



Event: Acquisition of GLG

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Noam Gottesman - GLG Partners, Inc., Chairman and Co-CEO
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Jon Aisbitt - Chairman

Good morning and welcome to those present in the room, those watching our webcast and those joining by telephone. In the course of my recent round of meetings with leading shareholders the question of a possible acquisition by the Man Group and what we intend to do with our surplus capital has unsurprisingly been a popular one.

We've consistently made it very clear that we believe strongly that if we can find the right acquisition, in terms of three key components. Broadening and deepening our product offering with complimentary liquid investment styles, which would in turn diversify our sources of income; acquiring 100% without needing to raise new equity from shareholders or creating market overhang, and preserving our strong regulatory capital and liquidity profile going forward. If we could find a deal like that, then our overwhelming conviction strategy was to invest in future growth rather than returning capital to shareholders. And our shareholders have been very supportive of that strategy.

In light of this I am delighted that we have been able to announce the proposed acquisition of GLG this morning. The combination of our two businesses will to the creation of an exciting new group, marrying GLG's highly regarded expertise in discretionary investing with Man's quantitative skills and world-class distribution and product structuring. Importantly, this will result in a significantly enhanced product offering for investors and a more diversified source of income for our shareholders.

Due to its size this will indeed be a transformational transaction for Man. The transaction does not require capital raising as it relies heavily on putting our surplus capital to work. The resulting group will be well capitalized with a sophisticated menu of liquidity options. Above all, while the proposed deal with earnings accretive in FY'12 once cost savings are factored in, the vision of the new combined management team is that this represents an industry-leading opportunity for growth and one could argue an industry-changing transaction. As Peter and Noam will explain, we think that this combined business will also be uniquely well positioned to deal with the current trends in the regulation of the hedge fund industry.

Now given the announcement of this transaction today we wanted to bring forward relevant matters from our full-year results announcement on May 27, some 10 days time. We wanted to give you a complete picture of recent Board discussions. In particular, in order to clarify our position on the 2011 dividend we have announced today that we intend to recommend a full-year dividend of at least \$0.22 per share, putting our dividend on a sustainable basis. You will be aware that we've already said that we intend to recommend a final dividend of \$0.248 per share for the year ended March 31, 2010, giving a total dividend for 2010 of \$0.44 per share.

Subject to regulatory approvals and the approval of Man and GLG shareholders we aim to complete this transaction by the end of September this year. My Board colleagues and I unanimously believe that this is a very exciting transaction and strongly recommend it to shareholders. We are all looking forward to welcoming the GLG team to the new Man Group.

Thank you and I will hand over to Peter

Peter Clarke - Man Group plc, Chief Executive

Thank you Jon. Good morning everybody. I echo Jon's welcome to all of you here and indeed those who are joining us by the video or noise link.

So Jon set the stage, the strategic context for the proposed acquisition of GLG. As the slide heading shows you on here our world is changing, indeed our world has already changed. Regulation, investor demands, the return outlook, concerns about correlation, concerns about liquidity have all been features of the recent past. You've all heard me say before how surprised I have been that so few investment managers have made substantial change to their business to reflect these drivers. Both GLG and Man recognize the power of getting this right. As Jon said this transaction represents the most comprehensive industry response to the future landscape for alternatives and one which I'm delighted to be telling you about this morning.

The transaction will create the largest alternatives manager in liquid strategies, combined FUM of over \$63b. But it is not size alone which is relevant here. Our investors are looking for new liquid, transparent solutions to long-standing portfolio problems. Although the regulatory regime is topical in this environment, many investors are already ahead of the regulator in their own demands for certainty and structure. And both Man and GLG have been separately leading this response through products that address those needs.

This transaction combines the complementary quantitative and discretionary investment management styles of Man and GLG. We'll illustrate that for you in performance terms shortly, with the world-class structuring and distribution capabilities of Man, which I think you're all familiar with. And it produces a business with an unrelenting focus on superior, uncorrelated returns. Providing new sources of return across different formats, for example, UCITS, a wide geography, a varied investor base, all tailored to suit individual investor appetite wherever they are located.

Most importantly this combination creates a platform from which we will build out further the range and depth of strategies on offer to investors, using the talent and performance-focus of the GLG investment teams. And we've done all this, in my view anyway, through a smart and imaginative structure, which delivers full integration benefits, retains investment focus and talent, demonstrates continued commitment of management - who are not taking any cash out of this transaction - and aligns fund investors, shareholders and management together.

