

Man Group plc

Preliminary results for the twelve
months ended 31 March 2009

28 May 2009



These materials issued by Man Group plc are a summary of certain information contained in the stock exchange announcement dated 28 May 2009 (relating to the results for the year to 31 March 2009 of Man Group plc) and should be read in conjunction with the full text of those announcements.

This presentation contains forward-looking statements with respect to the financial condition, results and business of Man Group plc. By their nature, forward looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. Man Group plc's actual future results may differ materially from the results expressed or implied in these forward-looking statements.

Introduction — Jon Aisbitt, Chairman

Financial review — Kevin Hayes, Finance Director

Status and strategy — Peter Clarke, Chief Executive

Q&A

Introduction



Review of 2009 financial year

- Strongly profitable in extreme market conditions
- Exceptionally well capitalised
- Dividend maintained at 44c per share
- Creation of an integrated hedge fund management business to increase investor confidence and choice

Financial review



2009 results summary

Strongly profitable; flexible business model; well capitalised



- Funds under management fell 37% to \$46.8 billion
- Net management fee income of \$885 million, down 23% excluding exceptional items
- Net performance fee income of \$358 million, down 62%
- Adjusted profit before tax of \$1.24 billion, at a margin of 52%
- Regulatory capital surplus of \$1.7 billion; available liquidity resources of \$4.8 billion

Review of key performance indicators

	<u>3 year CAGR</u>
Growth in funds under management – <i>Fund flows</i>	-2%
Growth in gross revenues – <i>Fee margins</i>	+11%
Growth in adjusted diluted earnings per share – <i>Cost drivers</i>	+6%
	<u>3 year average</u>
Post tax return on equity	+29%

FUM drivers: private investor

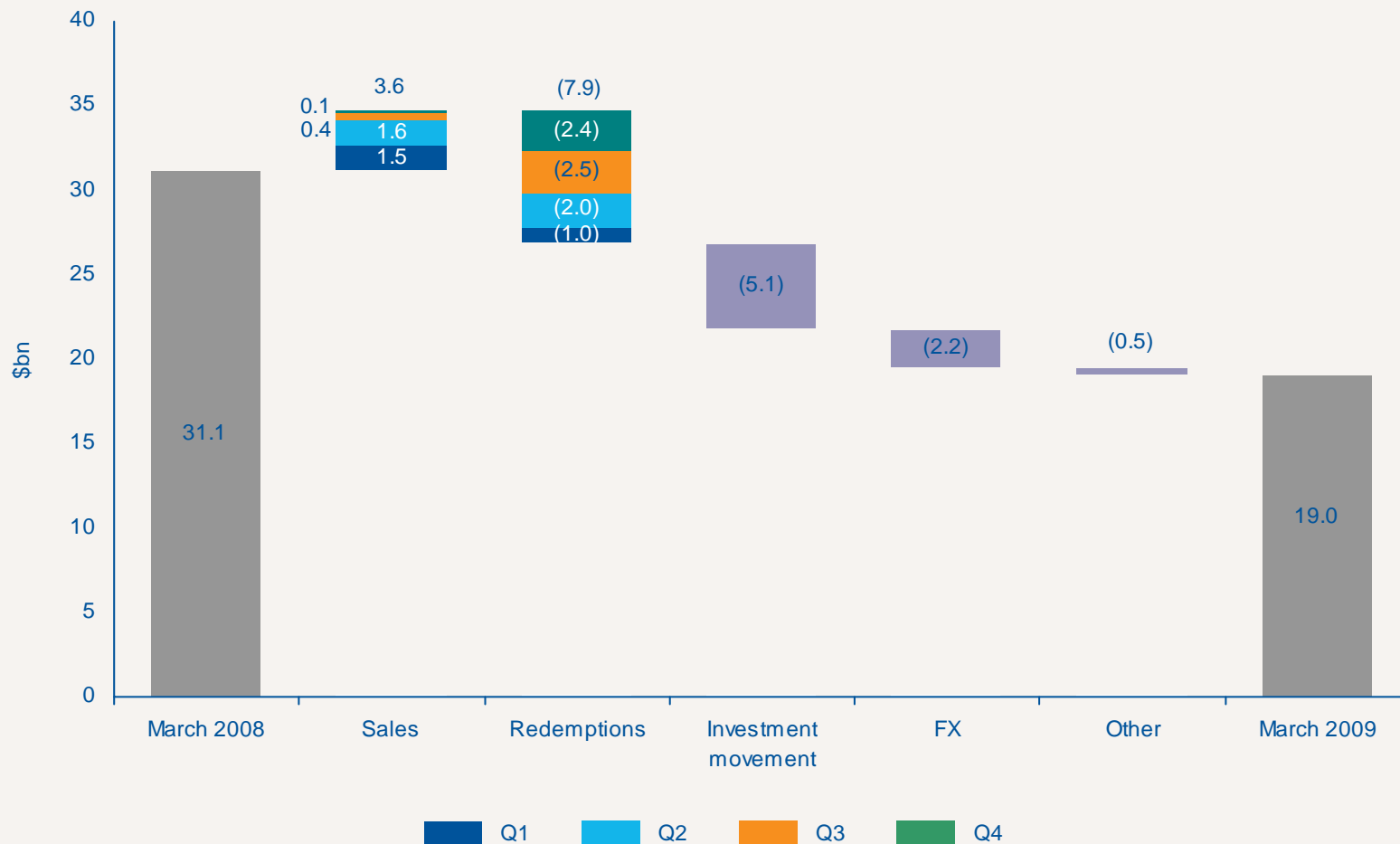
Net inflows driven by strong sales



Private investor FUM of \$28.5 billion as at 26 May 2009
Key driver: sales \$2.6bn

FUM drivers: institutional

Investors sought liquidity regardless of performance



Institutional FUM of \$15.5 billion as at 26 May 2009
Key driver: redemptions \$3.8bn

Margin drivers: private investor

Fee structures remain robust



	FY 2009 (%)	H2 2009 (%)	H1 2009 (%)	FY 2008 (%)
Gross management fee margin	4.33	4.28	4.36	4.47
Gross management fee margin before interest income from funds	4.20	4.17	4.21	4.29
Net management fee margin	1.92	1.71	2.07	2.27

	FY 2009 guaranteed product (%)	FY 2009 open-ended product (%)
Gross management fee margin before interest income from funds	4.27	3.65

Outlook

- No investor / intermediary pressure at gross margin level
- Mix shift likely to remain a factor

Margin drivers: institutional investor

Ongoing fee pressure on fully diversified products



	FY 2009	H2 2009	H1 2009	FY 2008
Gross management fee margin (%)	0.94	0.96	0.93	1.00
Net management fee income (%)	0.48	0.54	0.45	0.53

Drivers of gross margin decline

- Larger, long-standing investors switching into new, lower fee earning products

Outlook

- New business tends to be at lower margins
- Over time, new investment management platform should lower the cost of production and benefit net margins

Cost drivers

High degree of variability; discipline around fixed costs



	FY 2009 (\$m)	H2 2009 (\$m)	H1 2009 (\$m)	FY 2008 (\$m)
Revenue (including gains/losses on investments)	2,228	971	1,257	3,171
Sales commissions	(411)	(207)	(204)	(391)
Compensation (base + bonus)	(463)	(190)	(273)	(639)
Other costs	(275)	(144)	(131)	(238)
<i>– of which technology, consulting and professional services</i>	<i>(77)</i>	<i>(38)</i>	<i>(39)</i>	<i>(45)</i>
Associates and joint ventures	144	82	62	86
Net finance income	20	–	20	90
Pre tax profit	1,243	512	731	2,079
Compensation as a % of revenue	20.8%	19.6%	21.7%	20.2%
Adjusted pre-tax margin	52%	49%	54%	64%

Adjusted PBT

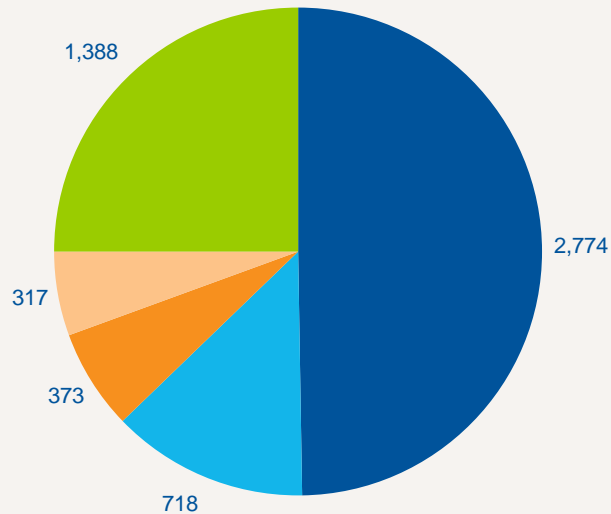


	2009 (\$m)	2008 (\$m)
Statutory PBT	743	2,079
Accelerated amortisation of MGS sales commissions	107	
Impairment of Ore Hill investments and goodwill	251	
Impairment of residual interest in MF Global	105	
Restructuring costs	37	
Adjusted PBT	1,243	2,079
Tax rate before adjusting items	20.3%	17.4%
Adjusted EPS	57.0c	90.2c
Return on equity	13.5%	41.6%

Financial discipline

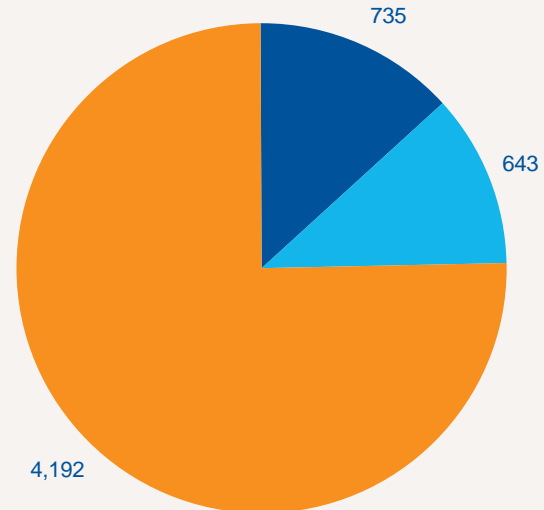
De-risking of the balance sheet

Assets (\$m)



- Cash and trade receivables
- Seed capital
- Loans to funds
- Commission intangibles
- Goodwill and other

Liabilities and equity (\$m)



