

Press Release



5 November 2009

INTERIM RESULTS FOR THE HALF YEAR ENDED 30 SEPTEMBER 2009

Financial highlights

- Funds under management at 30 September 2009 of \$44.0 billion (30 June 2009: \$43.3 billion)
- Profit before tax of \$302 million, 8% above the pre-close estimate after annual fee lock-in at end of September, benefiting from strong end-of-period performance
- Diluted earnings per share on total operations of 13.8 cents
- Strong financial position with regulatory capital surplus of over \$1.6 billion, cash balances of \$2.1 billion and undrawn committed banking facilities of \$2.4 billion
- Interim dividend maintained at 19.2 cents.

Operating highlights

- Sales for the period of \$5.7 billion, with strong private investor sales in Japan, Hong Kong, the Middle East, Europe and Latin America
- Significant improvement in private investor and institutional redemption rates: quarterly institutional redemptions of \$0.7 billion paid on 1 October compared to redemptions of \$1.7 billion in Q2 and \$3.6 billion in Q1
- Positive investment performance across the majority of hedge fund styles, the exception being managed futures
- Launch of regulated onshore funds across a wide range of new and existing geographies including the UK, Continental Europe, Taiwan, Australia and Canada. Release of daily price estimates for a range of AHL funds in the near future to increase transparency for investors
- Significant due diligence interest from investors in Man's new multi-manager business and managed accounts initiative
- Funds under management at end October broadly unchanged from end September.

Key financials

	Six months ended 30-Sept-09 \$	Six months ended 31-March-09 \$	Six months ended 30-Sept-08 \$
Funds under management (end of period)	44.0bn	46.8bn	67.6bn
Net management fee income	245m	316m	569m
Net performance fee income	47m	196m	162m
Profit before tax and adjusting items	292m	512m	731m
Adjusting items*	10m	(391m)	(109m)
Profit before tax	302m	121m	622m

** For the six months to 30 September 2009, adjusting 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.*

Peter Clarke, Chief Executive, said:

"The first half result has seen lower management fees given the reduced level of average assets under management during the period. Assets ended the period up slightly, reflecting strong sales, reduced redemptions and improved performance in the second quarter.

"Recent product initiatives have demonstrated significant momentum in the business and underline the benefits of our broad investment management franchise, wide investor base and strong competitive position.

"It has been a busy and productive period for our business. In the first half we have launched new products; accessed new onshore regulated markets; and announced a new initiative with Credit Suisse to broaden the global investor reach of our managed accounts platform.

"Our financial strength provides the basis for continued investment to capitalise on these strengths. The momentum in the business means that we are well positioned to grow assets."

Dividend

Given overall performance for the first half of the year, strong market position and continued capital strength, the Board has maintained the interim dividend at 19.2 cents per share. This dividend will be paid at the rate of 11.89 pence per existing share.

Dates for the 2010 Interim Dividend

Ex dividend date	25 November 2009
Record date	27 November 2009
Dividend paid	17 December 2009

Video interviews and audio webcast

Interviews with Peter Clarke, Chief Executive, and Kevin Hayes, Finance Director in video, audio and text are available on www.mangroupplc.com and www.cantos.com.

There will be a live audio webcast of the results presentation at 8.45am on www.mangroupplc.com and www.cantos.com which will also be available on demand from later in the day.

Live Conference Call Dial in Numbers:

Rest of World Toll Access Number + 44 (0)20 8609 1270
UK Toll Free Access Number 0800 358 1448

30 Day Replay Dial in Numbers:

Rest of World Toll Access Number +44 (0)20 8609 0289
UK Toll Free Access Number 0800 358 2189
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Conference Reference 275373#

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About Man

Man is a world-leading alternative investment management business. With a broad range of funds for institutions and private investors globally, it is known for performance, innovative product design and investor service. Man's funds under management at 30 September 2009 were USD 44.0 billion.

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. 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.

CHIEF EXECUTIVE'S REVIEW

After the turbulence of the last financial year, Man's business outlook improved during the course of the first six months of financial year 2010, reflecting better market conditions, the strength of our broad distribution franchise and the attractions of our new investment management initiatives. Investor priorities have evolved rapidly and we have worked hard over the period to position the business to deliver the diversified performance, liquidity and transparency which dominate investment decisions. Our actions to focus on the new investor agenda reinforce our competitive strengths and position us well for asset growth.