So this slide illustrates graphically for you the combination benefits that I've been talking about, and the highly complementary nature of the two businesses. And this has been one of the core attractions of this transaction for both parties. At the strategy level our quant-investment focus and multi-manager capabilities combine excellently with GLG's discretionary investment trading capabilities. Whilst at the investor level, our mass affluent and institutional investor base complements the ultra high net worth, sovereign wealth and institutional investor base of GLG. The result, as I said is a uncompromised focus on performance and investor returns, but with the capacity to deliver new sources and formats and return to a truly global investor base.

The combination does allow significant synergies to be accessed to the benefit of both investors and shareholders, and we'll take you through that later on. All of that will facilitate asset growth and product development across the combined business in a way that neither of us could achieve on a standalone basis. Taking account only of identified cost synergies, it is, as Jon mentioned, a transaction that will be earnings enhancing in the first full year. Obviously, however, we are not doing this transaction for cost synergies. We are doing it for revenue synergies and whilst we've taken no account of that in the maths, I am going to spend most of my talking to you about where those might lie.

First a word on how the integration business will look, a broad range of hedge fund strategies as well as a significant long only capability, part of the history of GLG which they've expanded on with recent acquisitions. On the hedge fund side single manager strategies will now include AHL with over \$20b, GLG's alternative strategies with over \$10b, Credit where we have \$3.4b, our own Multi-Manager business that you are familiar with, and GLG's long funds of over \$12b.

Interestingly the active long only capability is something of considerable interest to us as we build out into dynamic fund structures, and are very complimentary to AHL's investment performance in particular. At Man we already have some products which have AHL combined with equity content and that's likely to be an area of continued focus after the transaction. Investment discipline and focus on performance for investors remains core, remains unaffected and sits in that top block of investment management. Outside investment management, the transaction additionally allows for complete integration of the business.

So compliance, risk, operations as well as product structuring, client services, sales and distribution will be unified into a truly compelling and broad capability, which I believe is unrivaled in our industry. The result is a unique ability to meet investor needs both currently and more importantly prospectively.

The three Principals of GLG Noam, Pierre and Manny who are here on the podium with me, will each be active members of senior management. They are committed to the future development of the combined business, both for investors and shareholders alike. And I'm thrilled that they are all working with us in the same organization.

I mentioned performance. Not only is the business mix complimentary but so too is performance. This is an illustration, which I won't spend time on but shows you why we've always liked managed futures, the core AHL product, because it is uncorrelated to equities, has a low correlation to most other hedge fund strategies. Combining the performance of the two creates something really quite interesting both in the context of product and stability of earnings and asset raising.

And this simply shows you AHL Diversified over the last 12 years with the GLG Global Opportunities Fund. And its very striking how at times of stress, times of strong movement in one positive or negative, the other kicks in to provide more stable returns. So a very important proposition for our investors and Noam will spend some time in his section of the presentation telling you a bit about GLG and its performance track record.

As I said really this transaction is about preparing ourselves for the future and recognizing that together we have the ability to sell more product and address more of the landscape for the investor. In terms of markets and products, I'll go through three blocks of product for you, firstly looking at the onshore regulated market.

There is, as you all know, appetite for liquid, transparent trading strategies. They need to be global, they need to be dynamic and often people want them to be thematic. And these portfolio objectives are not just features for institutions they are features for all investors and so the onshore regulated markets are important, evolving markets for hedge fund content. The challenge is provide returns in a suitable format through new channels. And this requires scale, it requires brand and it requires resources, especially for example, in the massive UCITS markets, a vast market which is seeing strong demand for convergence products.

Now the combined resources of Man and GLG, and onshore regulated product is quite outstanding. We will be the leading channel in this market for alternative content, in GLG's

case also open-ended long only content. Both of us have the capability and products to suit this market opportunity. Together the resource and focus is compelling.

We have long experience in open-ended onshore products, particularly in Asia as you will all know. And we are beginning to build that out into America and Europe. GLG already has a bigger onshore European open-ended presence through their UCITS products, having already launched over \$1b there, we with our two AHL Diversity and Trend UCITS products, now over \$200m in the managed futures style. In a world of increased regulatory focus and indeed change these capabilities are essential. Capital resources, confidence of our investors, distribution and brand are the necessary ingredients. And the barriers for entry for the competition only continue to rise.

The other segment of the market which has long been an important one for Man, as you all know, is structured product, where we combine content into structures that appeal to investors in different parts of the world either capital guaranteed or otherwise principal protected products. And our skills in structuring I think are familiar to you all.

Our challenge historically has been to provide complementary content to AHL returns, which we've met historically through our Multi-Manager business, but that will continue. But this transaction provides for a range of very interesting new product combinations and for us to have internalized the alpha generation relating to that combination. That gives us security and that gives us the confidence to include in franchise product.

