EMERGING MARKETS PRESENTATIONS TO INVESTORS

30 AUGUST 2011

OLD MUTUAL

INSURANCE • INVESTMENT • SAVINGS • BANKING

INDEX 30 AUGUST 2011

- Presentation: Overview of the South African Economy, Johan Els, OMIGSA
- Presentation: Mass Foundation, Crispin Sonn, OMSA
- Presentation: Old Mutual Finance, Stuart Marshall & Werner Alberts, OMF
- Presentation: Product Solutions, Raymond Berelowitz, Old Mutual Emerging Markets
- Presentation: Futuregrowth, James Howard, OMIGSA
- Presentation: Alternative Assets, Christine Glover, OMIGSA

These presentations 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, UK domestic 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.

OLD MUTUAL Investment Group | Equity Research

SA Economy

August 2011

Johann Els

SA economy in a nutshell - 1

- Economy size ($bn):

South Africa	364
Egypt	215
Nigeria	221
Brazil	2089
Russia	1479
India	1722
China	5877

- Economy structure (% of GDP):

Financial Services	24
Manufacturing	17
Government	15
Trade sectors	13
Transport & communication	10
Mining	6
Construction	4
Other	11

SA economy in a nutshell - 2

- Demand side structure of the economy:
  - Consumer Spending 59
  - Government consumption 21
  - Fixed capital spending 19
  - Net exports -0

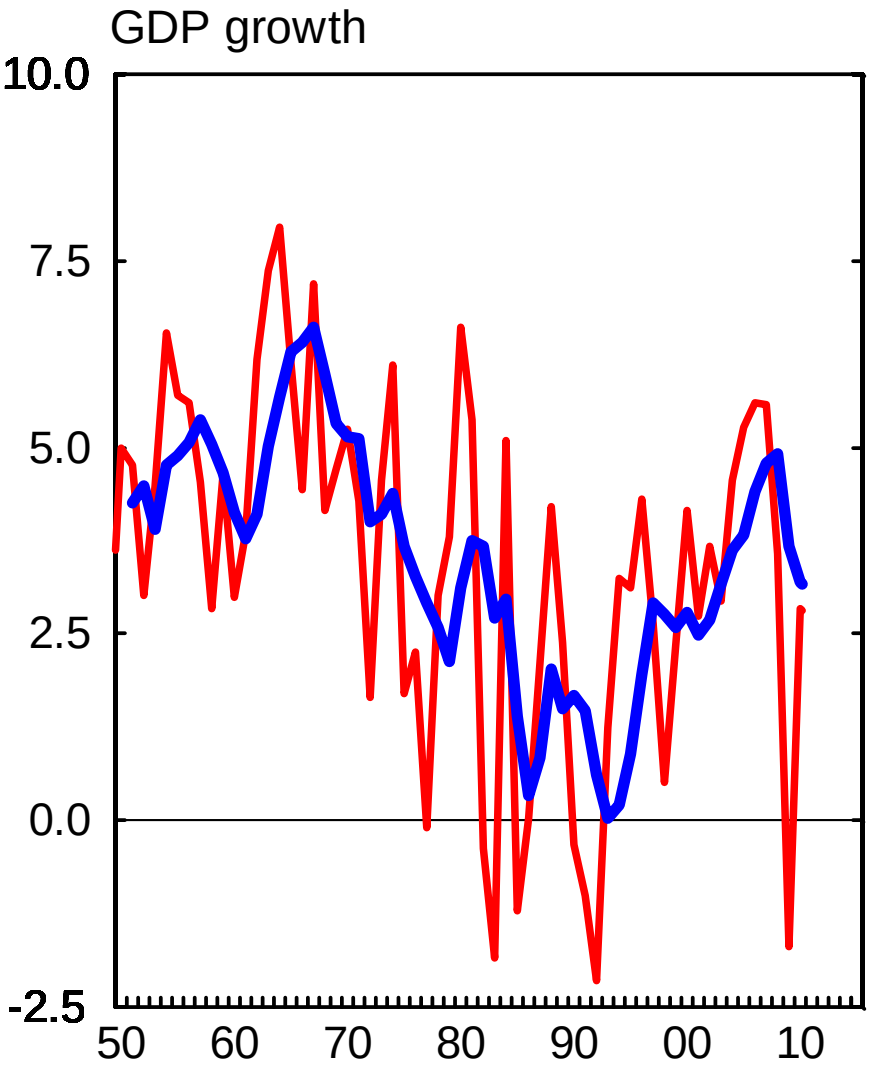
- External accounts:
  - Exports as % of GDP 28.0
  - Imports as % of GDP 30.8
  - Current account balance -2.8

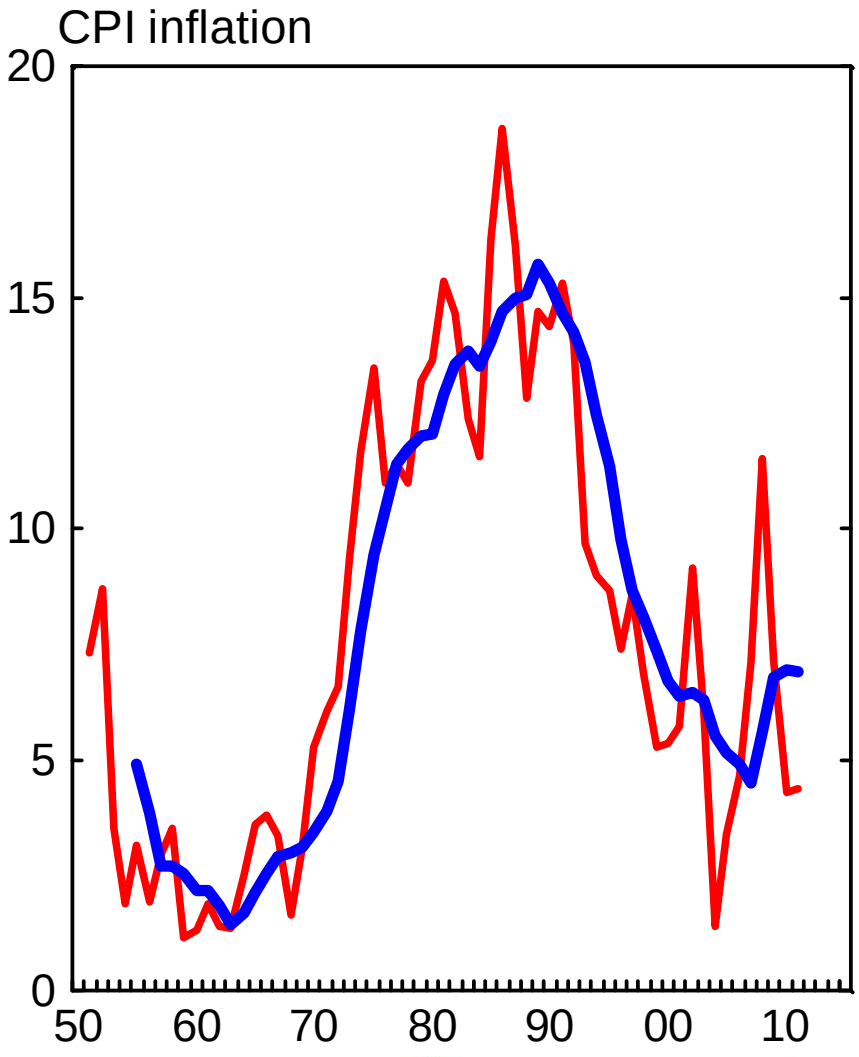
SA economy in a nutshell - 3

- Foreign debt ratios:
  - as % of GDP 27.7
  - as % of exports 95.9
  - interest payments as % of exports 3.7
  - interest & dividend payments as % of exports 11.3

- Fiscal ratios:
  - Balance as % of GDP -5.3
  - Spending as % of GDP 33.6
  - Revenue as % of GDP 28.3
  - Government debt as % of GDP 37.1

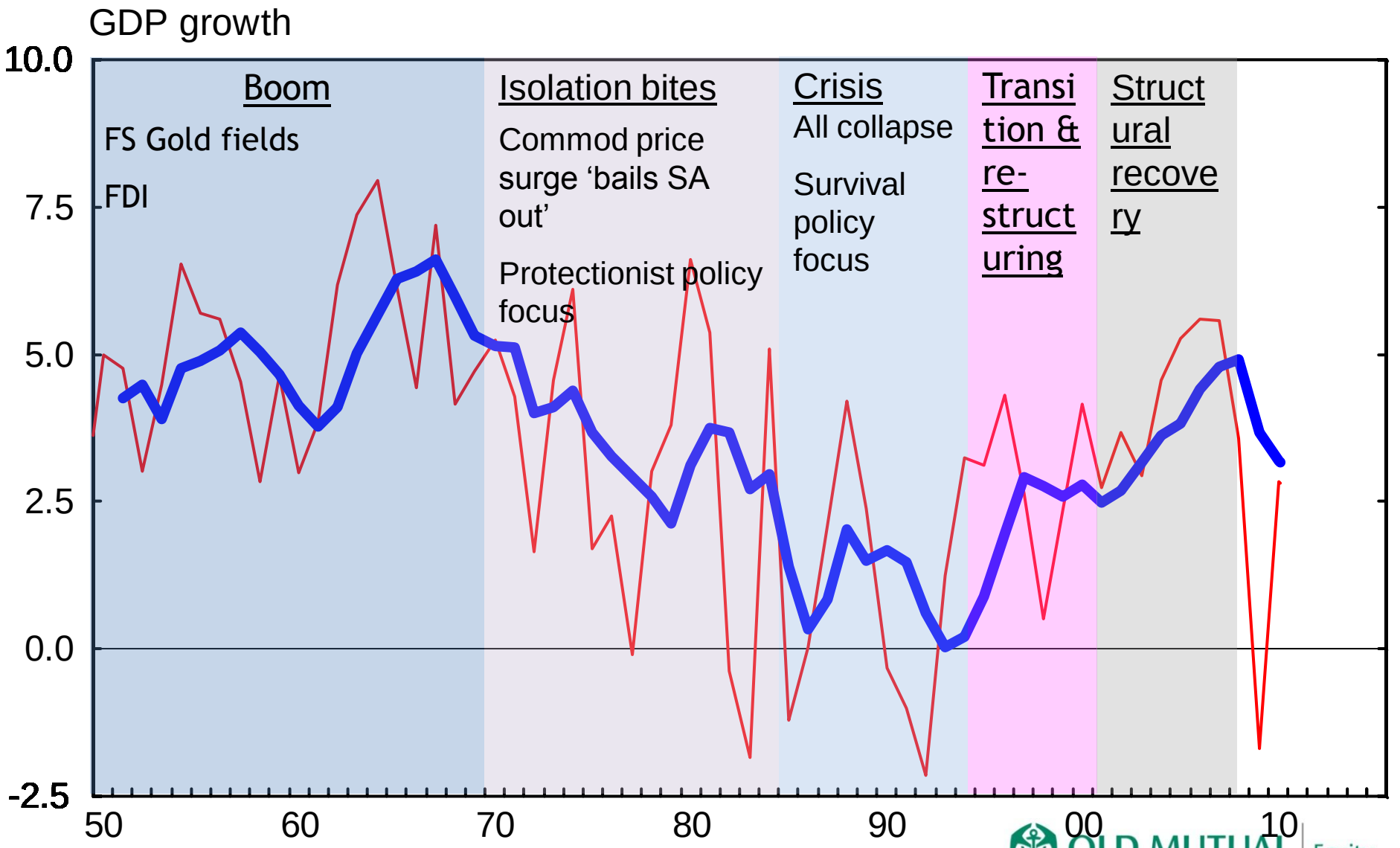
Structural picture





OLD MUTUAL Investment Group | Equity Research

Structural picture



OLD MUTUAL Investment Group | Equity Research

Past decade's highlights

- The Good:
  - Fiscal conservatism in the 1990's
  - Investment surges, financial institutions sound
  - Policy conservatism maintained
  - Growth rebounds, averages 3½% vs 1½% in the 1990's

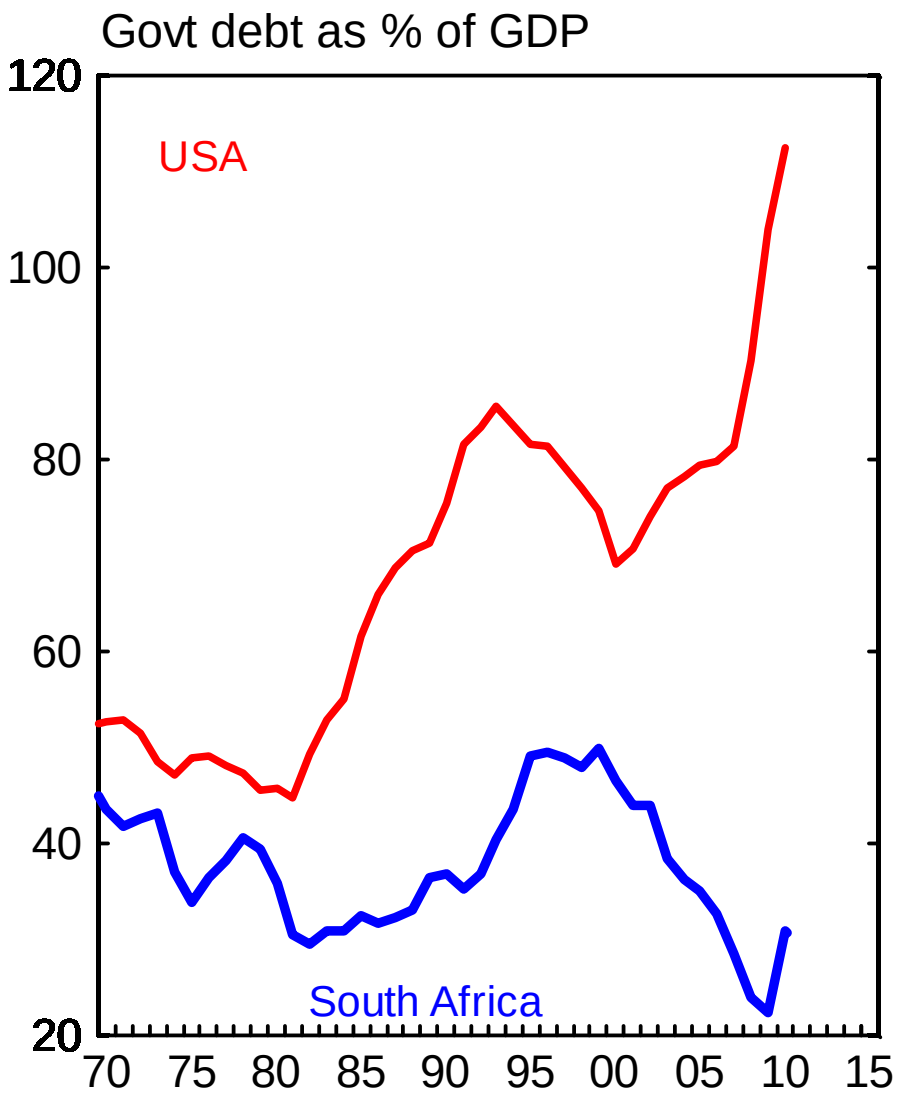
Past decade's highlights

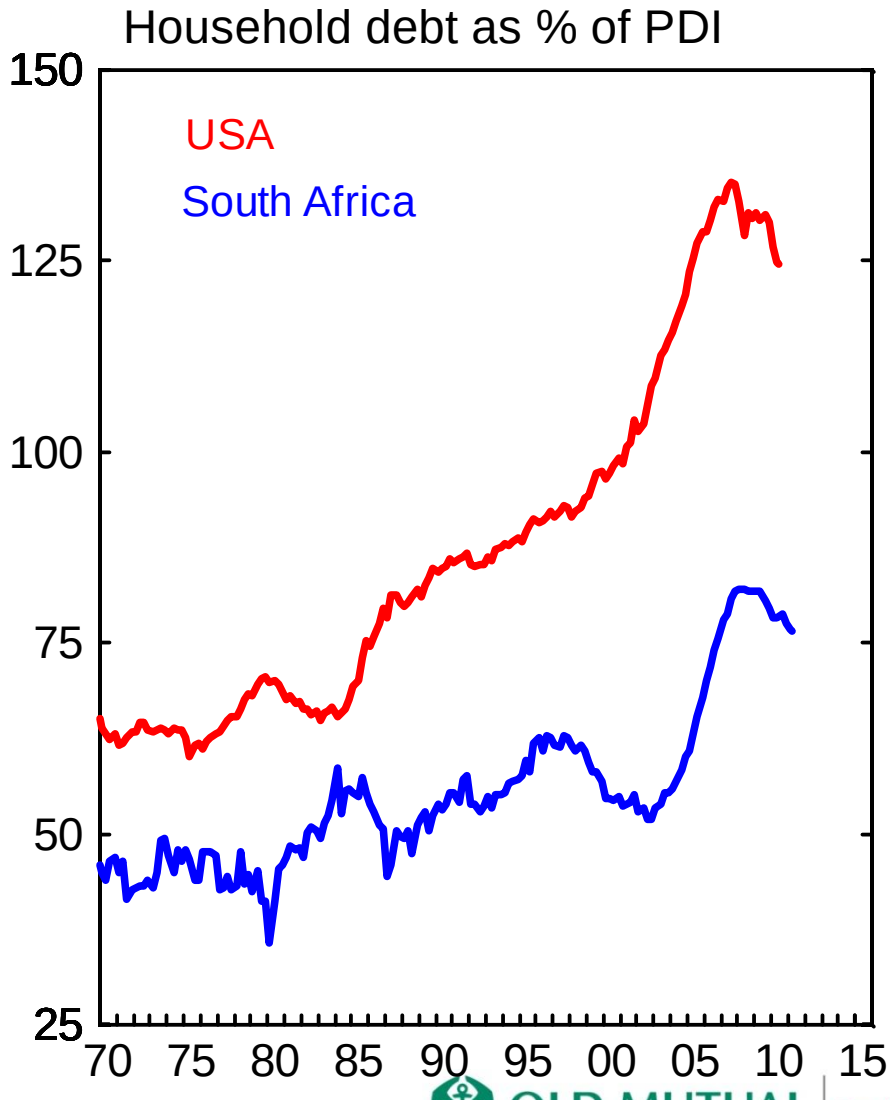
- The Bad:
  - Current account deficit widens sharply
  - Currency volatility
  - Very limited job creation
  - Structural growth obstacles
  - Debt hangover
  - Inflation

Past decade's highlights

- The Ugly:
  - Poor public service delivery
  - Crime & corruption
  - Education crisis

Healthy fundamentals

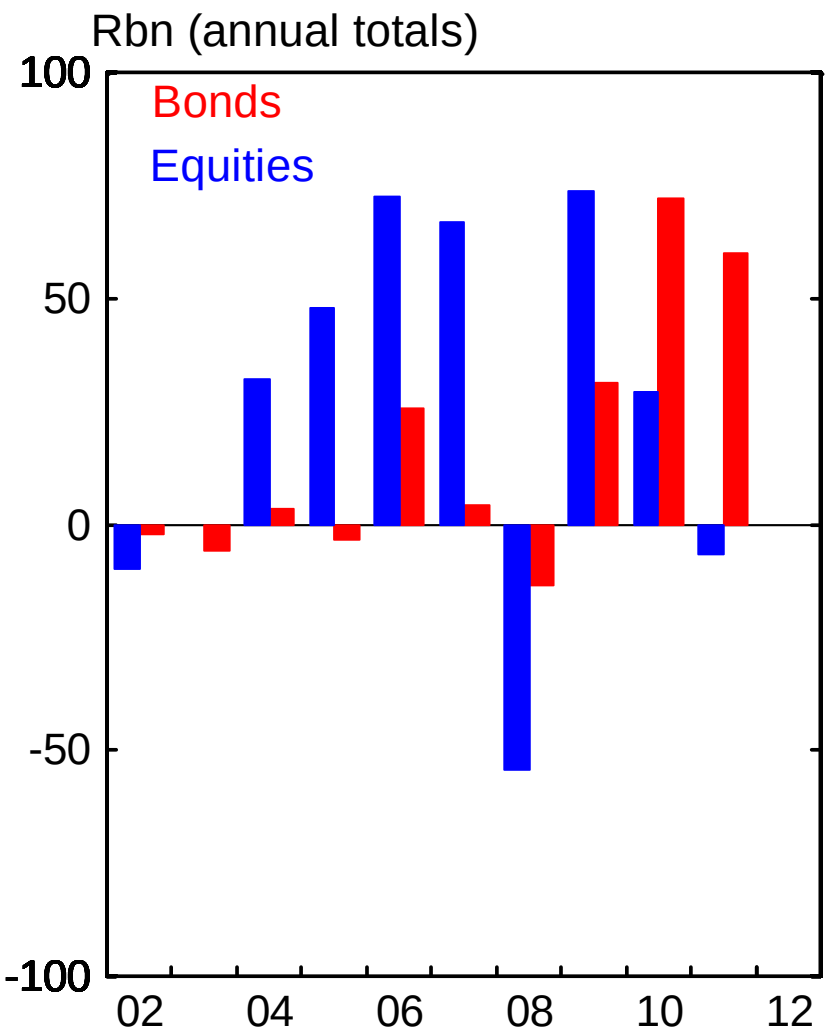


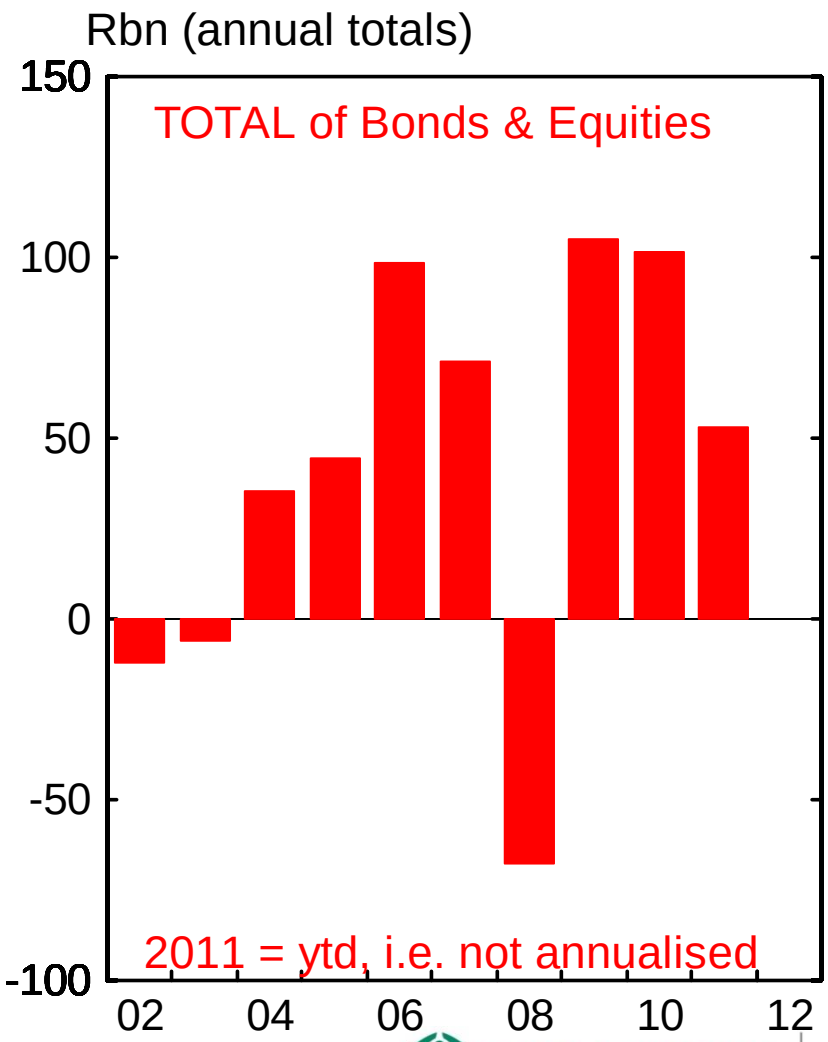


OLD MUTUAL Investment Group | Equity Research

SA fundamentals not bad

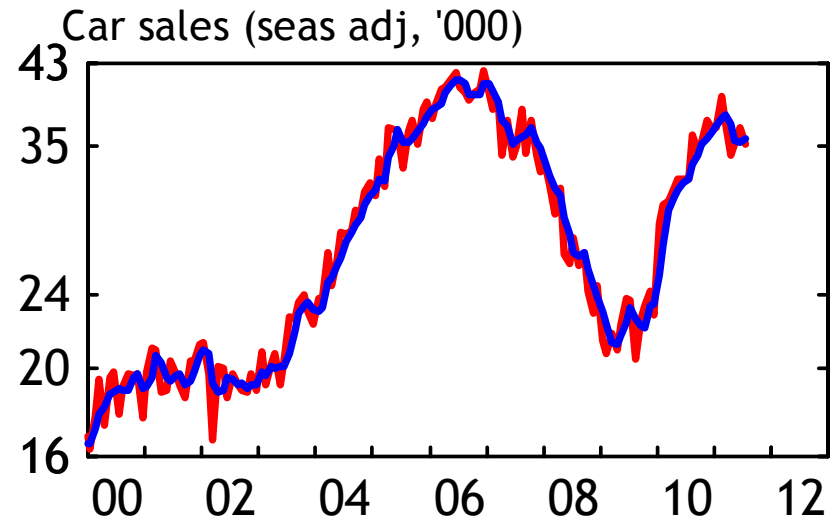
Net foreign purchases of SA bonds & equities