Funds under management: positive momentum in flows

Funds under management stood at \$44.0 billion at 30 September 2009, a slight increase from the level reported on 30 June (\$43.3 billion). The key drivers were Man's industry-leading levels of private investor sales and a considerable improvement in private and institutional investor redemption rates between the first and second quarters.

Private investor inflows remained strong across our global distribution network, with good flows from Japan, Hong Kong, the Middle East, Europe and Latin America as investors continued to focus on liquid, transparent offerings with long track records and diversified returns. Private investor sales for the half year were a robust \$5.0 billion, a six monthly level exceeded only twice in the last five years. Private investor redemptions reduced to \$2.3 billion, trending back towards historically lower levels.

As anticipated, institutional sales remained muted but redemptions continued to slow considerably, falling from \$3.6 billion in the first quarter to \$1.7 billion in the second quarter. This marked step down in institutional redemptions has continued, with quarterly redemptions on 1 October of \$0.7 billion. Total funds under management at end October are estimated to be broadly unchanged from the end of September.

Fund performance in line with diversification proposition

Performance across most hedge fund styles has been positive in the last six months, and has been the major source of industry asset growth. Our multi-manager allocations captured the benefits of these returns for our investors, with institutional portfolios adding \$0.7 billion in performance over the period.

Private investor investment performance was driven by AHL, which continues to be valued by investors as a source of long term diversified returns. AHL performance was 7% negative between April and August in choppy markets poorly suited to trend following, but investment performance turned positive as trends emerged towards the end of the period. Notable market reversals in October were a reminder that sentiment is fragile, with the capacity to impact trend followers before a clear direction is established. Investor focus on diversification of investment risk and returns has intensified after the events of last year, as the shortcomings of a traditional mix of bonds, equities and cash became increasingly apparent. With this in mind, the long term investment proposition of hedge funds more generally and managed futures in particular continues to appeal in portfolio construction. Investors continue to assess AHL performance against the backdrop of its 20 year plus track record, low correlation to traditional asset classes and a history of performance rebounds as trends re-establish.

Investment performance

	Total return			Annualised return	
	3 months to 30 September 2009	6 months to 30 September 2009	12 months to 30 September 2009	3 years to 30 September 2009	5 years to 30 September 2009
Man AHL Diversified plc ¹	2.8%	-4.4%	9.0%	13.4%	14.8%
Man-IP 220 ²	7.1%	-2.3%	5.1%	7.8%	9.9%
RMF Four Seasons Strategies ³	3.4%	7.0%	-3.6%	0.6%	3.5%
HFRI Fund Weighted Composite Index ⁴	6.8%	16.6%	6.7%	3.5%	6.4%
HFRI Fund of Funds Composite Index ⁴	4.4%	9.4%	-1.2%	0.1%	3.4%
World Stocks ⁵	14.4%	32.4%	-5.6%	-7.5%	0.9%

1 Man AHL Diversified plc is valued weekly, but for comparative purposes the last weekly valuation of the month has been used.

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 October 2009. HFRI index performance over the past 4 months is subject to change.

5 MSCI World Index hedged to USD (price return)

First half profits in line with expectations

Man generated profits before tax of \$302 million for the first half of 2010 (H2 2009: \$121 million; H1 2009: \$622 million). As expected, the level of net management fee income reduced - to \$245 million - reflecting lower average funds under management. The business is on target to achieve the previously announced fixed cost savings of \$90 million by 31 March 2010, but we have also continued to invest in areas of the business essential to future growth such as our technology infrastructure and AHL. Net performance fees for the first half were \$47 million, materially ahead of our pre-close estimate following the annual lock-in of performance fees from an open-ended product after a strong performance finish to the period.

Meeting investor expectations for change

Despite the recent improvement in trading conditions, the events of last year have created a clear expectation of change amongst investors. Well understood and locally regulated product formats, enhanced transparency, control and flexibility in portfolios are all playing a part in renewing investor trust and confidence, as is focus on the capital strength and business sustainability of well capitalised, regulated businesses that have maintained investor liquidity through recent market turmoil. We have had an exceptionally busy first half, building on our existing strengths and committing significant energy and resources to executing on the changes to our business announced earlier this year. We are now engaging with investors to realise the benefits of these changes, reinforcing our position as an industry leader.

