



# 2009 review and outlook

**Peter Clarke, Chief Executive**  
**9 July 2009**



# 2009 results summary

Strongly profitable; flexible business model; well capitalised



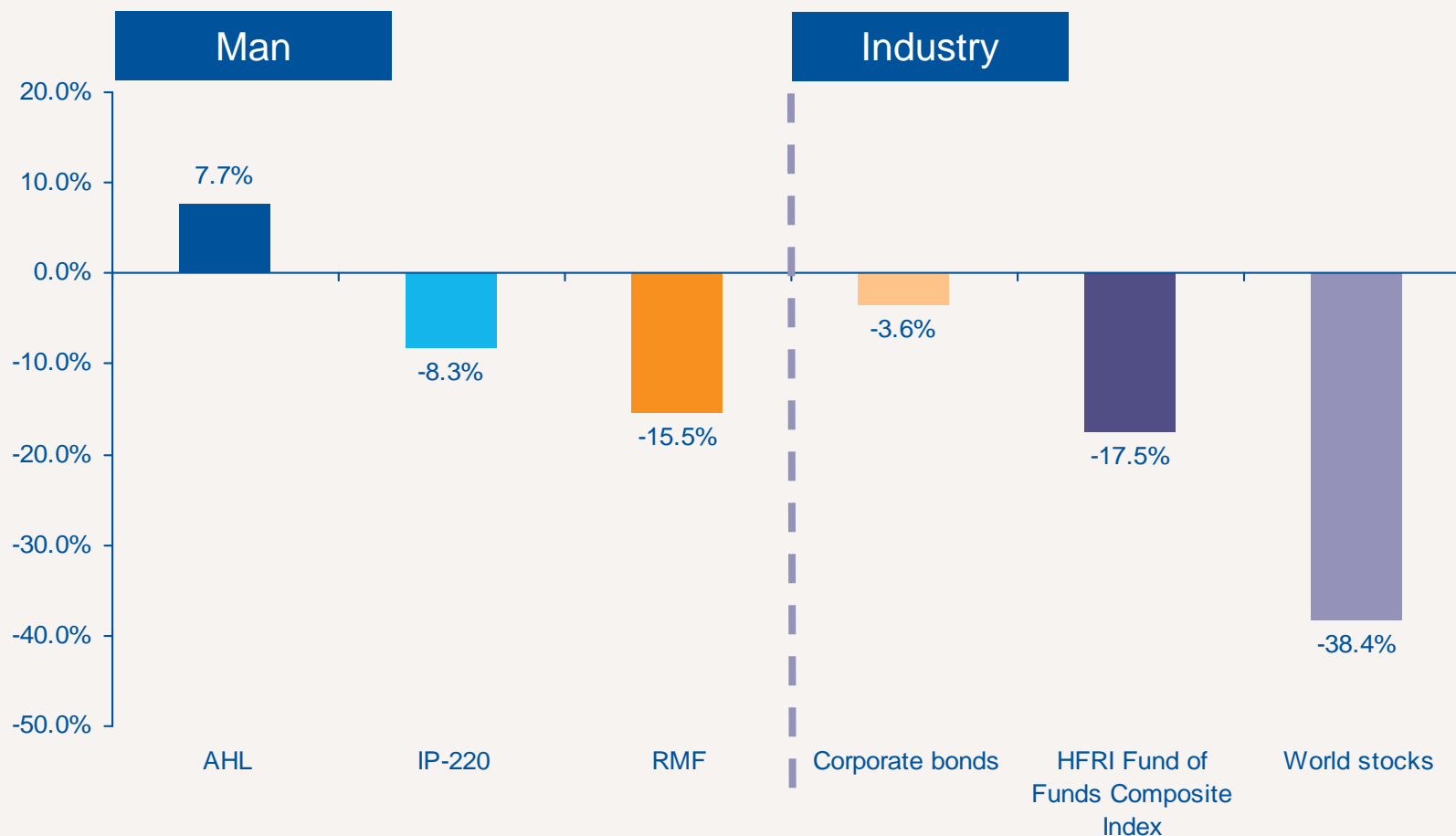
- Funds under management fell 37% to \$46.8 billion
- Net management fee income of \$885 million, down 23% excluding exceptional items
- Net performance fee income of \$358 million, down 62%
- Adjusted profit before tax of \$1.24 billion, at a margin of 52%
- Regulatory capital surplus of \$1.7 billion; available liquidity resources of \$4.8 billion
- Dividend maintained at 44c per share