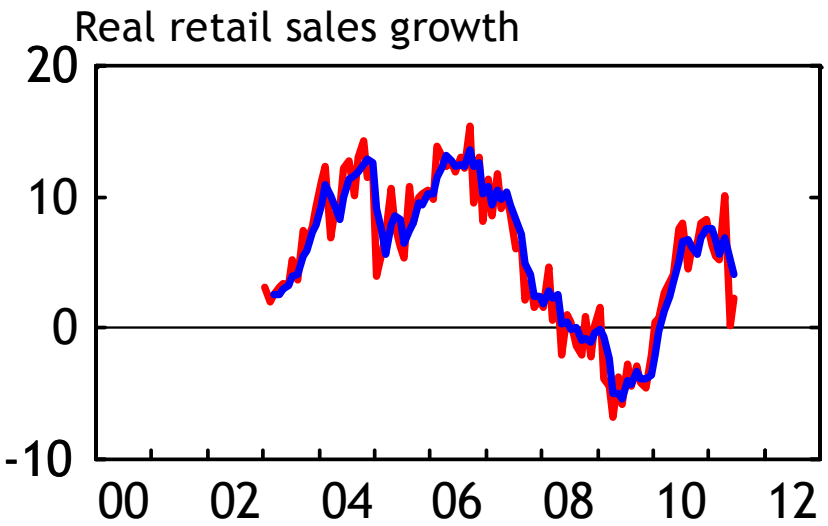


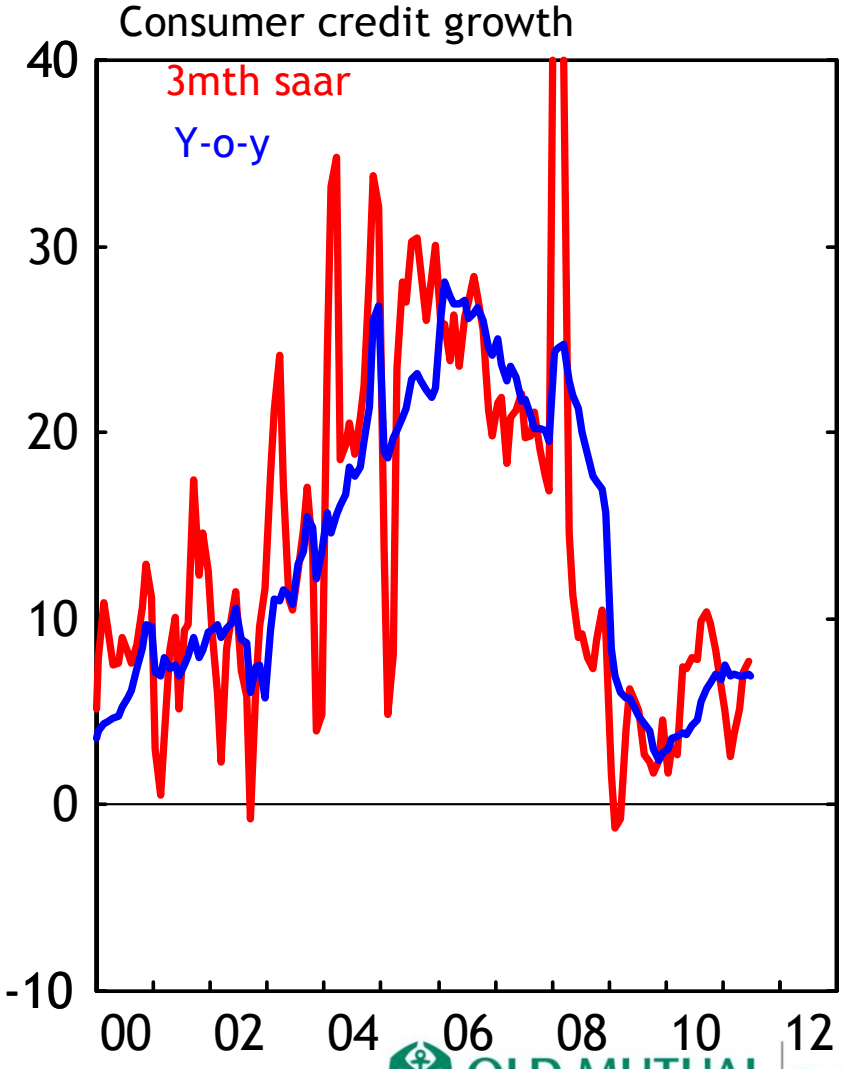


OLD MUTUAL Investment Group | Equity Research

Real economy

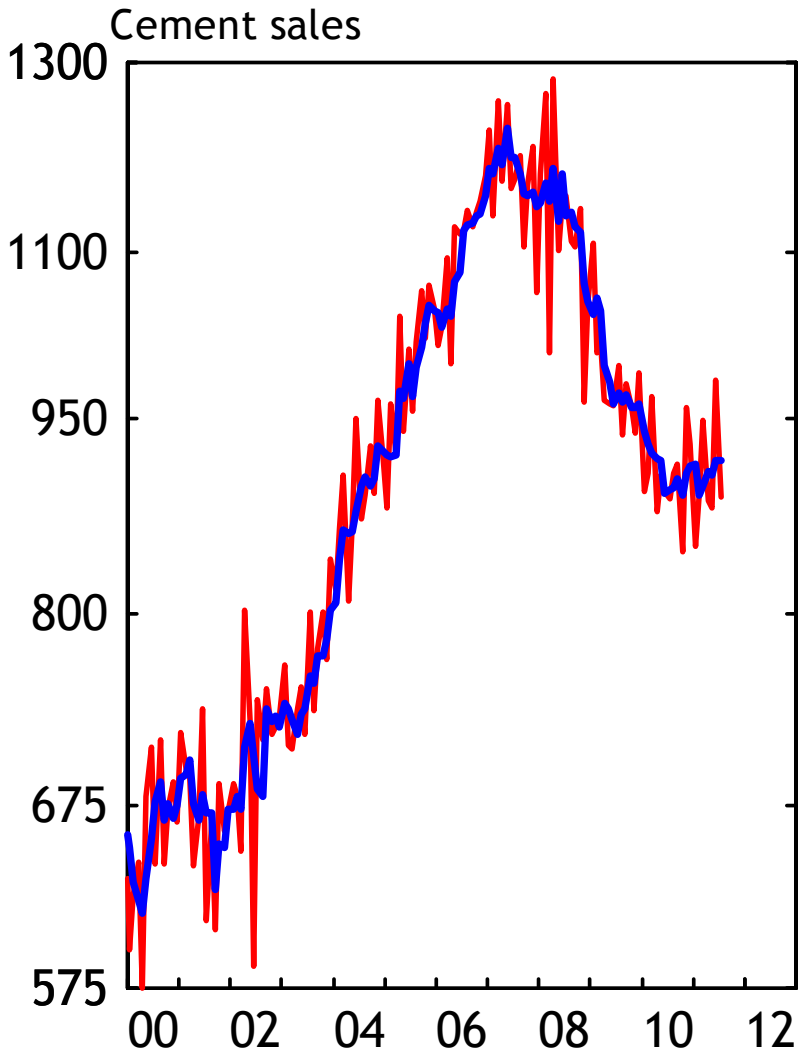


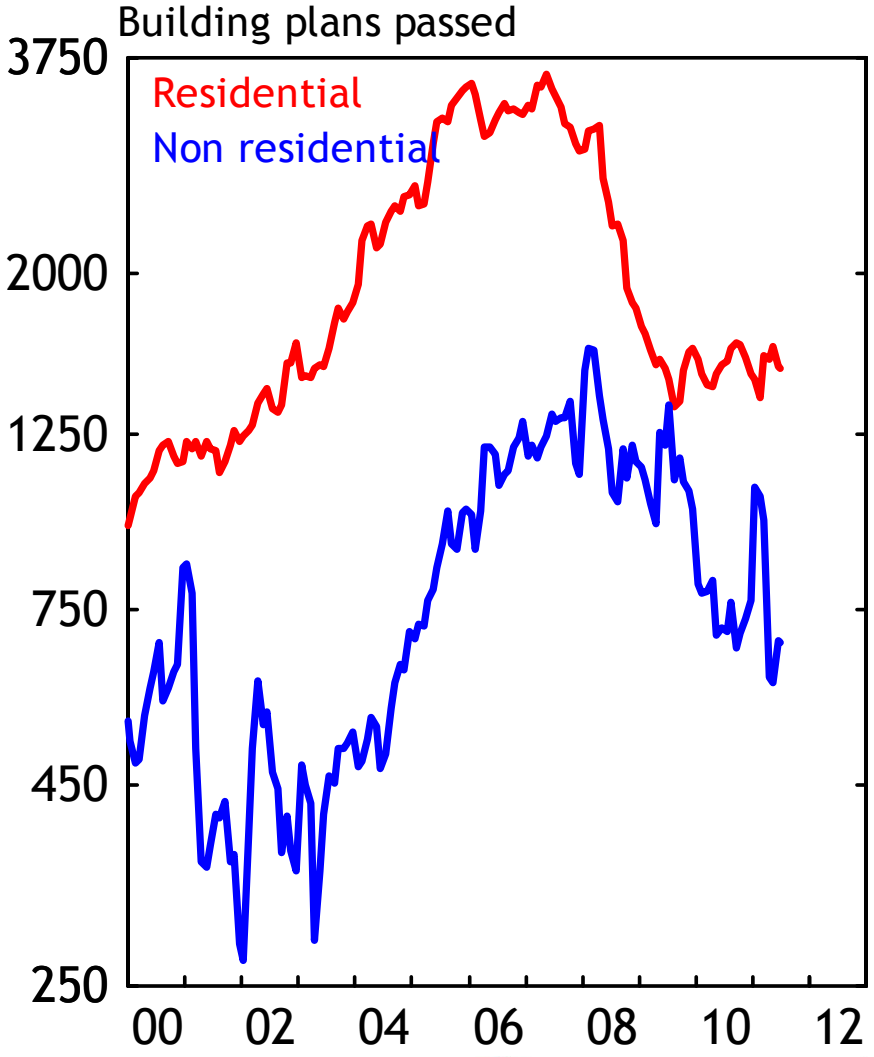




OLD MUTUAL Investment Group | Equity Research

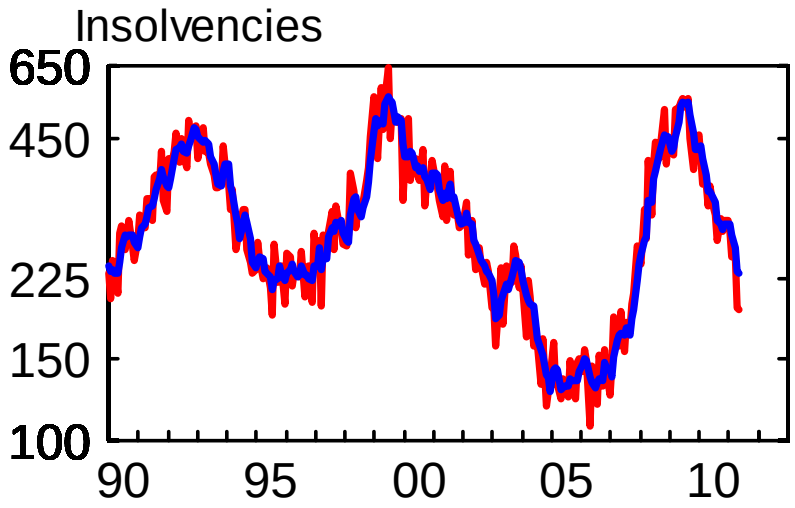
Real economy

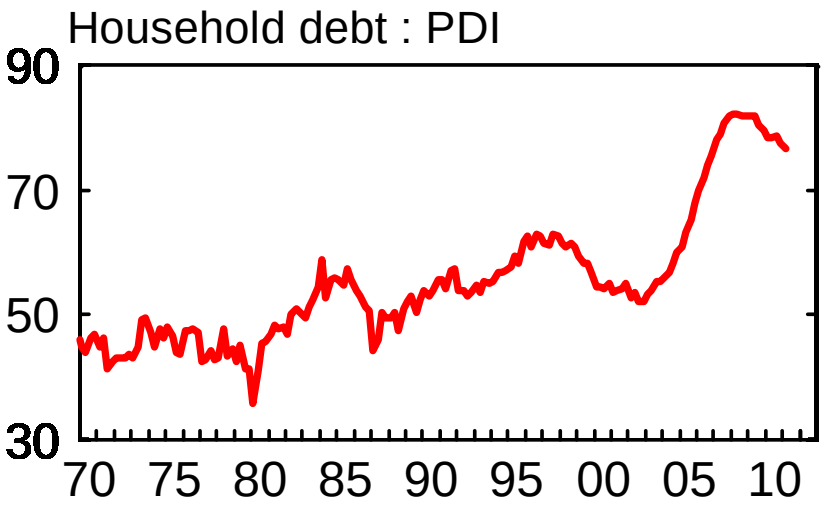


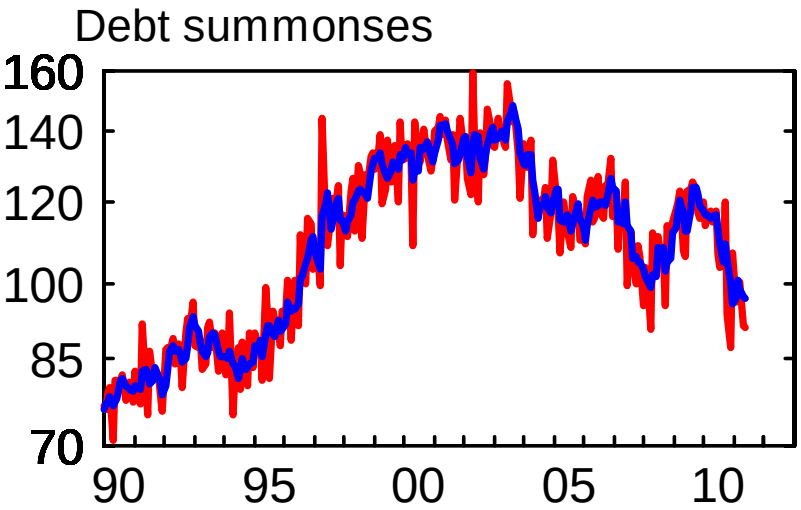


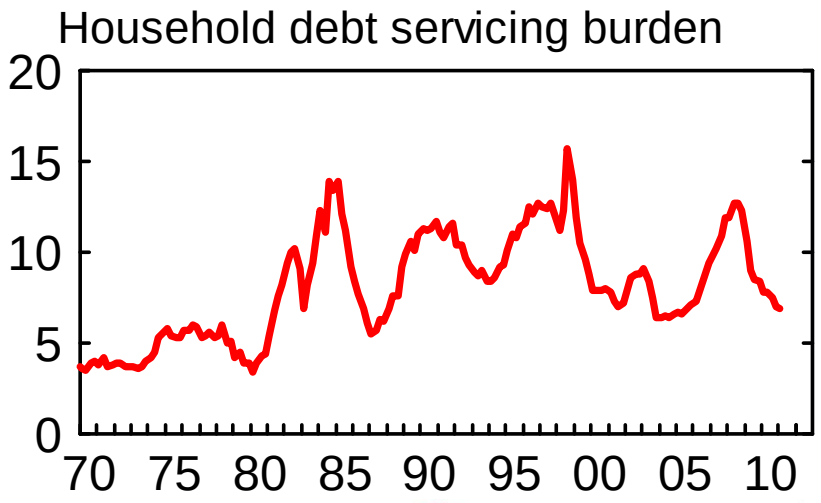
OLD MUTUAL Investment Group | Equity Research

Consumer finances looking a bit better

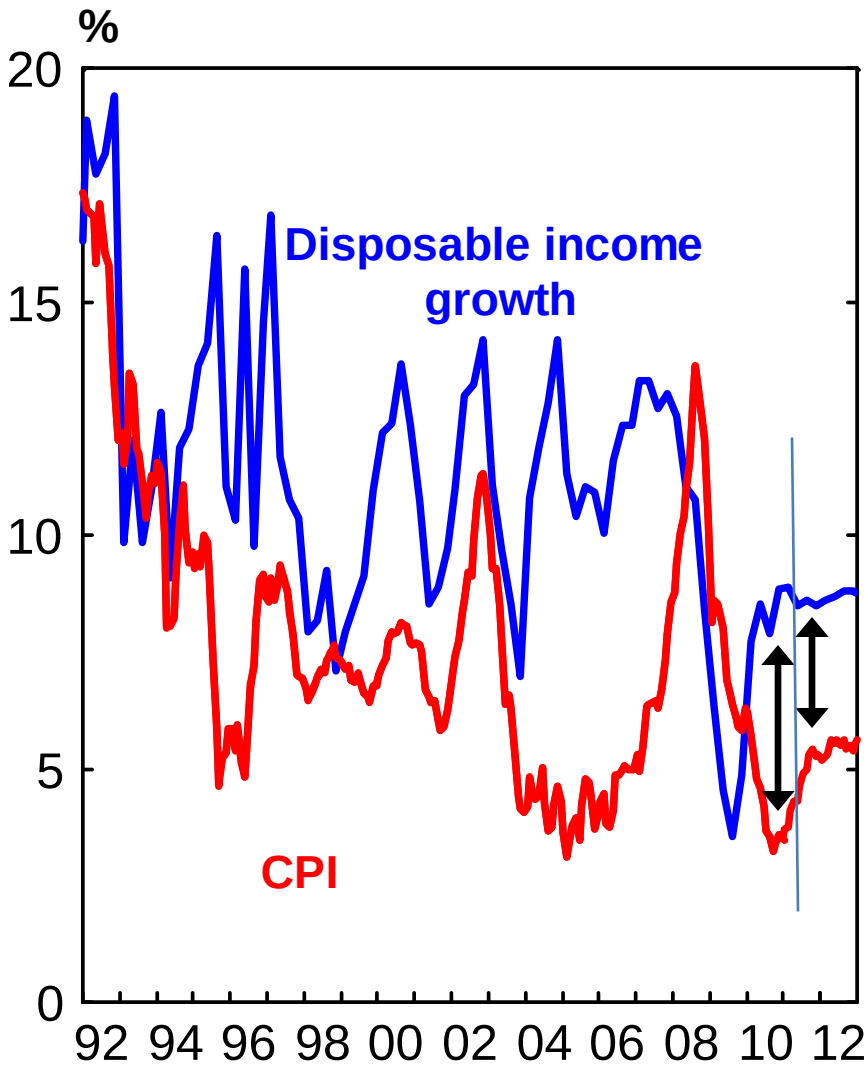


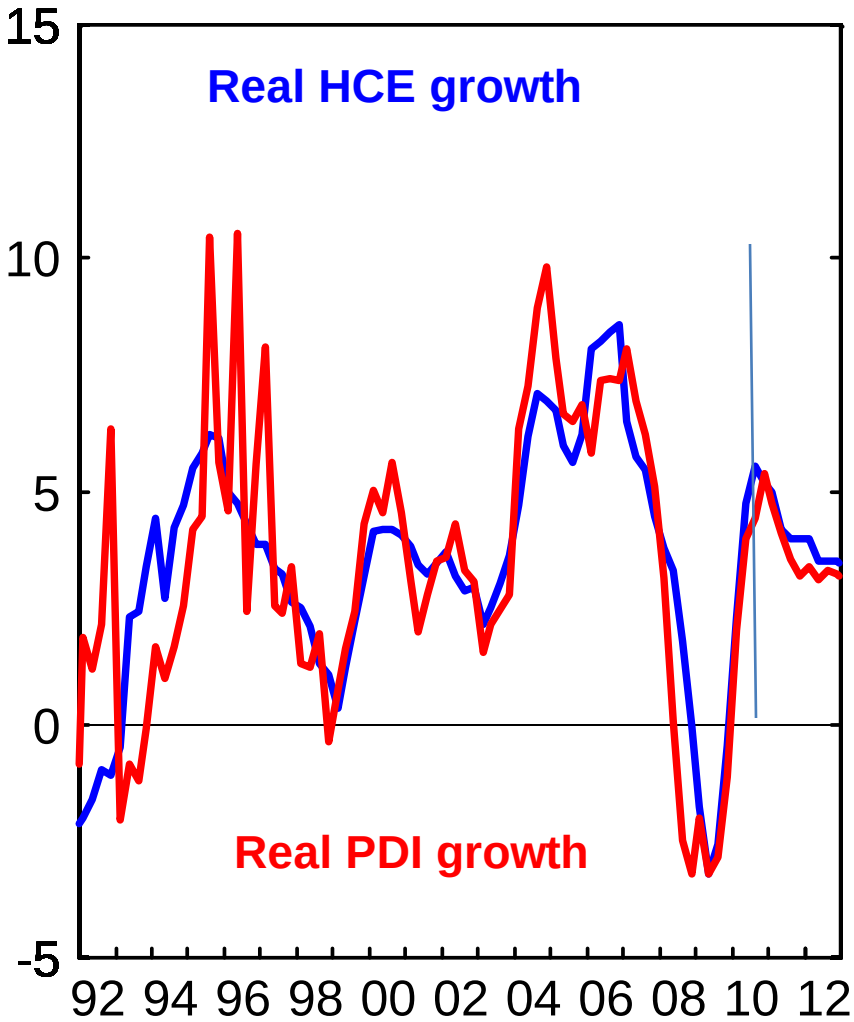






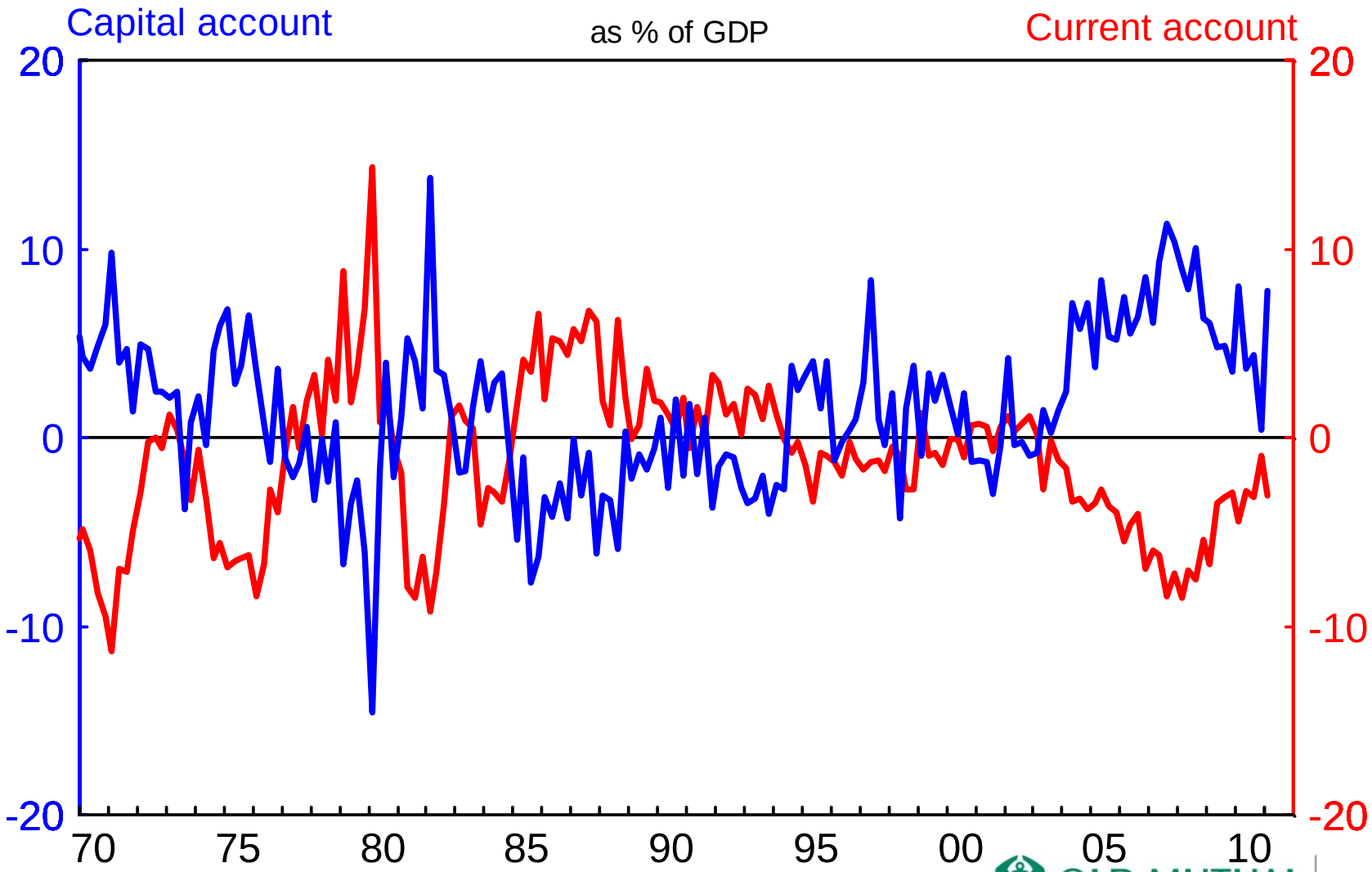
But HCE momentum expected to slow…





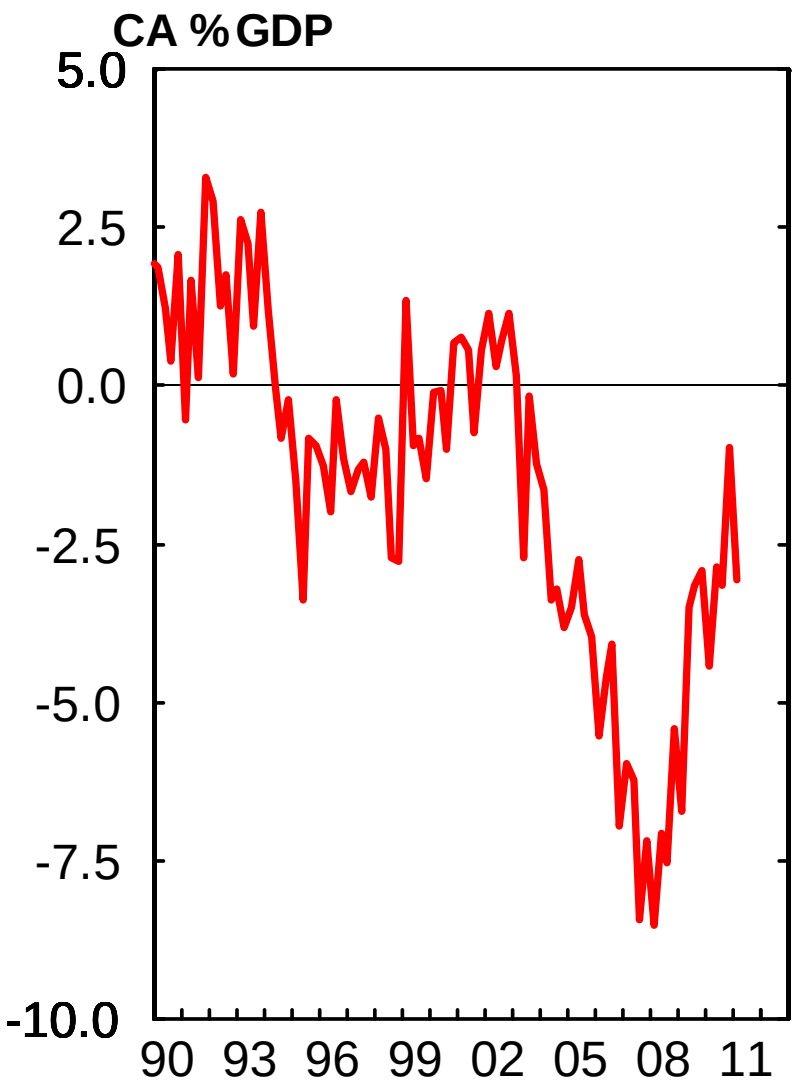
OLD MUTUAL Investment Group | Equity Research

