholders.””

Ends

The Company will hold a conference call and simultaneous webcast to discuss the results at 8am EST / 1pm GMT / 3pm SAT on 2 February 2017. The Company has also released an earnings presentation that will be discussed during the conference call. Please go to <http://ir.omam.com> to download the presentation. To listen to the call or view the webcast, participants should:

Dial-in:

Toll Free Dial-in Number: +1 877 201-0168
International Dial-in Number: +1 647 788-4901
Conference ID: 42646905

Link to Webcast:

<http://event.on24.com/r.htm?e=1337515&s=1&k=BEDA88207889108D84BEB9C66BC106A8>

Dial-in Replay:

A replay of the call will be available beginning approximately one hour after its conclusion either on OMAM's website, at <http://ir.omam.com> or at:

Toll Free Dial-in Number: +1 855 859-2056
International Dial-in Number: +1 404 537-3406
Conference ID: 42646905

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Notes to Editors

Old Mutual provides investment, savings, insurance and banking services to 18.9 million customers in Africa, the Americas, Asia and Europe. Originating in South Africa in 1845, Old Mutual has been listed on the London and Johannesburg Stock Exchanges, among others, since 1999.

Old Mutual has announced a strategy of managed separation, which will entail separating its four businesses into standalone entities. The four businesses are:

Old Mutual Emerging Markets: An African financial services leader, providing long-term savings, protection, investment and lending to retail and corporate customers

Nedbank: Old Mutual owns a 54% stake in Nedbank, one of South Africa's top four banks, providing wholesale and retail banking, insurance and asset management for individuals and businesses

Old Mutual Wealth: a leading wealth management business in the UK and international markets

OM Asset Management: Old Mutual owns 51% in the New York Stock Exchange listed OM Asset Management which offers a diverse range of investment strategies and products for institutions, delivered worldwide through seven US-based boutiques.

For the year ended 31 December 2015, Old Mutual reported an adjusted operating profit before tax of £1.7 billion and had £304 billion of funds under management. For further information on Old Mutual plc and the underlying businesses, please visit the corporate website at www.oldmutual.com

OM ASSET MANAGEMENT

9 March 2017

INVESTMENT | SAVINGS | INSURANCE | BANKING



Disclaimer

This presentation may contain certain forward-looking statements with respect to certain of Old Mutual plc's plans and its current goals and expectations relating to its future financial condition, performance and results.

By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances which are beyond Old Mutual plc's control including amongst other things, international and global economic and business conditions, market related risks such as fluctuations in interest rates and exchange rates, the policies and actions of regulatory authorities, the impact of competition, inflation, deflation, the timing and impact of other uncertainties of future acquisitions or combinations within relevant industries, as well as the impact of tax and other legislation and other regulations in the jurisdictions in which Old Mutual plc and its affiliates operate. As a result, Old Mutual plc's actual future financial condition, performance and results may differ materially from the plans, goals and expectations set forth in Old Mutual plc's forward looking statements.

Old Mutual plc undertakes no obligation to update the forward-looking statements contained in this presentation or any other forward-looking statements it may make.

Nothing in this presentation shall constitute an offer to sell or the solicitation of an offer to buy securities.

OMAM: WELL POSITIONED FOR GROWTH IN THE US INVESTMENT MARKET

Market opportunity

- Largest asset pool in the world
- Good growth prospects
- Strong demand for active institutional asset management
- Multi-boutique model best placed to deliver consistent alpha generation

Business strengths

- Clear & tight strategy
- Multi-boutique institutional asset management
- Diversified leading investment affiliates
- Good organic & inorganic growth prospects
- Growing global distribution

2016 delivery

- AOP (pre-tax)¹ \$195m, AOP operating margin² 36%
- Annualised revenue impact of net flows³ \$11.0m
- Average AuM \$223.1bn
- Landmark Partners accretive to earnings & flows

Areas being addressed

- Further diversification into other asset classes
- Optimising the cost base
- Monetising growth initiatives

1. AOP is after affiliate key employee distributions and after interest expense.

2. Operating margin is before affiliate key employee distributions and before interest expense.

3. Annualised revenue is calculated by multiplying the annual gross fee rate for the relevant account by the net assets gained/lost in the account.

