

OLD MUTUAL PLC INTERIM RESULTS

for the half year ended 30 June 2017

Bruce Hemphill, Group Chief Executive, said:

“Pre-tax adjusted operating profits were up 37% benefiting from sterling weakness in the half. Old Mutual Wealth had a strong six months and Old Mutual Emerging Markets and Nedbank are trading resiliently given the continuing difficult macro-economic conditions in South Africa.

“We are making excellent progress in delivering the managed separation of Old Mutual having materially reduced debt and largely disposed of our stake in OM Asset Management. Our focus for the next phase of managed separation is first to finalise the appropriate standalone balance sheets for our two unlisted businesses and second, subject to the necessary approvals, deliver them to our shareholders at the earliest opportunity in 2018 after our 2017 full year results.”

Bruce Hemphill
Group Chief Executive
Old Mutual plc



Reported results

- Pre-tax adjusted operating profit (AOP) of £969 million (H1 2016: £708 million), up 37%^[1].
- IFRS pre-tax profit of £940 million (H1 2016: £534 million); including profit on disposal of OMAM of £108 million and goodwill impairment of £71 million in respect of UAP-Old Mutual in East Africa.
- AOP earnings per share (EPS) of 10.6p (H1 2016: 8.0p) up 33%, basic EPS of 11.0p (H1 2016: 5.7p).
- Adjusted Net Asset Value (NAV) at 220.1p per share (FY 2016: 228.6p per share).
- 2017 first interim dividend of 3.53p up 32% and in line with our capital management policy.

Constant currency business results (pre-tax and NCI)

- Old Mutual Wealth (OMW) AOP £134 million up 29%. Strong Net Client Cash Flow (NCCF) growth, up 53%.
- Nedbank AOP of R7.9 billion up 3%, managed operations (ex-ETI) up 10%. Outlook for ETI is improving, strong performance in South Africa in the circumstances.
- Old Mutual Emerging Markets (OMEM) AOP R6.0 billion up 1%. Turnaround in P&C, re-priced Corporate book and improving East Africa, overall a resilient performance.
- OM Asset Management (OMAM) reported its pre-tax economic net income (ENI) at \$115 million, up 27%. Now an independent business, demonstrating margin progression.

GROUP

	Adjusted operating profit before tax (IFRS basis ¹) (AOP)	£m	(Rm)
H1 2017		969	16 127
H1 2016		708	15 646
H1 2016 ²		918	

	Gross sales	£m	(Rm)
H1 2017		20 332	338 388
H1 2016		15 212	336 159
H1 2016 ²		16 751	

	Dividend	pence	(cents)
H1 2017		3.53	58.75
H1 2016		2.67	59.00

	Basic earnings per ordinary share (IFRS)	pence	(cents)
H1 2017		11.0	183.1
H1 2016		5.7	126.0

	Funds under management (core operations)	£bn	(Rbn)
H1 2017		212.3	3 605.5
H1 2016		200.2	3 901.9
H1 2016 ²		200.1	

	Net client cash flows (core operations)	£bn	(Rbn)
H1 2017		6.4	106.5
H1 2016		3.8	84.0
H1 2016 ²		3.9	

	Adjusted operating earnings per share (IFRS basis) (AOP)	pence	(cents)
H1 2017		10.6	176.4
H1 2016		8.0	176.8
H1 2016 ²		10.3	

NOTES

1 AOP reflects the directors' view of the underlying long-term performance of the Group. AOP is a measure of profitability which adjusts the standard IFRS profit measures for specific items and, as such, it is a non-GAAP measure. A detailed description of the basis of preparation of AOP is set out on pages 64 and 65 of the interim financial statements, which can be found at www.oldmutual.com.

2 Constant currency – when 2015 figures are re-stated at 2016 foreign exchange rates. This removes the effect of currency movements and enables a consistent comparison of results between 2015 to 2016.

visit www.oldmutualplc.com

for the full Old Mutual plc 2017 Interim Results



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