Just by way of illustration one thought that we've had here, just to show you is a pro forma of AHL and GLG, again the Global Opps Fund what that would look like in combination, and that's the top line. The next line below that is like IP220 that's our current structured product offering that many of you will be familiar with, combining our Multi-Manager business with AHL, in both cases giving 100% weighting to AHL and 60% weighting to the other strategy. And then the bottom line is the MSCI World Index. So not only do you see that we have the opportunity to create something which in investor performance terms is even better than IP220, but they both remain staggeringly better than the equity indices.

We haven't tried to quantify revenue synergies for you in any way, but clearly with these sorts of product availabilities and complementarity of our investor base we would see that as being a very strong component of what we see going forward.

On the institutional side there's pretty universal acceptance I think that portfolio requirements for institutions will drive increasing strong inflows to liquid alternative strategies. It's apparent that something needs to be done. The question is who gets those flows. And much will undoubtedly go to high quality single managers with established track records. That includes AHL and it obviously includes GLG. In today's environment there is also a focus on counterparty strength, financial suitability, stability and business continuity. And together we represent one of the strongest firms in our industry.

Institutions are focused on regulatory oversight, client reporting and a solution mentality to portfolio requirements. Both Man and GLG share a common proposition which is that we accept and indeed encourage appropriate regulatory oversight for our products. And both of us are already heavily regulated in both Europe and the United States, and in Man's case many other places as well.

Our managed account capabilities at Man, already proving attractive in retaining and attracting assets from institutions, as you will have seen from some of our recent announcements, will benefit GLG's experience. They operate MACs at the manager level. And indeed GLG manages money for Man from our Multi-Manager business through

managed accounts already. In the United States we expect to make more progress jointly than either of us could do independently, and that remains a core focus for both of our businesses.

I talked about distribution on the way through here and here's a sort of heat map of the world which shows you quite why the distribution is so compelling. It's quite clear, for example, I think most of you are familiar with the strength of our Asia Pacific franchise. Again, GLG not present there. Especially in investor, in private investor channels for Man, GLG has no material presence, and we would see a strong demand for equity long-short, and indeed macro programs from GLG into those markets.

In Europe, Man as you know has a strength centered on Switzerland and the German speaking parts of Continental Europe. GLG has particular strength in Southern Europe and indeed here in the United Kingdom. So a good complementarity there, and indeed their investor base has a big skew to sovereign wealth and family offices where we are under-represented in this region.

In the Americas, as I said earlier, we are both present in North America where the competition remains intense but the combined presence of both of our organizations should be very compelling, and in South America, where we have long had a presence and GLG do not yet. So opportunities over the medium term I think are quite clear and compelling.

So the transaction, we've talked about the merits of the deal. Let's have a look at why GLG and what it means. We've known GLG for many years. As I mentioned earlier we've been an allocator to them from our Multi-Manager business for many years. We know the performance, we like the performance. We have client money there. So it was natural that we should talk from time to time. I'm thrilled that we've been able to come to a conclusion on a transaction here. We believe we've come to a smart and thoughtful structure, which achieves four core aims.

First, as Jon said, to use our capital intelligently and in an earnings accretive way. That mitigates to using cash predominantly rather than shares.

Second, to offer cash to third party shareholders of GLG, paying them for the cost synergies that ongoing shareholders will enjoy but they will not. So we've skewed the premium to the cash component to recompense for that.

Third, to allocate new Man shares to the Principals and senior managers, not cashing them out, but rolling them into the success of the combined future organization and locking up those shares. I have to say that we had no difficulty whatsoever in convincing the three Principals that they should hold Man shares.

Fourthly, to ensure that the capital position of the combined entity is secure and robust, and allows us to continue to develop the business from here.

We have a bifurcated structure, third party shareholders, the public effectively, receiving \$4.50 per GLG share. The Principals receiving shares \$1 less than that, \$3.50, at a fixed exchange rate on Friday's close.

The value of the share component will fluctuate with Man share price up until closing. But under the terms of the deal that is capped out at \$4.25. This is a requirement, this cap, is a requirement of GLG's Special Committee, an independent governance committee, that wanted to ensure that there was always some premium to the cash shareholders.

The Principals will own a little under 10% of the enlarged share capital of Man when the transaction closes. They've committed, as I say, to lock up their shares for three years from closing with one third investing after the second year, on anniversary of the second year, and two thirds being released on the third anniversary.

As I said earlier we have had no problem at all convincing the GLG Principals that they should hold Man shares. They've also committed to leaving very substantial investments in their own funds and to non-compete covenants for three years. So I think we have roundly addressed the concerns that people have around buying people businesses.