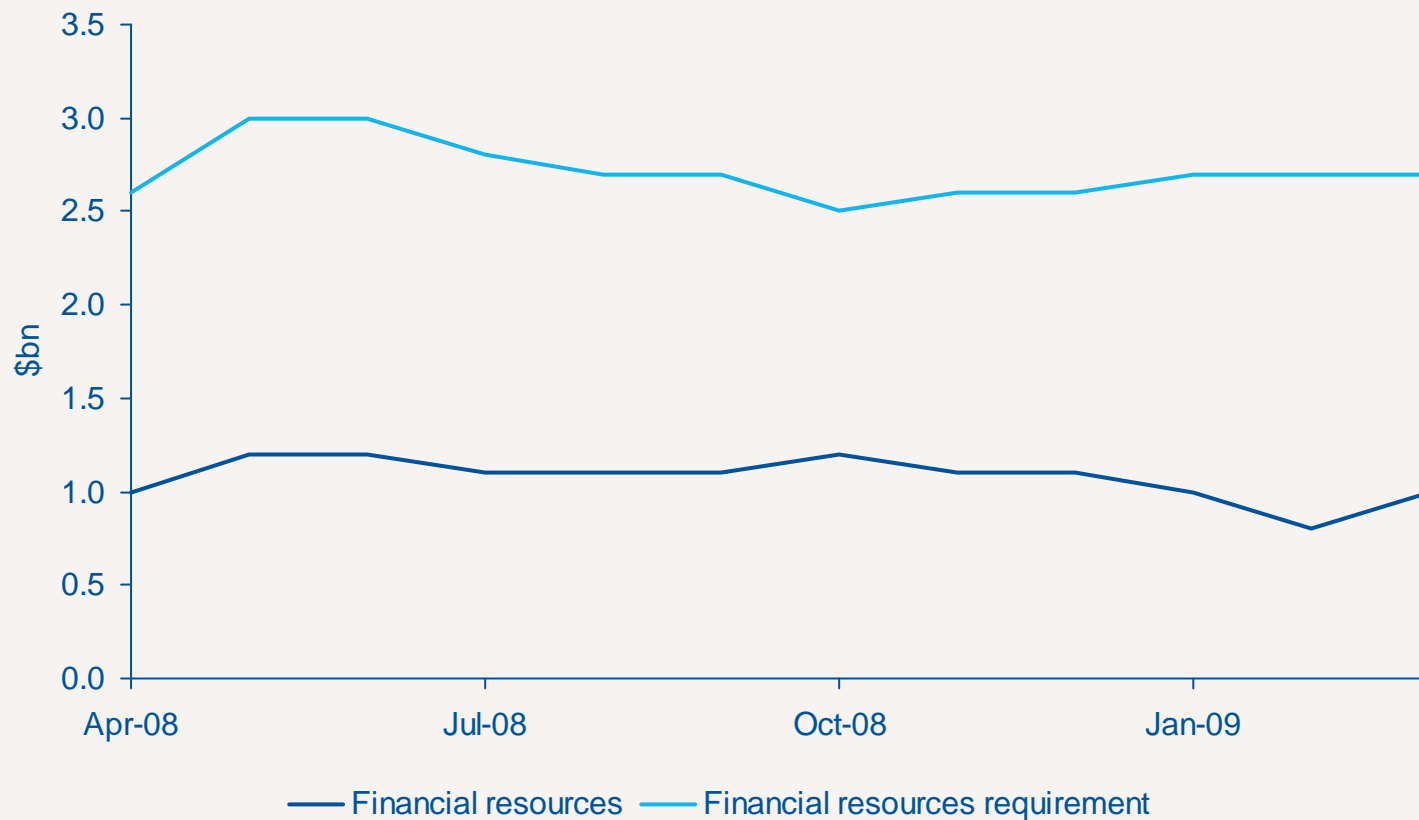
- Other payables
- Debt
- Equity

Capital resources

Capital strength a key differentiator



Available capital



Financial discipline to protect value

- Fixed cost run rate reduced by \$60 million per annum from 1 April 2009
- A further \$30 million savings expected from the new hedge fund management platform, the majority in 2010
- Balance sheet usage reduced, regulatory capital surplus and liquidity maintained

Status and strategy



Recent experience

Building sustainable competitive advantage

Looking to the future



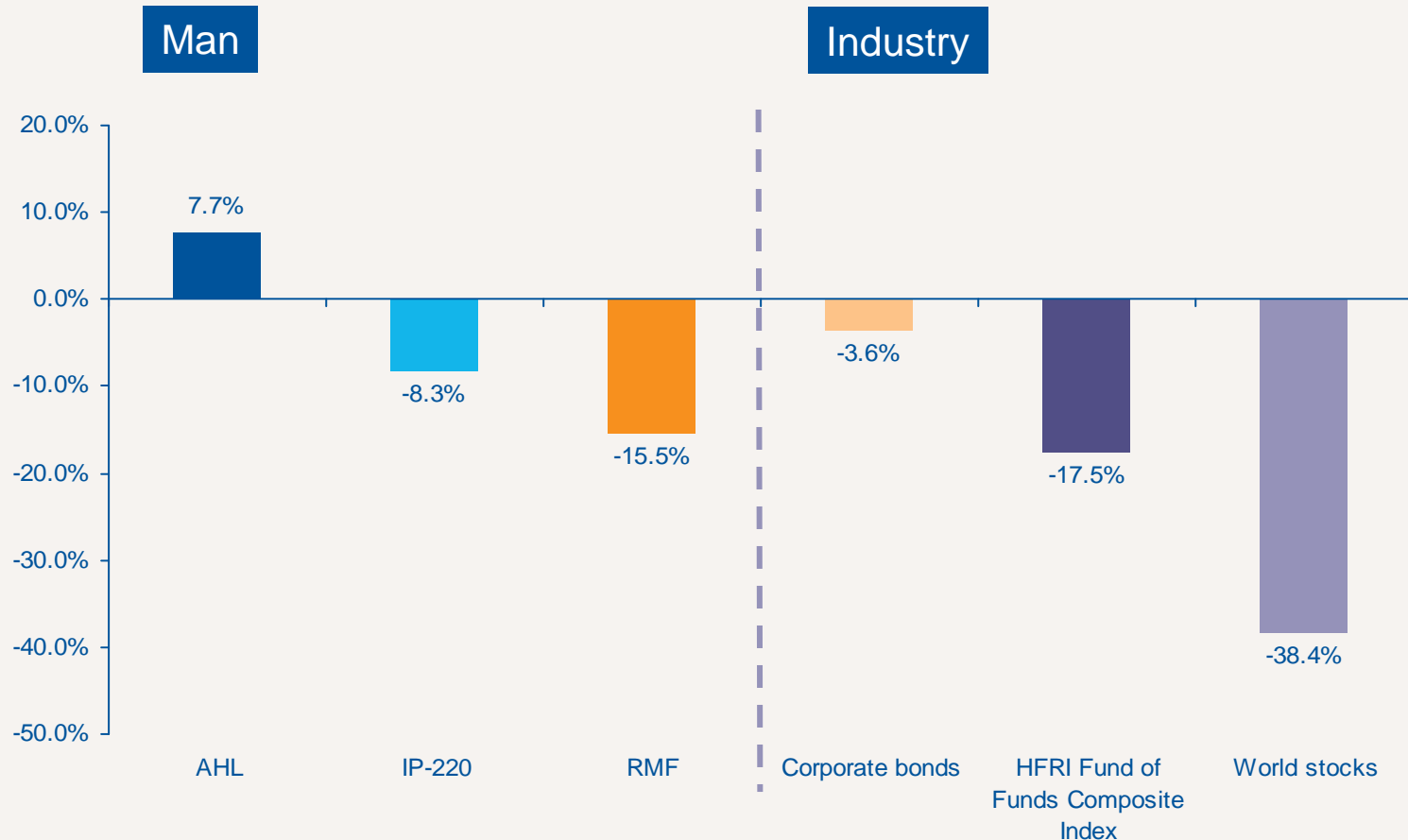
Navigation of industry challenges

Industry challenge	Man differentiators and action
Evaporation of market liquidity	<ul style="list-style-type: none"> • Bias towards managed futures
Business risk	<ul style="list-style-type: none"> • Financial discipline • Efficient prime broker management
Redemptions freeze, poor client service, dearth of new product	<ul style="list-style-type: none"> • Remained more liquid than peers • Strong client service and visibility throughout • New product pipeline for inflows and switches
General erosion in confidence	<ul style="list-style-type: none"> • Strong controls and structure of new hedge fund management business • MAC platform



Performing through difficult markets

Year to 31 March 2009



Source: Man database and Bloomberg. Please note that the HFRI index data over the past 4 months may be subject to change. There is no guarantee of trading performance and past or projected performance is not a reliable indicator of future performance. Returns may increase or decrease as a result of currency fluctuations.
 IP-220: Represented by Man-IP 220 Ltd from 18 December 1996 to 31 December 2005 and Man IP 220 Ltd - USD class bonds from 1 January 2006. AHL: Man AHL Diversified plc is valued weekly; however, for comparative purposes, statistics have been calculated using the last weekly valuation for each month. RMF: Represented by RMF Four Seasons Strategies. World stocks: Represented by MSCI World Index hedged to USD (price return). Corporate bonds: Represented by Citigroup High Grade Corporate Bond Index (total return).