# Navigation of industry challenges

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

# Performing through difficult markets

## Year to 31 March 2009



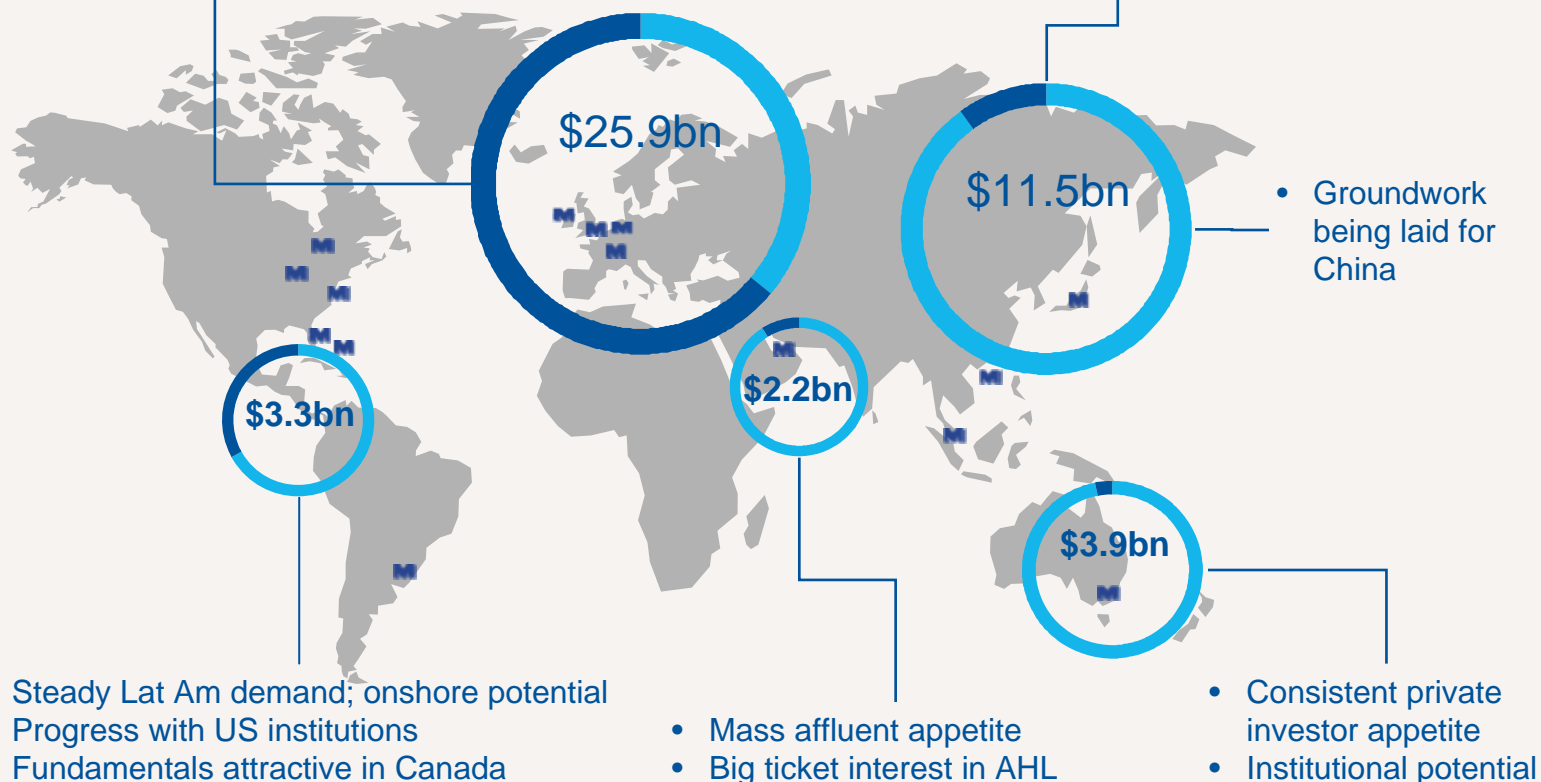
Source: Man database and Bloomberg. There is no guarantee of trading performance and past or projected performance is not a reliable indicator of future performance. Returns may increase or decrease as a result of currency fluctuations. Please note that the HFRI index data over the past 4 months may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