The transaction is earnings enhancing in the first full-year as Jon mentioned, neutral impact in FY'11, given that the transaction will only close mid-year. In the first full-year we do have cost synergies. As I say, this transaction is not about cost synergies it's about revenue synergies, but in the maths we've only included the costs. Kevin will take you through those. Shareholder consent will be required from both sets of shareholders as well as the usual consents and clearances.

So how do we view consideration in this context? What we've done here is just show you the breakdown of consideration. There's \$1bn of cash. There's just over \$500m, \$560m of shares giving a total offer of \$1.6bn. We have that \$50m of cost savings, if you put them on a 20% tax and give them a P/E of 10, which I think is probably a little lower than our P/E, it's worth \$400m. We've had to cash out the convert holders as a convertible instrument outstanding at GLG for \$300m. And what you end up at the end of that with is the market cap of GLG on Friday.

So depending on which way around on this chart you want to work, you can either say that the synergies have basically funded the share consideration or you can say that the synergies have basically funded the cash premium to the third party shareholders. Either way I think that is a smart transaction.

Clearly this transaction is reliant heavily on people. As an investment business both of us are dependant on the quality and commitment of our people. So why are they so excited about this transaction?

First it broadens out our investment capability, provides the ability to raise assets more quickly and from different sources, which is clearly something which is of acute interest to the investment teams around at GLG. It also protects the focus and commitment to investment performance of those teams by retaining incentive structures whilst deepening the asset pool. Man's distribution capabilities are well established. Demand for equity-based products, long and long-short, alone or in combination with AHL is something that GLG can now provide for us. So our sales force and structuring teams at Man are similarly enthused.

The obvious commitment from GLG's Principals, all three of whom are here today, their excitement and enthusiasm for the deal speaks for itself. They aren't excited because they've cashed out, because they haven't. Not because they got a big premium, because they didn't. That went to the cash shareholders. Their excitement and mine is because of the future of the business that we've created.

This isn't the end of the ambition but the beginning. Attracting investment talent to build out discretionary trading, both organically and through acquisition is necessary, acquiring new markets and new products through new distribution channels, leveraging the skills and the brands of both firms.

I am going to stop now, let Noam tell you something about GLG, and then I'll come back at the end to wrap up. So over to Noam.

Noam Gottesman - GLG Partners, Inc., Chairman and Co-CEO

Thank you very much Peter. Good morning. First of all let me say how excited I am to be here today. And I wanted to briefly introduce the GLG team and the Company.

We are a leading global multi-strategy manager, founded 15 years ago by myself and Pierre Lagrange with Emmanuel Roman joining us as Co-CEO in 2005. We've built the business by delivering performance. And since the first fund launched in 1997 we've achieved a 14.1% annualized return on our alternative strategies and very strong out-performance on our long-onlies.

We have a team of 120 dedicated investment professionals and 400 people in the firm altogether. And we employ a multi-strategy approach, offering over 40 funds across equity, macro, emerging markets, credit, convertible bond, investment products. As of March 31, we had \$23.7b in total funds under management in a broad range of funds in managed accounts, including alternative, long only and UCITS III products. We are a public company traded on the New York Stock Exchange and we are regulated by both the FSA and the SEC.

I'm very proud of this particular chart. It shows the results of our unrelenting focus on delivering performance for our clients. Our first fund started trading in January 1997 and you can see the strong performance we've achieved in both alternative and long-only strategies. Our alternative has strongly out-performed all the major hedge fund indices and our long-only strategy has out-perform both the MSCI World and the S&P.

The performance that GLG generates for its clients is driven by the proven expertise of its team of investment professionals underpinned by rigorous investment analysis and a strong focus on risk management. We employ a heavy emphasis on fundamental research, tactical trading and a team of top industry analysts. In addition, our risk and control infrastructure is tailored at the fund level, and monitored by distinct risk managers and reviewed at the firm level by the risk committee. We use independent administrators and custodians and multiple-prime brokers.

In terms of our investment approach we have a diverse range of discretionary strategies, including credit and convertible, various geographic-focused offerings, and macro and special situation strategies. More recently we've entered into the UCITS space. Our investment track record has been recognized by the industry, where we have won numerous awards at both the firm level, including being voted Leading Pan-European Hedge Fund of the year by Thomson Reuters Extel for two years running, and also the fund level.

Turning now to recent performance, there are two points I'd like to highlight. Firstly, investment performance remains strong. Year to date, through March 31, 65% of our long only funds under management were out-performing relevant benchmark. Year to date through April 30, 76% of our 130 funds under management were out-performing relevant benchmarks. The chart on this slide highlights the strong start we've had to 2010.