Post 31 March flows

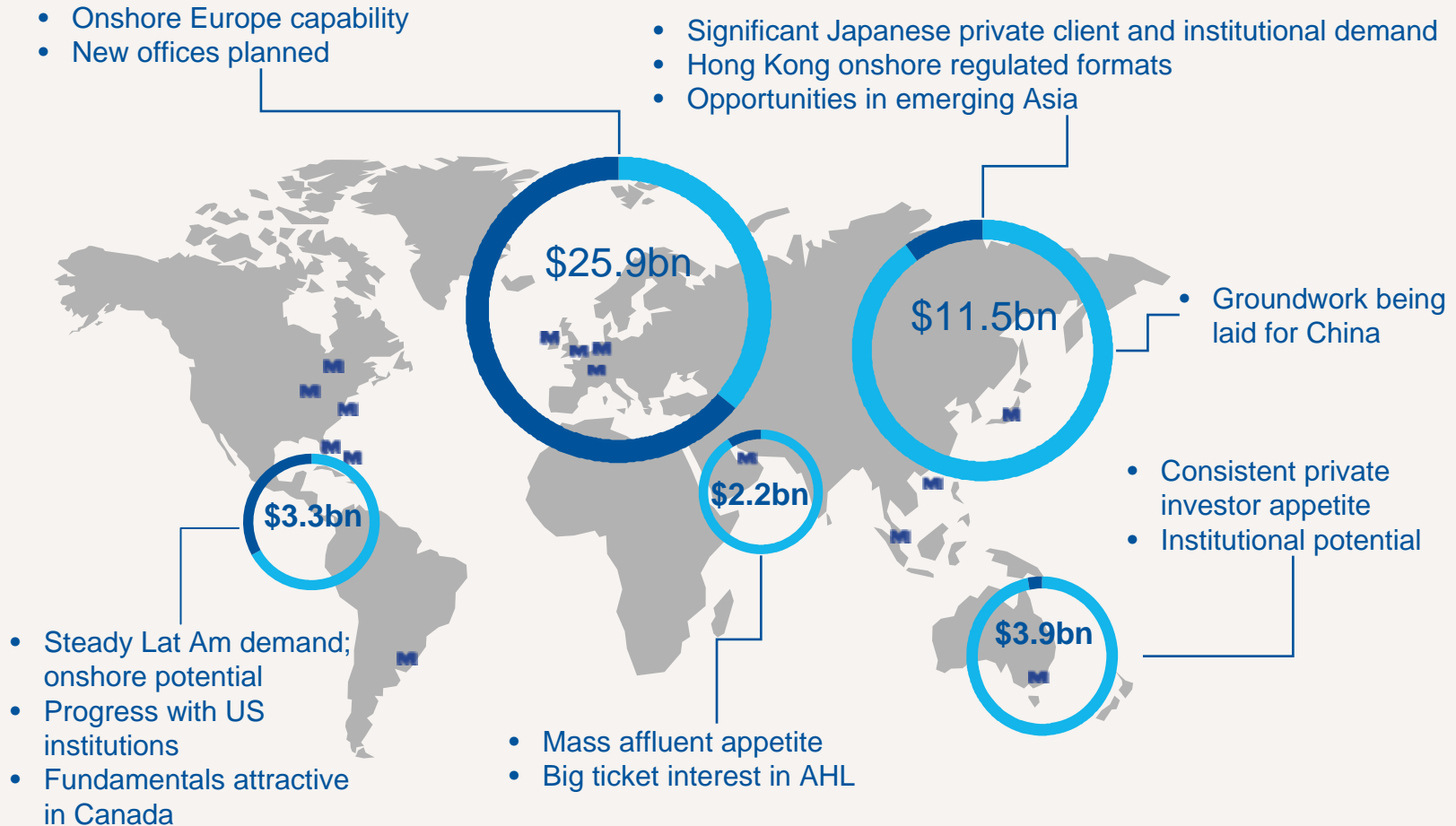
Private investor

- \$2.6 billion sales since 31 March 2009
- Attractive new product pipeline for intermediaries
- Maintenance of liquidity confers significant credibility
- New distributor in Japan

Institutional

- Muted sales
- Q1 net outflows as anticipated

Distribution & product opportunities



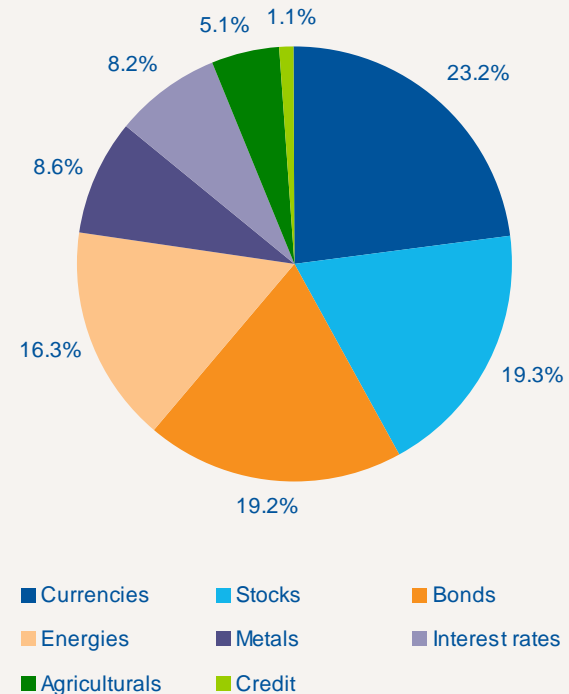
Not to scale. FUM as at 31 March 2009

■ Institutional ■ Private investor

Continued investment in AHL

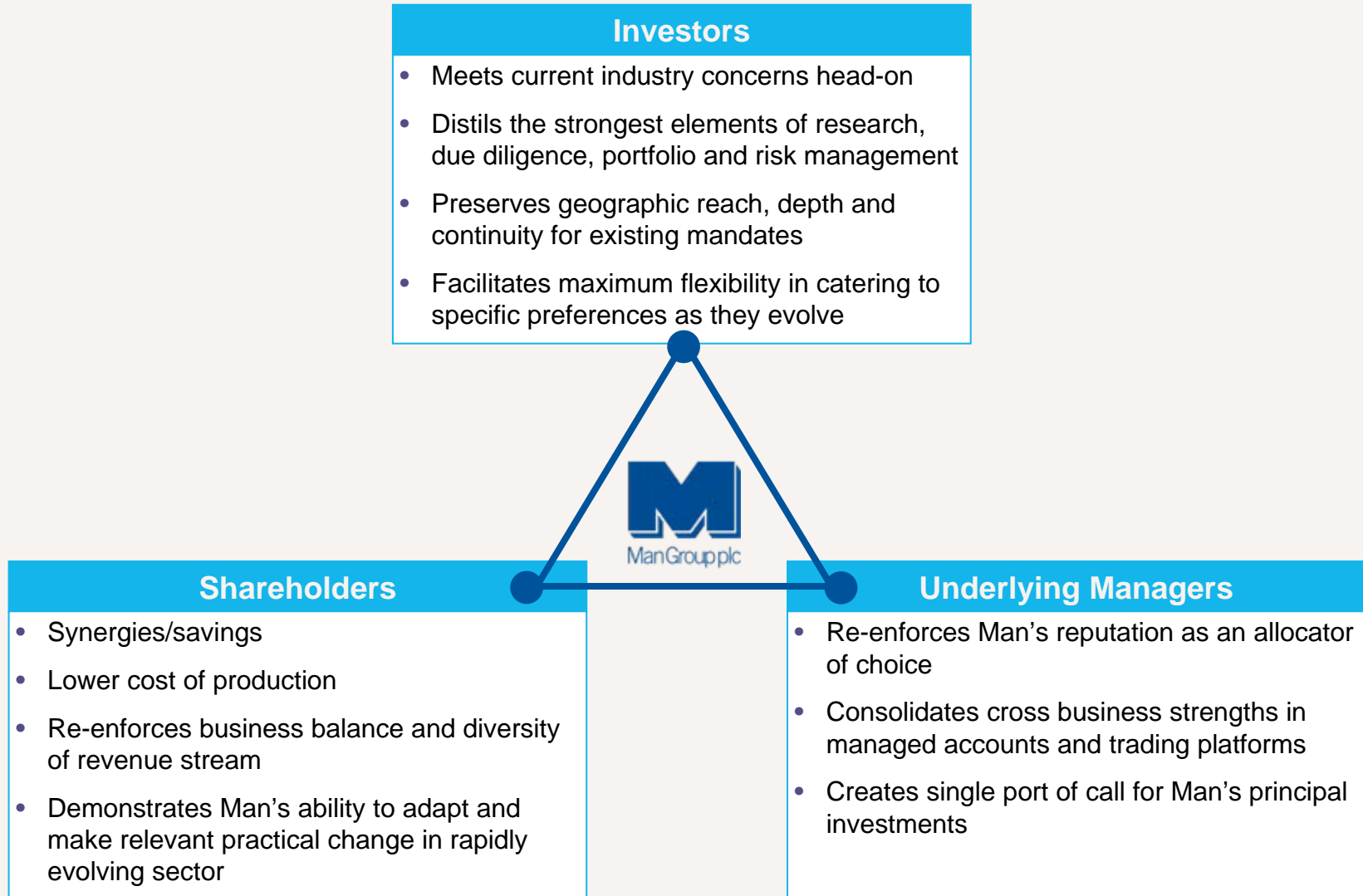
- **Expanding the team**
 - 40% added since January 2008, mainly in research
- **Rapid growth of the Man Research Laboratory in Oxford**
 - Spearheading algorithmic trading development
- **New markets**
 - Credit derivatives, interest rate swaps, ETFs and power contracts
- **Technology and trading**
 - New execution desk in Hong Kong

Asset class distribution – March 2009
AHL Diversified programme



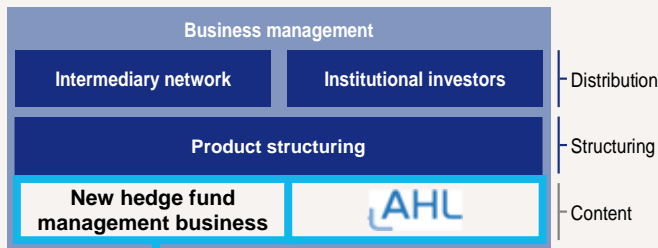
New hedge fund management business

Triangulation of benefits



Reinforcing investor confidence

Man Group business structure



Investment Management

- Investment Strategy
- Research
- Portfolio Management
- Quantitative Analysis and Trading