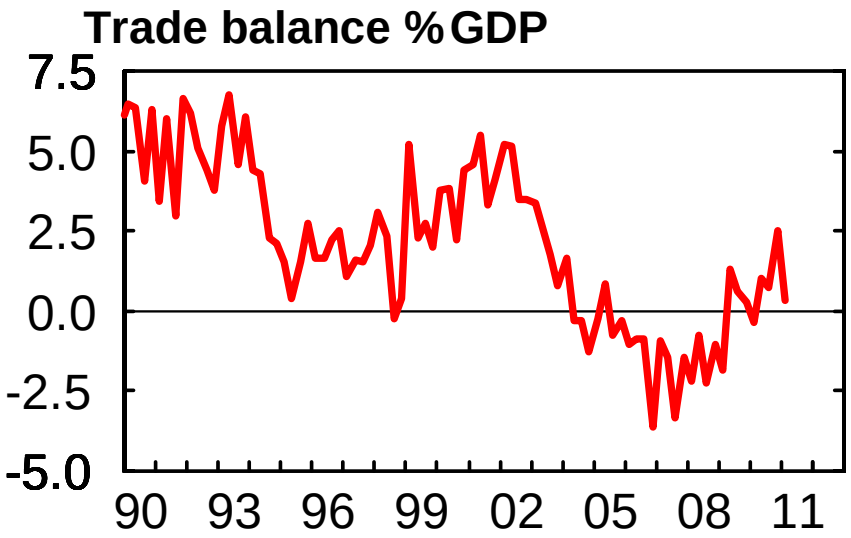
Capital inflows helping

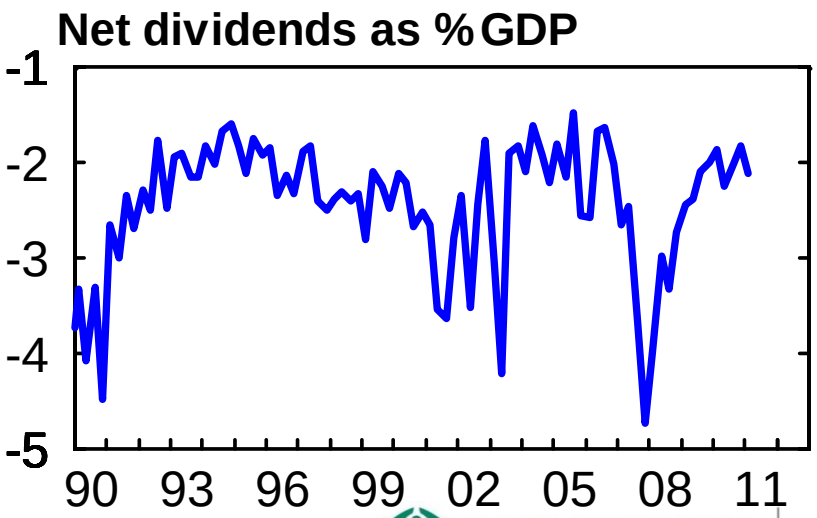


OLD MUTUAL Investment Group | Equity Research

Current account

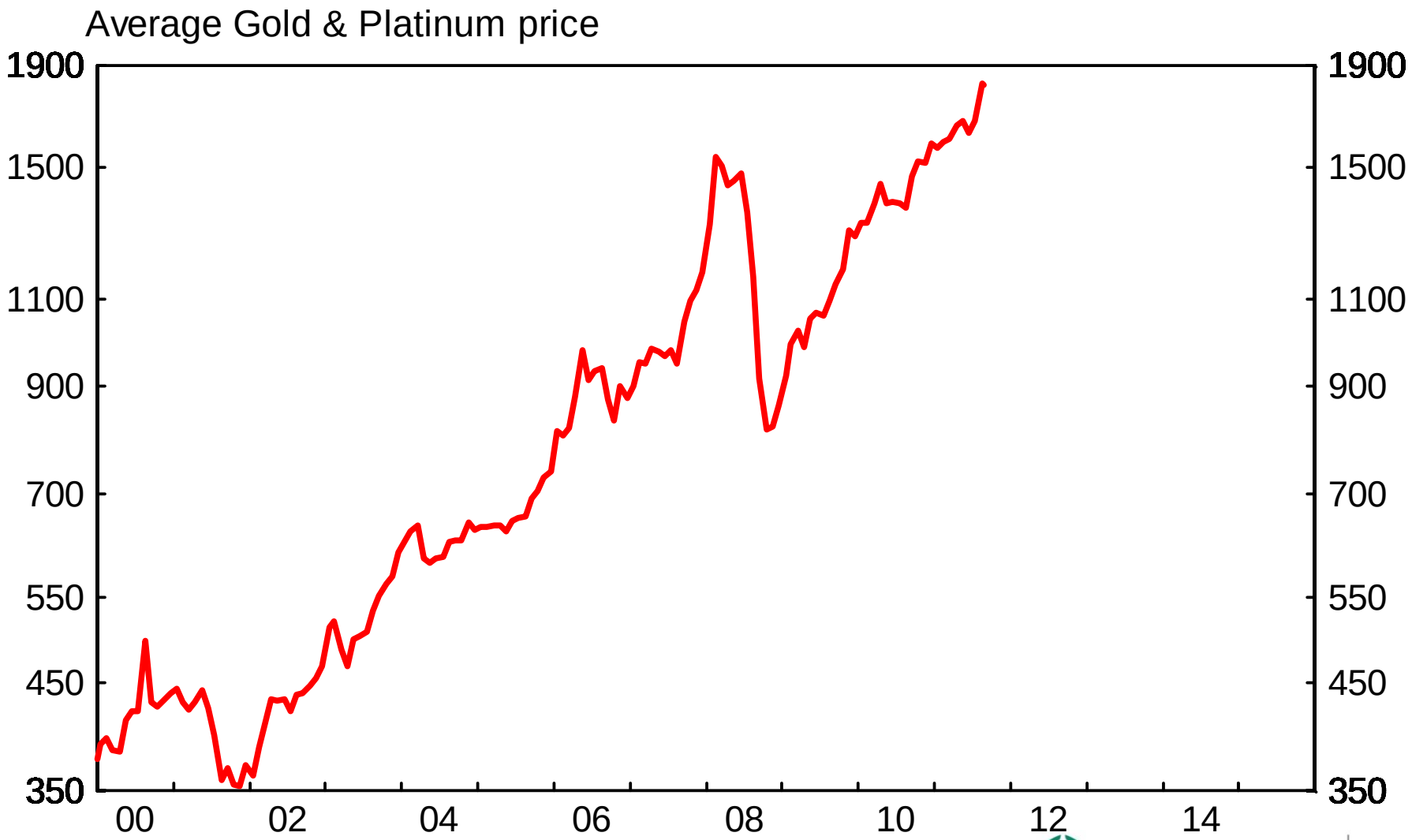






OLD MUTUAL Investment Group | Equity Research

This is not 2008



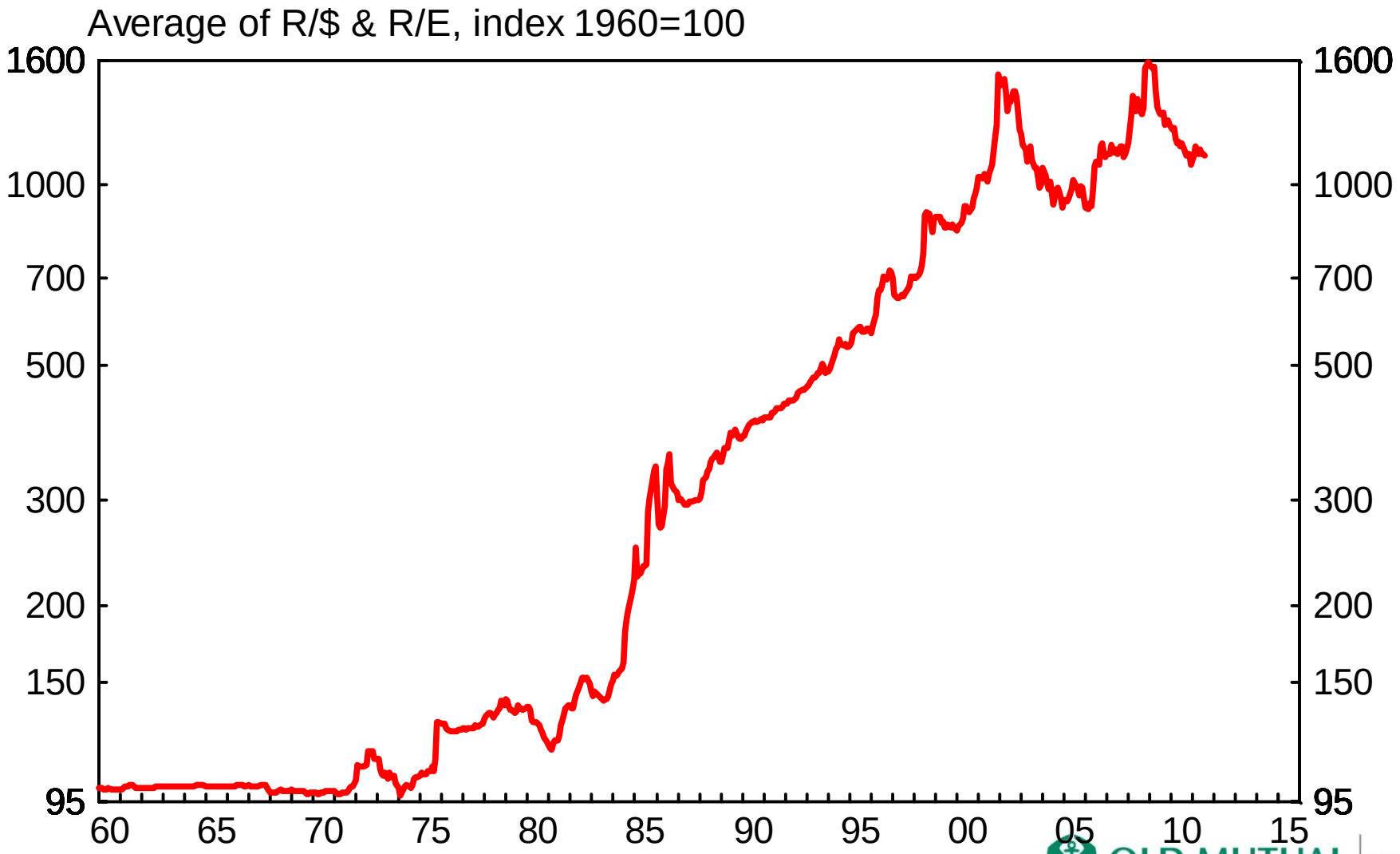
OLD MUTUAL Investment Group | Equity Research

Gold and the trade balance

- SA exports about 250 tons of gold per year
- In 2010 the gold price averaged $1225, this year ±$1600
- This generates about $3bn in additional revenues, or ±4% of total exports
- Since July gold price has risen from $1500 to ±$1850
- This should yield an additional ± R1.5bn on the monthly trade balance in July/August

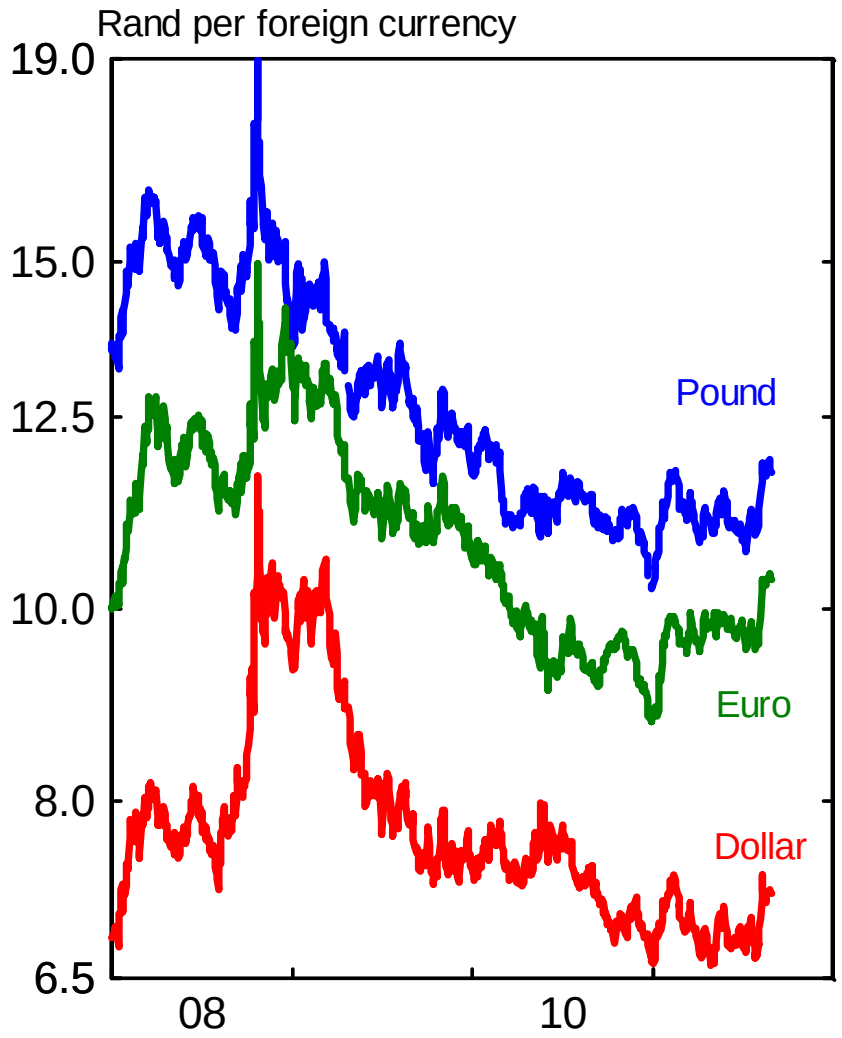
- Potential implications:
  - With economy soft, trade balance may produce more ‘decent’ monthly numbers towards y/e
  - Should help reduce concerns over current account (& hence the ZAR)

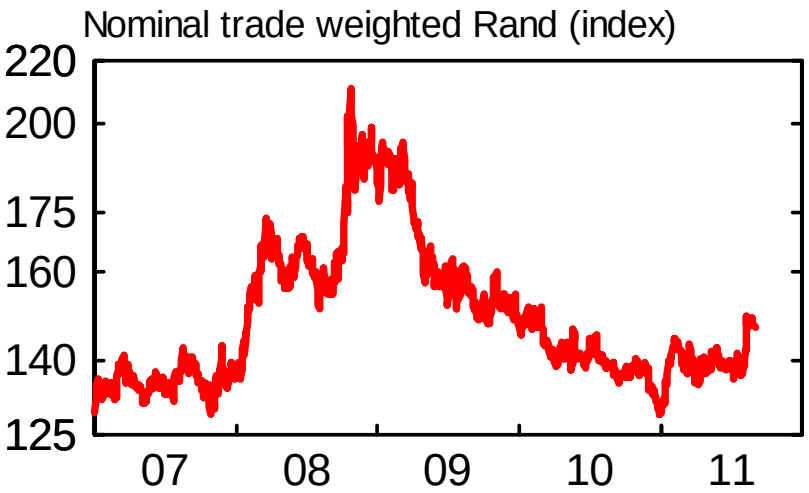
Rand – weakening bias over time

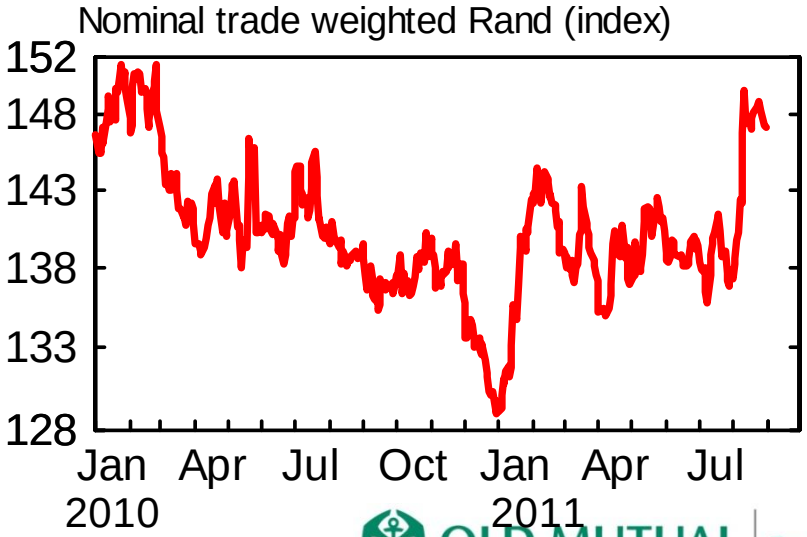


OLD MUTUAL Investment Group | Equity Research

Rand has weakened a bit recently…

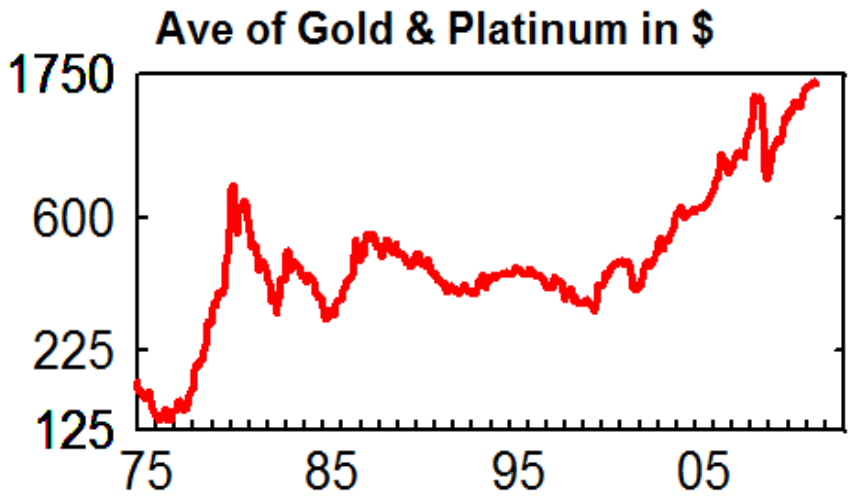


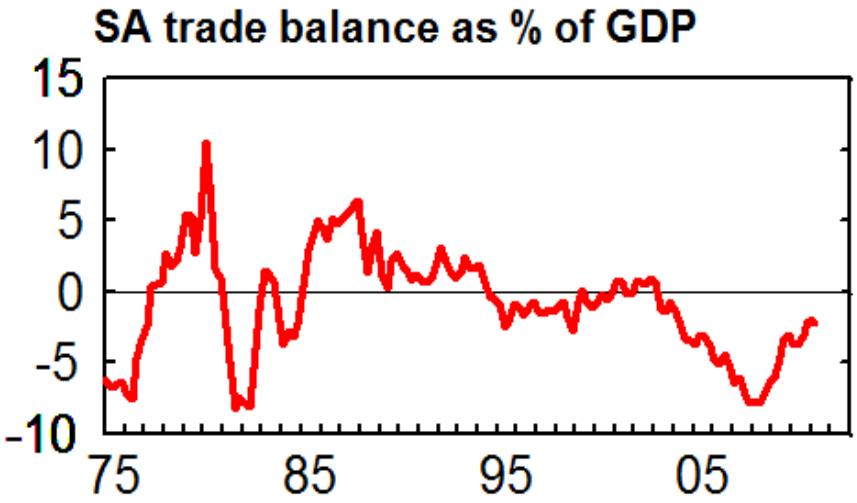


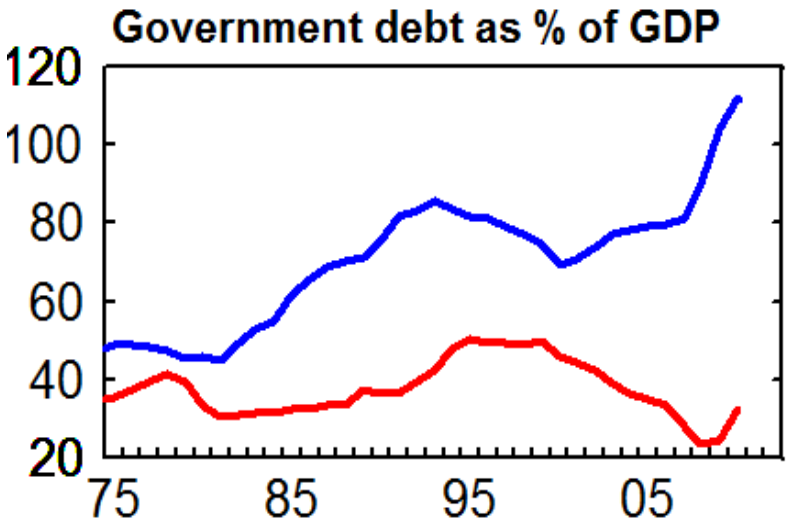


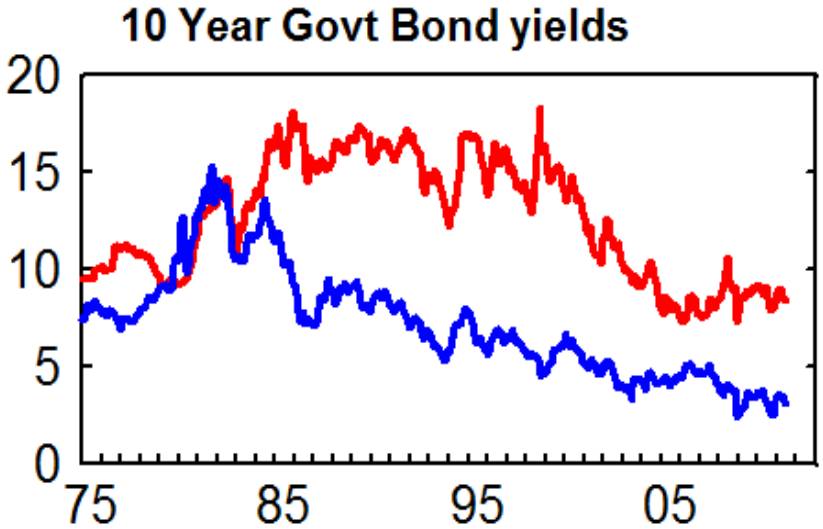
OLD MUTUAL Investment Group | Equity Research

Why is the Rand still relatively strong?





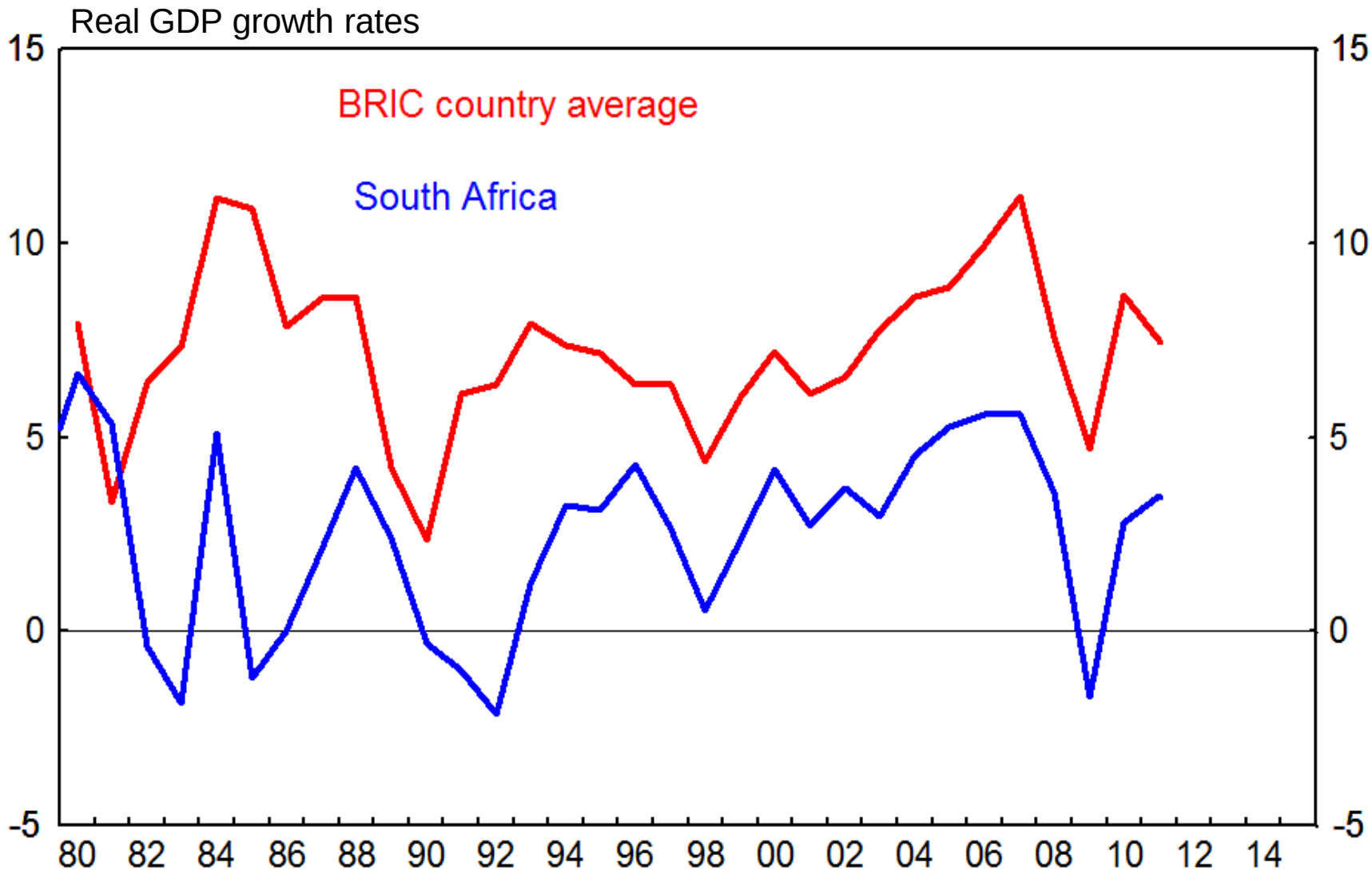




Rand – where to?