INSTITUTIONAL ASSET MANAGEMENT: HIGH QUALITY BOUTIQUE AFFILIATES¹

OMAM's Affiliates

- **At-scale, leading Affiliates**
 - Excellent individual brands
 - Best-of-breed investors
 - Institutionalised businesses with deep talent
 - Multi-generational leadership
- **Broadly diversified**
 - Numerous product offerings
 - Aligned with key growth trends
 - Diverse, global client bases
- **Strong investment performers**
 - Competitive, consistent investment performance
 - Long track records of success
- **Profitable and growing**
 - Positive revenue growth
 - Attractive operating margins

AUM Mix (31 December 2016)

AUM by Affiliate	\$bn	% Total	Investment Strategy
	75.0	31%	Global/Non-U.S. Quantitative Equity
BARROW, HANLEY, MEWHINNEY & STRAUSS	92.3	39%	U.S. & Global/Non-U.S. Value Equity, Fixed Income
 CampbellGlobal <small>FOREST & NATURAL RESOURCE INVESTMENTS</small>	5.2	2%	Timber
 Copper Rock <small>CAPITAL PARTNERS</small>	5.1	2%	Global/Non-U.S. Growth Equity
HEITMAN <small>A REAL ESTATE INVESTMENT MANAGEMENT FIRM</small>	31.2	13%	Real Estate
 IM <small>INVESTMENT COUNSELORS OF MARYLAND, LLC</small>	2.0	1%	U.S. Value Equity
LANDMARK PARTNERS 	9.7	4%	Secondary Alternatives
T S W	19.9	8%	U.S. & Global/Non-U.S. Value Equity, Fixed Income
Total	\$240.4	100%	



1. Additional information about OMAM Affiliates can be found at www.omam.com/our-affiliates

Institutional Asset Management

Institutional Asset Management consists of OM Asset Management plc (OMAM) and until 31 May 2016, Rogge. OMAM is listed on the New York Stock Exchange with market capitalisation of \$1.7 billion as at 31 December 2016. Further information is included in Old Mutual plc's Financial Disclosure Supplement and at OMAM's corporate website -<http://ir.omam.com/investor-relations/news/>

Highlights: OM Asset Management	2016	2015	% change
IFRS profit pre-tax (£m) ¹	134	118	14%
IFRS profit post-tax (£m) ¹	104	93	12%
AOP (pre-tax, \$m)	195	229	(15%)
ENI (post-tax, \$m) ²	145	150	(3%)
Operating margin, before affiliate key employee distributions	36%	38%	
Operating margin, after affiliate key employee distributions and before interest expense	30%	33%	
Net client cash flows (\$bn)	(1.6)	(5.1)	
Funds under management (\$bn)	240.4	212.4	13%

¹ Institutional Asset Management, including Rogge

² ENI is economic net income, the alternative management metric for profit used by OM Asset Management in external reporting. This excludes the exceptional performance fee from 2015

Overview

OMAM had a strong finish to 2016, notwithstanding a challenging equity market environment in the first half of the year. OMAM's Affiliates produced solid investment performance in 4Q16 as a return to fundamental valuation in the equity markets favored active asset management. OMAM continued to produce inflows into higher fee asset classes, generating positive revenue impact from net client cash flows. In addition, the Company's successful acquisition of Landmark Partners, a leading specialist in secondary private equity, real estate and real asset investments contributed to its earnings for the year.

The full text of OMAM's 2016 earnings announcement, released on 2 February 2017, can be accessed via the OMAM corporate website – <http://ir.omam.com/investor-relations/news/>

Business developments

OMAM expanded its Affiliate group to eight firms in 2016 with the acquisition of Landmark Partners, which was completed in August. In addition, in July, OMAM enhanced its long-term financial flexibility through the placement of a \$275 million 10-year institutional debt offering and a \$125 million 15-year retail-oriented debt offering.

In furtherance of Old Mutual plc's managed separation strategy, OMAM purchased approximately \$39.6 million of seed investments from Old Mutual in September. As of 31 December 2016, OMAM managed approximately \$83 million of remaining seed capital provided by Old Mutual. OMAM will purchase all remaining seed capital on or around 30 June 2017. OMAM also agreed to pay \$142.6 million to Old Mutual plc over three instalments (30 June 2017, 31 December 2017 and 30 June 2018) under the terms of the amended Deferred Tax Asset Deed between Old Mutual plc and OMAM.

In December 2016, Old Mutual plc sold 14.95 million shares of OMAM to the public at \$14.25 per share. The offering of shares and concurrent 6 million share buyback by OMAM brought Old Mutual's ownership of OMAM to 51.1%.

OMAM declared total dividends for 2016 of \$38.8 million. Old Mutual plc's portion of this amounts to \$25.4 million.

AOP pre-tax results and operating margin

2016 pre-tax AOP decreased by 15% to \$195 million, or decreased by 7% excluding the pre-tax AOP impact of exceptional performance fees in 2015.

Revenues of \$679 million for the period were 5% lower than 2015 (2015: \$712 million total), but 2% higher when excluding \$48 million of exceptional performance fees earned in 2015. Management fees increased due to higher average bps earned on stable average AUM. Performance fees in the period were \$2.6 million (2015: \$13.7 million excluding exceptional performance fees, \$61.8 million total).

AOP margin before Affiliate key employee distributions decreased 2% to 36%, as performance fees decreased and expenses increased. On a post-Affiliate key employee distributions basis, reported operating margin decreased to 30% in part due to the higher ownership stake (40%) retained by the Landmark Partners employees.

Investment performance

OMAM Affiliates have produced solid long-term investment performance. While OMAM's value-oriented strategies faced headwinds through much of 2016, Affiliates continued to generate long-term track records of relative outperformance.