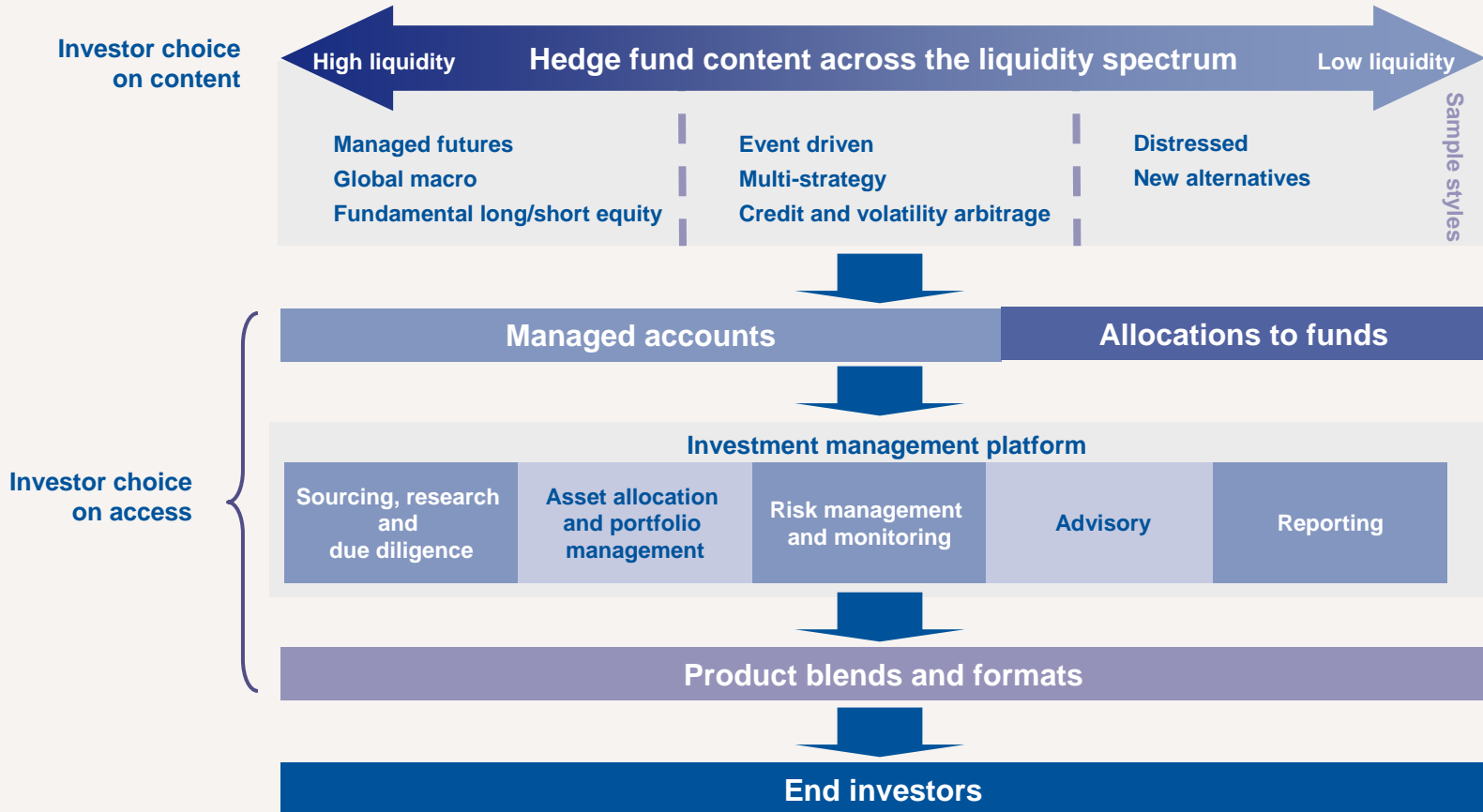
Business management

- Risk
- Operations
- Client Services
- Principal Investments/seeding

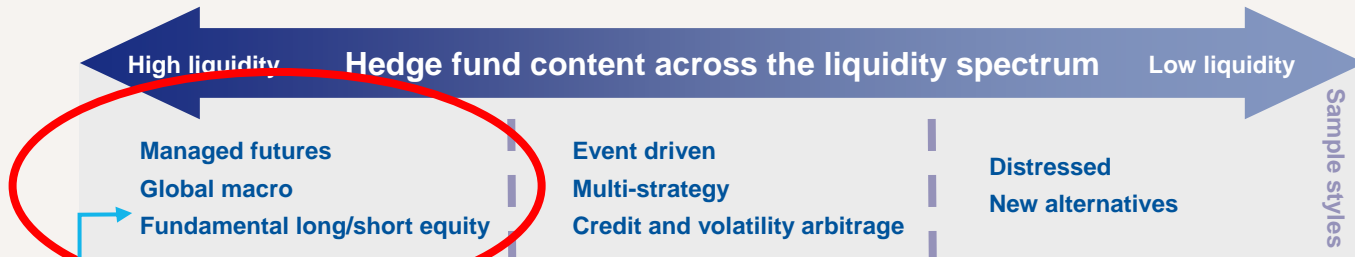
Delivering confidence

- Strong controls - enshrines risk management at same level as investment management; segregates manager seeding and investment allocation
- Targets significant use of managed accounts delivering enhanced control of liquidity, transparency, risk management
- Average of over 16 years industry experience across the senior management team
- Global coverage combined with local market intelligence, with key centres in the US, UK, Switzerland and Asia
- Access negotiated and set up by experienced teams, with developed relationships with the key broker and finance counterparties

Building investor choice



Immediate effect on product pipeline



Private investor CTA blend

- Four lead trend-following CTAs + non-trend
- 150% investment exposure
- Non guaranteed: potential for guaranteed format

Open-ended managed futures / global macro combination

- Access to broad manager pools
- Majority managed accounts, monthly liquidity
- Selective and actively managed
- Global macro allocation reduces volatility
- Variable investment exposure

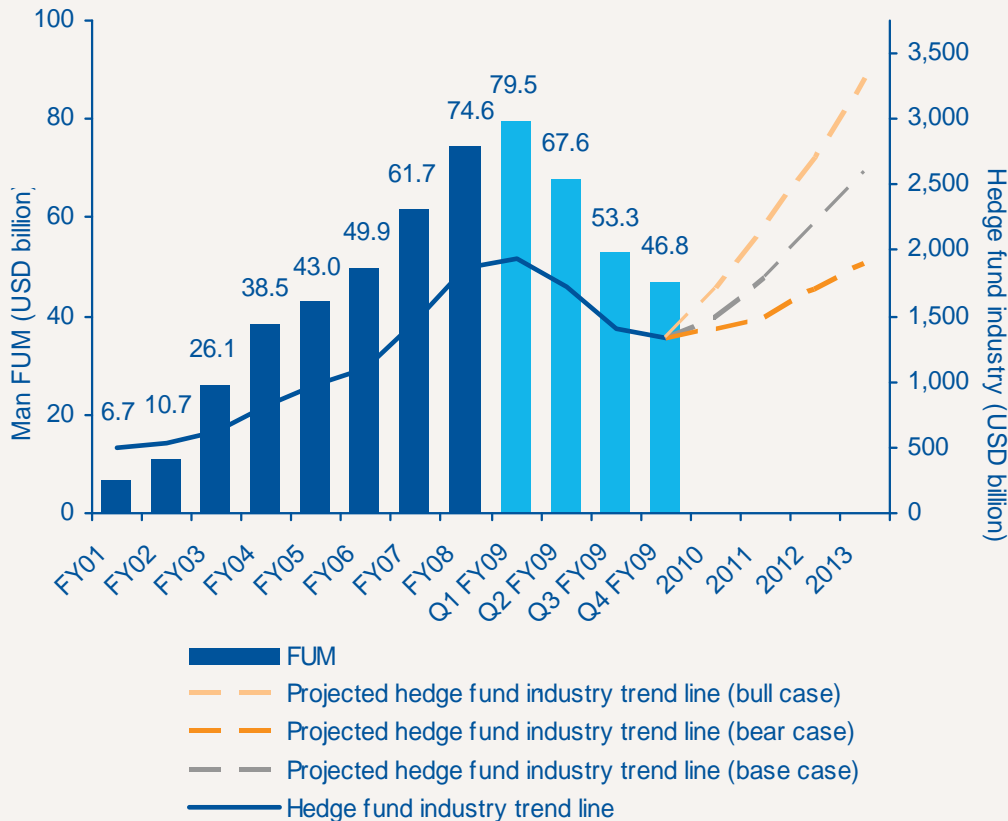
Award winning long/short equity content

InvestHedge Awards, 2008, 2007 - RMF Long Short Equity Europe 'Best European Strategies'

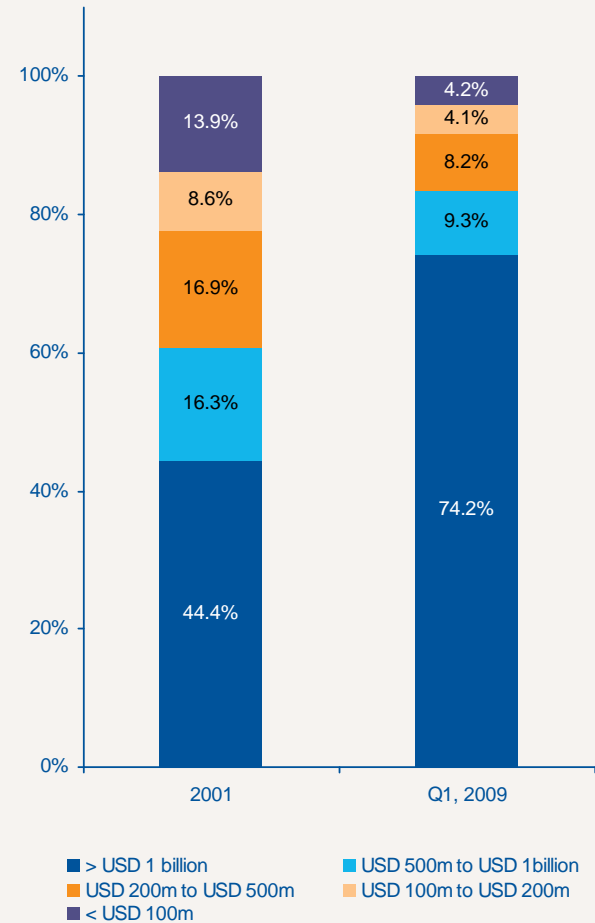
Industry forecasts: assets flow to smaller group as sector regathers momentum



Potential for industry growth¹



Industry assets by fund AUM²



¹HFR Global Hedge Fund Industry Report – First Quarter 2009', Hedge Fund Research, Inc and 'The Hedge Fund of Tomorrow: Building an Enduring Firm', April 2009, Casey Quirk and The Bank of New York Mellon. Note: Calendar year used for HFR data.

² 'HFR Global Hedge Fund Industry Report – First Quarter 2009', Hedge Fund Research, Inc.