Capitalising on new onshore opportunities, growing existing franchises

The trend towards onshore regulated product has gathered momentum, with investor confidence underpinned where their investment is delivered in local regulated formats they know and trust. Man is responding to increased demand for onshore market offerings with a range of product formats worldwide: two new AHL UCITS funds in Europe, one designed specifically for the UK market; further onshore Australian and Canadian products; and the first onshore fund of futures fund under new regulations in Taiwan. The Taiwan fund was the result of a two year period of dialogue with the regulator. It was launched through a leading onshore asset manager partner and raised over \$160 million in ten days.

Man is part of a small group of asset managers who have secured the confidence of investors, intermediaries, regulators and others over many years. Our key differentiators are the depth and breadth of our expertise, our track record and resources and importantly, the relationships with banks and regulators which enable us to raise assets onshore, as well as internationally.

As part of the drive to provide greater transparency to investors, specifically in UCITS funds, Man will begin to release daily price estimates for a representative selection of AHL managed futures funds in the near future. Information will be available on the mangroupplc.com and maninvestments.com websites.

Positioning for institutional flows

The last six months have seen a significant increase in activity, in the form of new business proposals and follow up investor due diligence, particularly in our new multi-manager business which has been operational since mid summer, ending the period with \$17.8 billion in funds under management. A recent positive Fitch investment management rating focused on the benefits of our swift consolidation of operations and the refinement of our investment management process.

An increasingly important part of our engagement with institutional investors in particular is centred on our ability to offer a differentiated managed account or “MAC” capability. The portion of our multi-manager assets managed in MACs has risen from \$4 billion to \$6 billion in the first half.

While the term “managed account” has a number of interpretations in the market, Man MACs are specifically tailored, separate investment vehicles. The MAC’s trading strategy generally mirrors the manager’s reference fund, but the investment mandate can be tailored to meet specific investment mandate requirements. The operational infrastructure (custody, cash management and valuation) is in the hands of independent third party providers. Man MACs can deliver investors the benefits of asset control, transparency and independence in comparison to a conventional co-mingled fund structure.

Three key factors set Man’s MAC capability apart from our peers.

First, we have operated MACs for more than ten years. We construct portfolios with MACs based on our confidence in the underlying manager, the manager’s ability to support our MAC operating model, and our understanding of how their strategy contributes to a particular portfolio mix. This has given us extensive operational experience of the benefits of MACs – asset control, portfolio monitoring and risk management, and detailed investor reporting. This is different from the flow-driven business model of other providers, where we perceive the primary focus to be on making multiple managers available on a common MAC infrastructure, with less depth and experience in terms of underlying investment management application. The recently announced initiative with Credit Suisse broadens the global reach of our managed accounts platform and is an endorsement of our MAC approach and experience.

Second, we are independent, which means that we avoid any perception of conflict between our managed accounts operation and, for example, in-house prime brokerage and proprietary trading interests. This is a positive and differentiating factor for underlying managers.

Third, we have the portfolio construction and structuring teams capable of using MACs in tailored solutions for institutional investors and intermediaries. This capability has been very much in evidence as we have developed our pipeline of new business in this first half. For example, MAC-based portfolio combinations have featured in our discussions with a range of substantial institutions and intermediaries in Asia and Europe, and with sovereign wealth investors.

A successful business model, investing for the future

We have seen a marked increase over the first half in the intensity of investor, intermediary and consultant engagement in the way we as an investment management business are managed and run. Investors and intermediaries favour investment management businesses built to last and open to examination.

Man has always scored highly in terms of governance, oversight and regulation. Listed and lead regulated from the UK with strong working relationships with relevant regulators across the globe, we have a long track record of operating in the more heavily regulated private investor markets across geographies, a track record which we have extended by being in the forefront of the development of onshore regulated formats. We believe that these attributes will become increasingly important in the future.