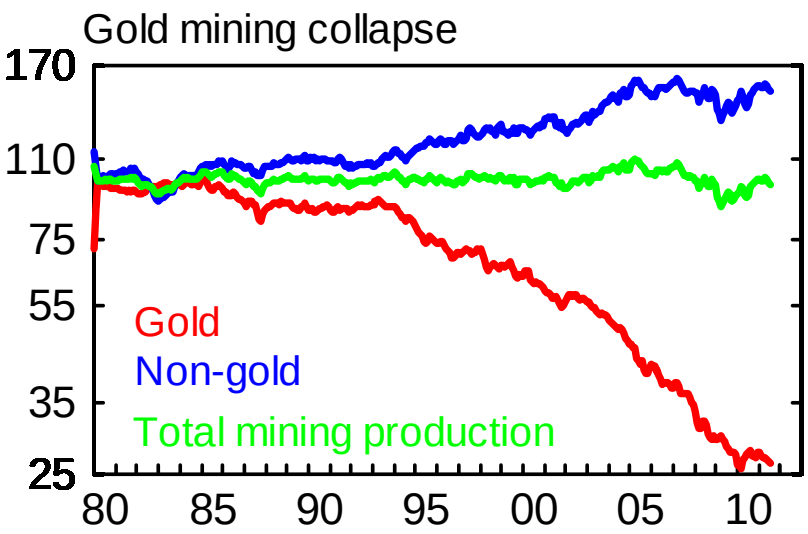
- Rand is 'overvalued'
  - Especially from the perspective of local industrialists (SARB agrees)
- Why 'should' it soften further?
  - Rising global rates or global slowdown typically not good for ZAR
  - C/A deficit should widen as investment recovers
- Still some serious counter-arguments
  - Global troubles may not be serious enough to trigger serious EM risk aversion
  - C/A deficit to widen only moderately (enough to scare investors?)
  - SA rates still high & SARB tightening getting closer…
  - Fiscal numbers coming in better than Govt forecast
  - Weak(er) $ = firm commodities = Rand support
- Bottom line:
  - Foreigners have lots of SA assets to sell if they get scared
  - But what will scare them?
  - Real possibility the TW ZAR stays relatively firm

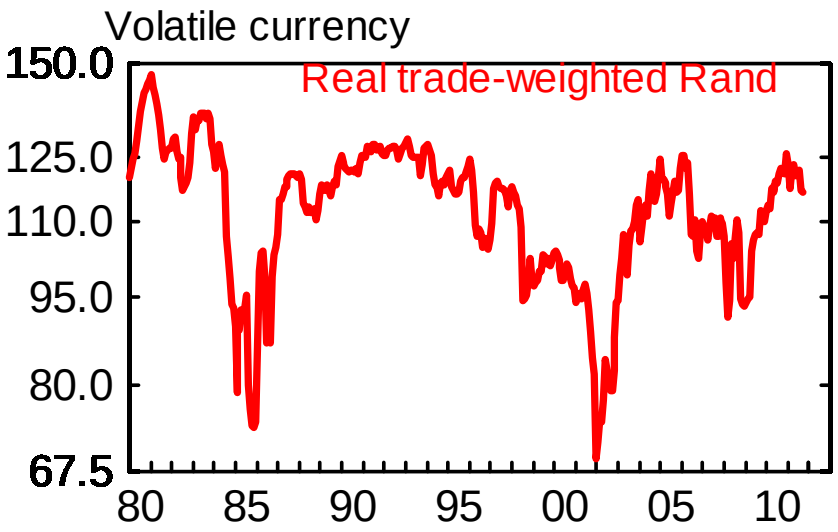
But structural reform needed to close growth gap

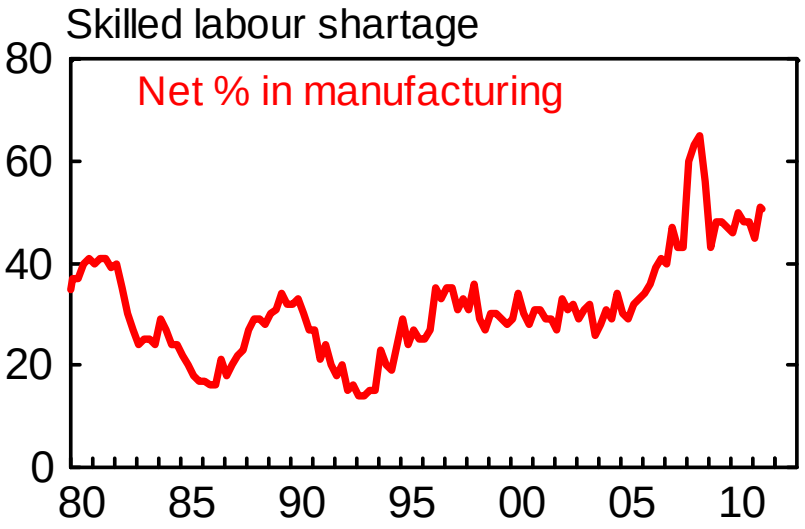


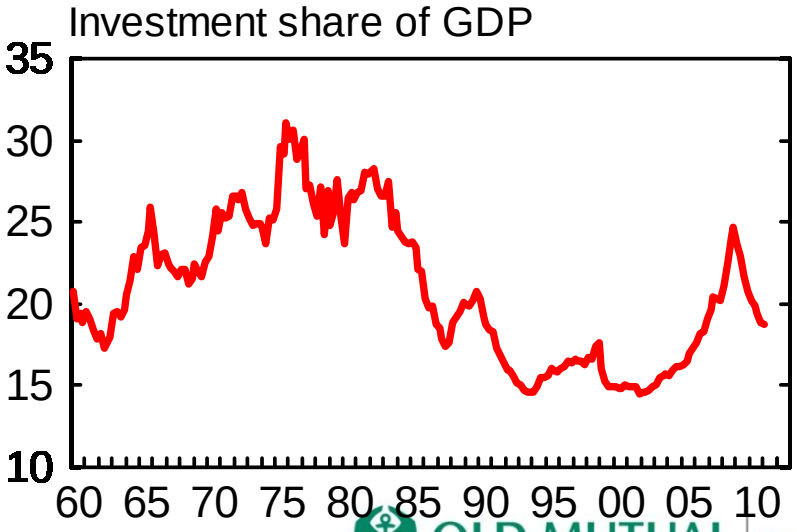
OLD MUTUAL Investment Group | Equity Research

Growth constraints



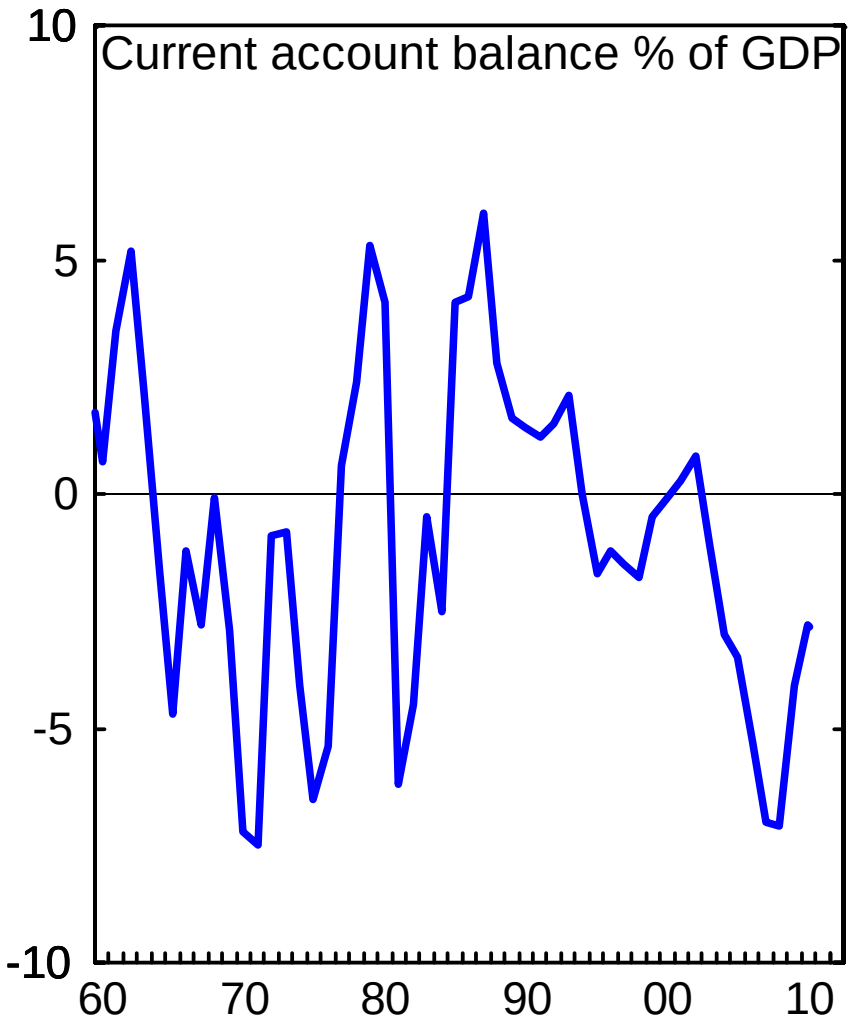


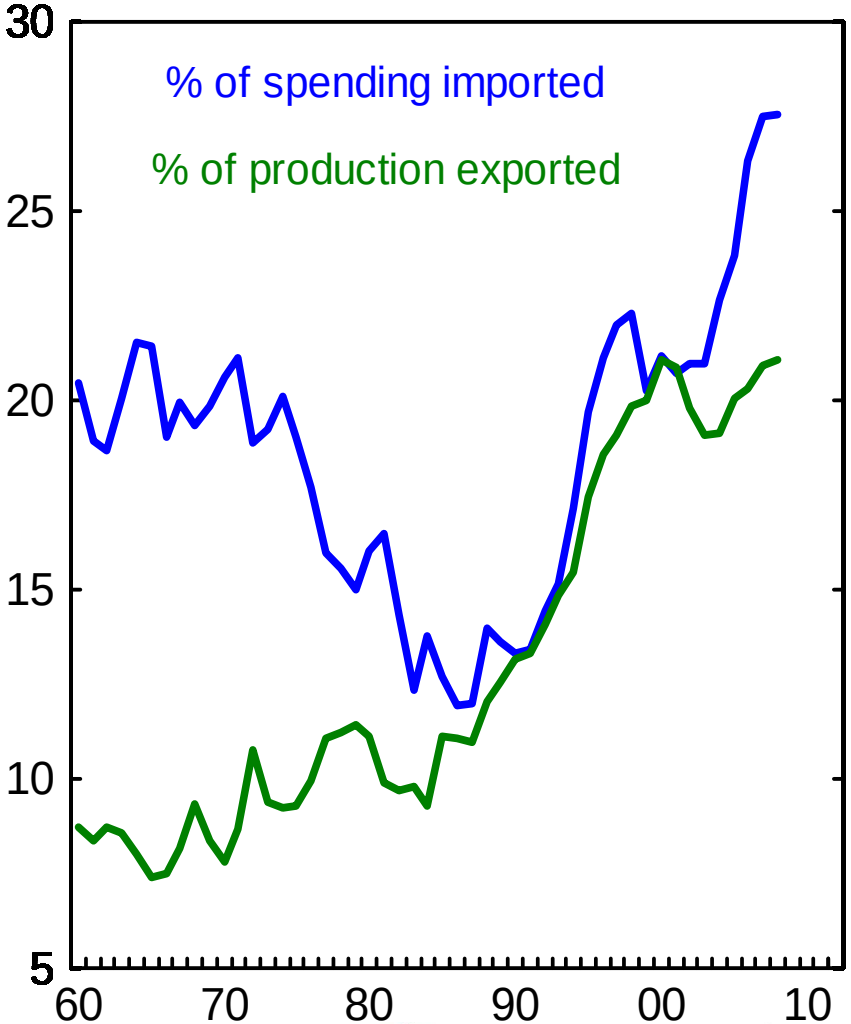




OLD MUTUAL Investment Group | Equity Research

Foreign trade constraint





SA Structural challenges

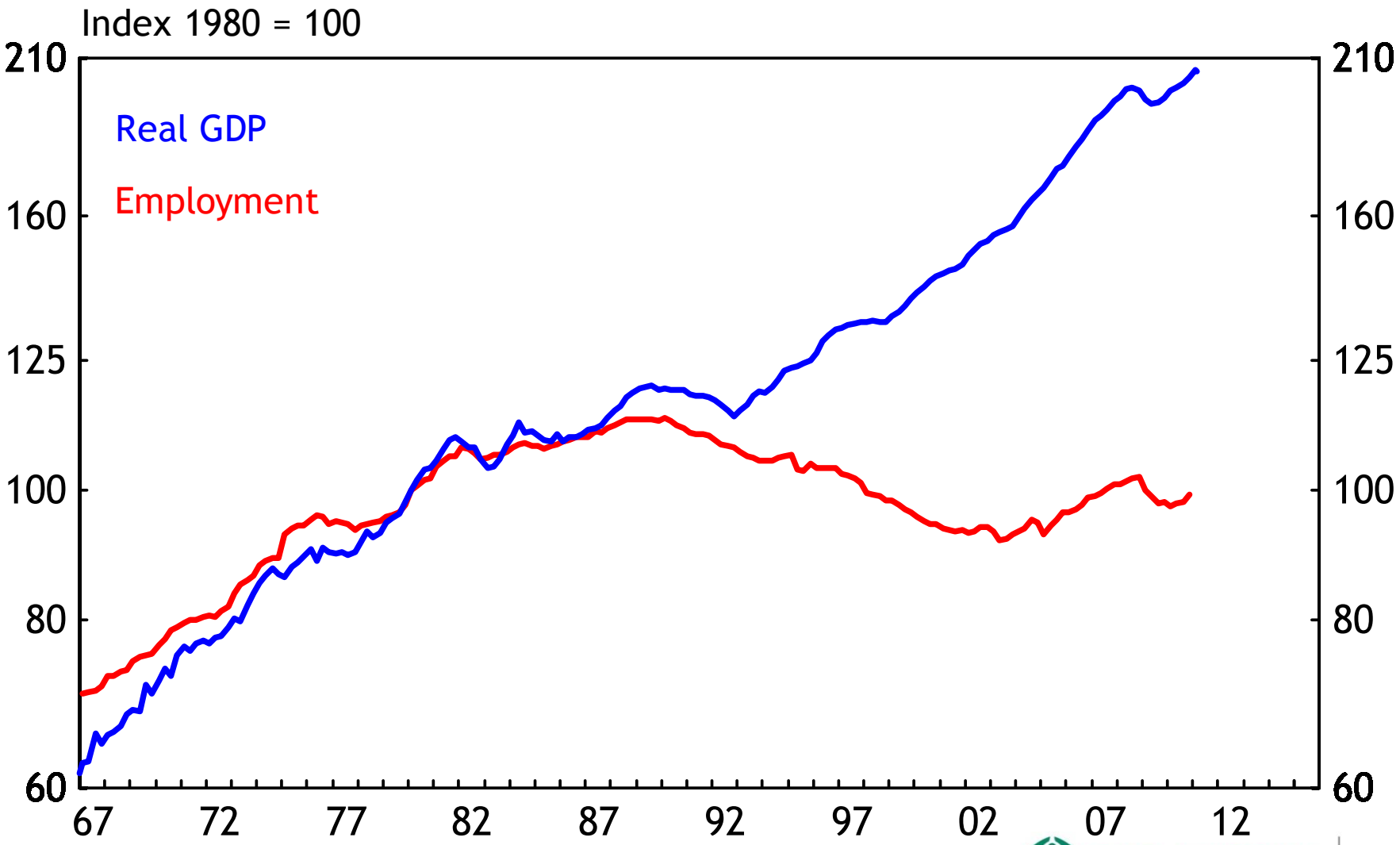
- SA not making much progress in raising growth structurally
- What needs to be done?

  Lift SA's relative competitiveness (currently 54 out of 139)

  1. Infrastructure investment
  2. More competitive & productive labour force
  3. Easier labour laws
  4. Keep inflation low
  5. Improve service delivery (esp at local level, but also parastatals)
  6. Much more business friendly environment (cut bureaucratic red tape & create long term policy certainty – mining example)
  7. *Aggressively* tackle corruption & crime

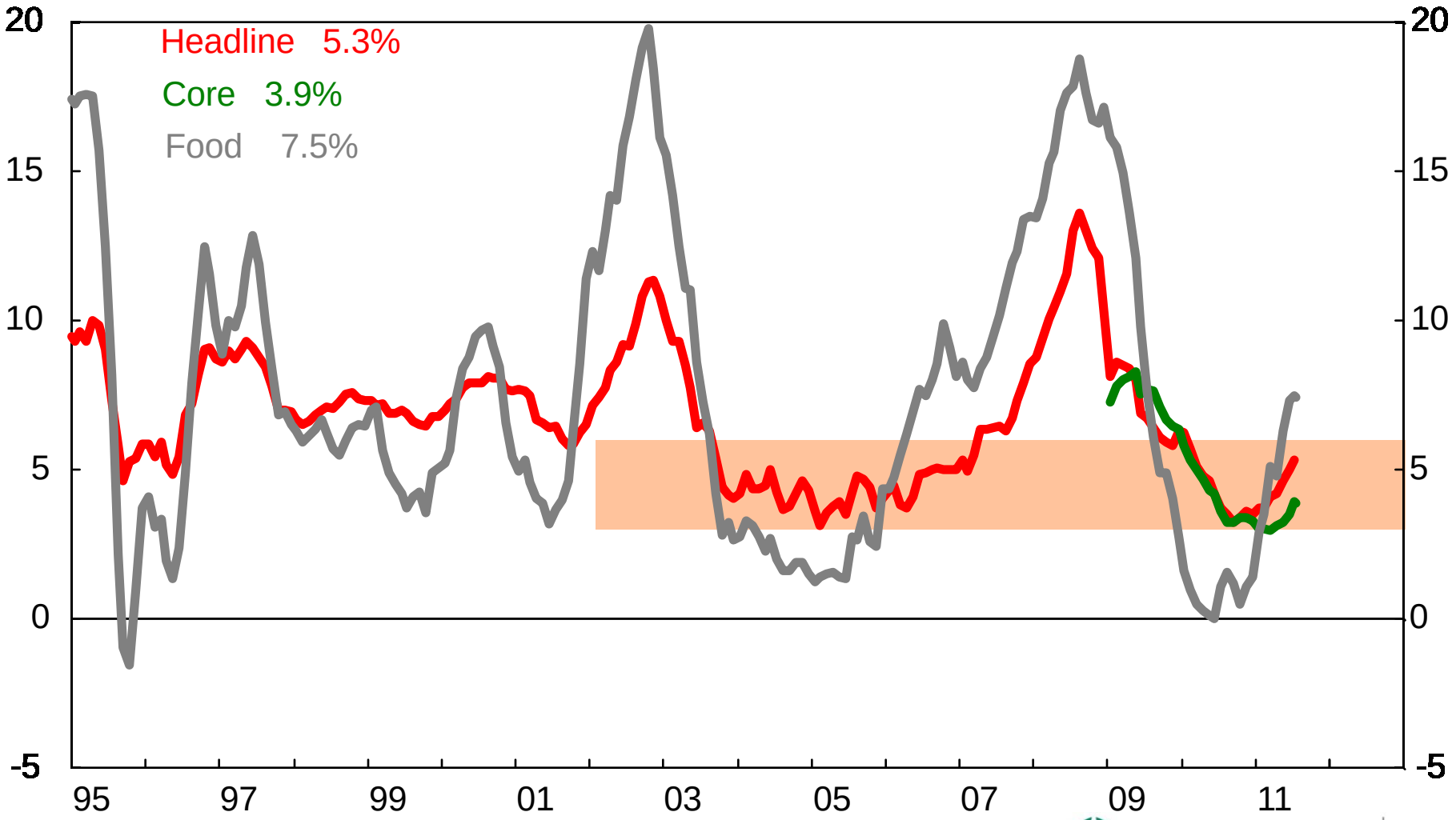
- Unfortunately, many of these are 'politically untouchable', so don't expect SA to make any meaningful progress
- Now Nationalisation & land-grabbing is back on the agenda too
- We'll muddle through at 3% - 4% growth, hoping it will keep SA politically stable

Labour disconnect



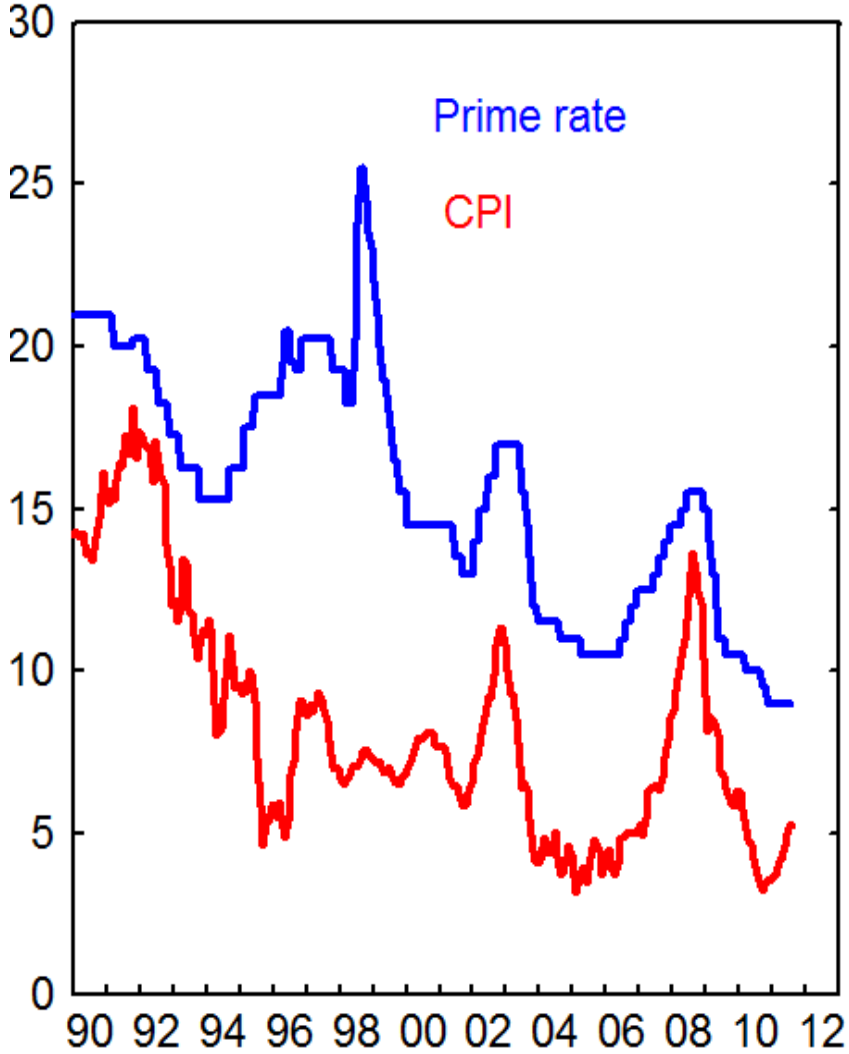
OLD MUTUAL Investment Group | Equity Research

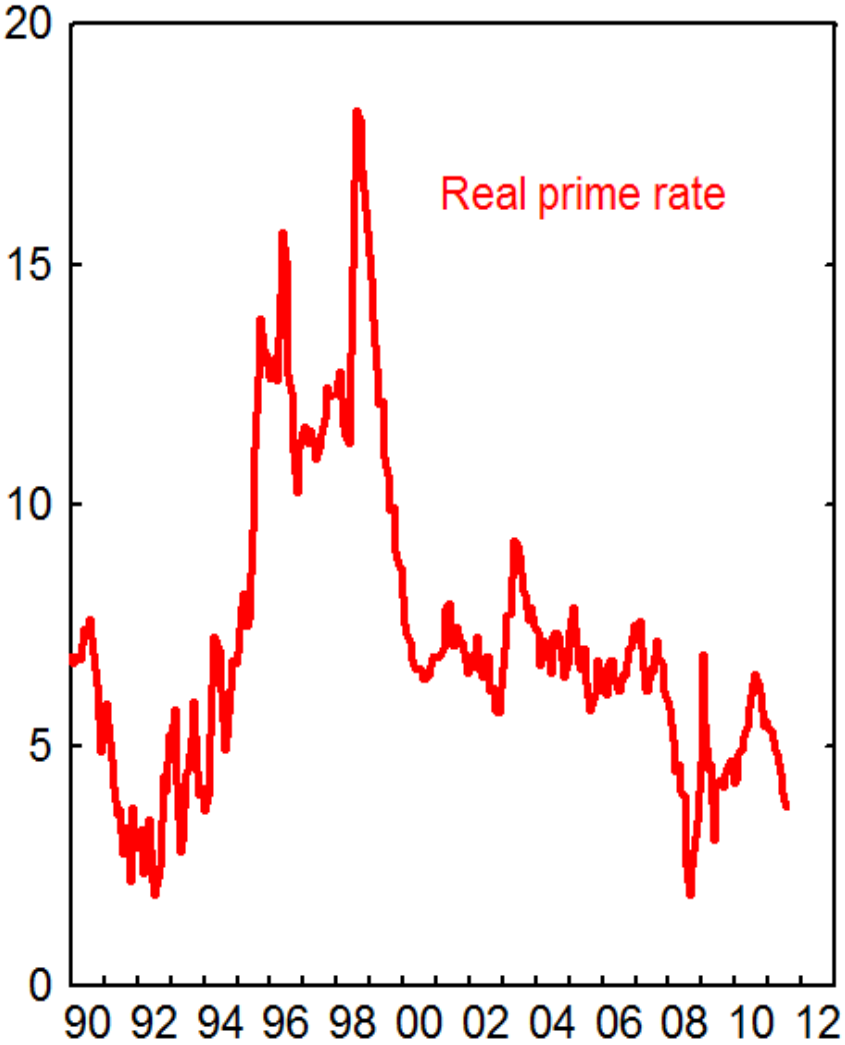
CPI inflation drifting up



OLD MUTUAL Investment Group | Equity Research

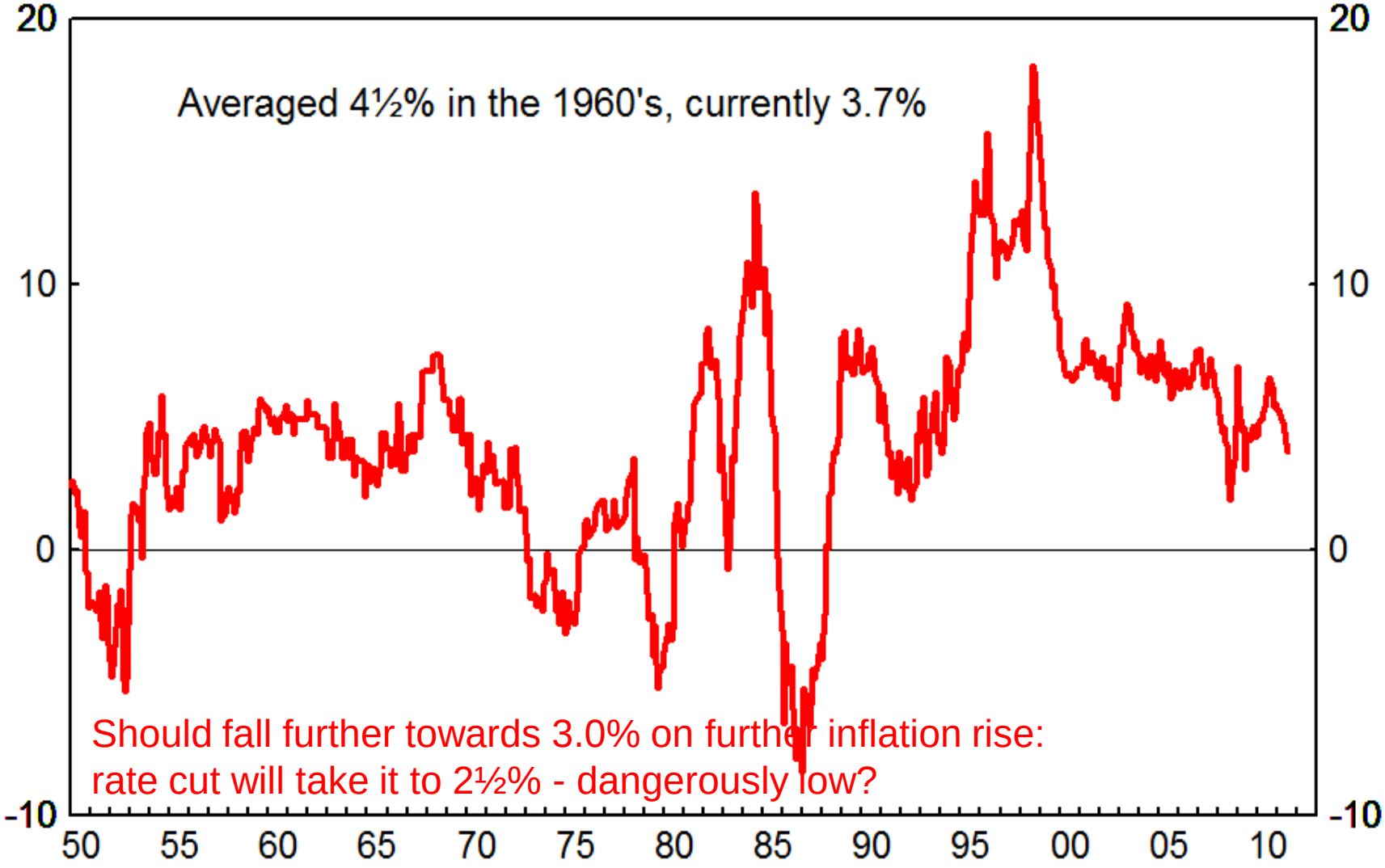
A rate cut on the cards?
Only if economy weakens further in Q3





OLD MUTUAL Investment Group | Equity Research

Real prime rate



OLD MUTUAL Investment Group | Equity Research

SA forecasts

INDICATOR	Avg 84-03	Avg 94-03	Avg 04-07	2008	2009	2010	2011	2012	2013
HCE	1.4	3.5	6.6	2.2	-2.0	4.4	4.0	3.5	3.5
GFCF	-2.9	5.1	12.5	14.1	-2.2	-3.7	3.0	5.0	6.0
GDP	1.0	3.0	5.2	3.7	-1.8	2.8	3.5	3.5	4.0
C/A : GDP	2.2	-0.7	-4.8	-7.1	-4.1	-2.8	-3.5	-4.0	-4.5
R/$: y/e	2.54	6.36	6.46	9.39	7.40	6.63	7.15	7.70	8.20
Target CPI : y/e	15.0	7.4	5.5	10.3	6.3	3.5	5.8	5.5	5.0
Prime : y/e	17.78	16.88	12.13	15.00	10.50	9.00	9.0	10.0	10.0

Questions?

