

Press Release



30 September 2009

PRE-CLOSE TRADING UPDATE AND FUNDS UNDER MANAGEMENT STATEMENT for the six months ending 30 September 2009

- Funds under management at 30 September 2009 estimated at \$43.8 billion (30 June 2009: \$43.3 billion)
- Sales for the period of an estimated \$5.7 billion, including \$2.0 billion in the second quarter from across the distribution network
- Significant improvement in redemption rates: \$0.8 billion from private investors and \$1.7 billion from institutions in the second quarter
- Investment performance added an estimated \$0.6 billion to funds under management in the second quarter, driven by positive performance in the multi-manager business and an improvement in managed futures
- Profit before tax of an estimated \$280 million
- Diluted earnings per share on total operations of around 12.5 cents
- Financial position remains very strong, with the regulatory capital surplus in excess of \$1.5 billion at 30 September 2009.

Key financials

	Estimates for six months ending 30-Sept-09 \$	Six months ended 31-March-09 \$	Six months ended 30-Sept-08 \$
Funds under management (end of period)	43.8bn	46.8bn	67.6bn
Net management fee income	240m	316m	569m
Net performance fee income	30m	198m	160m
Profit before tax and exceptional items	270m	514m	729m
Exceptional items*	10m	(393m)	(107m)
Total profit before tax	280m	121m	622m

* For the six months to 30 September 2009, exceptional items include a net gain of \$34 million on sale of the residual holding in MF Global, partly offset by redundancy and other restructuring costs.

A conference call for investors and analysts will be held at 08:00 UK time this morning. Access numbers are included at the end of this release. Man Group will announce its interim results on 5 November 2009.

Peter Clarke, Chief Executive of Man, said:

"Our assets under management have increased in the second quarter of the financial year and private investor inflows have remained strong across the first half. Redemption rates have also continued to improve, substantially so amongst institutional investors.

"These developments are consistent with our expectations for the period and reflect the wide geographic spread of our investors and Man's differentiation through its scale and resources. Investors are increasingly selective as they assess their portfolio needs and reassess investment management providers. They continue to focus on transparency, liquidity and, increasingly, onshore product offerings for accessing hedge fund returns. Man's established presence in these markets, our capital strength and long-standing relationships with global regulators continue to create substantial advantage in this changed environment.

"There has been significant progress across our business over the summer. We have launched new products and entered new markets to meet increasing investor demand for onshore regulated products. Two new AHL UCITS funds are launching in Europe; we have had new regulated product approvals in our existing European and Asia Pacific markets; and we have launched the first onshore product in Taiwan. We have completed the establishment of our new multi-manager business, continued to expand our managed account platform to enhance investor transparency and control, and are seeing strong levels of institutional investor interest.

"Investor sentiment is continuing to improve across the industry, the performance outlook is healthy and the prospects for sustained industry inflows are very promising. With significant momentum across the business, new products and new market opportunities, Man is strongly positioned for growth."

FUNDS UNDER MANAGEMENT

Private investor asset flows

Private investor sales are estimated to be \$5.0 billion for the six months to 30 September 2009, with sales of an estimated \$1.6 billion in the second quarter driven from a wide range of regional sources as opposed to a large global launch. Demand for Man products is strong throughout our distribution network, with good flows from Japan, Hong Kong, the Middle East, Europe and Latin America. Redemption levels were materially lower in the second quarter, leading to an estimated private investor net inflow of \$2.7 billion for the six months to 30 September 2009.

Taking into account investment movement, FX and other effects, private investor FUM increased to an estimated \$29.1 billion at 30 September 2009 (30 June 2009: \$27.3 billion).

Institutional investor asset flows

Institutional sales remained muted through the second quarter, but redemptions declined markedly and are expected to total \$1.7 billion for the second quarter compared to \$3.6 billion in the first quarter. This slowing of redemptions is set to continue, with quarterly redemptions to be paid on 1 October of \$0.7 billion.

In total, institutional investor FUM at 30 September 2009 is expected to be \$14.7 billion (30 June 2009: \$16.0 billion).

Investment performance

Man's multi-manager business saw positive performance in the six months to 30 September 2009, and AHL was stronger in the second quarter. As a result, institutional assets are expected to see a positive investment movement of \$0.7 billion in the first half. While the private investor investment movement was positive in the second quarter, reflecting improved performance at AHL, it was an estimated \$1.3 billion negative for the first half overall.

FX and other movements

The weakening US dollar drove a positive FX movement of an estimated \$2.1 billion for the six months to 30 September 2009, split almost equally between the first and second quarters. After \$2.1 billion of other movements in the first quarter, the only significant other movement in the second quarter is expected to be \$0.6 billion from the removal of leverage in RMF products associated with investor redemptions.