OMAM Detailed Business Review

OMAM's aggregate investment performance is reported as weighted by the revenue generated by its products. As of 31 December 2016, assets representing 49%, 55%, and 73% of revenue were outperforming benchmarks on a one-, three- and five-year basis, respectively (31 December 2015: 60%, 83%, and 92%; 30 September 2016: 35%, 69%, and 69%).

On an asset-weighted basis, over the one-, three- and five-year periods ended 31 December 2016, 42%, 45% and 61% of assets were outperforming benchmarks (31 December 2015: 72%, 73% and 91%; 30 September 2016: 34%, 58%, and 58%).

The overall decline in investment performance during 2016 reflects an investing environment characterized by macroeconomic-driven volatility and higher demand for bond proxies in the equities markets in the first three quarters of 2016. This presented challenges for our Affiliates who employ long-term strategies in value portfolios. In the fourth quarter of 2016, there was a strong shift in the broader market away from yield securities, toward financials and value equities, which resulted in an improved one-year investment performance relative to 30 September 2016.

Funds under management and net client cash flows

Gross inflows totalled \$29.9 billion (2015: \$26.6 billion) at a weighted average fee of 41.9 bps, with flows driven by global/non-US equities, managed volatility equities, dividend focus equities and secondary private equity and real estate strategies. Gross inflows of \$10.5 billion were from new client accounts.

Gross outflows (including hard asset disposals) totalled \$31.5 billion (2015: \$31.7 billion) at a weighted average fee of 36.3 bps, driven by US value equities, hard asset disposals, and some global/non-US and emerging markets equity products.

Although negative, net client cash flows of \$(1.6) billion for the year (2015: \$(5.1) billion) are expected to generate positive annualised revenue of \$11.0 million (2015: \$18.9 million), representing 1.5% of beginning of period run rate management fee revenue, with inflows in higher fee non-US, emerging markets, and alternative products offsetting losses in lower fee US sub-advisory assets.

OMAM's FUM ended the period at \$240.4 billion, up \$28.0 billion, or 13%, from 2015 (31 December 2015: \$212.4 billion) due to improving markets in H2 2016 and the acquisition of Landmark Partners (\$8.8 billion) in the third quarter. OMAM's FUM consists of long-term investment products diversified across US equities (34%), global & non-US equities (40%), fixed income (6%) and alternative investments (20%).

The OMAM Global Distribution team continues to work with Affiliates to expand their non-US client base in key markets and jurisdictions around the world. Non-US clients currently account for approximately 20% of FUM (31 December 2015: 19%). The Global Distribution initiative raised \$2 billion in 2016. Overall, gross client cash flows generated by OMAM from seed capital, expansion initiatives, Global Distribution and new Affiliate sales represented approximately 23% of OMAM's 2016 gross sales of \$29.9 billion.

Balance sheet and capital management

In July 2016, OMAM raised \$400.0 million of senior notes, consisting of \$275.0 million of 4.80% senior notes due 2026 and \$125.0 million of 5.125% senior notes due 2031. Proceeds from the offerings were primarily used to fund the \$242.4 million investment in Landmark Partners, purchase seed capital investments from Old Mutual plc, settle an interest rate hedging contract, and pay down \$50.0 million on OMAM's outstanding line of credit; no debt is currently outstanding on OMAM's \$350 million facility. At 31 December 2016 OMAM's debt/EBITDA ratio is 1.9x, consistent with the Company's target debt/EBITDA ratio of 1.75-2.25x. In 2016 OMAM received investment grade long-term credit ratings of Baa2 from Moody's Investors Services and BBB- from Standard & Poor's.

At year-end, equity equalled \$170.5 million and cash equalled \$101.9 million, including approximately \$68.5 million held at the Affiliates and \$33.4 million held at the holding company.

Outlook

While the equity market environment remained volatile for much of 2016, OMAM's Affiliates generated strong results for the year overall. In addition, the Company made excellent progress in positioning the business for continued growth through its successful acquisition of Landmark Partners. OMAM remains committed to working closely with its Affiliates to enhance and expand their businesses, and to accessing specialised and non-US markets on their behalf through its Global Distribution initiative. In addition, OMAM will continue to identify and develop relationships with at-scale asset management boutiques with strong investment and executive talent and a vision to enhance and expand their business by partnering with OMAM.

OMAM continues to enjoy the support of Old Mutual plc as the latter implements its previously announced managed separation strategy. As described in Business Developments above, OMAM intends to make payments to Old Mutual of approximately \$225 million between 30 June 2017 and 30 June 2018 related to the repurchase of seed capital and deferred tax assets. Under the Deferred Tax Asset Deed, OMAM retains the benefit of certain indemnities from Old Mutual plc, related to past and future payments made by OMAM under this Deed, in the event of changes in tax laws or challenges from governmental tax authorities which reduce the value of the deferred tax assets covered by the Deed.