PRESENTATION TO INVESTORS

OLD MUTUAL'S SOUTH AFRICAN BUSINESSES

CRISPIN SONN
MANAGING DIRECTOR
MASS FOUNDATION CLUSTER

ANDREW LE ROUX
GENERAL MANAGER: FINANCE, RISK & CUSTOMER SOLUTIONS
MASS FOUNDATION CLUSTER

OLD MUTUAL
INSURANCE • INVESTMENT • SAVINGS • 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, UK domestic 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.

The OMSA Retail Franchise

OLD MUTUAL
INSURANCE • INVESTMENT • SAVINGS • BANKING

Total South African working Population (18-59 years) 25 649 604 people – Gauteng, KZN and WC largest income market

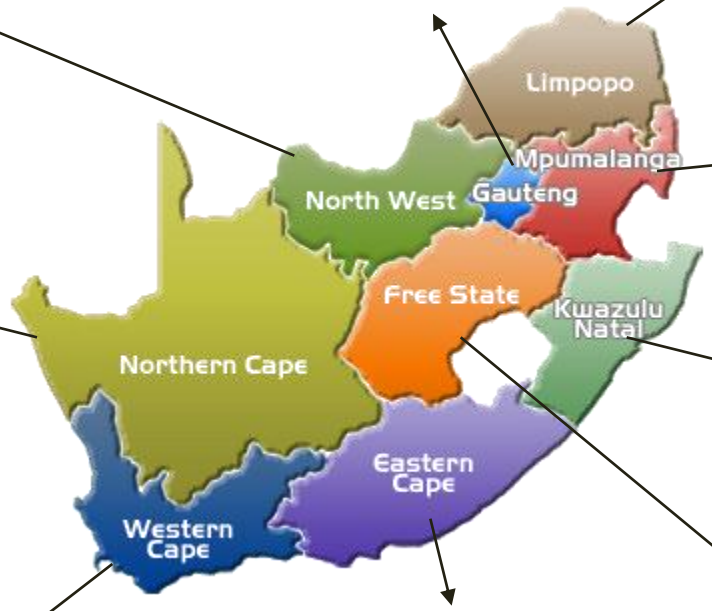
1 884 406 people
7% of population
6% of personal income

5 814 532 people
23% of population
35% of personal income

2 469 067 people
10% of population
6% of personal income

1 922 372 people
7% of population
6% of personal income

628 423 people
2% of population
2% of personal income



5 121 664 people
20% of population
16% of personal income

1 680 571 people
7% of population
6% of personal income

2 675 538 people
10% of population
15% of personal income

3 453 032 people
13% of population
8% of personal income

Source: The Bureau of Market Research (BMR) 2010

OLD MUTUAL
INSURANCE • INVESTMENT • SAVINGS • BANKING

We segment the population in order to focus our engagement activities

What is our segmentation approach?

We use Cluster Plus, a third party solution that uses multiple independent data sources to cluster the population based on their place of residence. Cluster Plus allows us to pinpoint every customer as well as every relationship and business interaction with OMSA geographically using XY-coordinates

Segment	Cluster Group*	Employed Population*	Old Mutual Clients	% Market Penetration
Retail Affluent	A Silver Spoons	540,586	255,519	47.27%
	B Upper Middle Class	709,153	311,193	43.88%
	C Middle Suburbia	868,222	401,940	46.29%
	D Community Nests	122,345	54,591	44.62%
	E Labour Pool	651,584	276,479	42.43%
	F New Bonds (RAF)	377,138	161,690	42.87%
	S Special Cases (RAF)	1,280,659	138,779	10.84%
Retail Affluent Total		**4,549,687**	**1,600,191**	**35.17%**
Retail Mass	F New Bonds (RMM)	193,170	52,688	27.28%
	G Township Living	949,485	198,828	20.94%
	H Towering Density	1,033,053	204,258	19.77%
	I Dire Straits	1,332,017	242,437	18.20%
	J Below The Breadline	737,292	113,729	15.43%
	S Special Cases (Other)	287,542	84,215	29.29%
	S Special Cases (RMM)	393,319	89,874	22.85%
Retail Mass Total		**4,925,878**	**986,029**	**20.02%**
Grand Total		**9,475,565**	**2,586,220**	**27.29%**

Source:

- The employed population and cluster definition as supplied by Knowledge Factory from the 2001 Census; RAF = Retail affluent; RMM = Retail mass market
- The Old Mutual client number (2011) only includes clients who can be geo-coded using their addresses. Post box addresses cannot be geo-coded.

OLD MUTUAL
INSURANCE • INVESTMENT • SAVINGS • BANKING

Old Mutual Business Unit Segmentation

26%

Foundation*

Segment	% share	No. of people
Standing Still	5	386800
Overwhelmed Breadwinners	3	251420
Step by Step Traditionals	10	773601
Progressive Providers	7	522180

49%

Retail Mass*

Segment	% share	No. of people
Get Rich Quick	9	693000
Rooted Hopefuls	13	1000000
Comfortable Spenders	9	650000
Fragile Providers	10	736000
Clean Cut Planners	8	607000

20%

Retail Affluent Middle*

Segment	% share	No. of people
Get Rich Quick	4	265353
Comfortable Spenders	4	308353
Fragile Providers	5	342147
Clean Cut Planners	8	590941

5%

Retail Affluent High*

Segment	% share	No. of people
Disillusioned	1	110594
Overextended Providers	2	165890
Passionate Wealth Creators	1	92161

Note:

- **Age band 18-59 years**
- ***Foundation market (R1k - R2'999 p/m); Retail mass (R3k – R11'999 p/m); Retail affluent Middle (R12k – R29 '999 p/m); Retail affluent High (R30k + p/m)**

Source: Project Lwazi 2009

OLD MUTUAL
INSURANCE • INVESTMENT • SAVINGS • BANKING

High Growth Potential category (25 – 39 years)

Personal Income pm:

Category	Market size	% of market
< R1k	1 239 088	19%
R1k – R3k	1 456 079	23%
R3k – R12k	2 405 930	38%
R12k – R20k	637 773	10%
R20k – R30k	321 420	5%
R30k +	313 594	5%
TOTAL	6 373 883	100%

Race:

Category	Market size	% of market
African	4 396 124	69%
White	1 077 625	17%
Coloured	691 308	11%
Asian	208 827	3%
TOTAL	6 272 883	100%

Source: The Bureau of Market Research (BMR) 2010

High Growth Potential category (25 – 39 years)

Urban vs Rural:

Category	Market size	% of market
Urban	4 993 508	78%
Rural	1 380 376	22%
TOTAL	6 373 883	100%

Gender:

Category	Market size	% of market
Male	3 491 384	55%
Female	2 882 499	45%
TOTAL	6 373 883	100%

Source: The Bureau of Market Research (BMR) 2010

Overall Market figures and Old Mutual South Africa's penetration

What is the size of our potential market?

- Within the 18 – 59 year old "working" market in South Africa, there are 12 735 690 individuals.

How many Old Mutual customers are there in this market?

- Old Mutual South Africa has 2 662 393 customers in this market.
- (NOTE: the remainder of OM's 3,180,010 customers are 60 years and older and have been excluded from this analysis which focuses on primary growth areas)

Overall Penetration Level?

- 21%

Source: The Bureau of Market Research (BMR) 2010; Client & Intermediary Intelligence (CII)

OLD MUTUAL
INSURANCE • INVESTMENT • SAVINGS • BANKING

CII Unit – Number of 'heartbeats'

'Heartbeat Category'			'Heartbeat (mutually exclusive)
Retail OMSA administered customers			**3,180,010**
Annuity Income RPS Essential Savings Flexi Conventional PIPP	GreenLight Investment Horizons Max Investment Max Income	Investment Frontiers Galaxy Unit Trust Group Schemes	
Corporate administered customers			**610,567**
Evergreen Orion	Standalone Protektor	Pencare*	
OMSA Partnership Customers			**89,815**
Fedhealth OM Finance M&F Allsure	M&F IWYZE ACSIS OM Credit Card	MS Life OMHIL	
Old Mutual International (OMI) **			**4,409**
Rolodex Person			**7,671,989**
		Total	**11,552,381**

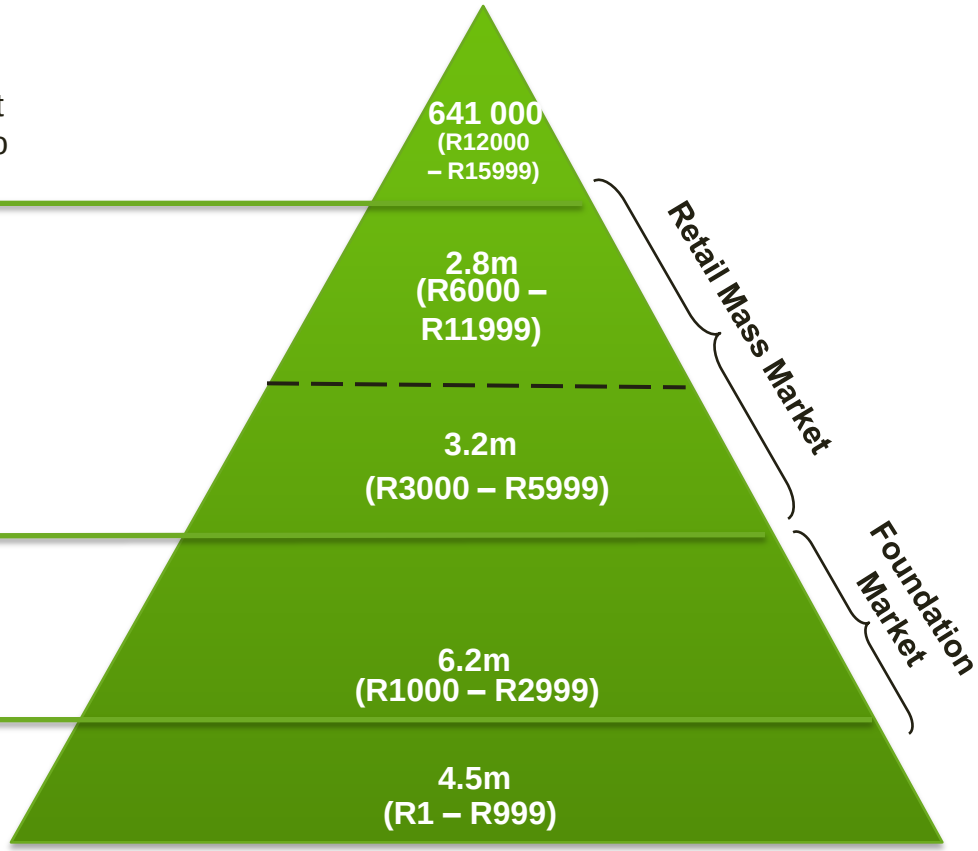
- *CII is in the process in obtaining access to the Pencare data
- ** CII is currently not allowed access to the OMI data – until the Protection of Personal Information (PPI) status is in place
- Rolodex person – This is the database that stores data about persons (not always clients). It contains as much information as we have for a person. In some cases it is an ID number, initials, surname and some contact details (external lists we bought) or it can be full portfolio and demographics (Old Mutual clients)

Mass Foundation Cluster (MFC)

OLD MUTUAL
INSURANCE • INVESTMENT • SAVINGS • BANKING

We are still well positioned to take advantage of demographic shifts with significant growth opportunities (1/2)

- The R12000 – R15 999 income segment is showing a decline from 25% in 2009 to 14% in 2010
- There has been a 46% growth in the Mass Market potential over the past 5 years, from 4.11 million in 2006 to 6.0 million in 2010
- There has been a 45% growth in the Foundation Market potential over the past 6 years, from 4.29 million in 2005 to 6.2 million in 2010
- The Foundation Market Potential has grown from 5.5 million in 2009 to 6.2 million in 2010 (12%)

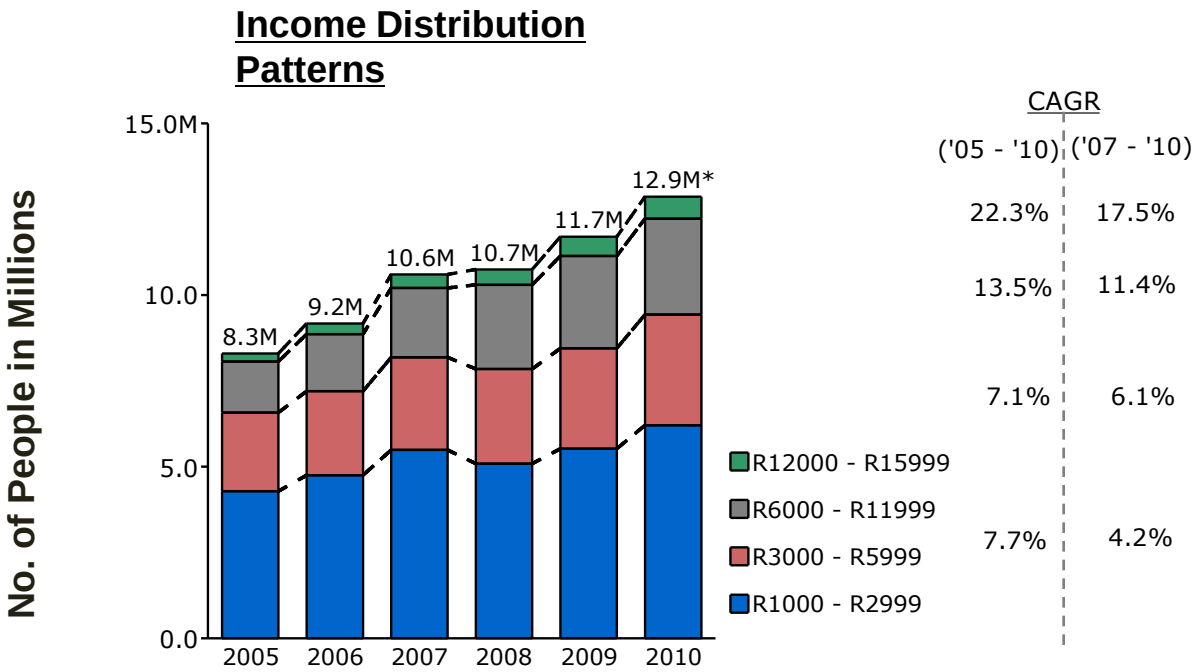


Source : Amps 2010a
Based on personal monthly income and aged 18-64 years

OLD MUTUAL
INSURANCE • INVESTMENT • SAVINGS • BANKING

We are still well positioned to take advantage of demographic shifts with significant growth opportunities (2/2)

There has been a steady growth in the number of people moving into the Mass and Foundation Market



Note: *Due to rounding, the aggregate number could differ slightly in some slides
Source : Amps 2010a
Based on personal monthly income and aged 18-64 years

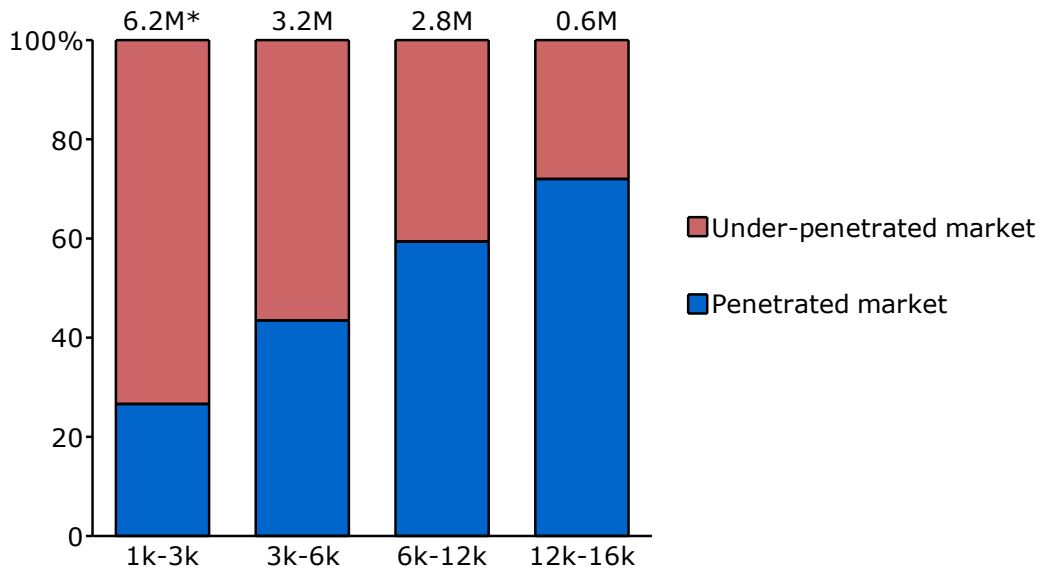
OLD MUTUAL
INSURANCE • INVESTMENT • SAVINGS • BANKING

The level of under-penetration in the market also presents us with significant growth opportunities

The foundation market and the mass market are under penetrated in long-term insurance products

– 73% under penetrated in Foundation level; 49% under penetrated in Mass Market level

Level of under-penetrated market vs. penetrated market (age 18-64 yrs)



Note:
*Long term policies includes: Funeral Insurance, Life Cover Policy, Retirement Annuity, Endowment/Savings/Investment Policy (with no Life Cover)
** Due to rounding, the aggregate number could differ slightly from one slide to the next

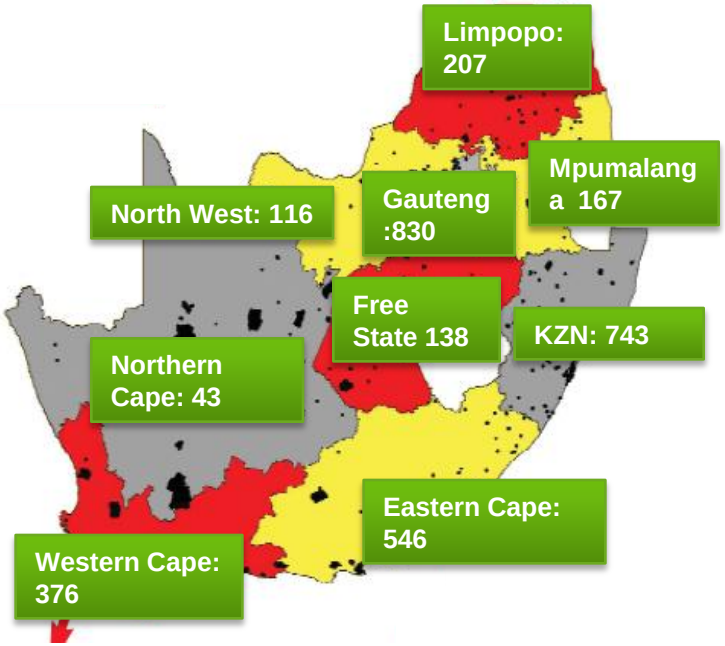
OLD MUTUAL
INSURANCE • INVESTMENT • SAVINGS • BANKING

Our tied – adviser channel is well dispersed across the country to take advantage of the opportunities

Structure in the field

- As far as possible, advisers are **recruited from the communities they serve**
- Typically **12 to 15 advisers** will form a sales branch and report into a branch manager
- We have a strong tradition of **developing branch managers** from our pool of advisers – this has supported continuity, transfer of knowledge, talent development and retention within the business
- **4 to 6 branches report into an area manager** whose main focus is to ensure sufficient market potential for the branches, maintain good working relationships with stakeholders and support the branch manager
- Areas report into either a province or region
- **Monday to Thursday are field days** with advisers visiting their worksites and clients according to scheduled appointments on their weekly planners. Advisers report to the office to submit new business or for one on ones with the branch manager.
- **Fridays are "branch days"** when team meetings are held. Information sharing and learning takes place. The team reflects on the achievements of the week, plan for the week ahead and the branch manager can coach the team.

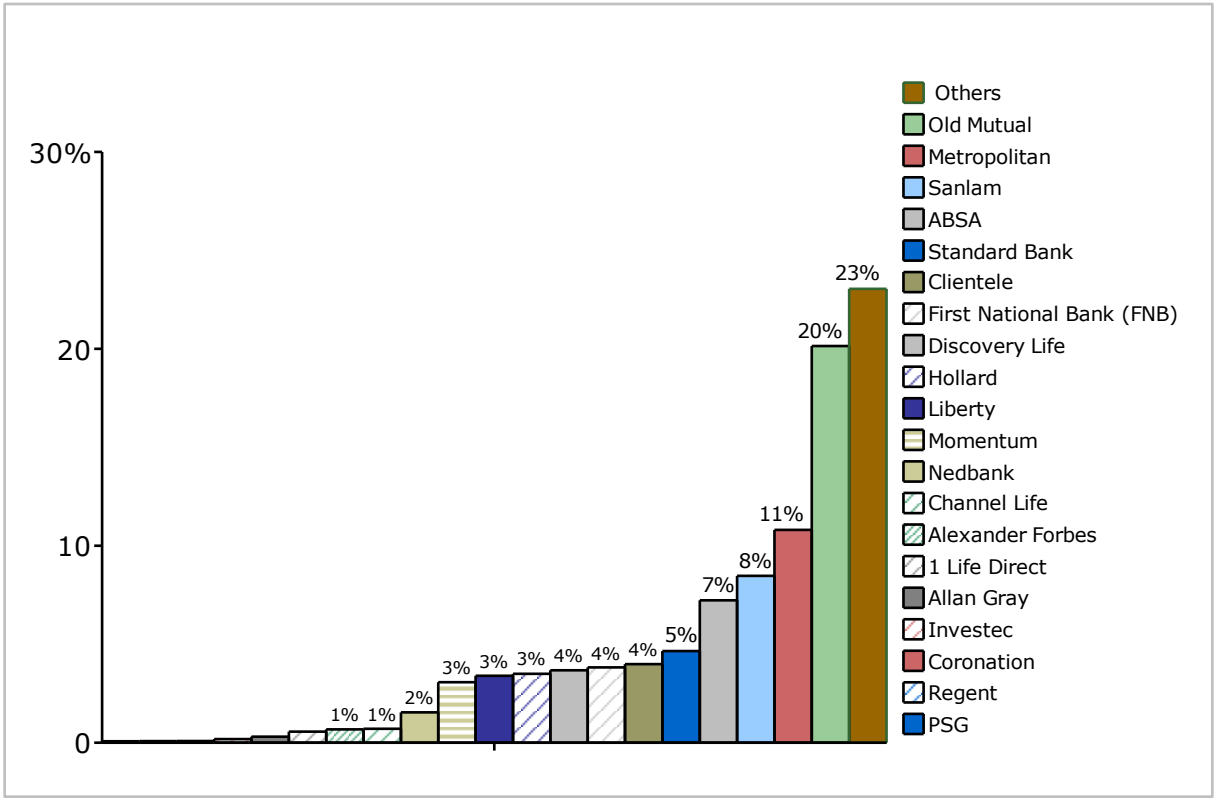
Adviser headcount by province



Total Adviser headcount of 3 166 as at 31 July 2011

RMM remains the dominant insurance player based on market share but there are competitive threats

