



*A creditable
performance in
difficult markets*

Interim Results for the six months ended 30 June 2009

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Introduction

“When economic conditions improve, which they will, we are strongly positioned to take advantage of it.”

This has been a hard first half for almost all of our businesses but we should take a lot of comfort from what we have achieved. It will come as no surprise that the Old Mutual Group level results for the first half of 2009 were down on the first half of 2008. As the recession continues in many of the countries in which we operate, and starts in South Africa, many of our customers have less money to spend on our products and services. Although there are early signs of investor confidence improving, customers are still nervous about investing their savings in equity-based products.



Depending on your perspective, all this could sound quite negative, but it hides the work that is being done to improve things now so that when economic conditions improve, which they will, we are strongly positioned to take advantage of it. Looking at our overall results and achievements, I believe that we have delivered a commendable performance under the circumstances.

Against this backdrop, my focus over the last 11 months has been on appointing the right people to lead our Group and to focus on fixing the basics so that we can start the transformation of the Old Mutual Group. Over the next pages, I would like to give you a quick update on what we have achieved by touching on the Old Mutual Group financial headlines and how we are progressing against our Big Five priorities. I will then introduce the new Chairman of the Old Mutual Group and will conclude with a brief outlook on our focus going forward.

For the full set of results, press release and the webcast, please go to www.oldmutual.com



Julian Roberts, Group Chief Executive

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Find out why Tom Boardman thinks a setback or two isn't bad, why Willie 'Coyote' Zwane is our best road runner, why b'daydas are served with bangers in Boston, and why a tonne of rice is worth its weight in gold.

With features on the big business of bancassurance, the common language of football, and the lowdown on who we most admire, intouch is for you, wherever you are. And if where you are is loud, there's a competition to win a pair of noise cancelling headphones.



What have we achieved as a Group? Group financial headlines

Capital position

I am pleased that we have improved our FGD (Capital) position for the Group – we now have surplus of over £1.0 billion. This is sufficient to cover the overall risks that the Group faces. Our individual businesses remain well capitalised. I would particularly like to mention Old Mutual South Africa where the statutory capital cover has improved and was 3.9 times the required amount as at 30 June 2009.

Operating profit

At a Group level, we have delivered £538 million of operating profit for the first half of this year, which is down 30% due to reduced new business sales, lower earnings on Group capital, increased levels of credit impairment in Nedbank, and lower asset management profits in the South African and US asset management businesses. I believe that this is still a good result under the circumstances.

Net Client Cash Flows (NCCF)

We have maintained positive NCCF of £0.2 billion, which is an excellent indicator of positive consumer sentiment and the future health of the Group.

Adjusted Group MCEV per share*

Due to the largely improved environment in the US and the actions we have taken, our adjusted Group MCEV per share for H1 2009 increased to 143.8p from 117.6p at the 2008 year end.

*Adjusted MCEV per share is the valuation metric that analysts use to value life insurance companies.

“ We have improved our FGD (Capital) position for the Group so that we now have surplus of over £1.0 billion. ”



What have we achieved as a Group? Business unit results headlines

Long Term Savings (LTS)

Old Mutual South Africa

Market conditions and recession-related job losses have resulted in lower levels of both single and regular premium business

Long-term adjusted operating profit was flat at R1.8 billion

Retail Mass had a very good half with total life sales up 11%

Europe

Positive NCCF despite lower overall sales

Strong performance in Nordic: life sales up 23% on an APE basis

Good client inflows in the UK with a market share of more than 40% of the platform business but at the expense of margins whilst the business builds scale

US Life

Shrunk the product range, cut unprofitable distribution and reduced the expense run-rate by nearly 50% compared with the prior year

Sales ahead of revised targets but within allocated capital limits

Nedbank

Capital position strengthened with improvements in both Tier 1 and total capital adequacy ratios to 10.0% and 13.2% respectively

Operating profits are down due to worsening of impairments and credit loss ratios