The second point is that inflows from investors are accelerating. There has been a definite rebound in the asset allocation cycle from the trough outflows of roughly \$300m that we had in the first-half of last year to inflows of approximately \$200m in the third quarter, \$700m in the fourth quarter and \$1b of inflows in the first quarter of this year. We fully expect this to continue and to indeed accelerate further as we enjoy the benefits of being part of the Man Group.

In summary, the combination of Man and GLG will be truly transformational. The strategic fit is very strong. We are two highly complimentary businesses, both of which are focused on delivering long-term investment performance. It is transformational because a combination with Man will add significant distribution and structuring capabilities, and will deepen our infrastructure and capital base. The increased flexibility in our platform will broaden the range of products and services available to clients within the combined group. However, what will not change is GLG's core philosophy and client orientation, and most importantly the focus on delivering performance.

It's a great deal for our clients, also for our people. I agree with Peter, it will make it much easier to retain and hire the best talent in the industry.

Finally, we firmly believe that this merger is in the long-term interests of our business, and we are excited to be taking senior management roles within the combined group. Moreover, as Peter mentioned, we will be exchanging our existing shareholders in GLG funds for shares in Man, and we'll remain very significant investors in GLG's funds.

Let me hand the presentation over to Kevin.

Kevin Hayes - Man Group plc, Finance Director

Thank you Noam and good morning. Let me start by reminding you of our current pre-close highlights. Funds under management at March 31 were \$39b, net management fee income of \$450m, net performance fee income of \$80m, giving a profit before tax and adjusting items of \$530m. When we report our full-year results through March 31 on May 27, we'll be slightly ahead of these numbers.

Let me now introduce GLG's key financials, through the year, this is the full-year through to December 31, 2009 as published in their 10-K. GLG reports under US GAAP, and has a calendar year-end. On this slide if you focus on the light blue line, reported non-GAAP net income of \$81m. If you look at the bottom line the reported GAAP net income there is a loss of \$359m. So let me explain the difference because the focus really should be on that light blue line on a go-forward basis.

In 2007 GLG was acquired in a reverse acquisition by Freedom, a US registered entity. Under US GAAP the consideration paid to the Principals was treated as acquisition related compensation expense, which effectively resulted in the amortization into income of the purchase price as a compensation expense. On completion of the Man acquisition of GLG, these acquisition compensation adjustments from the Freedom acquisition will no longer exist. The shares issued to the Principals and key employees in the acquisition will be accounted for as equity in Man's consolidated entity. Therefore, GLG's historic non-GAAP earnings measures are more relevant to look at. The non-GAAP net income of GLG is equivalent to our pre-tax income in Man Group.

We've also included in the appendix the updated financial information of GLG to the most recent March 31 result, as filed in their 10-Q. I would point out that the majority of the performance fee income is recognized in their calendar quarter two and calendar quarter four, and therefore focus on the historical full-year numbers, gives a better sense of their economics.

Just a point, one point on nomenclature, the net management fees as described by GLG represent gross management fees minus rebates. That is a different definition than our net management fees, which represents gross management fees minus expenses. So just a difference in the presentation.

For reference, on the bottom of this slide, we've included the brokers' consensus estimates of non-GAAP net income for calendar 2010 of \$65.5m and calendar 2011 of \$111.5m. This gives you a sense of the analysts' view of the trajectory of earnings.

The points made by Peter and Noam as far as the non-correlated nature of the two investment strategies has the effect shown on this graph, which shows the gross performance fees on a combined basis. As you can see from the slide, the effect of that non-correlated nature of the investment strategies will show through in somewhat of a different pattern in our gross performance fees going forward. These are half year numbers. Dark blue is GLG and light blue is Man Group. This shows the historical trend. Historical trend of gross performance fees has been above \$300m in each of the halves.

With regard to due diligence, Man has a long-standing relationship with GLG and has had an investment mandate for many years, primarily through managed accounts with GLG. Man has therefore performed regular due diligence, operational due diligence and investment management due diligence, as an allocator to the GLG funds. Through their funds also GLG has been an investor in Man stock and so they know our company very well.

GLG is a listed New York Stock Exchange regulated entity, regulated by the SEC, and therefore they have full audited financial statements. Therefore there's a comprehensive amount of publicly available information about the company. In addition GLG is FSA regulated, regulated by the same regulators as Man, and therefore they are subject to the same regulatory and compliance regime as Man.