Outlook

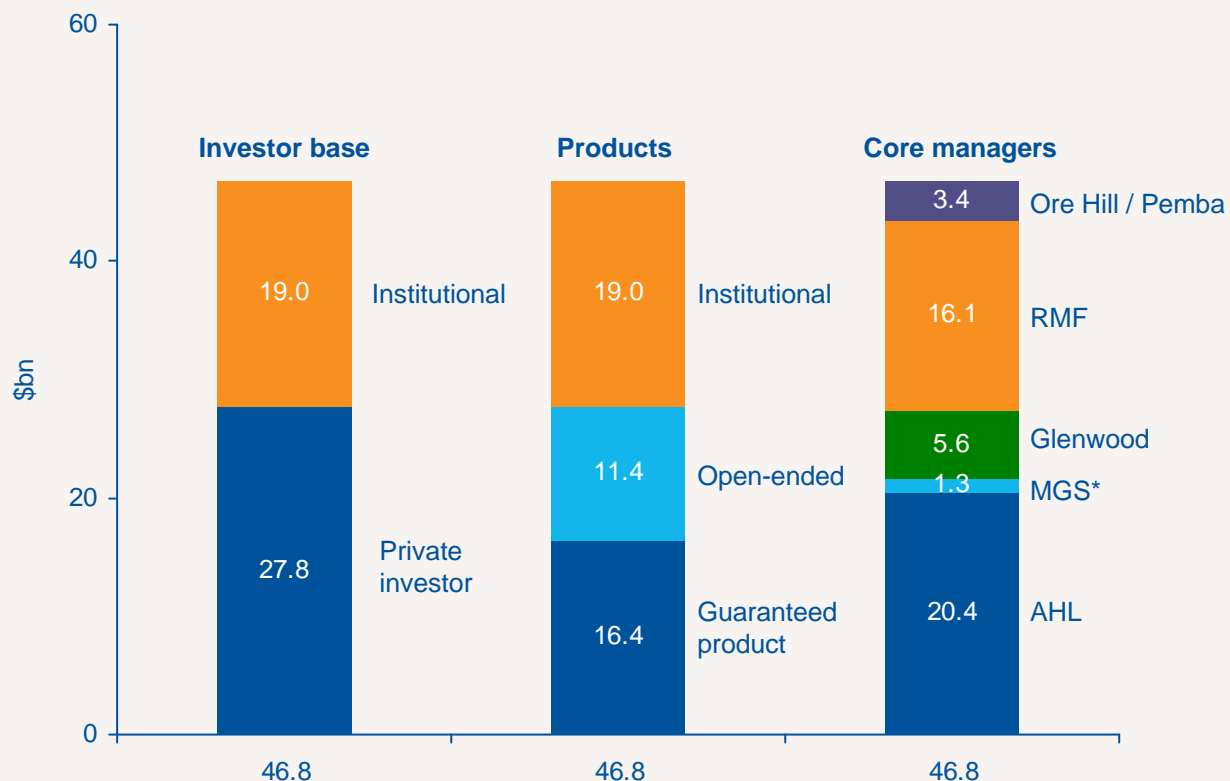
- Lower FUM will result in reduced management fee income for the current year
- Actions taken to reduce the cost base and provide business focus
- A flexible product range and adaptable business model
- New powerful and broadly-based business for hedge fund investing
- Positioned well for growing market share

Supplementary information



Funds under Management

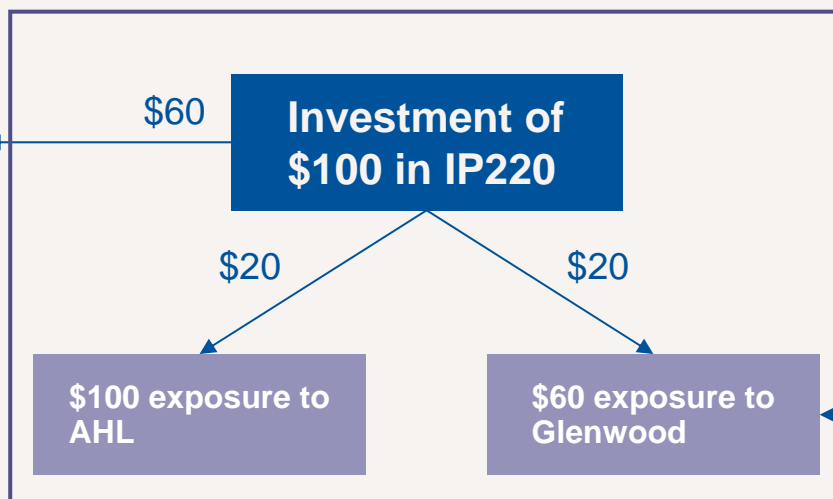
Composition of funds under management (\$bn) March 2009



*Affiliated manager and third party component of MGS Portfolio

IP220 product structure

Bank provides zero coupon bond to deliver guarantee at maturity



FUM

Investment equity (AHL and Glenwood)	\$40
Notional exposure (AHL)	\$80
Externally provided leverage (Glenwood)	\$40
Total FUM	\$160

Net asset value

Bond	\$60
Trading capital ¹	\$40
Total NAV	\$100

¹ Trading capital = investment in AHL (\$20 + investment in Glenwood (\$60) – externally provided leverage (\$40)

MGS update

MGS product de-risking

	MGS \$bn	AHL \$bn	Glenwood \$bn	Total \$bn
FUM at 30 September 2008	8.6	4.8	1.1	14.5
MGS de-risking and associated rebalancing of AHL and Glenwood	(5.6)	(4.0)	(0.8)	(10.4)
Other, net*	(1.7)	0.1	0.2	(1.8)
FUM at end March 2009	1.3	0.9	0.1	2.3

* Includes redemptions, investment movement and FX.

MGS investor impact

No impact on guarantees

Financial impact

Accelerated amortisation of around 50% of MGS upfront sales commissions - \$107 million

Managed accounts

Prevalence of managed accounts in MGS has facilitated de-risking process

Guaranteed product – illustrative example

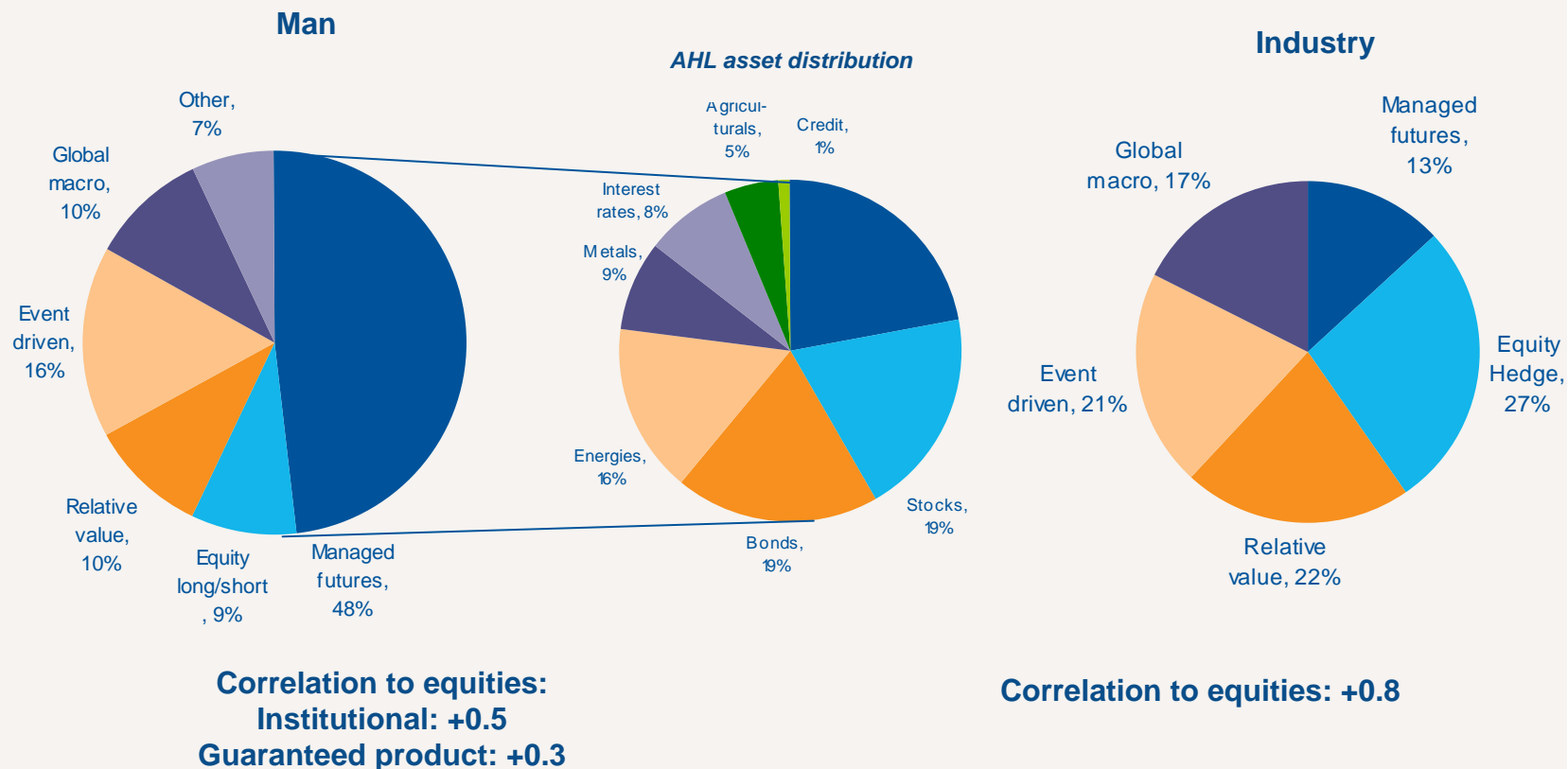


FX impact on FUM



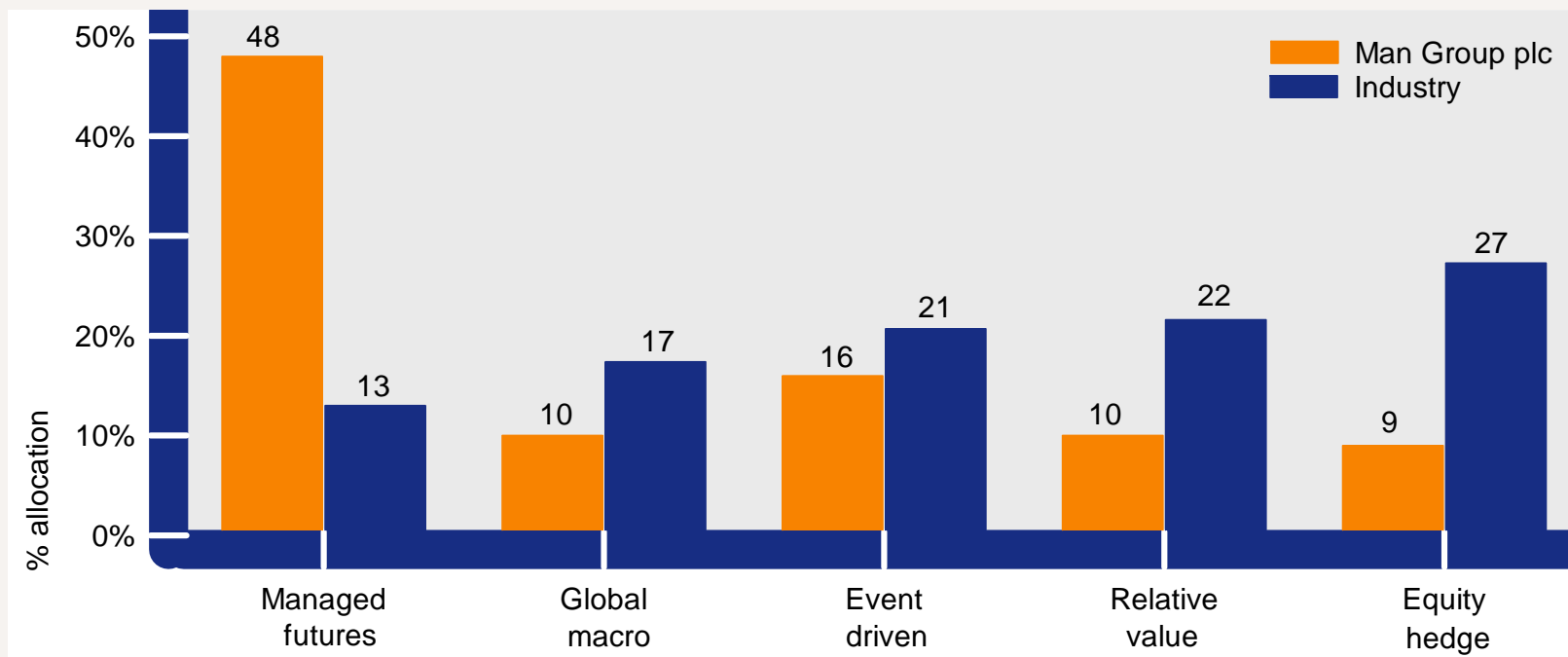
FUM by currency	2009 FUM (\$bn)	2008 FUM (\$bn)
US dollar	24.1	46.3
Euro	14.7	20.1
Australian dollar	3.6	3.9
Swiss franc	1.2	1.5
Japanese yen	2.1	1.5
Other	1.1	1.3
	46.8	74.6