FINANCIAL SUMMARY

Income statement

Pre-tax profit on total operations* for the six months to 30 September is expected to be around \$280 million (H2 2009: \$121 million; H1 2009: \$622 million). Gross management fee income** for the six months to 30 September 2009 is estimated to be around \$650 million. Net management fee income is estimated to be around \$240 million, reflecting the reduced level of funds under management. Net performance fee income is estimated to be around \$30 million. Diluted earnings per share on total operations is expected to be around 12.5 cents and underlying EPS, which excludes performance fee income and exceptional items, is expected to be around 10.5 cents.

** This includes a net exceptional gain of \$10 million for the six months ended 30 September 2009 related to a net gain of \$33 million on sale of the residual holding in MF Global, partly offset by redundancy and other restructuring costs.*

*** Includes management fee income from associates*

Financial position

Man's financial position remains very strong, with a regulatory capital surplus in excess of \$1.5 billion at 30 September 2009.

Funds under management analysis

3 months to 30 September 2009

	Guaranteed \$bn	Open-ended \$bn	Private Investor \$bn	Institutional \$bn	Total \$bn
FUM at 30 June 2009	14.8	12.5	27.3	16.0	43.3
Sales	0.4	1.2	1.6	0.4	2.0
Redemptions	(0.3)	(0.5)	(0.8)	(1.7)	(2.5)
Net inflows/(outflows)	0.1	0.7	0.8	(1.3)	(0.5)
Investment movement	0.1	0.2	0.3	0.3	0.6
FX	0.3	0.3	0.6	0.3	0.9
Other	(0.1)	0.2	0.1	(0.6)	(0.5)
FUM at 30 September 2009	15.2	13.9	29.1	14.7	43.8

6 months to 30 September 2009

	Guaranteed \$bn	Open-ended \$bn	Private Investor \$bn	Institutional \$bn	Total \$bn
FUM at 31 March 2009	16.4	11.4	27.8	19.0	46.8
Sales	1.3	3.7	5.0	0.7	5.7
Redemptions	(0.9)	(1.4)	(2.3)	(5.3)	(7.6)
Net inflows/(outflows)	0.4	2.3	2.7	(4.6)	(1.9)
Investment movement	(0.8)	(0.5)	(1.3)	0.7	(0.6)
FX	0.8	0.5	1.3	0.8	2.1
Other	(1.6)	0.2	(1.4)	(1.2)	(2.6)
FUM at 30 September 2009	15.2	13.9	29.1	14.7	43.8

Investment performance

	Total return			Annualised return	
	2 months to 31 August 2009	Financial year to 31 August 2009	12 months to 31 August 2009	3 years to 31 August 2009	5 years to 31 August 2009
Man AHL Diversified plc ¹	0.1%	-6.9%	5.6%	13.1%	14.8%
Man-IP 220 ²	2.6%	-6.3%	-5.6%	5.5%	9.6%
RMF Four Seasons Strategies ³	2.2%	5.7%	-9.3%	-0.1%	3.4%
HFRI Fund Weighted Composite Index ⁴	4.1%	13.6%	-2.4%	2.6%	6.2%
HFRI Fund of Funds Composite Index ⁴	2.7%	7.6%	-9.2%	-0.4%	3.3%
World Stocks ⁵	11.2%	28.7%	-18.2%	-7.8%	0.5%

1 Man AHL Diversified plc is valued weekly, but for comparative purposes the last weekly valuation of the month has been used. The month to date return as at 21 September 2009 is 1.9%.

2 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 RMF Investments Strategies – Class N: RMF Four Seasons Strategies

4 HFRI index data as published on 15 September 2009. HFRI index performance over the past 4 months is subject to change.

5 MSCI World Index hedged to USD (price return)

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About Man Group

Man is a world-leading alternative investment management business. It offers private and institutional investors access to a wide range of hedge fund portfolios that target strong, stable capital growth through the market cycle.

The original business was founded in 1783. Today, Man Group plc is listed on the London Stock Exchange and is a member of the FTSE 100 Index with a market capitalisation of around GBP 5 billion.

Man Group is a member of the Dow Jones Sustainability World Index and the FTSE4Good Index. Man also supports many awards, charities and initiatives around the world, including sponsorship of the Man Booker literary prizes. Further information can be found at 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. It also contains estimates of various financial data to 30 September 2009. By their nature, forward looking statements involve risk and uncertainty and there may be subsequent variations to estimates. Man Group plc's actual future results may differ materially from the results expressed or implied in these forward-looking statements.