Market share for income bracket R3,000 – R11,999 *



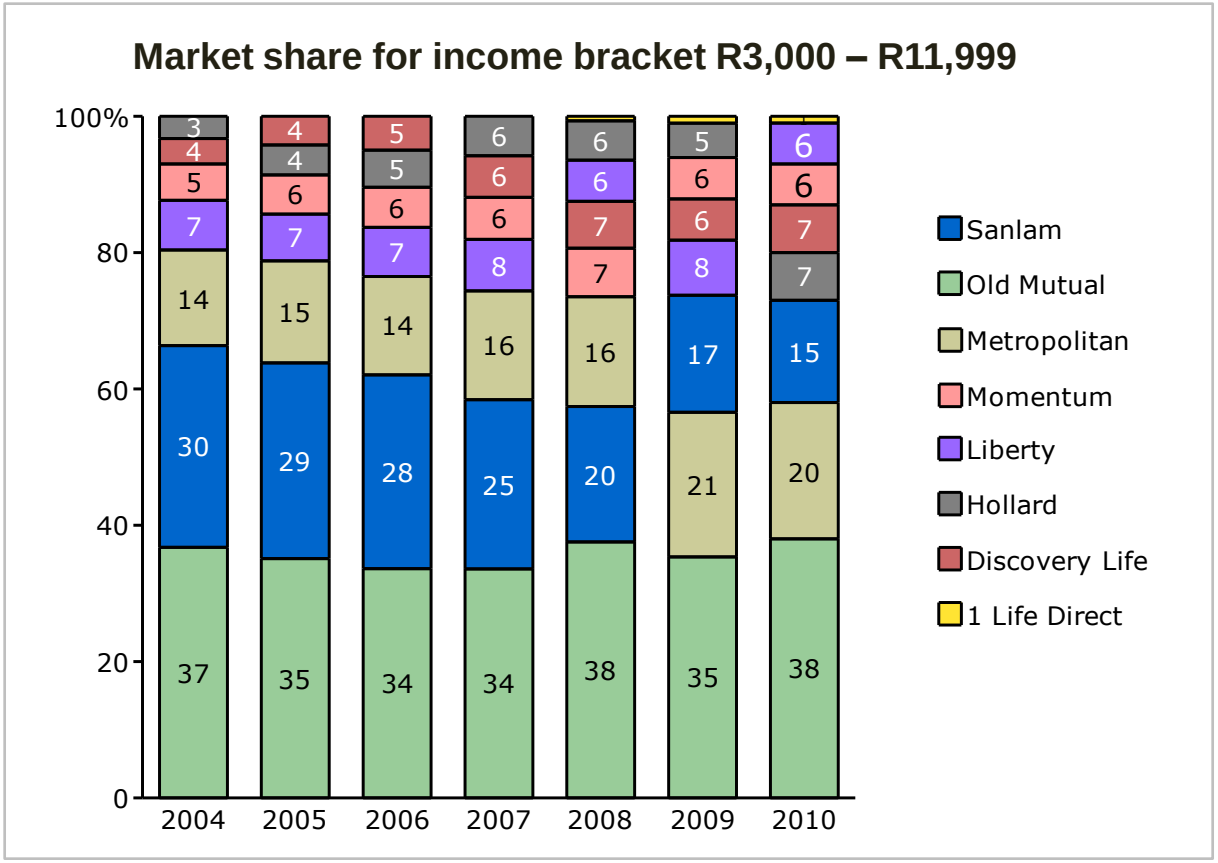
- The “Others" category is an amalgamation of a number of small individual players who individually do not represent a major threat, but in aggregate hold a significant proportion of the market.
- Potential reasons for the “other” holding a bigger share of the slice include, but not limited to:
  - Individuals moving up from the Foundation income segment holding on to their existing products
  - Growth in the number of retail solutions e.g Woolies, Clicks, Edgars,etc.
  - The growth in direct Short term insurance channels now selling life products

Note: *This is taking both the traditional and non-traditional competitors into account
Source : Amps 2010a

OLD MUTUAL
INSURANCE • INVESTMENT • SAVINGS • BANKING

Nevertheless, compared to traditional competitors, our market share has remained strong

Traditional Competitors - Market share for income bracket R3 000 – R11 999*



Note: *This is taking only the traditional competitors into account
Source : Amps 2010a

OLD MUTUAL
INSURANCE • INVESTMENT • SAVINGS • BANKING

Our competitive advantages also position us strongly in the current market

- Our products are **competitively priced** to **meet the needs** of our clients
- **Simplicity** of our model
  - Sales process
  - Servicing and distribution
- **Key relationships** with external stakeholders (including trade unions & employers across SA) who open doors for us
- **Distribution network** that is rooted in the communities
  - Key channel through worksite marketing using salaried sales force
  - 3,100 advisors – approximately 20% more than closest competitor
  - High productivity levels
  - Growing other channels including brokers and direct marketing
- **Salaried model** incentivizes our tied agents to also focus on the service aspect
- **Servicing network** of ~200 client servicing touch points across South Africa
- The strong **brand** equity
- Experienced team
- **Marketing** channel management and orchestration

…however the market presents opportunities and challenges

Opportunities

- Exploiting the positive **changes in demographics** of South Africa (i.e. increasing number of Black and young people with more disposable incomes in mass market)
- Expanding the **product offering** into lending (OMF) and short-term insurance (iWyze) products
- Focusing on **under penetrated insurance products** that present opportunities for risk and retirement products
- Expanding the **distribution footprint** through alliances with a network of call centres
- Optimising **financial education** as a value add to our existing client base as well as to new customers

Challenges

- In the prevailing economic conditions mass market customers tend to over commit themselves financially, leading to **high levels of indebtedness** and challenges in affordability. This results in clients cancelling goods that they do not deem "necessary"
- In this space, the **Funeral Product offering** has become a highly commoditised product due to entry of non-traditional players
- The **demand for more complex products**, thus presenting a challenge to some of our key business principles
- 'New' Life insurers have presented us with increased competition which could lead to the **loss of market share**
- The legislative environment has resulted in an **increase** in the **cost of doing business** in order to comply with the requirements. Inherent risk such as FAIS accreditation and the statement of intent which limited our ability to provide savings.

Growth Levers

- Deepen penetration of current market
  - Expand current sales force (scalable)
    - Distribution cross sell into the Corporate base
  - Expand new channels
    - Old Mutual Finance (141 branches), iWyze (60 agents), Direct (198 agents)
  - Expand our proposition (lending and short-term insurance)
- Develop Foundation Market
  - Key principle: high volumes, drive costs down further
  - Develop affordable funeral/risk & savings/banking product
  - Access through retailers, mobile networks, burial societies
  - Financial education
- Maintain simplicity and low-cost of operating model
- Our People
  - Leadership capability and effectiveness
    - Working on talent management and succession planning
  - Strengthening our position as employer of choice
    - Driving the culture campaign and employee engagement programs e.g. Siyakhula and adviser retention
    - Embedding the key people best practices to prepare the business in the best company to work for

MFC's contribution to OMSA has improved over time

	2010	2009	2008	2007	2006
Customers	***1.4m**	1.5m	1.4 m	1.3 m	1.2 m
New Life APE (Rm)	**1,572**	1,454	1,369	1,090	887
VNB (R'm)	**396**	414	278	327	266
Average productivity per week per adviser (lives per week)	**5.49**	5.38	5.68	5.47	5.47
NCCF (Rm)	**2,752**	2,366	2,005	1,888	1,675
Maintenance costs (per policy per month)	**R11.95**	R11.61	R11.44	R 11.47	R 11.70

Note: * This number excludes Namibia and Swaziland. The customer data management process was reviewed and there was a basis change (hence the drop in the customer numbers from 2009 to 2010). It must also be noted that we do not deem our customer numbers to have reduced. 2009 & 2010 numbers are note directly comparable due to this basis change.

OLD MUTUAL
INSURANCE • INVESTMENT • SAVINGS • BANKING

iWyze and OMF are also showing positive results

iWyze

- Our policies on book running ahead of plan
- Just over 20% of our existing book are first time buyers of short term insurance
- Efficiency ratios from an acquisition perspective and a policy per person per day perspective are tracking on plan
- Underwriting “profit” remains ahead of plan due to a better than expected loss ratio

OMF

- 142 new OM branded retail shops
- Book performance ahead of market averages
- Profitable from 2010
- Driving customer growth and cross sell opportunities

Tied agents continue to dominate in mass retail, with increasing contributions from independents and direct

Tied agency	2009	2010	Δ 2010/ 2009	CAGR 2006/ 2010	2010 Contribution to APE
RMM	2,694	2,923	8.5%	11.8%	75%

Type of intermediary	% Contribution to APE				
	2002	2006	2010	Δ (2010 – 2006)	Δ (2010 – 2002
Tied agents	88.1	78	75	-3	-13
Independents (brokers)	1.8	9	14	+5	+12.2
Direct (call centres)	9.7	10	9	-1	-0.7
Other (PFA, Corporate)	0.4	3	2	-1	+1.6
	100	100	100		

OLD MUTUAL
INSURANCE • INVESTMENT • SAVINGS • BANKING

Resulting in a broader and deeper distribution reach in the lower and lower middle income sub-segments

		Foundation	Mass
		R1000-R 2999	R3000- R12000
Tied Agency	RMM		3110
	BSSP sales consultants	58	
Direct	External Call Centres & OM Activate		415 Call centre seats
Independents	Medium and small independent brokerages	781 broker contracts	

OLD MUTUAL
INSURANCE • INVESTMENT • SAVINGS • BANKING

Conclusion

- The business environment has become more challenging as the legislative environment poses more pressure and the consumer outlook is uncertain.
- But there are still opportunities for aggressive growth in the market
- Therefore we will maintain our existing strategy and focus our management actions to address our growth, efficiency, innovation and people development
- Our track record shows that the business can achieve:
  - Average New Business Growth of 15% p.a.
  - VNB margin north of 20%
  - Positive Net Client Cash Flow

Questions?

OLD MUTUAL
INSURANCE • INVESTMENT • SAVINGS • BANKING

Thank you!

OLD MUTUAL
INSURANCE • INVESTMENT • SAVINGS • BANKING

PRESENTATION TO INVESTORS

OLD MUTUAL'S SOUTH AFRICAN BUSINESSES

STUART MARSHALL
CHIEF EXECTIVE OFFICER
&
WERNER ALBERTS
FINANCIAL DIRECTOR
OLD MUTUAL FINANCE

OLD MUTUAL
INSURANCE • INVESTMENT • SAVINGS • 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, UK domestic 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.

Executive Summary

Why loans?	MFC customers require holistic financial service and requested access to finance. Banks and credit retailers competing strongly with traditional insurance products.
50/50 JV	• OM contributes brand, funding, customers, distribution • Business Doctor brings lending experience, management, IT systems, entrepreneurial approach
142 New Retail Shops	• 1 new branch per week since Nov 2008 • Servicing OM customer • Building the OM brand presence in high volume retail shopping areas
Products	Focus on unsecured loans (mainly debt consolidation) and MFC assurance products No micro loans
1 280	New staff employed and trained
Credit performance	Book performance ahead of market averages and credit losses in line with Capitec and African Bank
Results	Returned first profits in 2010 and ROE > 20%
Funding	Old Mutual and facilities raised in SA banking market

OMF – Market Differentiation

Sales Process	• 45 minutes incorporating financial education • No “within 10 min” or “within seconds”
Culture	• Deep rooted respect for customers and brand • Base camp and Council of Guides • Ubuntu
Staff Incentives	• Branch staff rewarded on quality of book not “cap out” targets • Branches integrally involved in collections process • Staff earn annuity stream – assists with retention
Product Innovation	My Money Plan saves customers thousands of Rands in fees and provides ongoing cash flow during term of the loan
Branches	Complete offering of loans, RMM assurance products and customer service located across the country
Systems and process	Highly efficient processes and systems – paperless application process supported by base camp
OM Brand	Most respected Fin Inst brand with highest net promoter score in the mass market
OM RMM Distribution	3 000+ advisors providing referrals and access to worksites, employers and unions

Branches in Malls

Menlyn,
Menlyn Mall

Nelspruit,
Riverside Mall

Branches in townships

Kathlehong, Letsoho Centre

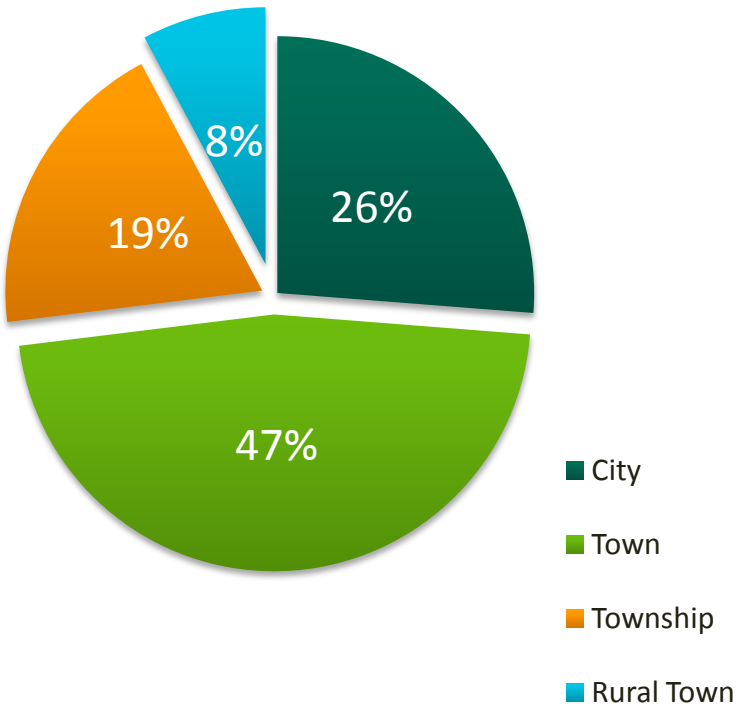
Botshabelo

Gugulethu, Gugulethu Square

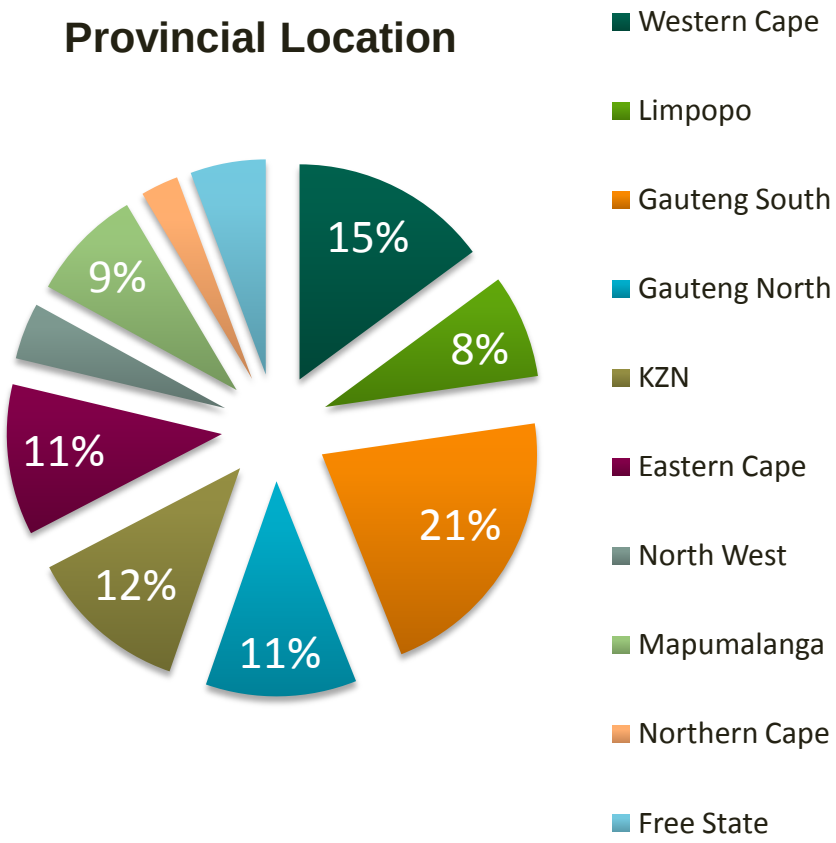
Sebokeng, Evaton Plaza

Branch demographics – existing 142 branches

Trading zones



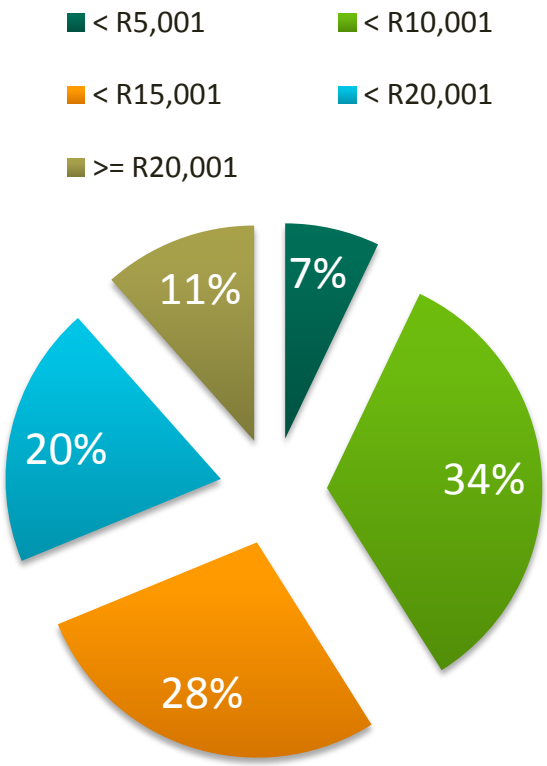
Provincial Location

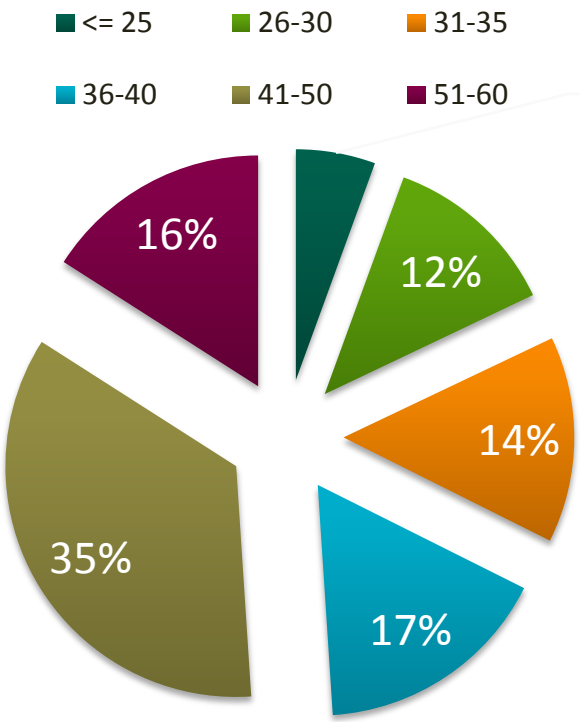


Legends: Slices follow legends clockwise from top to bottom

OLD MUTUAL
INSURANCE • INVESTMENT • SAVINGS • BANKING

OMF Customers – attracting middle-lower income earners





My Money Plan

1 Plan	Consolidate existing debt (e.g. R40 000 upfront) Receive cash annually on structured dates (e.g. R8 000 each year) Receive cash monthly for last week's expenses (e.g. R500 each month)
Only 1	1 initiation fee 1 monthly administration fee 1 instalment
Rewards	Interest back reward monthly if instalment received
Protection	Death, Disability and 12 month retrenchment cover Limited exclusions
Savings	Multiple loans are a feature of the market – means multiple initiation fees (R1 140), monthly admin fees (R57) and bank debit order charges MMP could save a customer up to R12 000 over 60 months
Rationale	Debt consolidation only works if ongoing financing needs are provided for MMP helps customer to plan ahead and manage their finances more effectively Avoids need to borrow from micro-lenders (rates 5% per month) for short term needs

PRESENTATION TO INVESTORS

OLD MUTUAL'S SOUTH AFRICAN BUSINESSES

RAYMOND BERELOWITZ
EXECUTIVE GENERAL MANAGER
PRODUCT SOLUTIONS

OLD MUTUAL
INSURANCE • INVESTMENT • SAVINGS • 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, UK domestic 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.

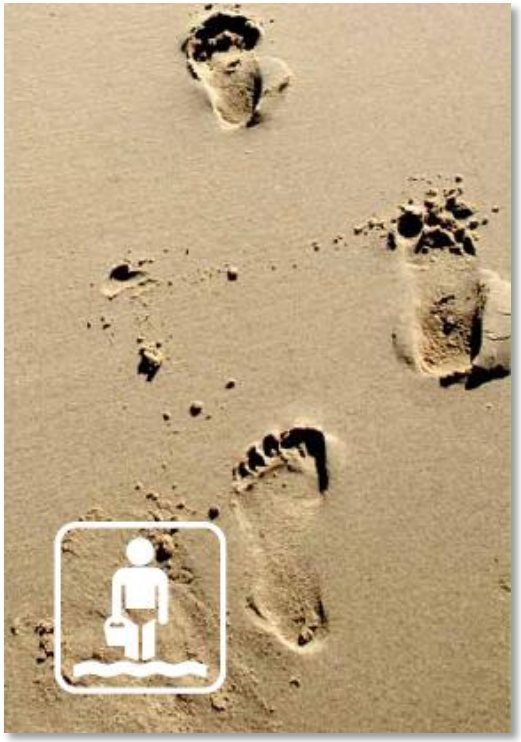
GREENLIGHT in South Africa

GREENLIGHT
Celebrate Life!

We take care of the big things in life.

At GREENLIGHT, we provide protection if anything negative happens ...

So you can celebrate all the positivity that comes your way.



OLD MUTUAL
INSURANCE • INVESTMENT • SAVINGS • BANKING

GREENLIGHT in South Africa

GREENLIGHT – your complete cover solution

5 building blocks for tailored protection:

Building Block 1
Life Cover

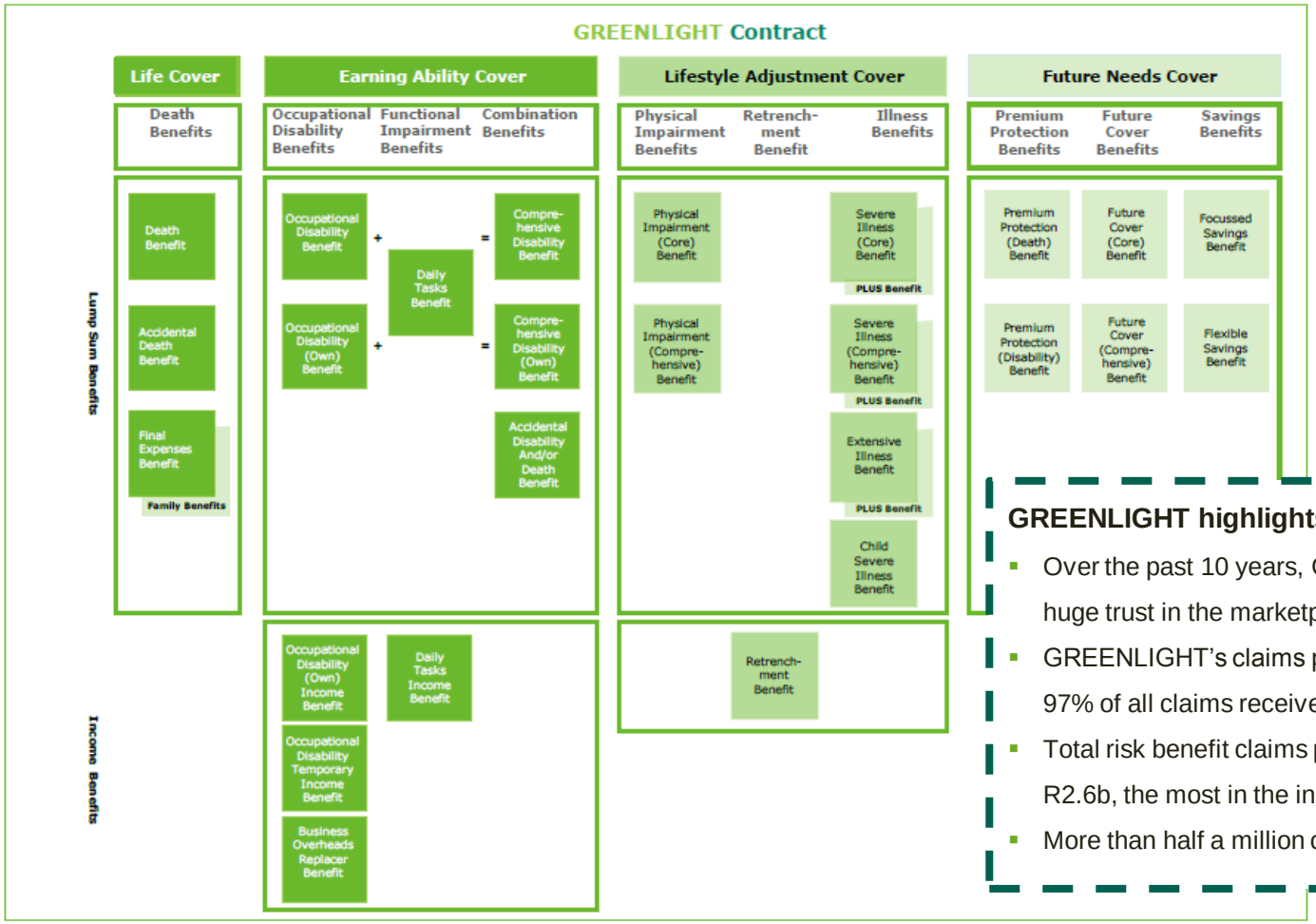
Building Block 2
Earning Ability
Cover

Building Block 3:
Lifestyle Adjustment
Cover

Building Block 4:
Future Needs
Cover

Building Block 5:
Business Cover

GREENLIGHT in South Africa



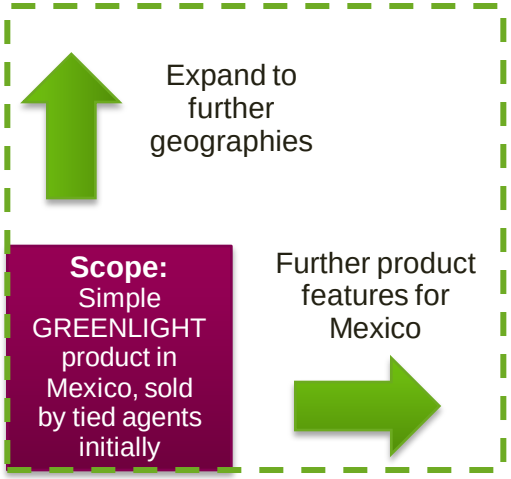
GREENLIGHT highlights:

- Over the past 10 years, GREENLIGHT has established huge trust in the marketplace;
- GREENLIGHT's claims payment regulation is very high. 97% of all claims received are paid out ;
- Total risk benefit claims paid by Old Mutual in 2010 – R2.6b, the most in the industry;
- More than half a million clients in-force at end of 2010.

