

Acquisition of a 25 per cent interest in alternative investment manager Nephila

Man Group plc, one of the world's leading alternative investment management firms, today announces that it has entered into an agreement to acquire a 25 per cent interest in Nephila Capital Ltd for \$50m in cash, funded from the Group's existing resources.

Nephila is an alternative investment manager specialising in underwriting natural catastrophe (re)insurance and investing in insurance-linked securities and weather derivatives. Through its proprietary investment strategy, Nephila provides access to uncorrelated sources of returns. Established in 1998, Nephila is headquartered in Bermuda, employs 25 staff and has approximately \$2.4 billion in funds under management.

This development is part of Man's strategy to broaden its offering of alternative investment strategies and sources of uncorrelated returns offered to investors. Combining Nephila's experience with Man's depth of resources and distribution platform will create significant value for both investors and shareholders. Nephila's three managing principals, Frank Majors and Greg Hagood, who are co-founders of the firm, and Barney Schauble, will continue to manage the business and the underlying fund investments.

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About Man Group plc

Man is a world-leading alternative investment management business. With a broad range of funds for institutional and private investors globally, it is known for its performance, innovative product design and investor service. Man manages over USD78 billion and employs 1,600 people in 13 countries worldwide.

The original business was founded in 1783. Today, the parent company, Man Group plc is listed on the London Stock Exchange and ranked in the top 40 companies of the FTSE 100 Index, with a market capitalisation of about USD20 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

About Nephila

Founded in 1998, Nephila is a leading alternative investment manager specializing in insurance-based instruments. The company currently manages about \$2.4 billion using a proprietary investment strategy. In addition to insurance linked instruments, which are primarily related to natural catastrophe risk, Nephila has been trading weather risk since 2000 and launched a dedicated weather vehicle in 2005.