USAM

NCCF of \$0.6 billion: driven in particular by strong flows at Heitman, Barrow Hanley and Rogge boutiques

FUM ended the period at \$247.1 billion, a 3% increase from 31 December 2008

Mutual & Federal

Performance impacted by a number of high profile claims and weaker underwriting performance

Solvency ratio improved to 46% as at 30 June

What have we achieved as a Group? Big Five priorities

In March this year we launched our Big Five priorities, which are designed to create a common agenda for us to work from as we begin the transformation of our Group. Through the implementation of the Big Five priorities we are creating a more simplified and cohesive Group, which will in turn make the most of our strengths and diversity, and the talent of our people. Behind the Big Five priorities we have a set of projects called SIPOR (Strategic Implementation Portfolio) which is the combined name of all the programmes that will drive the implementation of the Big Five initiatives.

Here is a quick checklist of our progress to date:



What have we achieved as a Group? Big Five priorities (continued)



View a key message video from LTS Chief Executive Paul Hanratty and read more about the LTS organisational structure



This is good progress, especially considering that many of you are working on other business unit specific initiatives, which are also taking up a lot of your time and effort. Thank you for your dedication and hard work.

What have we achieved as a Group? Big Five priorities (continued)

Putting customers and people first

When businesses like ours are working through big change it is essential to put our customers and people at the centre of everything that we do. We should always ask ourselves how what we do will impact on our customers. It is a simple, but very effective question to ask yourself when you go about your job and you will be surprised by how it will change your perspective.

From a people perspective, the implementation of many of our priorities will mean that we need to change our behaviour and how we work together. A set of shared values is now more important than ever, and our values – accountability, respect, integrity and pushing beyond boundaries – are a perfect compass to guide us through the coming months. I am expecting our senior leaders to clearly set the direction of their business units, ensure that people understand what they are accountable for, and allow people to contribute to the best of their ability.

Old Mutual Group Engagement Survey

This is without doubt the most challenging time we have faced as a Group. There is a wealth of research to suggest that companies where employees feel engaged and committed are more likely to remain competitive in tough market conditions. Your opinion helps us build a clearer picture of our progress, and there's no one better placed to say what's working and what needs improving than you. Each year, we measure your views and opinions of working here through the Old Mutual Group Engagement Survey. Taking part in this survey helps us understand what matters to you, and gives us an opportunity to improve things. I know that follow-up to last year's survey has resulted in real improvements for many. The next survey will be held from 7 to 18 September so please take part and help shape the Group going forward.

New Old Mutual Group Chairman appointed

I am very pleased to introduce Patrick O'Sullivan as the next Chairman of the Old Mutual board. Patrick will be taking over from Chris Collins from 1 January next year.

Patrick has a strong track record in international financial services. Most recently, he was Vice Chairman of Zurich Financial Services with responsibility for their international businesses, including South Africa. Prior to joining Zurich in 1998, Patrick worked for a number of leading investment banks and insurance groups in the UK and Europe.

I believe we have made an excellent choice in Patrick, whose skills and experience will add significantly to the board's capabilities – we look forward to welcoming Patrick to the Group.



Looking ahead

I am pleased with the progress we have made on the Big Five priorities; this has given us a solid foundation to tackle immediate market challenges. We can now start to look further ahead to position ourselves for the upside which will come as markets recover, and to build the Old Mutual of the future. Although the recent increase in our share price is partly attributable to an overall improvement in market conditions, and many other factors, I believe that it is also a reflection of the increased level of confidence that our investors have in the Group.

Our focus for the rest of the year therefore must be on delivering our business plans. Whilst we cannot control external market conditions, we can control our costs. Everyone has a responsibility to look for ways in which we can save costs – no matter how small. UK based supermarket Tesco has the 'Every little helps' marketing slogan to demonstrate that they offer more value to customers. This is something really tangible that everyone can contribute to. And as I have said earlier, continue to look after our customers well, and we are off to a good start. I know that I can count on your support.



Julian Roberts Group Chief Executive