We conducted comprehensive due diligence covering, amongst other things, the investment management process, investment performance, the GLG investor base and distribution, compensation arrangements, legal, regulatory finance and tax. And as mentioned by Noam and Peter, this diligence has validated the potential synergies between the two organizations.

As Peter mentioned, cost synergies are not really the nature of this transaction. But the revenue synergies have huge potential. But let me just take you through the cost synergies. We have already identified \$50m of cost synergies. We anticipate being able to achieve one-third of these in our financial year end 2011 and the balance in the first six months of our financial year ending 2012. The one-time cost of delivering these synergies, these run rate synergies, is likely to be around \$25m.

As Peter mentioned, the businesses will be integrated and gives us an opportunity to merge the infrastructure and operational areas that will support the investment businesses. Areas of overlap include occupancy costs, IT infrastructure, and reduced travel and marketing based on the extensive regional network that we have. There will also be savings in public company costs as we intend to de-list the US registered entity.

It is clear from both organizations there's significant operating leverage arising from the combination. The combined organization will have significant capacity to manage more assets.

Cost synergies will be a key area of focus on the short term, but as Peter and Noam have outlined, the opportunity to generate revenue synergies will be even more significant over time.

As Jon outlined, we've utilized the excess capital to fund the acquisition so let me walk through the components of our projected capital position after the acquisition. The overall transaction will create approximately \$1.7b of goodwill and intangibles, which will be supported with Tier 1 capital. Applying the exchange ratio on the basis of our share price on Friday close, we would issue approximately 550m of new shares representing around 177m shares, as the consideration of the Principals and the key employees. This is Tier 1 capital to support the acquisition.

Our estimated excess net capital at closing, so this is current capital adjusted for movement, the largest being the payment, as Jon mentioned, of the final dividend, is estimated to be around about \$1.45b. The capital funding required is around about \$1.1b, leaving an excess capital, estimated excess capital, of round about \$300m.

With regard to our liquidity position, we have maintained significant excess liquidity. The cash component of the acquisition will be funded with available cash. After completion of the transaction we will still have significant excess cash and undrawn committed facilities.

This is an exciting, strategic combination that will create a balanced, well-capitalized business. So let me hand back to Peter.

Peter Clarke - Man Group plc, Chief Executive

Thanks Kevin. Okay, just back to me to wrap up and bring some of the threads together and then we'll switch to Q&A.

So conclusion, what have we got here? It isn't often that you see a deal with such striking complementary characteristics on so many levels and I think we've shown you that in the course of this morning. The acquisition of GLG is front and center on our strategic goal in terms of expanding our investment capabilities. And it represents a comprehensive response to the future landscape for alternatives, not just the current. The structure addresses retention issues and aligns us all here on the platform with our shareholders. Both businesses have common regulators, they are both listed entities and we both have the same view of the importance of regulated markets and products, again now and importantly prospectively.

In a world of rising barriers to entry, and increasing investor demands, balance, scale, resources and relationships are key. We've used capital in a thoughtful and intelligent way to build for the future. And what we have at the end of this I believe is a compelling investor proposition and as importantly a unique shareholder opportunity.

So I'm going to stop there and we're going to answer questions. As well as Noam we have Manny and Pierre on the platform to help expand questions with regard to GLG. So please feel free. Do wait until the microphone gets to you if you're going to ask a question. Rupak first.

QUESTION AND ANSWER

Rupak Ghose - Credit Suisse

Yes, I have two questions. Firstly on cost savings, the cost savings number of \$50m, how should I be thinking about that? Should I be thinking about that over the \$90m of non-comp costs as a percentage of that? Or is some of it coming from the comp line as well in GLG?

Kevin Hayes - Man Group plc, Finance Director

It's a combination of both compensation and non-compensation expenses.

Rupak Ghose - Credit Suisse

So it's not all coming from the \$90m of general admin and others last year?

Peter Clarke - Man Group plc, Chief Executive

No. There's some part of it that is compensation.

Rupak Ghose - Credit Suisse

Got you. Second thing is, I'm wondering if we could get some color about flows from GLG? I missed all of the Q1 call. I'm just wondering, to get an idea of flows, particularly in terms of mix, in terms of private client versus institutional and different customer bases?

Emmanuel Roman - GLG Partners, Inc., Co-CEO

It was largely all into alternative alternative strategies as opposed to the long-only strategies that we saw in the third and fourth quarter of last year, and very heavily institutional endowments, pension funds, sovereign wealth funds.

Peter Clarke - Man Group plc, Chief Executive

Thanks Rupak. Any more? Other questions? Philip first, yes.