OLD MUTUAL
INSURANCE • INVESTMENT • SAVINGS • BANKING

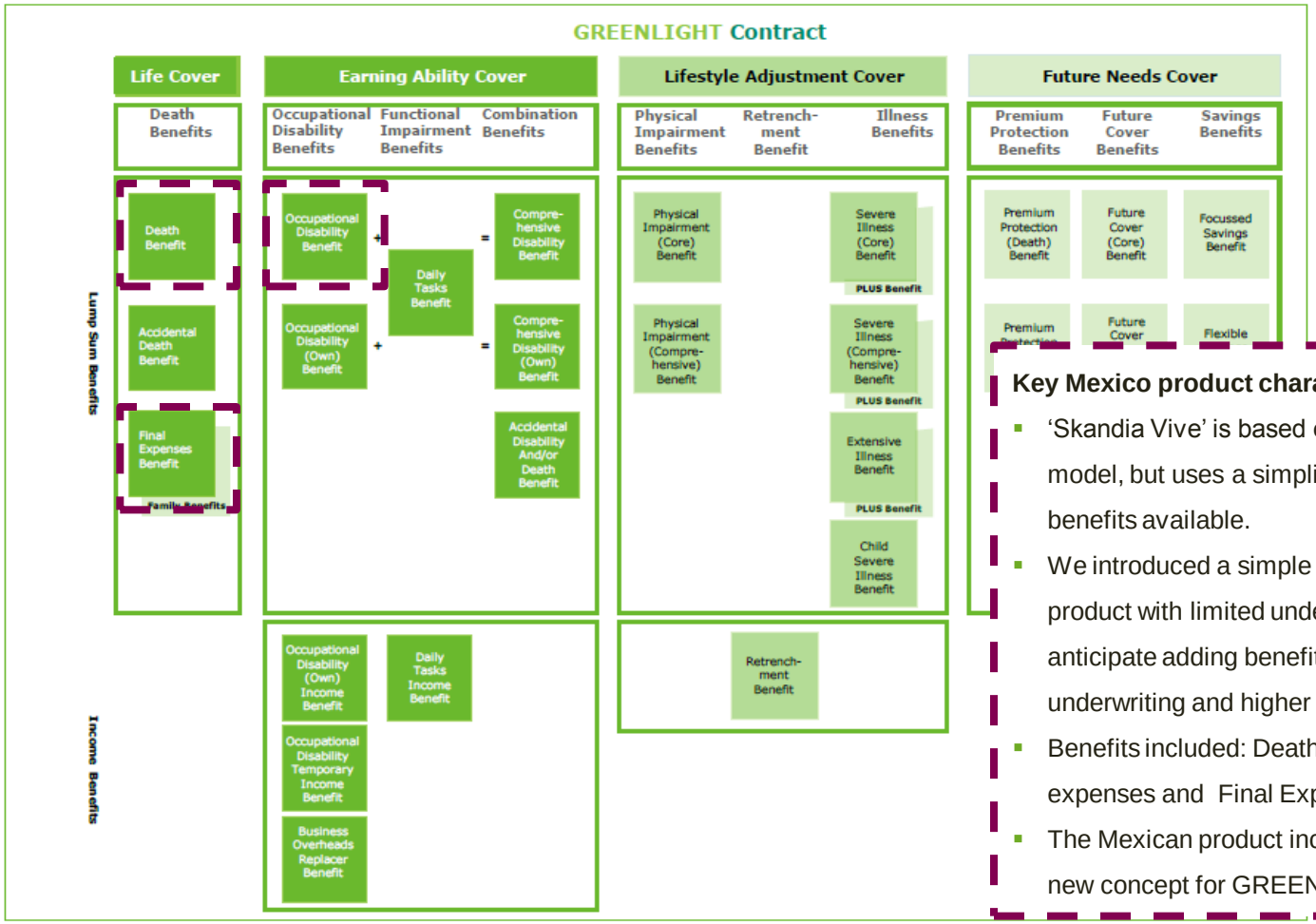
GREENLIGHT for Mexico – scope and strategic intent

- **Project scope**: Selling GREENLIGHT in Mexico, whilst using local Mexican market knowledge and distribution capability, with appropriate parts of the existing South African product, policy administration and IT capabilities
- Leveraging existing product and process capabilities is in line with the **Group wide strategy** to drive greater synergy across Old Mutual
- Project is part of the **LTS strategy** to provide appropriate products to different markets making use of strategic platforms. Opportunity to leverage significant OMSA knowledge and experience in product, servicing and IT, whilst using and expanding existing distribution footprints offshore
- Project has explored new ground in the Old Mutual Group as it required close interaction between **LTS**, **various business units in OMSA and other Emerging Markets**.



GREENLIGHT for Mexico

Skandia vive



Key Mexico product characteristics:

- ‘Skandia Vive’ is based on the successful GREENLIGHT model, but uses a simplified subset of the full suite of benefits available.
- We introduced a simple (and easy to sell) pure risk product with limited underwriting and over time we anticipate adding benefits, with more in-depth underwriting and higher cover amounts.
- Benefits included: Death, Occupational disability, Final expenses and Final Expenses (Family).
- The Mexican product included a cash value which is a new concept for GREENLIGHT.

Skandia Vive, aligned with Mexican customer needs

Skandia vive

- **Stand alone death:** In Mexico it's usually the father who has the main or only household income, and if he dies, families suddenly lose their income and have no money to pay for rent, school, food, etc. This benefit is ideal for Mexicans, it protects the quality of life for the family even if the main earner is no longer living.

- **Disability:** Everyone is exposed to suffering an accident. When a person suffers a disability and can no longer perform their occupation, they suffer a partial or total decrease in their income, which affects their standard of living. This benefit is ideal to protect people's income in case of disability.

- **Final expenses benefit:** When a loved one dies large expenses can often be incurred and families need the money quickly. This benefit provides an option which allows access to money quickly. There is also an option to add family members to this benefit.

Skandia Vive Death Benefit

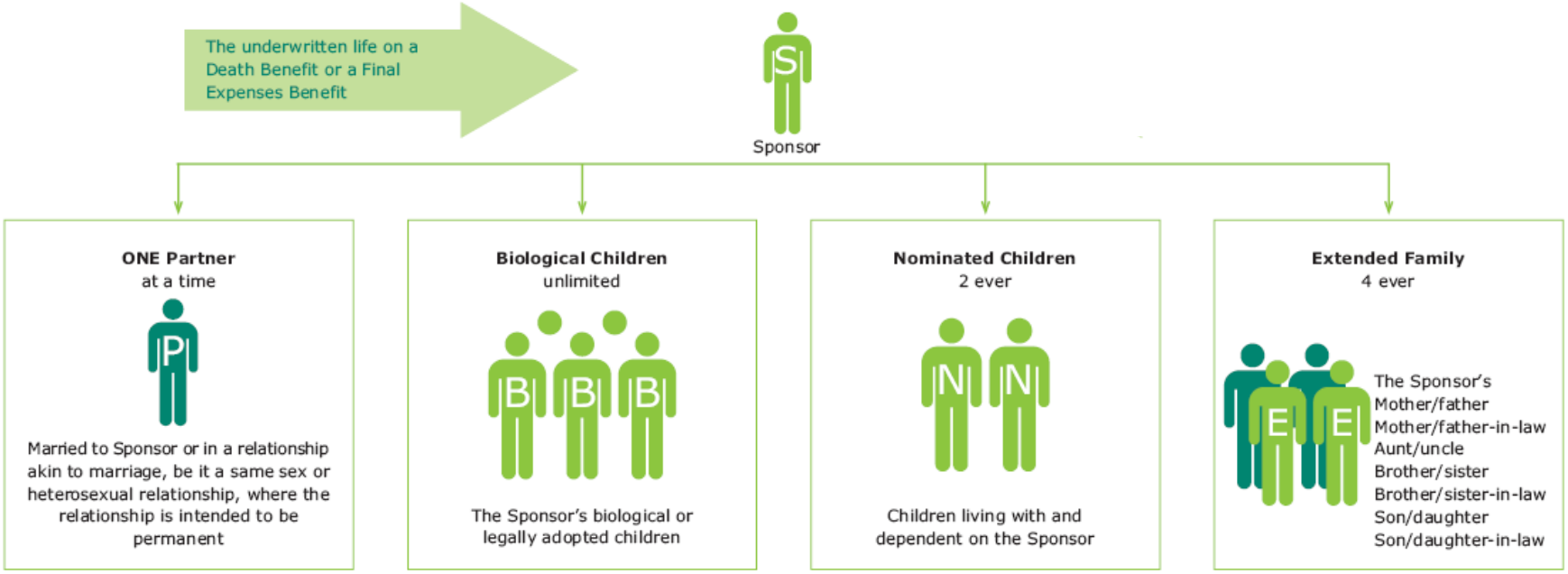
- A benefit is paid in the event of the death of the Life Covered.
- This payment may be used to make financial provision for dependants, to pay debt, and other needs when the Life Cover is no longer there.
- Benefit features:
  - Stand alone, whole life cover
  - Cover Increases:
    - Level
    - Mexican Inflation (up to 10%)
  - Includes a **terminal illness** benefit for when life covered is diagnosed with an illness from which they are not expected to live longer than 12 months. Can request a **100%** payout of their Death benefit.
  - Benefit limits
    - Minimum: $ 150 000 MXN ($ 12 100 USD)
    - Maximum: $ 2 000 000 MXN ($ 161 000 USD)
    - Home execs: $ 1 250 000 MXN ($ 100 000 USD)
    - Students : $ 750 000 MXN ($ 60 000 USD

Skandia Vive Final Expenses benefit

- A benefit is paid on the death of the Life Covered
- Cover can be used for final expenses such as clearing debts (for example credit card debts), relatives travelling to a funeral, the funeral itself and dependants' lifestyle expenses
- Skandia Vida aims to pay the benefit within 48 hours of its requirements having been met.
- The Life Covered of a Final Expenses Benefit can become a **Sponsor**, enabling the Life Covered's family to access the Final Expenses Family Benefits
- Benefit features:
  - Stand alone, whole life cover
  - Cover Increases:
    - Level
    - Mexican Inflation (up to 10%)
  - Level premiums
  - Benefit limits
    - Minimum: $ 75 000 MXN ($ 6 000 USD)
    - Maximum: $ 150 000 MXN ($ 12 000 USD)

Final Expenses Family Benefit

Skandia vive



Cover for Spouse, Biological and Nominated Children and Extended Family

Skandia Vive Occupational Disability benefit

- Provides cover when the Life Covered loses the ability to earn an income.
- The payment can be used to settle debt, pay for lifestyle adjustments and provide an income to the household.
- Protects Life Covered from becoming disabled such that he is **permanently** unable to carry out an occupation that he can reasonably be expected to follow.
- The reasonability of an occupation will be influenced by the Life Covered's education, training, experience and employment history.
- A 6-month waiting period applies to assess permanence.
- Benefit features:
  - Term cover, sold as an ancillary benefit to the Death Benefit.
  - Cover Increases:
    - Level
    - Mexican Inflation (up to 10%)
  - Benefit limits
    - Minimum : $ 75 000 MXN ($ 6 000 USD)
    - Maximum : $ 1 000 000 MXN ($ 80 000 USD)

Skandia Vive, compared to competing products

We offer similar benefits to our competitors but with certain advantages:

- **Price:** Leveraging economies of scale in the existing OMSA servicing & IT capability means run costs for the product are competitive, resulting in a lower price compared to competitors
- **Final expense:** *Skandia Vive* provides the ability to purchase a stand alone Final expense benefit, in a market where funeral benefits are typically a percentage of your death benefit. *Skandia Vive* allows limited underwriting for Final Expense family benefit.
- **Terminal illness:** The stand alone death benefit includes coverage for terminal illness, while the competitors charge an additional fee for this extra benefit.
- **Flexibility:** Leveraging a comprehensive product like GREENLIGHT means that further benefits can easily be added in time to satisfy needs of the Mexican market.
- **Competitive advantage**: Leveraging existing GREENLIGHT processing, which includes straight through new business processing and underwriting automation, results in an attractive experience to brokers in the marketplace.

Skandia Vive, Progress update & Marketing campaign

Skandia Vive sales are going well, we started selling to employees and their families on 18 July, with a great reception from the target market.

On 8 August the sales activity expanded to existing Skandia ColMex customers and the team are exceeding sales targets. Planned roll out to new clients at the end of August.

Principal objectives of marketing campaign are:

- Positioning the brand on the Mexican market: trusted financial advice and leading LTS provider.
- Leveraging our Aggressive Growth Strategic plan: More contracts and increased productivity levels.
- Generating demand and attracting new clients: Achieving higher levels of growth.

We have a digital strategy (microsite, viral strategy based on socializer team, emailing), below the line (lead generation by BTL events at investor houses, shows and fairs, “Club de la Mujer”) and mass media (radio and TV advertising).

Skandia Vive, Mexico marketing

skandia

Skandia vive

¡CELEBREMOS LA VIDA!
Siempre es bueno estar bien asegurado

¿QUÉ ES SKANDIA VIVE?
Un seguro de vida, que adicionalmente le ofrece diversos beneficios como protección por incapacidad ocupacional o la opción de asegurar a sus familiares, todo en un sólo contrato.

¿QUÉ ES LO QUE HACE A SKANDIA VIVE DIFERENTE?
1. Es un producto que lo protege toda la vida
2. Es un producto en el que paga lo mismo durante toda su vida
3. Es un producto flexible e integral
4. Es un producto con el que la familia y sus seres queridos pueden contar cuando usted no esté (siempre paga)
5. Es un producto personalizado que ofrece una solución de largo plazo

BENEFICIOS QUE BRINDA SKANDIA VIVE

1	2
Beneficio Básico por Fallecimiento + Beneficio Adicional por Incapacidad Ocupacional	Beneficio Básico de Gastos Adicionales por Fallecimiento + Beneficios Adicionales Familiares

El Financial Planner o Consejero Financiero de Skandia lo asesorará sobre la forma de implementar SKANDIA VIVE, identificando sus necesidades con un sencillo proceso de suscripción

¡MANOS A LA OBRA!

*Datos del Financial Planner al calce de esta información.

Skandia, más oportunidades para crecer.

A Member of the OLD MUTUAL Group

Skandia Vive,
TV advertising campaign

NUESTRA FILOSOFIA: ¡CELEBREMOS LA VIDA

(Our philosophy: Celebrate life)

Skandia Vive business case

- Appeal of the Mexican market:
  - Underpenetrated in terms of life insurance. According to AMIS (Mexican Association of Insurance Services), insurance services have until now experienced low market penetration in Mexico, representing only 1.9% of total GDP, in comparison with UK (12%), USA (9%) and Chile (4%);
  - Second largest insurance market in Latin America after Brazil;
  - Population of more than 111 million;
  - We have a tied agent force of 350 in Mexico, 30,000 retail clients and 200,000 corporate individual accounts.
- Leveraging the scale of the SA servicing and IT capability means that fixed costs related to resource and infrastructure to administer the Mexican business could be limited;
- Cost per policy for the Mexico product is significantly less than that of GREENLIGHT SA. This is due the simplicity of the initial product being rolled out (limited underwriting, few existing business changes and no medical testing);
- To achieve target ROI in the 20-25% range, sales targets have been set at achieving about 0.3% of target market in number of policies in the next 5 years (0.15% of target market in premium income);

Skandia Vive project challenges/ learnings

- Delivery and support with time zone differences between Mexico and South Africa;
- Language – the translation of sales tools and customer correspondence into Spanish, ability for underwriters and claims assessors to understand technical medical terms and conditions in Spanish;
- Culture – structured approach followed by OMSA vs. more entrepreneurial approach followed in Skandia Mexico;
- Setting up and delivering a project across geographies, time zones and including a number of Old Mutual businesses. Clarification of engagement models;
- Leveraged lessons learnt from other projects e.g. understanding of tax regulations;
- Ability to control product centrally from South Africa, ensuring synergies and pricing consistency;
- SA GREENLIGHT to leverage added benefits for new geographies (e.g. cash values);
- Strategic internationalization of IT platform.

LTS GREENLIGHT

Framework for future engagement for product exportation from OMSA to other business units in Old Mutual plc;

- Based on the learnings from 'GREENLIGHT for Mexico' and other projects an engagement model has been compiled to simplify the process of delivering product to different Old Mutual business units;
- Initial thinking focused on rolling out GREENLIGHT to other geographies in the Old Mutual Group. Similar principles can be applied to taking different products to business units in the Group;
- In addition to engagement at the programme level, the model addresses engagement within relevant functional areas, including Product Solutions, Customer Service, IT, Accounting, Finance, Legal and Tax.

Q&A

OLD MUTUAL

INSURANCE • INVESTMENT • SAVINGS • BANKING

PRESENTATION TO INVESTORS

OLD MUTUAL'S SOUTH AFRICAN BUSINESSES

JAMES HOWARD
PORTFOLIO MANAGER
FUTUREGROWTH ASSET MANAGEMENT

Futuregrowth
ASSET MANAGEMENT

OLD MUTUAL
INSURANCE • INVESTMENT • SAVINGS • BANKING

Disclaimer

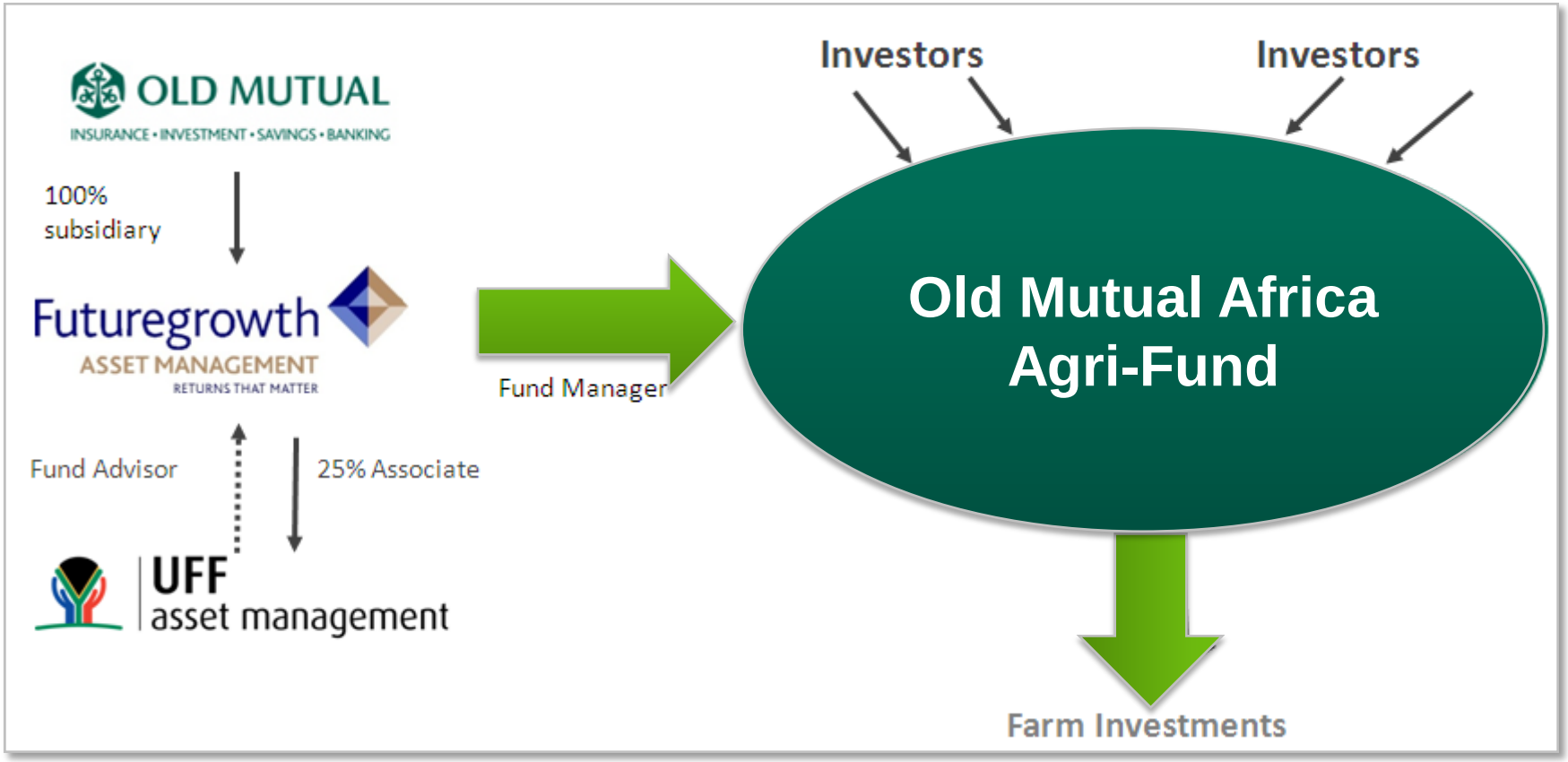
This presentation may contain certain forward-looking statements with respect to certain of Old Mutual plc's plans and its current goals and expectations relating to its future financial condition, performance and results. By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances which are beyond Old Mutual plc's control including amongst other things, UK domestic 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.

African Agri Fund
Investing in agriculture within Africa

Futuregrowth
ASSET MANAGEMENT

OLD MUTUAL
INSURANCE • INVESTMENT • SAVINGS • BANKING

Introduction: Corporate structure



Introduction: Corporate structure

Futuregrowth ASSET MANAGEMENT

- Large, skilled and stable investment team
- 16 year track record of outperformance in all SRI products
- R103 billion under management, R9.1 billion in SRI
- Leader in development investments for institutional investors
- Dedicated SRI asset management boutique within the OMIGSA

UFF asset management

- A specialised agricultural asset management company
- Established in 2006
- Joint MD's have a combined 22 years experience in agriculture in Africa
- UFF is the exclusive specialist agricultural asset manager within the Old Mutual Group in Africa group

What we do – 4 key concepts

- Focus on Socially Responsible and Fixed Income investments: range of products
- Agriculture investment: land ownership and rural development
- Long term investment providing suitable risk adjusted returns
- Social and Developmental impact

What we do : Africa Agri Fund

Target fund size	USD 500 million, first close December 2011
Investment focus	Equity investment in farmland and related agricultural infrastructure
Social impact	Land development & conservation, employment, community ownership, education, health care, housing, food security & environmental reform
Hurdle rate and Target return	12% in USD as hurdle, target return of 10-15% in USD (real, above USD CPI)
Approval process	Investment committee & advisory board
Structure	Mauritian protected cell company
Management fee	175 bps excl VAT
Commitment period	3 years
Fund term	10 to 12 years
Deal size	USD 15 million
Fund Manager	Futuregrowth Asset Management (Mauritius) Ltd. a boutique of the Old Mutual Investment Group
Fund Advisor	UFF Management (Mauritius) Ltd. an affiliate company of Futuregrowth Asset Management and Old Mutual Investment Group

What we do – Fund model

Fund purchases prime agricultural land

Fund installs Operator

Operator leases land, pays Fund a lease fee

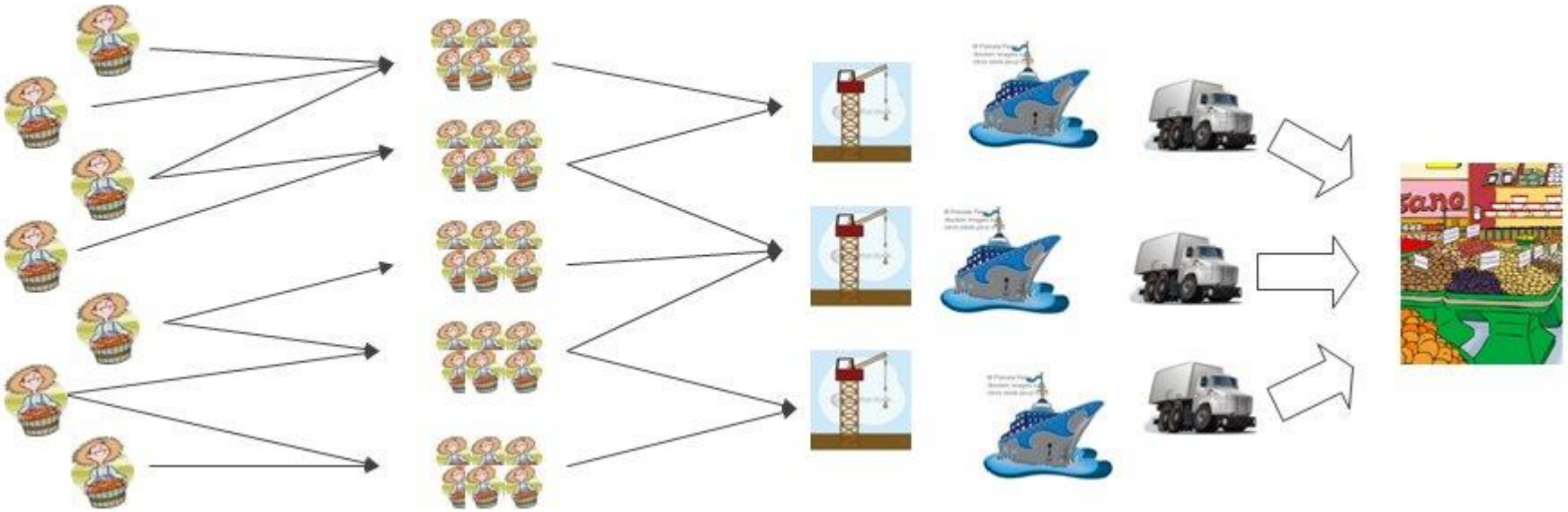
Fund develops additional and/or existing land

Appropriate exit

Monitors operations and social interventions

Conventional Business Model

Farmer	→	Product
Cooperation	→	Collection (cost centre)
Exporter	→	Chain control (profit centre)
Importer	→	Distribution (profit centre)



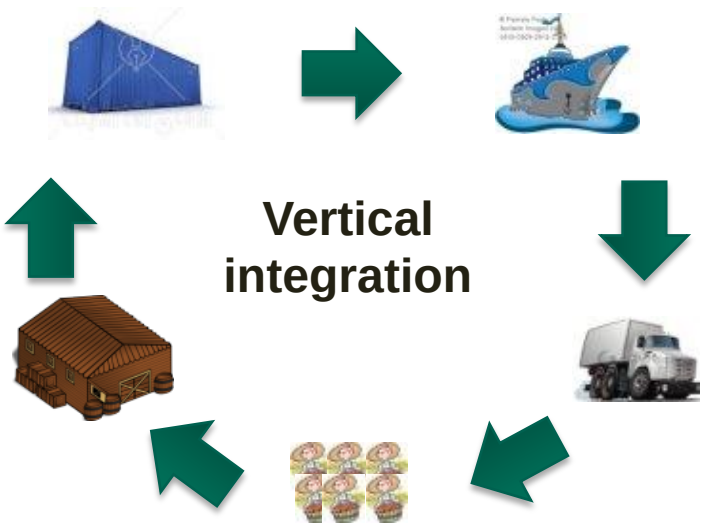
Futuregrowth ASSET MANAGEMENT

OLD MUTUAL
INSURANCE • INVESTMENT • SAVINGS • BANKING

The new profit model

Operator (Farmer/Exporter) → **Product & distribution (profit centre)**

Operator



Market

Operator example: Total Produce

* For Foreign sales only

Present in key global production regions and vertically integrated with 88 facilities in 19 countries including Capespan plc which is operating in South Africa through Capespan Pty Ltd.

One of the largest European importer and distributor of fresh fruits, vegetables and flowers. With an average turnover of EUR 2.1bn and 250 million cartons of fresh produces sold to retailers, wholesalers and food service professionals throughout the Eurozone, Scandinavia, UK .