Man style weighting to managed futures



Source: Man Database, Bloomberg, Hedge Fund Research Inc and BarclayHedge
 Industry represented by HFRI Fund Weighted Composite. Institutional represented by RMF Four Seasons Strategies. Guaranteed Product represented by Man Multi-Strategy Guaranteed Ltd.
 All correlations calculated over 7 years to 31 March 2009 versus MSCI World Index hedged to USD (price return).
 Industry allocation based on money under management as at 31 March 2009.
 Please note that the HFRI index data over the past 4 months may be subject to change.

Favourable style bias



12-month performance to 31 March 2009 ¹	3.3%	-0.2%	-18.6%	-11.8%	-22.3%
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Source: Man Database, Hedge Fund Research Inc, BarclayHedge and Stark Research
 Industry allocation based on money under management as at 31 March 2009.

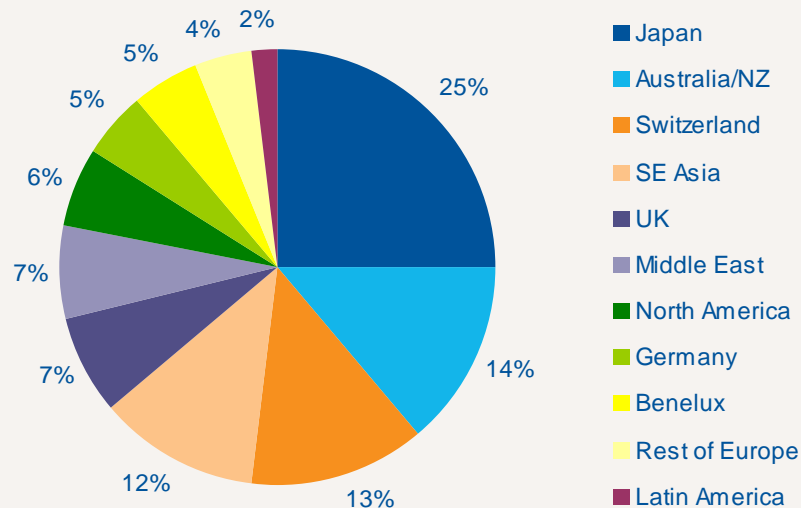
¹Managed futures: Stark 300 Trader Index. Styles represented by the appropriate HFRI index.

Please note that the Stark 300 Trader and HFRI index data over the past 4 months may be subject to change.

Private investor channels

Global network of distributors provides access to private investors

Private investor FUM by geography

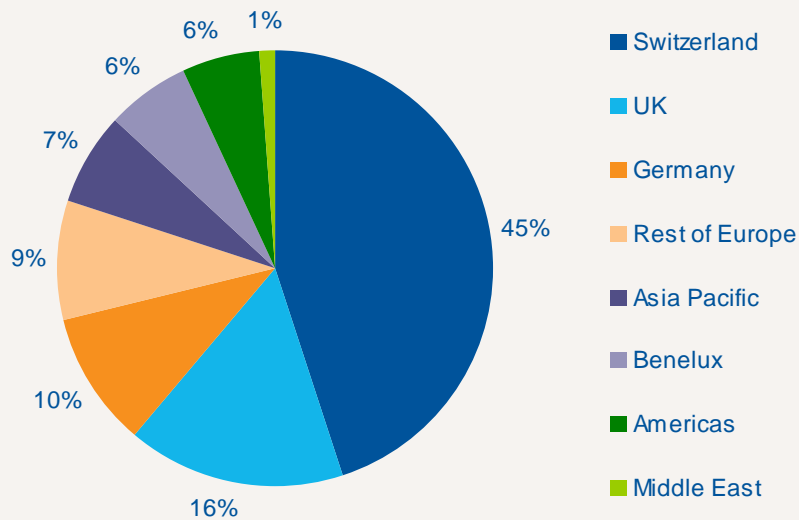


- 2,200 distributors
- Top 10 distributors account for c. 30% of private investor FUM

Institutional investor channels

Global breadth of institutional investors

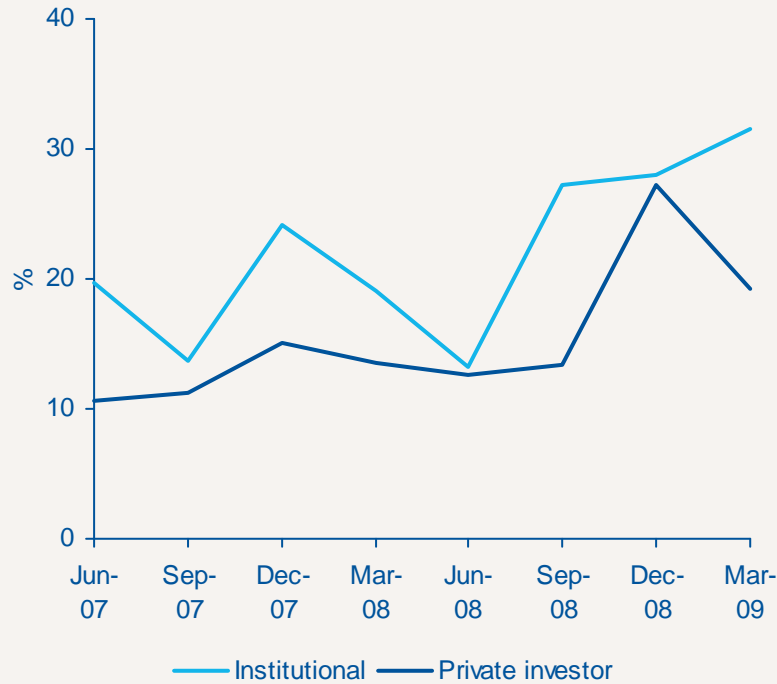
Institutional FUM by geography



- 250 institutional investors
- Top 5 institutions hold \$6.4 billion; top 20 hold \$12.3 billion

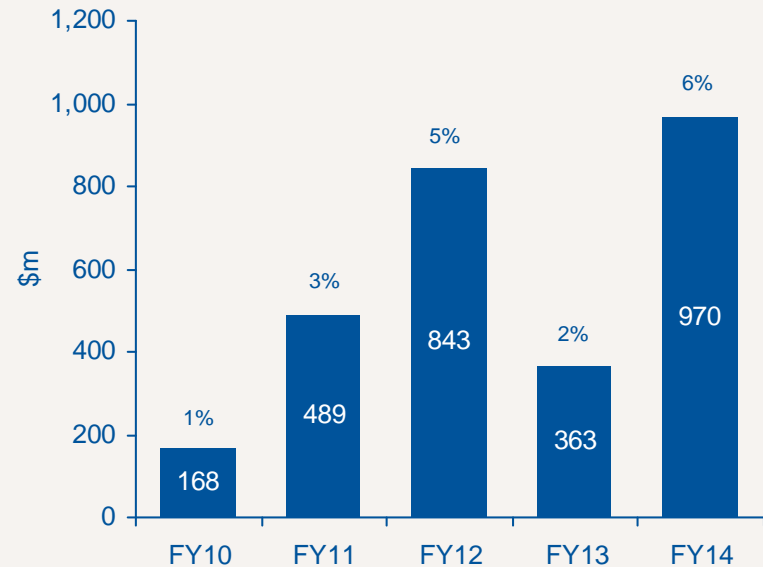
Redemptions trends

Annualised redemptions / average FUM (%)



Average FUM from Dec-08 and Mar-09 adjusted to reflect the MGS de-risk

Private investor funds maturing over the next five years (% of guaranteed products FUM)



Average to maturity = 7.8 years

Visibility

Institutional: quarterly dealing days

Private investor: monthly dealing days for guaranteed products

Fund performance



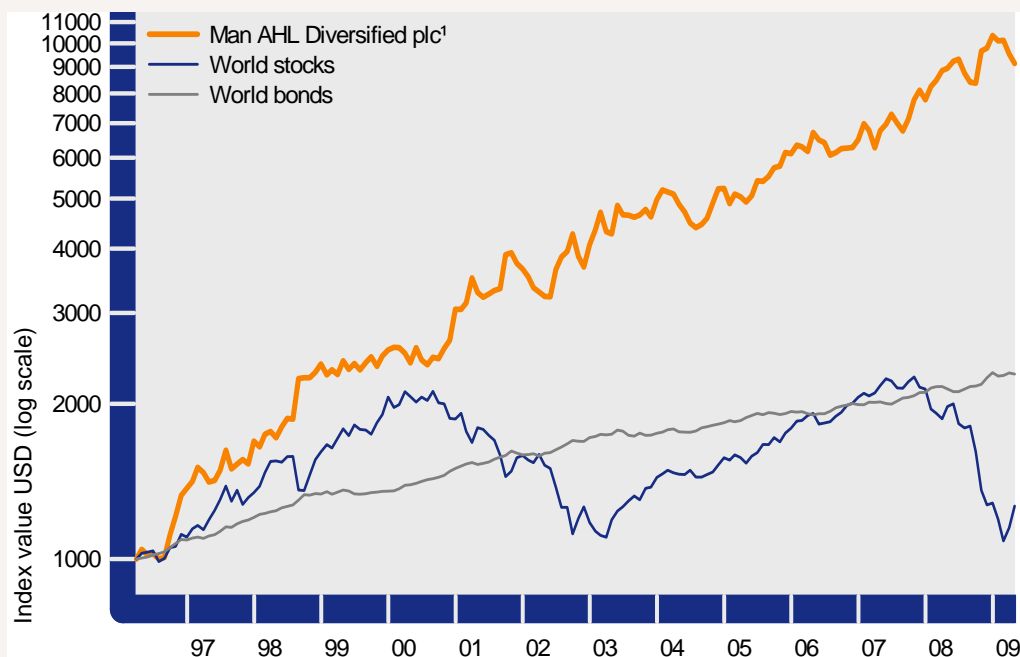
	Return			
	1 year to 31 December 2008	Year to date as at 30 April 2009	3 years to 30 April 2009	5 years to 30 April 2009
<u>Fund of funds</u>				
RMF Four Seasons Strategies Ltd	-16.2 %	-1.4 %	-2.4 %	1.9 %
Glenwood Portfolio¹	-20.4 %	1.0 %	-4.6 %	0.3 %
<u>Multi Strategy</u>				
Man-IP 220²	9.2 %	-14.0 %	1.4 %	7.8 %
<u>Single manager</u>				
Man AHL Diversified plc³	33.2 %	-11.7 %	10.8 %	13.4 %
<u>World stocks⁴</u>				
HFRI Fund Weighted Composite Index	-18.4 %	4.1 %	-0.8 %	4.2 %
HFRI Fund of Funds Composite Index	-21.4 %	1.5 %	-3.1 %	1.8 %
Corporate bonds⁵	8.8 %	-12.7 %	2.2 %	3.1 %