# Competitive advantage

## Distribution & product opportunities

- Onshore Europe capability
- New offices planned

- Significant Japanese private client and institutional demand
- Hong Kong onshore regulated formats
- Opportunities in emerging Asia



Not to scale. FUM as at 31 March 2009.

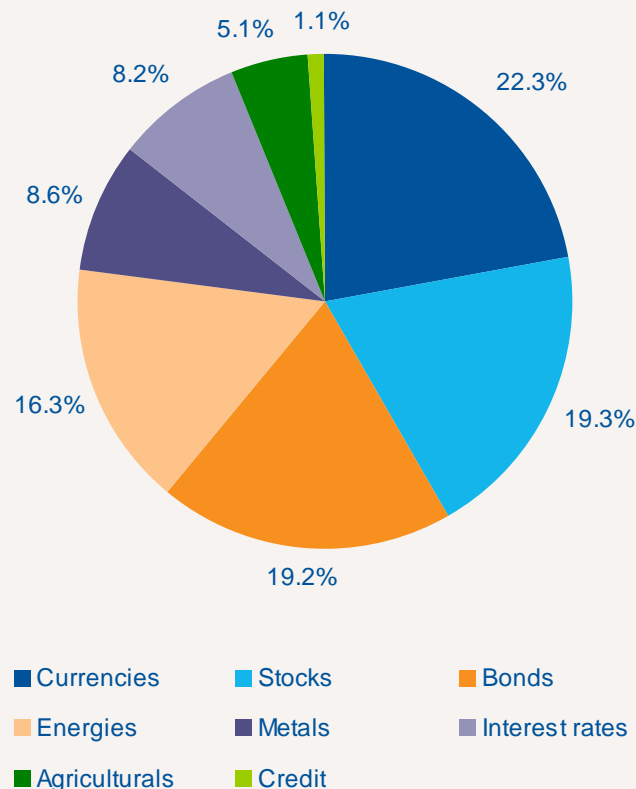
Institutional  Private investor

# Competitive advantage

## 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

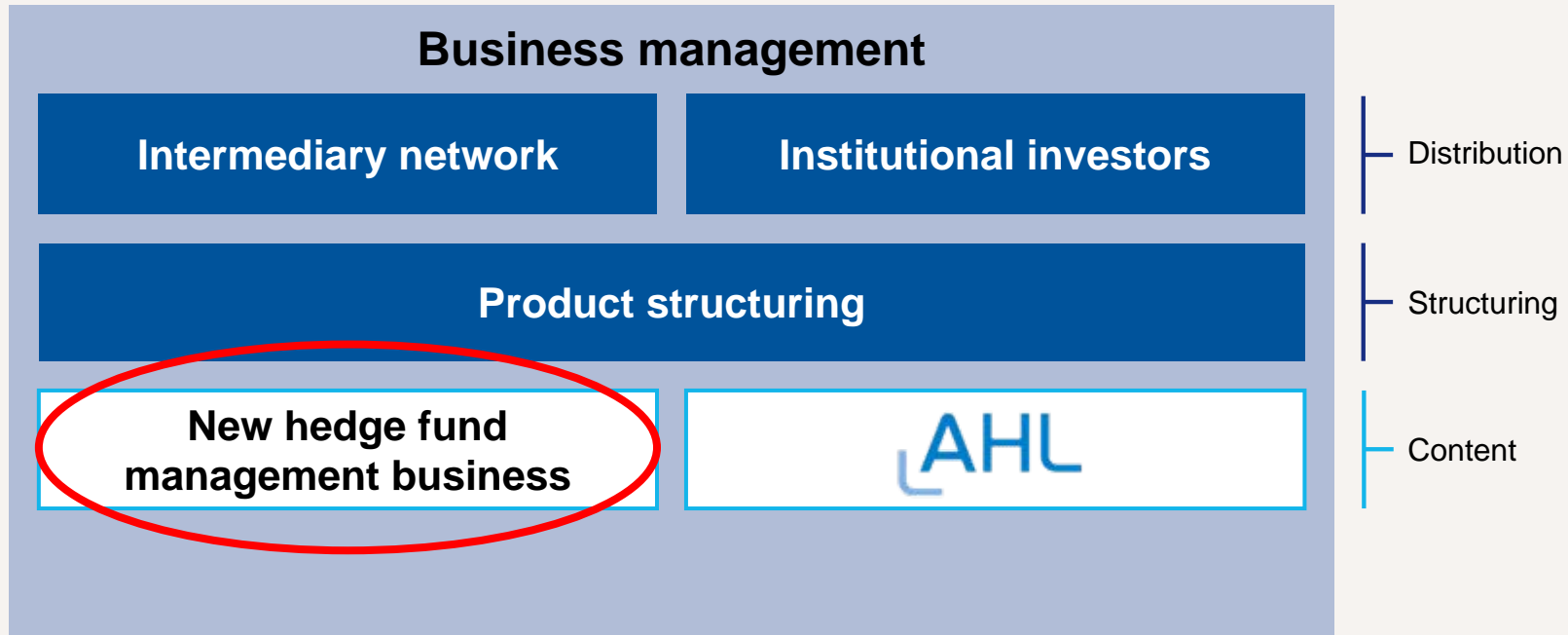
Asset class distribution – March 2009  
AHL Diversified Programme<sup>1</sup>



Source: Man database. <sup>1</sup>As at 31 March 2009. The sector allocations are designed to reflect the expected long-term risk exposure to each sector relative to the other sectors in the portfolio. The figures are based on estimates of the risk of each sector for the current portfolio. The portfolio structure and constituents are regularly reviewed by the investment management team and sector allocations will change accordingly.