Philip Middleton - Bank of America Merrill Lynch

Thanks. It's Philip Middleton from Merrill Lynch. I wonder could you say a little about what impact you think the mooted EU alternative investment fund management directive will have on both your businesses, and probably more GLG's than Man's?

Peter Clarke - Man Group plc, Chief Executive

Although you say probably more GLG's, I'll start first and then maybe Noam or Manny can fill you in on their response. And I think from our perspective, we're not surprised that this is coming into force. Obviously it's not coming into force in a format that everyone in the industry is welcoming, because there are still some bits of that which are unclear and perhaps a little perverse in their consequence. But the starting point for both of us is that we recognize that appropriate regulatory oversight should be in place. Removing barriers to entry, certainly having the passport capability around Europe will be powerful.

One of the reasons that we're excited about the GLG acquisition from the Man side is that it gives us a very significant London-based fund management capability. A lot of our, apart from AHL, a lot of our capability is in Switzerland as well as London and North America. So moving our center of gravity into the EU on the discretionary trading side is helpful to that response.

But in terms of resource and scale, as I said earlier, all these things are doing is raising barriers to entry. And for players like us independently and the more so when we're together, that I think represents a very significant opportunity. But on the GLG side.

Emmanuel Roman - GLG Partners, Inc., Co-CEO

I would echo these comments. Peter and I have been sitting on the Hedge Fund Standards Board for the past two years. And so we had ample time to get prepared to this on both sides. We've always focused on liquid strategies. And what I mean by liquid are unleveraged liquid UCITS type of investment opportunity and so in many respects this does not impact us. We've never been a big user of leverage and so some of the modification which may or may not occur may deter some people, but I think we're pretty well positioned to cope with those.

Philip Middleton - Bank of America Merrill Lynch

Thank you.

Peter Clarke - Man Group plc, Chief Executive

I think Bruce had a question there.

Bruce Hamilton - Morgan Stanley

Thanks. It's Bruce Hamilton, Morgan Stanley. I wonder if you could maybe give a few comments on how you've sought to lock in key GLG staff below the three Principals. How's that going to work? And how from the Man side have you got confidence that you can lock people in?

Peter Clarke - Man Group plc, Chief Executive

I'll start and then it's a good question for Pierre, actually, because that's Pierre's responsibility, managing the traders. From our side, I would say firstly that as you heard earlier, we allocate to the GLG teams, particularly in the Alpha Select strategy. So we know those people and they know us.

Part of our due diligence before this transaction closed was for us to meet the senior guys round at GLG and talk through with them what their concerns were, what the opportunity was. And I have to say that the Man representative is in the audience here, John Rowsell, who did that, came away very comforted by the excitement that that group of people had for this transaction. They can see if you're sat there, the trade that says you're going to raise more assets faster from the more balanced, diversified investor base sounds like a good trade, right? And particularly some of the funds that need faster asset-raising, I think we can help a lot there. For example, the macro team and some teams that can deploy much more money fast if they had it.

So from our side, we view that as a real opportunity, but Pierre will have an insight from the trader side.

Pierre Lagrange - GLG Partners, Inc., Senior Managing Director

Thanks, Peter. It's all of the above and I think it's a couple of additional points. First, we've got all the contractual structure with the lock-up, with the shares, with the interest in their own funds that make everybody aligned.

But there's a couple of additional points. Is that first there is fantastic culture. We're very special. We're a federation of very entrepreneurial, very good fund managers, very strongly performance oriented, who are actually loving to work together. And I think the fact that we're very happy, that we love this deal because it's going to really provide a lot of opportunities going forward, is massively bullish for all of them.

The second thing is that in a way we've seen what bringing a fantastic distribution business together with our product factory has done before. Manny and Noam have delivered a very interesting acquisition last year where we brought one smaller but really UK-focused retail distribution with the SGAM UK acquisition, and it's been the best proof in the pudding. It will see how well we've integrated that, how actually we as fund managers have been able not to have to deal with it because these guys were running it. And so everybody can really focus on what they're very strong at.

And I think that's the further additional point, is that everybody is very focused on what they're really strong at and this is helping us even more towards that.

So I think there's a massive buy-in. We have actually obviously worked with the top. We've got a special advisory group within GLG of which a couple of the fund managers are part. We worked with them for that transaction. The first feedback from the troops on the ground to whom I was talking this morning, they're very, very, very bullish. So it's really exciting.

Emmanuel Roman - GLG Partners, Inc., Co-CEO

I think just to finish off on that, it's going to maintain GLG's culture, the economics are going to be maintained. But what it basically does is it gives people the opportunity to manage much more money, which is what they'd like to do. And so I think really huge support among the troops.

