NEWS **RELEASE**

Old Mutual plc

Ref 300/17

19 December 2017

Sale of Single Strategy asset management business of Old Mutual Wealth to TA Associates for £600 million

Old Mutual Wealth today announces that it has agreed to sell its Single Strategy asset management business ('Single Strategy business') to the Single Strategy Management team and funds managed by TA Associates, the global growth private equity firm (together 'the Acquirer'), for an expected total consideration of c.£600 million, comprising cash consideration of £570 million payable on or before completion, with approximately £30 million anticipated to be payable thereafter, paid primarily in 2019 to 2021 as surplus capital associated with the separation from Old Mutual Wealth is released in the business. This deferred consideration is not subject to performance conditions. Once the transaction completes, economic ownership of the Single Strategy business will pass to the Acquirer effective from 1 January 2018 with all profits and performance fees generated up until 31 December 2017 for the account of Old Mutual Wealth. The Single Strategy business will be appropriately capitalised to continue to implement its growth plans during this transitional ownership phase.

As at 30 September 2017, funds under management ('FUM') for the Single Strategy business were £25.7 billion, and net client cash flow ('NCCF') for the 9 months to 30 September 2017 was £3.5 billion. Adjusted operating profits for the 6 months to 30 June 2017 were £36 million, of which £17 million were performance fee related. Profits before tax for the year to 31 December 2016 were £60 million (of which £26 million were performance fee related) and gross assets were £198 million at that date.

The proposed transaction is subject to customary closing conditions, including regulatory approvals and conditions relating to the transfer of the Multi-asset business to be retained by Old Mutual Wealth. A number of operational and IT transitional service agreements have also been agreed for a period of up to two years from the date of the completion of the sale (covering the separation of the retained Multi-asset business from the Single Strategy business). The majority of the current management team of the Single Strategy business, including CEO Richard Buxton, will remain with the Single Strategy business.

Proceeds from a completed transaction will be used for general corporate purposes following finalisation of Old Mutual Wealth's capital and liquidity requirements as a standalone listed entity as part of the broader Managed Separation of Old Mutual plc.

Background to and rationale for the transaction

On 3 September 2017, Old Mutual Wealth announced the creation of the Multi-asset business, together with the exploration of internal and external structures for the Single Strategy business to continue to develop it further. The announcement of this transaction follows a rigorous review process, which included interest from a number of market participants.

There is no change to the Old Mutual Wealth Multi-asset business, which will be rebranded as Quilter Investors during 2018. Led by Paul Simpson, CEO, this business is a core part of the Old Mutual Wealth strategy, delivering leading investment solutions to a wide number of UK and international retail clients through Old Mutual Wealth's significant distribution footprint.

As at 30 September 2017, FUM for Old Mutual Wealth, excluding the Single Strategy business, was £106.6 billion and NCCF for the nine months to 30 September 2017 was £4.1 billion.

Paul Feeney, CEO of Old Mutual Wealth, said: “Ahead of our managed separation and proposed listing in 2018, we are pleased that we have completed the strategic review of the Single Strategy business and agreed terms for a transaction with TA Associates. As we outlined in the Showcase event in November, the Single Strategy business is less closely aligned to our goal of becoming the UK’s leading wealth manager. I believe this development is a good outcome for our shareholders and provides the Single Strategy team with a great opportunity to build on the success they have achieved since 2012.”

Richard Buxton, CEO of the Single Strategy business, added: “The management team is delighted to be partnering with TA Associates to buy the single strategy business. I believe this is a good outcome for our customers and our staff.”

Chris Parkin, a Managing Director at TA Associates, said: “We have followed the development of Old Mutual Global Investors’ Single Strategy business for several years and have been impressed by what is clearly now a diversified and high-quality investment platform. In particular, the well-regarded fund management teams have worked diligently to develop and deliver tailored investment solutions focused on the needs of their customers, with the goal of producing positive long-term outcomes. It is an honour to partner with the Single Strategy business and we look forward to working closely with the entire team to help further scale the company.”

Conference call

A conference call including Q&A will be hosted by Paul Feeney, CEO, Tim Tookey, CFO, and Mark Satchel, Corporate Finance Director, Old Mutual Wealth, at 8.30am UK time (10.30am SA time) on Tuesday 19 December. Analysts and investors wishing to participate in the call should dial the following numbers and quote the pass-code 63794030#:

- UK/International +44 33 3300 0804
- US +1 631 913 1422
- South Africa +27 21 672 4118

Playback will be available for 30 days from 19 December 2017 using pass-code 301215506# and dialling +44 (0) 333 300 0819 (UK/International).

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Notes to Editors

Prior to publication, the information contained within this announcement was deemed to constitute inside information under the Market Abuse Regulation (EU) No 596/2014

About Old Mutual plc

Old Mutual plc is a holding company for several financial services companies. In March 2016, it announced a new strategy of managed separation entailing the separation of its underlying businesses into independently-listed, standalone entities.

The managed separation strategy seeks to preserve and release the value currently trapped within the group structure. The managed separation will be materially complete by the end of 2018.

OM Asset Management, a US based institutional asset manager, is now independent from Old Mutual. The remaining underlying businesses are:

Old Mutual Emerging Markets: A South African based leading provider of financial services in sub-Saharan Africa.

Nedbank: One of South Africa's four largest banks, with a 20% stake in pan-African Ecobank Transnational Inc.

Old Mutual Wealth: a leading, integrated, advice-led wealth management business focused on the UK upper and middle market.

For the year ended 31 December 2016, Old Mutual reported an adjusted operating profit before tax of £1.7 billion and had £395 billion of funds under management. For further information on Old Mutual plc and the underlying businesses, please visit the corporate website at www.oldmutualplc.com.