Source: Man database and Bloomberg. Please note that the HFRI index data over the past 4 months may be subject to change. There is no guarantee of trading performance and past or projected performance is not a reliable indicator of future performance. Returns may increase or decrease as a result of currency fluctuations.

1) Represented by Man-Glenwood Multi-Strategy Fund Limited. 2) Represented by Man-IP 220 Ltd from 18 December 1996 to 31 December 2005 and Man IP 220 Ltd - USD class bonds from 1 January 2006. 3) Man AHL Diversified plc is valued weekly; however, for comparative purposes, statistics have been calculated using the last weekly valuation for each month. 4) Represented by MSCI World Index hedged to USD (price return). 5) Represented by Citigroup High Grade Corporate Bond Index (total return).

Man AHL Diversified plc¹

26 March 1996 to 30 April 2009



	Man AHL Diversified plc ¹	World stocks	World bonds
Total return	814.2 %	26.7 %	128.5 %
Annualised return	18.4 %	1.8 %	6.5 %
Annualised volatility	18.1 %	15.5 %	3.0 %
Worst drawdown	-17.9 %	-51.9 %	-2.7 %
Sharpe ratio²	0.81	n/a	0.80

Source: Man database and Bloomberg. World stocks: MSCI World Index hedged to USD (price return). World bonds: Citigroup World Government Bond Index hedged to USD (total return). There is no guarantee of trading performance and past or projected performance is not a reliable indicator of future performance. Returns may increase or decrease as a result of currency fluctuations.

1) Man AHL Diversified plc is valued weekly; however, for comparative purposes, statistics have been calculated using the last weekly valuation for each month.

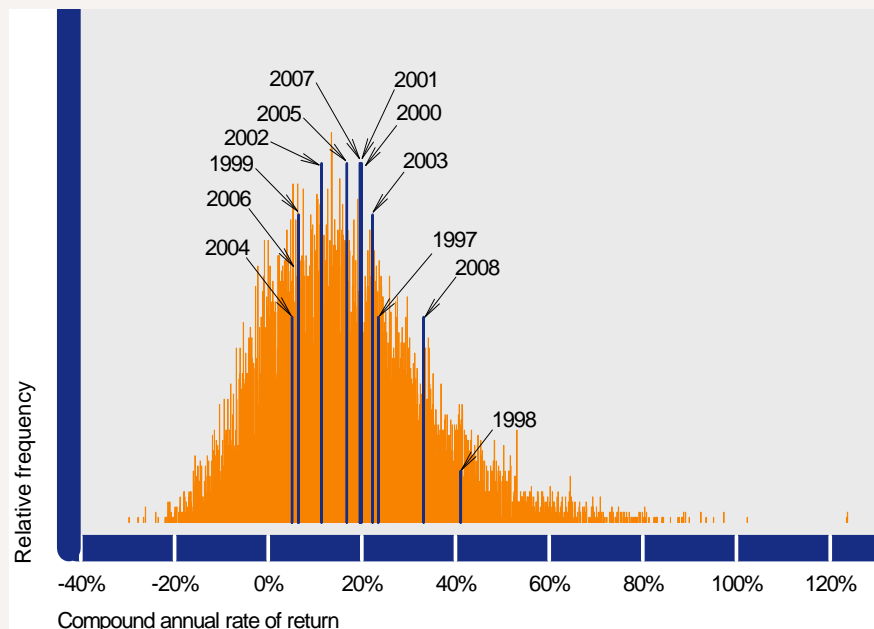
2) Sharpe ratio is calculated using the risk-free rate in the appropriate currency over the period analysed. Where an investment has underperformed the risk-free rate, the Sharpe ratio will be negative. Because the Sharpe ratio is an absolute measure of risk-adjusted return, negative Sharpe ratios are shown as n/a, as they can be misleading.

Probability distribution of Man AHL Diversified plc¹

Monte Carlo analysis shows positive skew regarding distribution of returns

All annual returns are within the expected probability distribution

Positively skewed distribution of returns



Calendar year	Annual return
1996	37.1 % ²
1997	23.5 %
1998	41.1 %
1999	6.5 %
2000	19.9 %
2001	19.7 %
2002	11.4 %
2003	22.3 %
2004	5.1 %
2005	16.8 %
2006	6.4 %
2007	19.6 %
2008	33.2 %
2009	-11.7 % ³
Annualised return since inception	18.4 %⁴

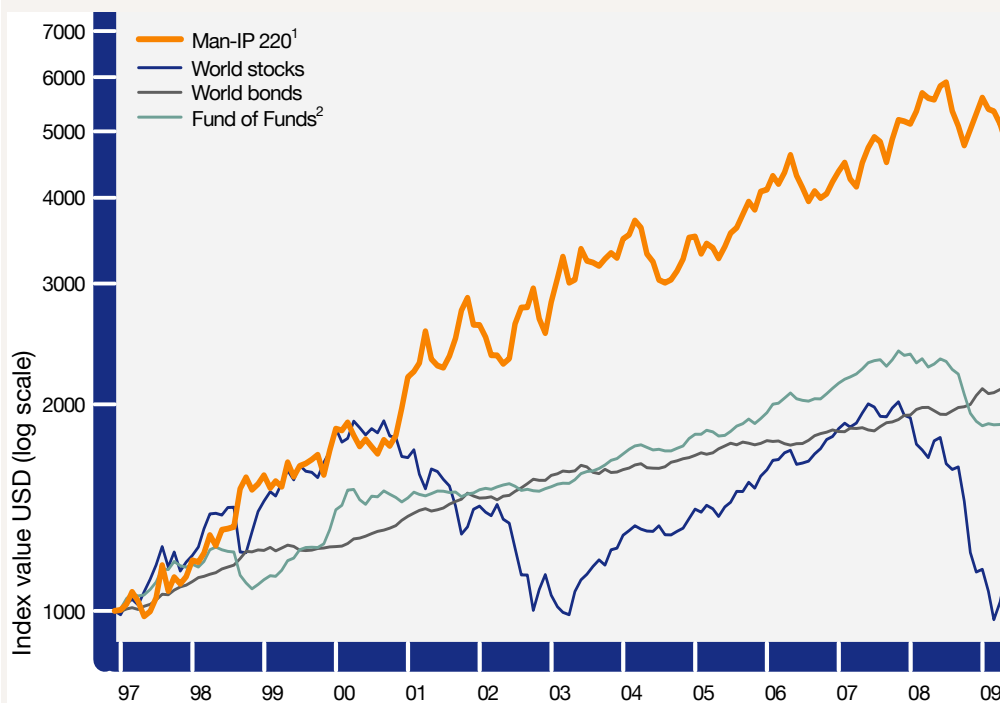
The longer the product life, the greater the probability of the return being within any given range around the mean

Source: Man database. There is no guarantee of trading performance and past or projected performance is not a reliable indicator of future performance. Returns may increase or decrease as a result of currency fluctuations. The Monte Carlo featured above is based on a proprietary model developed at Man Investments, which works by randomly simulating gross monthly returns for a manager/style. These are then combined to construct a possible random path that the NAV of a portfolio might take over the specified periods shown above, taking into account appropriate fees and interest, etc. This is repeated many thousands of times so that at the end it is possible to analyse simulated distributions of product level return, as illustrated.

1) Man AHL Diversified plc is valued weekly; however, for comparative purposes, statistics have been calculated using the last weekly valuation for each month. 2) Part year from 26 March 1996. 3) Part year to 30 April 2009. 4) Date range: 26 March 1996 to 30 April 2009.

Performance of Man-IP 220¹

18 December 1996 to 30 April 2009



	Man-IP 220 ¹	World stocks	World bonds	Fund of funds ²
Total return	381.5 %	13.4 %	109.4 %	88.9 %
Annualised return	13.5 %	1.0 %	6.1 %	5.3 %
Annualised volatility	17.6 %	15.7 %	3.0 %	6.6 %
Worst drawdown	-19.9 %	-51.9 %	-2.7 %	-22.2 %
Sharpe ratio³	0.59	n/a	0.70	0.21

Source: Man database and Bloomberg. World stocks: MSCI World Index hedged to USD (price return). World bonds: Citigroup World Government Bond Index hedged to USD (total return). There is no guarantee of trading performance and past or projected performance is not a reliable indicator of future performance. Returns may increase or decrease as a result of currency fluctuations.

