Old Mutual Limited
Incorporated in the Republic of South Africa
Registration number: 2017/235138/06
ISIN: ZAE000255360
LEI: 213800MON84ZWWPQCN47
JSE Share Code: OMU
NSX Share Code: OMM
MSE Share Code: OMU
ZSE Share Code: OMU
("Old Mutual" or “Company” or “Group”)

Ref 34/19
22 August 2019

TRADING STATEMENT AND PERFORMANCE UPDATE FOR THE 6 MONTHS ENDED 30 JUNE 2019

Financial performance

Shareholders are advised that Old Mutual Limited is currently in the process of finalising its interim results for the six months ended 30 June 2019 (“current period”). This trading statement provides an indication of a range for Headline Earnings per ordinary share (HEPS) and earnings attributable to equity holders of the Group per ordinary share (EPS) in terms of paragraph 3.4(b) of the JSE Limited Listings Requirements compared to the six months ended 2018 (“comparative period”). The Group’s interim results will be released on the Stock Exchange News Service of the JSE Limited on Monday, 2 September 2019.

Results from Operations (RFO) is expected to be between a decrease by 1% and an increase of 4% compared to the comparative period. Adjusted Headline Earnings (AHE) is expected to increase by approximately 6% to 12% mainly driven by higher shareholder investment return in South Africa. Accordingly AHE per share is expected to increase by approximately 7% to 13% to 106 -111 cents in the current period compared to 98.9 cents for the comparative period.

Key Performance Indicators (KPIs)	**Estimated 30 June 2019**	**30 June 2018[1]**	**Estimated % change**
RFO (Rm)	4,377 – 4,602	4,426	(1%) to 4%
AHE (Rm)	5,054 – 5,315	4,750	6% to 12%
AHEPS (cents)[2]	106 – 111.4	98.9	7% to 13%

[1]Restated to exclude the results of Zimbabwe.

[2]AHEPS defined as Adjusted Headline Earnings divided by WANS adjusted to reflect the Group’s BBE shares and shares held in policyholder and consolidated investment funds.

IFRS profits in the 2018 financial year include the accounting impacts of the transactions executed to complete the Managed Separation. These transactions included the distribution of Quilter plc and the unbundling of Nedbank. Profit after tax for the comparative period therefore included the consolidated profits in respect of the Quilter plc and Nedbank businesses, these were classified as profit from discontinued operations. Profits for the comparative period also included the profit recognised on the distribution of Quilter plc on 24 June 2018. Profit after tax for the current period no longer includes the impact of these items related to the execution of Managed Separation, which is the main driver of the expected decrease. IFRS profit after tax attributable to equity holders of the parent on a comparable basis is expected to increase by approximately 8% to 13%.

The table below sets out the impact of the Managed Separation transactions included in profit after tax attributable to equity holders of the parent for the comparative period:

R million	**30 June 2018**[1]
Profit from discontinued operations - Quilter	1,275
Profit from discontinued operations - Nedbank	4,133
Profit on Quilter distribution	4,023

[1]The profit in respect of the distribution of Quilter plc was restated to correct the allocation of foreign exchange differences recycled to profit. Further the consolidated profits in respect of Nedbank and Quilter plc were restated to reverse the amortisation reported as part of these results as required under IFRS 5 "Non-current assets held for sale and discontinued operations". The IFRS profits reported for December 2018 corrected for these items, therefore will not be restated. The condensed consolidated financial statements for the six months ended 30 June 2019 will include further detail and disclosure on these restatements.

Accordingly we expect Basic earnings per share to decrease by approximately 53% to 55% to 123.5 - 129.8 cents compared to 277.2 cents in the comparative period. Headline Earnings (HE) is expected to decrease by approximately 33% to 36%. We expect Headline Earnings per share (HEPS) to decrease by approximately 31% to 35% to 124.3 - 130.7 cents compared to 190.6 cents in the comparative period.

	Estimated 30 June 2019	**30 June 2018**[1]	**Estimated % change**
IFRS profit after tax attributable to equity holders of the parent (Rm)	5,642 – 5,933	12,867	(54%) to (56%)
Basic EPS (cents)	123.5 – 129.8	277.2	(53%) to (55%)
Headline Earnings (Rm)	5,678 – 5,971	8,848	(33%) to (36%)
HEPS (cents)	124.3 – 130.7	190.6	(31%) to (35%)

[1]Restated to reflect the revised profit from discontinued operations. The profit in respect of the distribution of Quilter plc was restated to correct the allocation of foreign exchange differences recycled to profit. Further the consolidated profits in respect of Nedbank and Quilter plc were restated to reverse the amortisation reported as part of these results as required under IFRS 5 "Non-current assets held for sale and discontinued operations". The IFRS profits reported for December 2018 corrected for these items, therefore will not be restated. The condensed consolidated financial statements for the six months ended 30 June 2019 will include further detail and disclosure on these restatements.

Treatment of Zimbabwe

During the first half of 2019, the Group concluded that Zimbabwe was a hyperinflationary economy and made a decision to account for it as such. This decision was supported by a rapid increase in the inflation rate, which at the end of June 2019 was far in excess of 100% at 176%, the significant deterioration in the traded interbank RTGS dollar exchange rate over the period and the lack of access in Zimbabwe to foreign currency to pay foreign denominated liabilities.

We have applied hyperinflation accounting from 1 October 2018 and used the Zimbabwe Consumer Price Index (CPI) to inflation adjust reported numbers. The results, net assets and cash flows are then translated into rand at the closing rate of 1 RTGS to 2.13 ZAR. The closing rate used to translate the December 2018 results was 1 RTGS to 4.35 ZAR.

Until such time as we are able to access capital by way of dividends from our business in Zimbabwe, we will manage it on a ring fenced basis. Consequently, the results of this business have been removed from RFO and AHE. The ability to access capital is exacerbated by the volatility that hyperinflationary economy and the reporting thereof introduces. This adjustment has been applied from 1 January 2019 and we have restated comparatives to reflect this decision.

The financial information in this trading statement is the responsibility of the Board of Directors and has not been reviewed or reported on by the Group's external auditors.

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Sponsors

JSE	Merrill Lynch South Africa (Pty) Limited
Namibia	PSG Wealth Management (Namibia) (Proprietary) Limited
Zimbabwe	Imara Capital Zimbabwe plc
Malawi	Stockbrokers Malawi Limited

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Notes to Editors

About Old Mutual Limited

Old Mutual is a premium African financial services group that offers a broad spectrum of financial solutions to retail and corporate customers across key markets segments in 14 countries. Old Mutual's primary operations are in South Africa and the rest of Africa, and it has a niche business in Asia. With over 170 years of heritage across sub-Saharan Africa, we are a crucial part of the communities we serve and broader society on the continent.

For further information on Old Mutual, and its underlying businesses, please visit the corporate website at **www.oldmutual.com**.