*Competitive advantage*

# New hedge fund management business



**Reinforces investor confidence**

**Broadens investor choice**

**Consolidates Man's reputation as an allocator of choice**

**Over time, reduces cost of production**

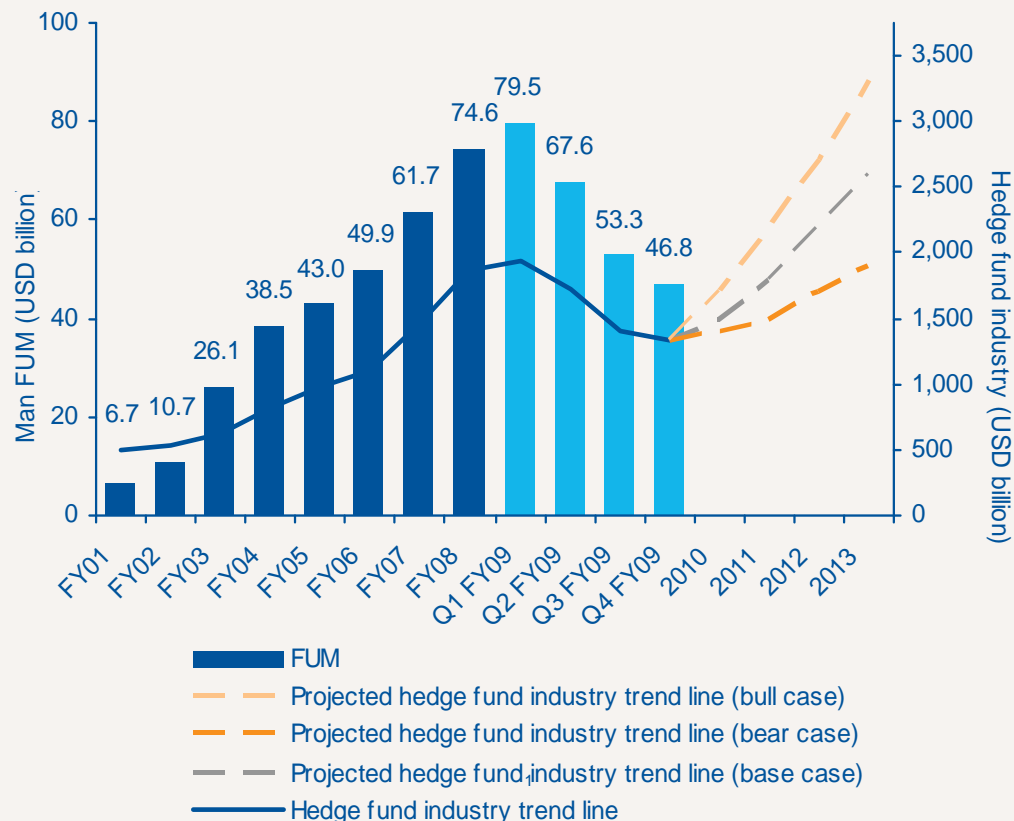
# Q1 update



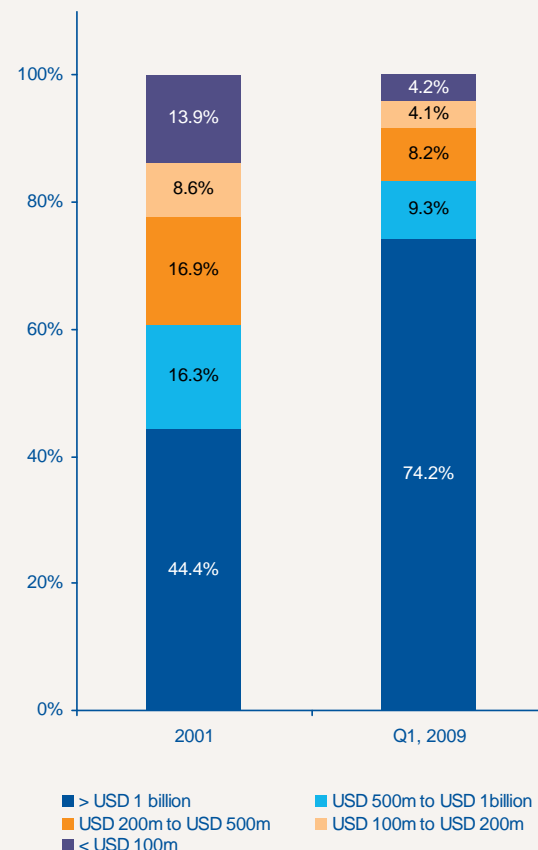
- Funds under management at 30 June of \$43.3bn
- Private investor inflows of \$1.9bn, driven by strong sales
- Institutional outflows of \$3.3 billion; redemptions now easing
- Positive industry performance helping investor sentiment

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

### Potential for industry growth<sup>1</sup>



### Industry assets by fund AUM<sup>2</sup>



<sup>1</sup>Source: Man database and 'HFR 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. <sup>2</sup>Source: 'HFR Global Hedge Fund Industry Report – First Quarter 2009', Hedge Fund Research, Inc.

- 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

These materials issued by Man Group plc are a summary of certain information contained in the stock exchange announcements dated 28 May 2009 (relating to the results for the year to 31 March 2009 of Man Group plc) and 9 July 2009 (relating to Q1 Interim Management Statement) 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.

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