Haley Tam - Citigroup

Hi, it's Haley Tam from Citigroup. Two questions from me please. Firstly in terms of the revenue synergies. I know it's not what the deal is about specifically today, but some idea of how we should think about that, if it's simply more allocations to GLG through the existing line product stable or something more?

And secondly I suppose the flipside of that, do you have any expectation that institutions might pull some money from either side following this combination? Thank you.

Peter Clarke - Man Group plc, Chief Executive

I'll comment on the first piece of that, Haley, thanks. It's very difficult. And indeed, I don't think we're supposed to talk about revenue synergies in any detail given a public transaction. So it's difficult to be precise except I think you've heard enough about the excitement that exists on both sides. And I was trying in my section of the presentation to illustrate the sort of things

that can be created from the combination. And I hope we put one up there because we thought that was a pretty striking product to be marketing.

So it's clear we'll have the capability to do some very interesting things. It's clear from our side that we have demand for those interesting things, both in structured product and open-ended. It's clear that a lot of that exists in places where the GLG investment asset raising is not yet present, like Asia Pacific, one of our core strengths.

So all I can say is that we have very high expectations of our ability to raise assets into open-ended funds, single manager funds, structured product funds. And although structured products at the moment have proved less favorable, people have been going for the open-ended product offering, the GLG proposition gives us a capability to deliver content in either direction. We're ambivalent in terms of asset-raising. We can do both. We will like to do both. And I'm sure that with that sort of pro forma product that I showed you the graph of, we'll see a lot of demand for that sort of product. That is a compelling investment proposition.

So I'm not trying to avoid the question. It is -- we're not supposed to go into a lot of detail. But it is something that we obviously both share in terms of the prospects for the organization. And we wouldn't do it if we didn't think there would be significant synergies in terms of asset-raising going forward. And frankly, if you look at the competition, after this I'm not sure what that competition is in terms of the product that we would be selling. So not just strong, but I think outstanding in terms of capability.

On the institutional side, obviously Noam can comment.

Noam Gottesman - GLG Partners, Inc., Chairman and Co-CEO

So I think from an investor standpoint, nothing will change. They'll still be invested in GLG funds, the same ones that are invested in today. They'll still be managed by the same managers who manage their funds today. And they'll still be interacting with the same people that they're interacting with today.

What the deal does do, it'll mean that GLG becomes part of a FTSE 100 company with a sound capital base and strength, greater strength and infrastructure and resources with which we can devote to our clients. And so I think they'll be very happy. And from the calls that we were able to make after the deal was announced this morning, we've had overwhelming support. They see this as a strengthened entity with which they can invest happily.

Peter Clarke - Man Group plc, Chief Executive

And it's fair to say, and we're obviously thrilled by the fact that Noam reported that from their investor base, not surprised, but you can never be sure and it's a good question, Haley. From our side there isn't much overlap with institutional customers at all, very, very little. And the only significant one that there is has been very positive feedback through the GLG channel on that. So I think the only area where there would have been a significant overlap is proving to be a non-event as far as the investor is concerned. So very encouraged by all of that.

Daniel Garrod - Barclays Capital

Good morning, Daniel Garrod from Barclays Capital. I was wondering if you could say a bit about specifically the US distribution side of your respective businesses. In particular from the GLG side, I understand going for the US listing initially was to focus increased brand recognition of your name over in the States. I was wondering whether the delisting in the US

anticipated from your side could affect the progress you're showing thereon on distribution and fund flows out of the US.

Emmanuel Roman - GLG Partners, Inc., Co-CEO

Actually, as I, as we said in the presentation before, we're incredibly committed to the US. Noam moved there a year ago and we have constantly seen improvement and flow from US pension fund and endowment coming into our fund. And the opportunity for the next ten years in the US is just phenomenal.

And think of a world where people will save more, where pension fund will allocate, and we're very, very well positioned to capture this. And so we will grow. We will hire more people. We will develop new product. But the US is a very exciting place for us and for the long run.

Noam Gottesman - GLG Partners, Inc., Chairman and Co-CEO

I think the benefits that we receive from the listing, which is transparency of our business, transparency of the performance and economics, the SEC regulation, helped us at the beginnings of penetration into that market and into the consultant model. Being continuing to be listed, albeit in the UK, but as part of a FTSE 100 company, I think will do nothing more than aid us further.

Daniel Garrod - Barclays Capital

Thank you.

Peter Clarke - Man Group plc, Chief Executive

More questions? Have we satisfied everybody? Okay, if we have, I'll just say on behalf of everyone here thank you very much for your time this morning. Thank you.