Broader regulatory trends, while still in a state of some flux, are likely to prove a net positive for Man. We anticipate an increase in on-exchange trading, which will broaden trading opportunities for managers like AHL. Manager regulation will become more uniform, with increased levels of disclosure and heightened scrutiny. For an organisation like Man with a long history of relevant expertise, relationships and infrastructure, this represents a levelling of the playing field, with all players now subject similar requirements for financial and operational resources. On the product front, we anticipate an increase in local regulated formats, which will necessitate increased specialisation and reinforces the need for structuring capability in accessing these new markets.

Our capital strength, together with a more diverse investor base and a higher proportion of recurring revenue compared to industry peers, allows us to continue to invest in our business. We have maintained our investment programme throughout the recent downturn and focussed on areas of the business essential to future growth such as technology infrastructure and AHL research. During September, the Man Research Laboratory and the Oxford-Man Institute of Quantitative Finance moved to new, larger premises in Oxford to accommodate an increase in our research capability, which is already broadening the pool of AHL trading ideas and reducing their time to market. On the systems side, we upgraded AHL's multi-broker capability and continued to refine trading efficiency. We also made substantial progress on the systems consolidation of the multi-manager business.

We have continued to exercise financial discipline in cost management and in the targeted use of our balance sheet to support key business lines. At the end of the first half, we had a regulatory capital surplus of over \$1.6 billion and cash balances of \$2.1 billion. Our capital resources position us strongly to address opportunities in our industry and invest further in the business.

Dividend maintained

Given the stable overall business performance for the first half of the year, our strong market position and continued capital strength, we have maintained the interim dividend at 19.2 cents per share.

Outlook

As expected, the lower level of assets under management has resulted in reduced management fee income in the period. We have responded to lower asset levels and the rapid evolution of investor requirements by moving swiftly to reduce fixed costs and to re-position both our business and our investment management processes for the future of hedge fund investing. We have also continued to invest for growth and to build on our competitive strengths in product structuring, access to onshore markets and capital resources. The maintained interim dividend reflects these attributes.

The outlook for returns from hedge fund investing continues to be strong, and the diversification benefits for portfolio construction remain important to investors worldwide. Flexible and liquid investment mandates, bespoke product structures, and transparent investment returns are essential for major investors and intermediaries. We have demonstrated our ability to provide investor liquidity

across our investment franchise and to access new markets and offer new products, particularly in onshore markets, in both Europe and Asia Pacific.

We are seeing high levels of interest in managed account investment mandates in almost every region and have recently announced an initiative with Credit Suisse to offer this investment platform to their client base. We would expect to see significant progress in the second half as institutions complete their due diligence processes.

Given the strong momentum in the business, across both products and geographies, Man is well placed for asset growth.

KEY PERFORMANCE INDICATORS

To measure our progress against our strategy we monitor six key performance indicators (KPIs) as presented in the Annual Report 2009: growth in funds under management; growth in revenue; growth in adjusted diluted earnings per share; post-tax return on equity; and the excess/shortfall of the performance of the fund products, which we manage, compared to appropriate benchmarks for private investor products and institutional products.

Funds Under Management (FUM)

Funds under management are a key driver of the Group's results and prospects, as FUM forms the basis on which the Group's revenue is generated. Movements in FUM during the period are shown below:

	Private Investor			Institutional	2010 Total
	Guaranteed \$bn	Open-ended \$bn	Total \$bn	\$bn	\$bn
Opening FUM – 1 April 2009	16.4	11.4	27.8	19.0	46.8
Sales	0.9	2.5	3.4	0.3	3.7
Redemptions	(0.6)	(0.9)	(1.5)	(3.6)	(5.1)
Net sales	0.3	1.6	1.9	(3.3)	(1.4)
Investment movement	(0.9)	(0.7)	(1.6)	0.4	(1.2)
FX	0.5	0.2	0.7	0.5	1.2
Other	(1.5)	-	(1.5)	(0.6)	(2.1)
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 sales	0.1	0.7	0.8	(1.3)	(0.5)
Investment movement	0.2	0.1	0.3	0.3	0.6
FX	0.4	0.3	0.7	0.2	0.9
Other	-	0.2	0.2	(0.5)	(0.3)
Closing FUM – 30 September 2009	15.5	13.8	29.3	14.7	44.0
Growth in FUM – H1 2010	-5%	+21%	+5%	-23%	-6%

Private investor FUM grew by 5% during the period driven by strong sales in open-ended products and reduced redemption rates. Institutional FUM reduced by 23% as a result of muted sales and significant redemptions, all be it at a reducing run rate.