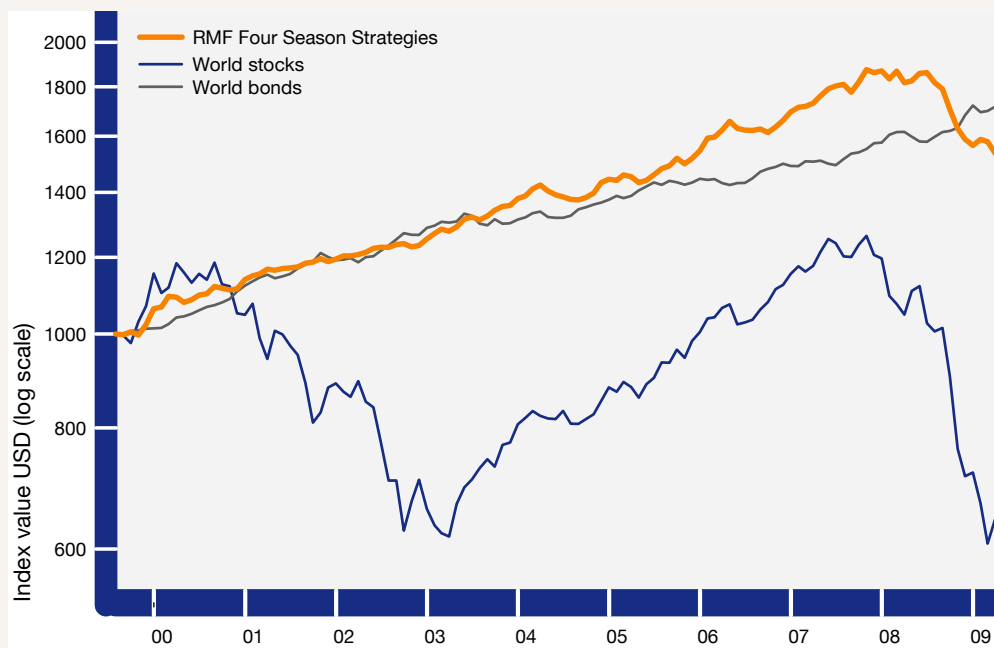
1) Represented by Man-IP 220 Ltd from 18 December 1996 to 31 December 2005 and Man IP 220 Ltd - USD class bonds from 1 January 2006.

2) Represented by HFRI Fund of Funds Composite. Please note that the HFRI index data over the past 4 months may be subject to change.

3) Sharpe ratio is calculated using the risk-free rate in the appropriate currency over the period analysed. Where an investment has underperformed the risk-free rate, the Sharpe ratio will be negative. Because the Sharpe ratio is an absolute measure of risk-adjusted return, negative Sharpe ratios are shown as n/a, as they can be misleading.

Performance of RMF Four Seasons Strategies

1 August 1999 to 30 April 2009



	RMF Four Seasons Strategies	World stocks	World bonds
Total return	54.3%	-29.0%	71.0%
Annualised return	4.5%	-3.5%	5.7%
Annualised volatility	4.8%	15.5%	2.9%
Worst drawdown	-18.1%	-51.9%	-2.7%
Sharpe ratio¹	0.22	n/a	0.69

Source: Man database and Bloomberg. World stocks: MSCI World Index hedged to USD (price return). World bonds: Citigroup World Government Bond Index hedged to USD (total return). There is no guarantee of trading performance and past or projected performance is not a reliable indicator of future performance. Returns may increase or decrease as a result of currency fluctuations.

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Supplementary financials



Profit and loss (1)



	FY 2009 (\$m)	H2 2009 (\$m)	H1 2009 (\$m)	FY 2008 (\$m)
Revenue:				
Performance fees	627	391	236	1,192
Management and other fees	1,861	777	1,084	2,030
	2,488	1,168	1,320	3,222
Gains/losses on investments	(260)	(197)	(63)	(51)
Total sales commissions	(518)	(207)	(311)	(391)
Sales commissions	(411)	(207)	(204)	(391)
Accelerated amortisation of MGS sales commissions	(107)	-	(107)	-
Compensation	(463)	(190)	(273)	(639)
– Fixed	(212)	(102)	(110)	(205)
– Variable	(251)	(88)	(163)	(434)
– <i>Management fees</i>	(162)	(40)	(122)	(196)
– <i>Performance fees</i>	(89)	(48)	(41)	(238)
Restructuring	(37)	(37)	-	-
Other costs	(275)	(144)	(131)	(238)
	935	393	542	1,903

Profit and loss (2)



	FY 2009 (\$m)	H2 2009 (\$m)	H1 2009 (\$m)	FY 2008 (\$m)
B/f previous slide	935	393	542	1,903
Associates	144	82	62	86
Gain on sale of Pemba	48	-	48	-
Impairment of Ore Hill and other goodwill	(299)	(249)	(50)	-
Loss arising from residual interest in brokerage assets	(105)	(105)	-	-
Net Finance Income	20	-	20	90
Profit before tax	743	121	622	2,079
Taxation	(240)	(125)	(115)	(362)
Profit after tax	503	(4)	507	1,717
Pre-tax margin	52%	49%	54%	64%
Tax rate (before adjusting rate)	20.3%	25.0%	17.1%	17.4%
Period end # shares in issue (m)	1,707.9	1,707.9	1,697.9	1,715.3
Diluted weighted average # shares (m)	1,707.9	1697.2	1,728.2	1,909.5
Diluted adjusted earnings per share (EPS)	57.0	22.1	34.5	90.2
Adjusted management fee EPS (underlying)	42.03	13.9	27.5	52.9
Statutory EPS (diluted inc. adjusted items)	28.4	(0.7)	28.8	90.2
Return on equity	13.5%	(0.8)%	21.4%	41.6%
Average capital	4.4bn	4.1bn	4.6bn	4.1bn

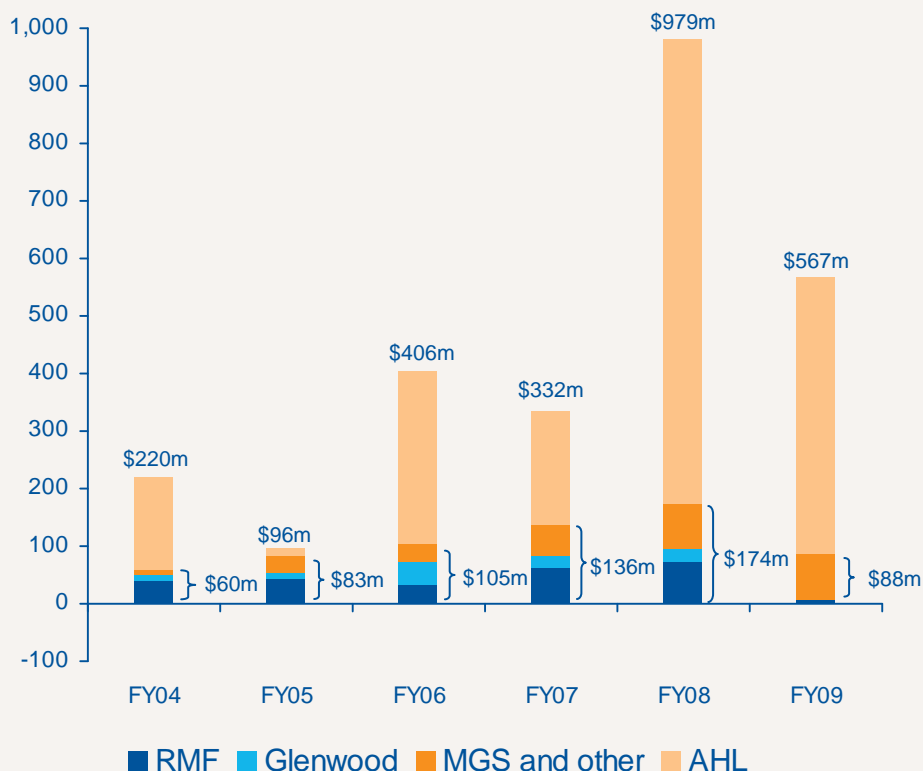
Balance sheet



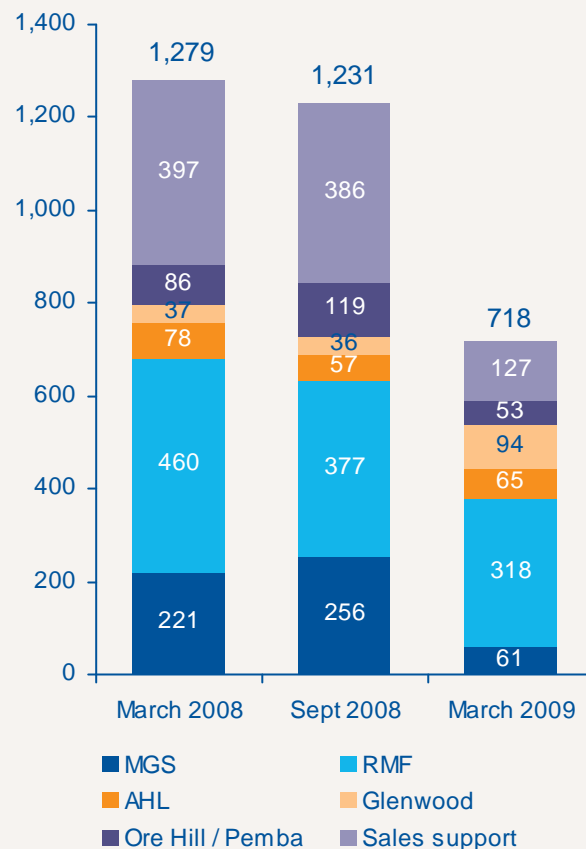
	At 31 March 2009 (\$m)	At 31 March 2008 (\$m)
Goodwill on acquisitions	774	813
Commission intangible	317	427
Investments in joint ventures and associates	317	267
Seed investments	718	1,279
Loans to funds	373	369
Balance sheet supporting core investment managers	2,499	3,155
Fixed assets	64	52
Other assets	646	1,153
Cash and cash equivalent	2,361	1,876
Total assets	5,570	6,236
Debt issuance	643	402
Other liabilities	735	1,123
Total liabilities	1,378	1,525
NET ASSETS	4,192	4,711

Performance fees

Net performance fees excluding seed investment gains/losses



Seed investment portfolio \$m



Aggregate seed losses FY 09 = \$260m
 Aggregate seed losses FY 08 = \$51m

Liquidity: debt, committed facilities and cash

Maturity by period (as at 31 March 2009)

	Total \$m	Less than 1 Year \$m	1-3 years \$m	4-5 years \$m	After 5 years \$m
Drawn					
Committed syndicated facility	-	-	-	-	-
EMTN programme senior notes	243	-	-	243	-
Subordinated FRN	399	-	-	-	399
Hybrid Tier 1 securities	300	-	-	-	300
Undrawn					
Committed syndicated facility	2,430	-	-	2,430	-
Total facilities	3,372	-	-	2,673	699
Cash balances	2,361	-	-	-	-
Total available liquidity	4,791	-	-	2,673	699

- Long term senior credit ratings: Fitch BBB+; Moody's Baa1; S&P BBB+
- 75% of committed syndicated bank facility extended by one year to June 2013
- Issued \$250m under the EMTN programme and \$300m of hybrid Tier 1 securities
- Extension of maturity profile and diversification of funding sources using capital markets
- Maintenance of substantial excess liquidity

Dividend information



Announcement date	28 May 2009
Ex div date	1 July 2009
Record date	3 July 2009
Dividend payment date / DRIP shares purchased	21 July 2009
Interim payment	19.2 cents
Final payment	24.8 cents

Recommended dividend is subject to approval by shareholders at the AGM.



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