Operator example: Total Produce

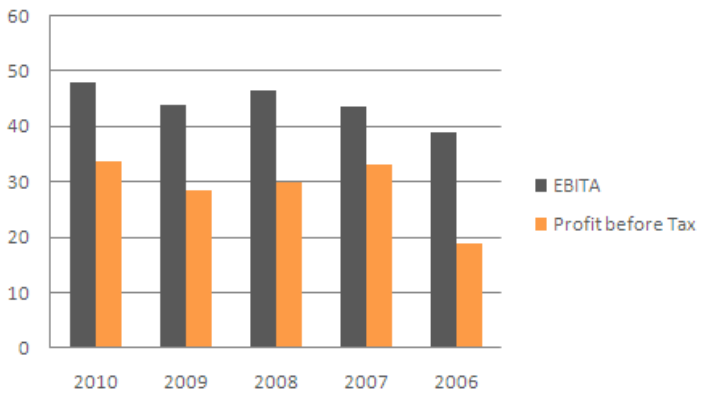
Profitability& efficiency ratio	2010	2009	2008	2007	2006
EBITA Margin	2%	2%	2.1%	2.0%	2.5%
PBT Margin	1.4%	1.3%	1.3%	1.5%	1.2%
Asset turnover	3.1	3.2	3.2	3.0	2.6
Pre Tax ROA	5.6%	4.7%	5.5%	5.3%	6.2%
ROE	10.3%	8%	9.8%	10.5%	11%

Solvency & Liquidity ratio	2010	2009	2008	2007	2006
Gearing	62%	58%	66%	69%	39%
Interest Cover	11.4	10.0	7.2	8.2	12.3
Current Ratio	1.2	1.3	1.1	1.1	1.1

High-volume / low margin business model

- 5-year average revenue : EUR 2.1bn
- 5-year revenue CAGR : 8%
- Strong EBITA (5-year average of EUR 44m)
- Strong asset management (asset turnover>2)
- Stable return (asset yield > 5%) and above average ROE
- Relatively high but stable gearing and strong interest cover ratio.
- Relatively low but stable current ratio

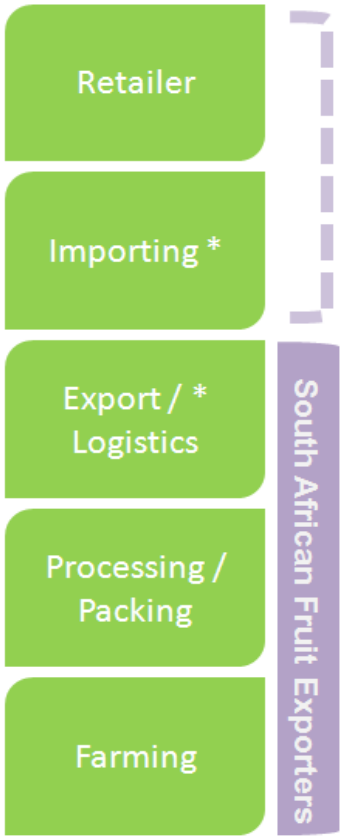
Historical operating performance (m€)



Futuregrowth ASSET MANAGEMENT

OLD MUTUAL
INSURANCE • INVESTMENT • SAVINGS • BANKING

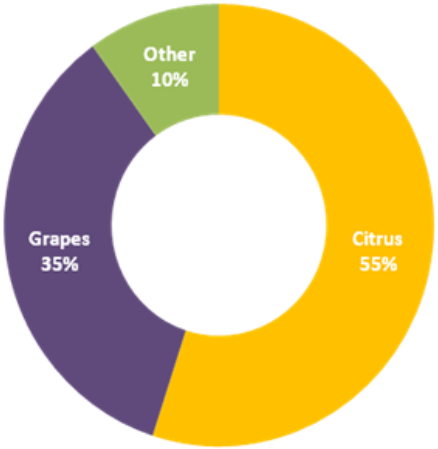
Operator example: SAFE



* For Foreign sales only

Since its foundation in 1997, SAFE has become one of the largest fruit exporters in Southern Africa. The company headquartered in Mauritius currently owns and operates 21 farms throughout South Africa and Zimbabwe

With its worldwide customer network and its vertically-integrated supply chain infrastructure, SAFE has a prominent role in the South African and Zimbabwean fresh fruit industry.

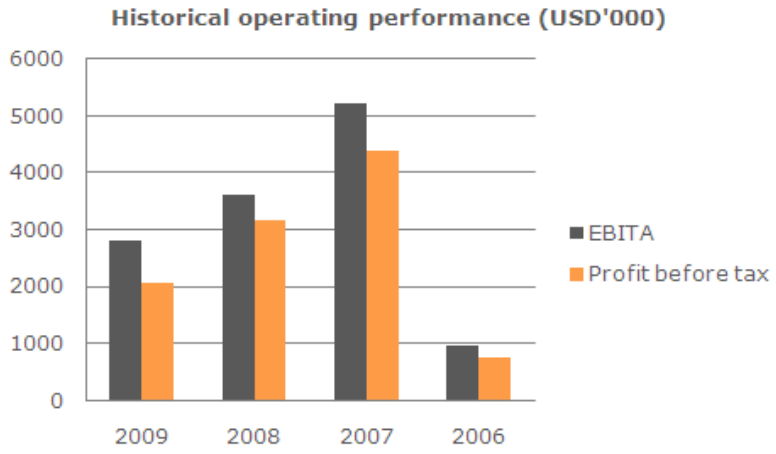


Operator example: SAFE

Profitability& efficiency ratio	2009	2008	2007	2006
EBITA Margin	7%	8%	8%	2%
PBT Margin	5%	7%	7%	1%
Asset turnover	1.4	2.0	2.8	2.2
Pre Tax ROA	6.6%	13.8%	19.3%	3.2%
ROE	10.3%	18.8%	32.4%	8%

Solvency & Liquidity ratio	2009	2008	2007	2006
Gearing	43%	39%	41%	61%
Interest Cover	3.8	8.3	6.4	4.8
Current Ratio	2.4	2.5	1.6	na

- **Specialized vertically integrated fruit exporter**
- 4-year average revenue : USD 51m
- 4-year PBT CAGR : 28%
- Stable operating margin with an average EBITA of $3.2m and average PBT of $2.6m
- Stable operating efficiency yielding above average return on asset (asset yield > 5%) and ROE
- Moderate leverage (<50%) combined with high interest coverage
- Strong level of liquidity with high current ratio



What we do : Africa Agri Fund

South Africa Marble Hall farms - Limpopo

- Initially transaction - USD 13 million
- Three separate farms combined into a single unit
  - 318 ha of citrus
  - 251 ha of grazing land
  - 362 ha of irrigation fields (total 931 ha)
- 119 ha of citrus expansion (ex grazing land)
- Exported cartons of citrus to increase from 200 000 in 2011 to 700 000 in 2014
- Operator is a joint venture between SAFE and the previous owner
  - both have a strong track record in marketing & logistics and farm management respectively

Our customers

- International and local:
  - Development finance institutions
  - Retirement funds
  - Institutional investors

High level priorities

- Profitable and sustainable farming model
- Attractive model for operators
- Very attractive non-correlated return to investors
- Relatively low risk for investors
- Sustainable social impact
- Fund provides solution for investors to gain access to a limited asset class
- Internationally accepted and growing asset class

Drivers of performance

- Farmland is becoming increasingly scarce, and its value is rising rapidly
- Farmland has increased in value in-line with internationally observed long-term capital gain of 2%-4% over inflation (long term time series - 30-70 years - tested in Brazil, Australia, UK, Netherlands, US, UK, Canada)
- Farmland has been developed since 2003 as an asset class by leading international public and private sector pension funds (eg APG and PGGM in the Netherlands, TIAA-CREF in US, various private sector pension funds in the Netherlands, UK and the US etc)
- Investment in farmland only, through an equity holding
- No production risk (Operator guarantees fixed lease fee, no exposure to volume/yield, market volatility, perils etc)
- Strict guidelines for financial strength of operators (only large scale, multi farm operators; 10 years track-record; turnover > R200m; solid cash flow track-record creating security of lease yield for Fund)
- Healthy running yield of 8% lease yield, indexed annually with CPI

Drivers of performance

Lease income,

Appreciation of land,

Development of land,

And

Efficiency will create more value.

Key features as shown in the Public disclosures

- Total return projection of > CPI+10%
- Predictable return profile
- Farmland historically outperforms other asset classes on a risk-return basis
- Low correlation with other asset classes (equity, debt, real estate, private equity)
- High correlation with inflation
- Farmland is highly correlated with food prices which make up a significant part of retirement fund members' consumption basket. Between 2000 and 2008 the contribution of food-products to headline inflation, rose to approximately 1,4 times its weight in the consumption basket
- Farmland investments can be considered a relatively low-risk investment as compared to both equity and private equity due to its nature as "real asset".

Q&A Session

Thank you

PRESENTATION TO INVESTORS

OLD MUTUAL'S SOUTH AFRICAN BUSINESSES

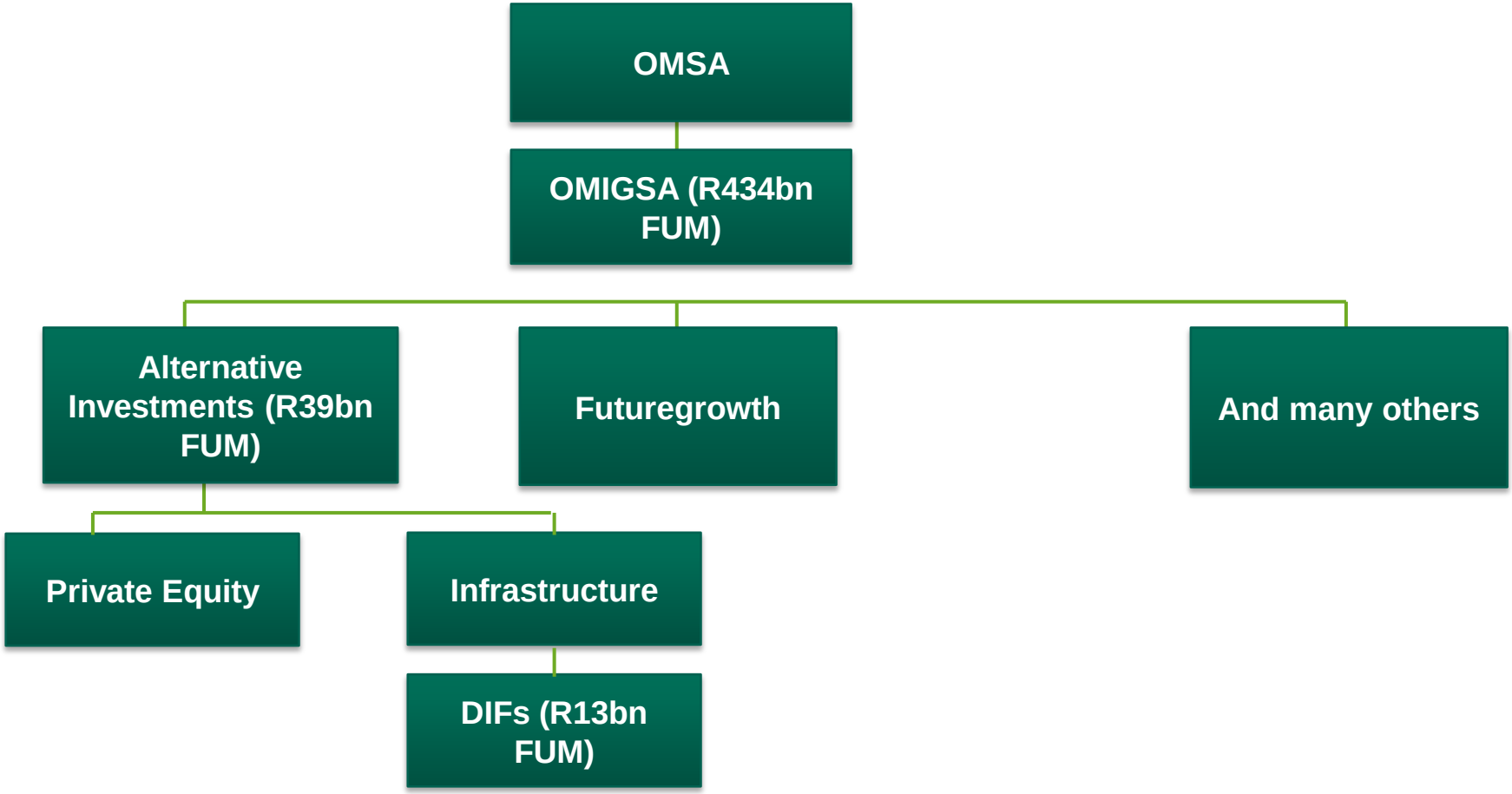
CHRISTINE GLOVER
OMIGSA: DEVELOPMENT IMPACT FUND

OLD MUTUAL
INSURANCE • INVESTMENT • SAVINGS • 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, UK domestic 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.

Context


OMSA
OMIGSA (R434bn FUM)
Alternative Investments (R39bn FUM)
Futuregrowth
And many others
Private Equity
Infrastructure
DIFs (R13bn FUM)

What we do – 4 key concepts

- Housing or Education Impact
- Scale Impact
- Catalytic impact in market
- Improving access to housing and education for lower income sectors

What we do – DIF team

First deal	**Closed August 2007**
Investor commitments	R13 billion to date (+R1bn under review) USD1.8 billion
Committed to projects	R10 billion
Invested as at June 2011	R7.2 billion
Number of deals	25
Number of projects	48
Current funds under management	• Financial Sector Charter Fund • Housing Impact Fund for South Africa (HIFSA) • School Fund for South Africa
Proposed new funds	• Africa Housing Fund
First staff member	November 2006
Current direct staff: • 2011 • 2012	19 people (17 professionals) + 7

OLD MUTUAL
INSURANCE • INVESTMENT • SAVINGS • BANKING

What we do – HIFSA Fund Facts

Investment focus

- Housing – cradle to grave.
- Finance for end users to purchase land

Fund size

- R9.25bn

Present Investors

- OMLACSA, DBSA, PIC, ESKOM PF

Fund life

- Close-ended

Fund term

- 15 years

Availability period

- 5 years

How will the Fund implement?

- Partnerships with counterparties
- Large scale investments

Outcomes

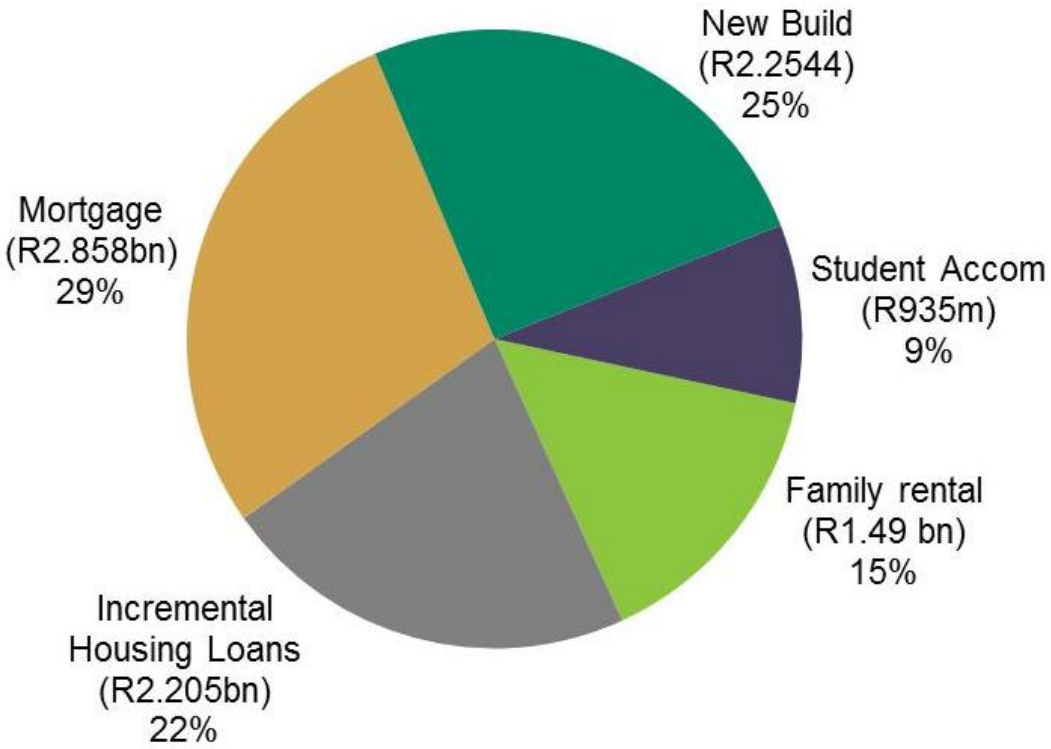
- Return on investment
- Housing Impacts

What we do – HIFSA

Housing impact	Scale impact	Monthly Income levels reached	Catalytic impact
			Greenfields/Brownfields impact : • Leverage existing skills to scale • Take risk with patient capital • Fund holistically to facilitate smoother project implementation • Facilitate other market players required to create effective market End-user finance impact: • Stimulate market • Develop capacities in required market players in all spheres of housing
Greenfields (new housing)	• >1,000 units • Ave 13,000 units per deal	R9,000 to R15,000 USD1,160 to 1,935	
Brownfields (rental apartments)	• >1,000 units • Ave 3,000 units per deal	R5,000 to R9,000 USD645 to 1,160	
End user finance • Mortgage type • Incremental loans • Pension fund linked	• > 500 loans • Ave >10,000 per deal	R2,500 to R15,000 USD323 to 1,935	

What we do – DIF housing

Committed Value as at June 2011
R10.032bn



What we do – Schools

EDUCATION AND SCHOOLS INVESTMENT FUND – CONCEPT

Infrastructure Provisioning and Quality Education

Whole School & In-Community Development	School specific interventions to improve quality of results	Principal and Teacher Training		Quality Education
Upgrade/Expand Existing Schools	New School Development	Hostel Development	Ancillary	Infrastructure Development
Facility Management of Schools				Maintenance

PRODUCT COMPONENTS

Independent				Independent
Early Childhood Development	Primary	Secondary	Technical and Vocational Schools	Education Levels
Lower-Income Communities/Learners				Target Group
Rural	Peri-Urban	Inner-City	Township	Location

TARGET MIX

What we do – School Fund Facts

Investment focus

- Infrastructure development - upgrade; build schools/colleges; maintenance
- Quality education improvement and support improvement and support

Fund size

- R1.2bn (with possible additional R1bn)

Present Investors

- PIC and OMLACSA
- Fund life
- Close-ended

Fund term

- 17 years

Availability period

- 5 years

How will the Funds implement?

- Partnerships with counterparties
- Large scale investments

Outcomes

- Return on investment
- Improved quality education for households earning less than R15,000/m

What we do – low-fee paying independent schools?

Low fee independent schools are:

- Registered with Department of Education
- Governed by the SA Schools Act
- Adhere to the National Curriculum
- Privately managed and operated schools – cost of operations paid through school fees, teachers employed by operator

Project Focus

- Acquire existing leased school buildings, upgrade and build additional classrooms in existing schools & build new schools

Opportunity

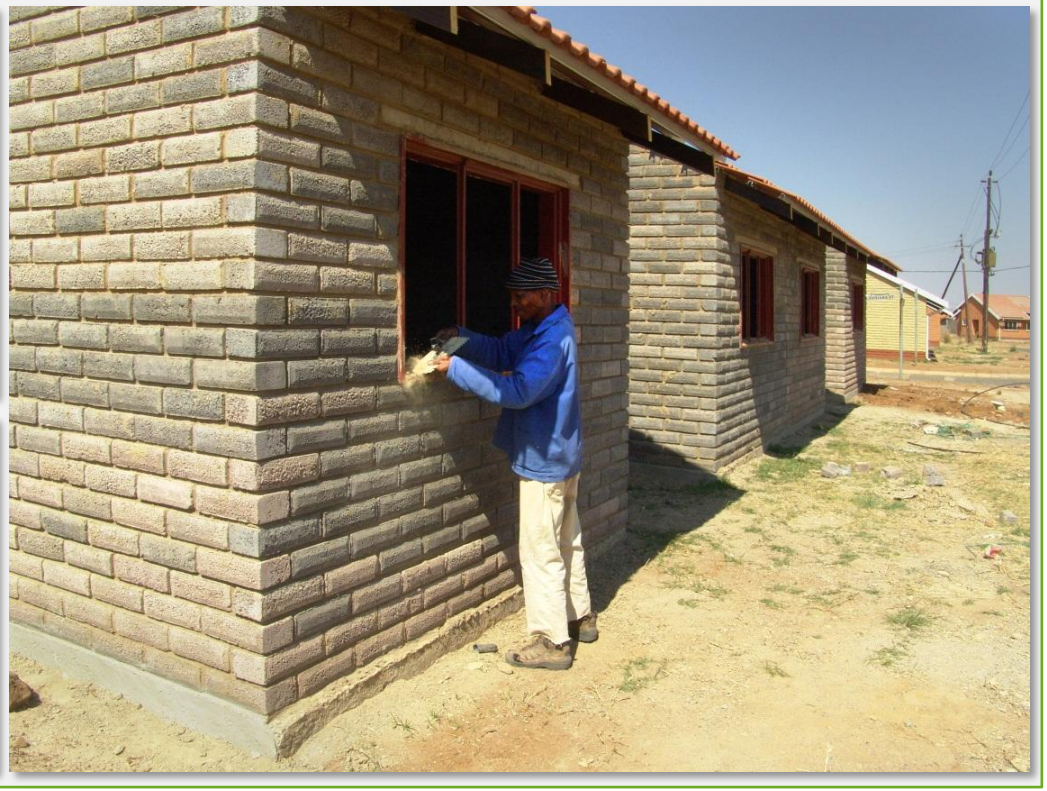
- Partnership with school operators who run a number of schools to extend quality education opportunity to low-income learners

Our customers

- Households that fall into the income brackets as defined by the Financial Sector Charter currently a household income less than R15,750pm
- In rest of Africa maximum target income group could be half the South African limit
- Focus on integrated income developments so 40% of each investment in value may be focussed on higher income groups

Results

Results



Results

HOLA
STUDENTS
NEED ACCOMMODAT
WHILE
YOU STUD
MYELELO

IN DA HOUSE !
7

High level priorities – catalytic action

- Current priorities other than financial returns:
  - Time to secure regulatory approvals can add >20% to cost of house
  - Banks are granting limited mortgages, fund to form partnerships to deliver housing through alternate mechanisms particularly rent-to-buy
  - Education market very thin i.e. few financially viable chains that focus on low end of market, consequent institution building
  - Testing the applicability of the key housing mechanisms learnt in HIFSA outside of SA

Key features as shown in the Public disclosures

- All DIF's are:
  - Long term (12 to 15 years)
  - Illiquid
  - The Fund takes between 25% to 50% of project equity
  - 90% debt – 10% project equity
  - Book build: 5 years allowed
  - Primarily property focussed
  - Management fees range between 50bps and 200bps dependant on fund
  - All structured as off balance sheet deals (don't take general business risk of manager, focus on project)

OMIGSA alternative investments team structure

Alternative Investments
PAUL BOYNTON

Private Equity

Mark Gevers

11 people

Infrastructure & Development Funds

Jurie Swart

Infrastructure

7 people

Development Impact Funds

19 people

Central Support

Karen du Toit

6 people

Africa / Intern Private Equity

James Regout

2 people

Capital Raising

Rojie Kisten

1 person

The DIF Team

Christine Glover
Head of DIF

Sarah Webb
Senior Asset Mgr

Leon Dykman
Snr Executive

Ian Mason
Snr Asset Mgr

LalaSteyn
Snr Asset Mgr

Ilse Zager
Asset Mgr

Collene Goldschmidt
Fund Financial Mgr

Willem vd Merwe
Asset Mgr

Nicolette Joubert
Deal Implementation Specialist

Kathiem Najjaar
Asset Mgr

Sariana Landman
Deal Implementation Specialist

Junaid Moosa
Asset Mgr

Greg Coe
Asset Mgr

Lukholo Mlisana
Asset Mgr

Mnombo Kondile
Asset Mgr

Palesa Kekana
Asset Mgr

Yaseen Mohamed
Financial Asst Mgr

OLD MUTUAL
INSURANCE • INVESTMENT • SAVINGS • BANKING

Short Team CV's
DIF Exco Team

Christine Glover

Head: Development Impact Funds (DIF)

QUALIFICATIONS:

BA Hon; MCRP (Masters in City and Regional Planning)

Christine joined OMIGSA in July 2006 as a consultant assisting OMIGSA in identifying appropriate Financial Sector Charter Assets. Christine joined OMIGSA in a permanent role in October 2007.

As a member of the Alternative Assets Boutique, she is responsible for originating and managing the funds which fall into the basket of Development Impact Funds. Christine brings with her an understanding of low-income housing and micro-finance. She believes strongly in the ability to obtain both a social impact and a commercial return.

Before joining OMIGSA, Christine was a consultant for five years, and previously the Managing Director of CashBank and its predecessor The Group Credit Company (TGCC) for 13 years.
Before joining TGCC Christine was involved primarily in squatter upgrading strategies with the Urban Foundation for around five years, prior to that, she ran a manufacturing business for 10 years.

Christine has an invaluable 24 years of work experience in low-income housing and an additional 10 years experience in managing a small business.

Short team CV's DIF Exco team

Leon Dykmant:
Development Impact Funds (DIF)

QUALIFICATIONS:
BAcc (Stel) BCompt Hons (UNISA) SAIPA

Leon joined the Development Impact Funds Team from Old Mutual Investment Group South Africa (OMIGSA)'s Central Credit Team, where he was a senior credit analyst. His current responsibilities include investigating and concluding new transactions, managing existing assets, and assuming overall responsibility for administration and governance functions within the team.

Leon's diverse background enables him to bring his credit and financial management skills to the fore.

Prior to joining OMIGSA, he was a credit analyst at CA-Ratings and Moody's for seven years.

In addition, Leon has fifteen years of work experience as financial manager and financial director in medium-size private companies.

Sarah Webbo Manager:
Development Impact Funds (DIF)

QUALIFICATIONS:
BSc (Hons) Valuation and Estate Management, H Dip Tax, MRICS, Registered Valuer, CAIB (SA)

Prior to joining Old Mutual Investment Group South Africa (OMIGSA), Sarah was a director of property finance at Standard Bank, and resigned in March 2007 after 21 years. During that time, she was involved with property valuation, property management, property asset management and structured finance on a national basis.

Within the Development Impact Funds team, Sarah is responsible for origination, implementation, operational and investment performance of property related investments.

Sarah is now focusing on affordable housing, but her roots in commercial property have proven to be invaluable. She also has proven experience in a diverse range of property and finance disciplines.

Sarah's previous work experience was with The Prudential Assurance Company working in the property investment department.

Q&A session

Thank you

OLD MUTUAL

INSURANCE • INVESTMENT • SAVINGS • BANKING