

# Press Release



29 September 2008

## **Pre-Close Trading Update and Funds Under Management Statement**

Man Group plc today announces its pre-close trading update and funds under management statement for the six months ending 30 September 2008.

Peter Clarke, Group Chief Executive of Man Group, will host a conference call for investors and analysts at 08:45am BST this morning, Monday 29 September. Access numbers for the call are included at the end of this release.

Man Group will announce its interim results on 6 November 2008.

## **Pre-Close Trading Update**

Despite the turmoil in global financial markets, demand for Man's products has remained very strong, with sales in the six months to 30 September estimated to be \$10.0 billion, 25% higher than for the equivalent period last year. Private investor and institutional redemption rates have remained low, in line with last year's levels. Estimated net inflows for the period are \$4.1 billion, up 14%.

Turbulent markets have adversely impacted performance across all asset classes industry-wide. Whilst the bulk of Man's product range has performed as well as or better than relevant benchmarks for the calendar year to date, negative investment movement has reduced funds under management in the period by \$5.0 billion. Active risk management in the core funds during recent periods of high market volatility has also reduced investment exposure. Together with the FX translation impact of the strengthening dollar, these moves have combined to reduce funds under management to an estimated \$70.3 billion, down 6% from 31 March 2008.

Gross management fee income<sup>1</sup> for the period is estimated to be over 10% higher than the \$983 million for the first six months to 30 September 2007.

Net management fee income<sup>2</sup> will be in line with the first six months to 30 September 2007, principally reflecting a lower level of net finance income<sup>3</sup> but also continued investment in infrastructure and people to enhance the product range and further expand distribution.

Net performance fee income<sup>2</sup> will be around 40% below the comparable period last year, primarily as a result of a lower contribution from AHL.

Diluted earnings per share on total operations<sup>2</sup> are expected to be around 5% lower than for the first six months last year, principally reflecting the lower performance fee contribution.

Underlying EPS<sup>2</sup> for the period, which excludes performance fee income, is expected to be around 10% higher than the 23.3 cents in first six months of last year.

The Group continues to hold excess regulatory capital of about \$1.5 billion. During the first half, \$674 million of cash has been returned to shareholders through a combination of the final dividend (\$423 million) and share repurchases (\$251 million).

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Peter Clarke, Group Chief Executive of Man Group, said:

"At times of market stress our conservative product range, with its focus on investment styles with low correlation to equity and bond markets, has particular appeal to investors. Strong sales across this period of extraordinary market turbulence demonstrate the value of our investment approach and the power of our wide-reaching sales network.

"With surplus capital and a continued commitment to invest in people, products and innovation, we are very strongly positioned for the future."

### **Funds Under Management Statement**

Sales for the first six months to September 2008 are estimated to be \$10.0 billion, up from \$5.0 billion in the first quarter. Private investor sales were \$7.0 billion, of which guaranteed products accounted for \$3.7 billion and open-ended products \$3.3 billion. Institutional sales were \$3.0 billion.

Redemptions for the six months to 30 September 2008 were \$5.9 billion, of which private investor redemptions were \$3.0 billion.

Funds under management are estimated to be \$70.3 billion, down from \$74.6 billion at 31 March 2008. The split of funds under management is private investor \$41.7 billion (31 March 2008: \$43.5 billion) and institutional \$28.6 billion (31 March 2008: \$31.1 billion).

Movements in funds under management can be summarized as follows:

- Net inflows of an estimated \$4.1 billion
- Maturities of \$0.3 billion
- Negative investment movement of around \$5.0 billion
- Impact of 50% disposal of Pemba net of the 50% acquisition of Ore Hill of a negative \$0.6 billion
- FX and other movements of a negative \$2.5 billion.

### **Fund performance**

For the calendar year to 24 September 2008, AHL<sup>4</sup> performance is estimated to be up 0.9%. For the calendar year to 31 August 2008 performance for other core funds is estimated to be as follows: Glenwood<sup>4</sup> down 5.8%, Man Global Strategies<sup>4</sup> down 10.8% and RMF<sup>4</sup> down 2.5%. The HFRX Investible Global Hedge Fund Index is down 5.1% calendar year to 31 August 2008 and 9.8% to 24 September 2008.

<sup>1</sup> Includes management fee income from associates

<sup>2</sup> Before exceptional items

<sup>3</sup> Net finance income has reduced due to the fall in USD interest rates and the distribution to shareholders of the cash received from the MF Global IPO proceeds in the prior year

<sup>4</sup> As represented by the performance of Athena Guaranteed Futures Limited, Man-Glenwood Multi-Strategy Fund Limited, Man Multi-Strategy Guaranteed Ltd and RMF Absolute Return Strategies I.

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## **Conference Call Details**

UK Access Number: +44 (0)20 8609 1270  
UK Toll Free Number: 0800 358 7034

### Playback

UK Toll Access Number: +44 (0)20 8609 0289  
UK Toll Free Access Number: 0800 358 2189  
US Toll Free Access Number: 1 866 676 5865  
Conference reference: 234276#

## **About Man**

Man is a world-leading alternative investment management business. With a broad range of fund products for institutional and private investors globally, it is known for its performance, innovative product design and investor service. Man manages \$70 billion in funds under management and employs around 1,700 people in 13 countries worldwide.

The original business was founded in 1783 and this year celebrates its 225<sup>th</sup> anniversary. Today the parent company, Man Group plc, is listed on the London Stock Exchange. It is ranked in the top 40 companies of the FTSE 100 Index with a market capitalisation of about \$12 billion.

Man supports many awards, charities and initiatives around the world, including sponsorship of the Man Booker literary prizes and the Man Group International Climate Change Award. Further information can be found at [www.mangroupplc.com](http://www.mangroupplc.com).

## **Forward looking statements**

This document 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. Man Group plc's actual future results may differ materially from the results expressed or implied in these forward-looking statements.

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