Sales and redemptions

A further analysis of sales and redemptions is given below, together with redemption rates:

Private investor	Q2 2010	Q1 2010	H1 2010	H2 2009	H1 2009
Sales (\$bn):					
• Guaranteed	0.4	0.9	1.3	2.4	3.7
• Open-ended	1.2	2.5	3.7	1.8	3.4
	1.6	3.4	5.0	4.2	7.1
Redemptions (\$bn):					
• Guaranteed	0.3	0.6	0.9	2.6	2.0
• Open-ended	0.5	0.9	1.4	3.5	1.0
	0.8	1.5	2.3	6.1	3.0
Annualised redemptions/average FUM:					
• Guaranteed	7.9%	15.4%	11.4%	24.2%	13.9%
• Open-ended	15.2%	30.1%	22.2%	54.7%	15.0%

Overall private investor FUM had net inflows in both Q1 2010 and Q2 2010, across both open ended and guaranteed products resulting in aggregate net inflows of \$2.7 billion for the first half.

The first half sales for the private investor show the preference by investors and intermediaries for liquid open-ended products, particularly products with allocations to managed futures. In the first half we launched a guaranteed product in Australia; however based on investor preference we did not have a global launch of the traditional IP220 products, as a result guaranteed products sales were lower than in the comparable periods. We continued to see strong flows from investors in the Far East, in particular Japan and Hong Kong.

Private investor redemptions for the guaranteed products have reduced and the annualised redemption percentage has returned to the previous historical levels. H1 2010 redemptions have reduced significantly from H2 2009, which included redemptions and product switches from the MGS products. Redemptions in the open-ended products will generally be more variable than guaranteed products as they are influenced more by investors' performance expectations. Open-ended redemptions in H2 2009 were high as a result of strong sales in previous periods followed by strong performance from AHL in the quarter to December 2008. Since that period redemptions have moderated.

Institutional	Q2 2010	Q1 2010	H1 2010	H2 2009	H1 2009
Sales (\$bn)	0.4	0.3	0.7	0.5	3.1
Redemptions (\$bn)	1.7	3.6	5.3	4.9	3.0
Annualised redemptions/ average FUM	44.3%	82.3%	63.0%	42.8%	20.7%

Institutional sales have remained muted as institutional allocators, particularly in Europe, have remained out of the market. Redemptions have shown a significant quarter on quarter decline, with the level of notified quarterly redemptions for the December 2009 quarter at \$700 million.

Investment movement

For the first quarter of the current financial year (Q1 2010), investment movement was negative for the private investor as a result of the allocation to managed futures having negative performance. Institutional performance was slightly positive as markets rebounded from the previous period. In the second quarter both private investor and institutional had positive performance. The investment performance of our investment managers is described in the fund performance and investment management sections in the Chief Executive's Review.

Foreign exchange impact of funds under management

Funds under management denominated in foreign currencies increased as a result of a weaker US dollar during the period. The foreign exchange composition of FUM is similar to that at the year-end.

Other movements

Other movements in the first half included \$1.5 billion of reduced leverage as a result of rebalancing of guaranteed products following negative AHL performance. Institutional investor redemptions from products with structural leverage (for example, Four Seasons 2XL) resulted in a reduction of FUM of \$1.1 billion during the period.

Revenue

Revenue from management fees reduced by 16% compared to H2 2009 as a result of a decline in average FUM during the period of 21%. Private investor management fees reduced by 14% and institutional management fees reduced by 31%, consistent with the reduction in the respective average FUM during the period. Revenue from performance fees reduced from \$391 million

in H2 2009 to \$43 million in the half year, primarily as a result of negative performance during the period from AHL compared to the strong performance from AHL in the preceding period.

Earnings per share

Adjusted diluted earnings per share on total operations for the six months decreased 41% to 13.1 cents, compared to 22.2 cents for H2 2009. Adjusting items in the period include the gain arising on the residual interest in brokerage assets and costs arising from the restructuring programme announced in March 2009, as discussed in the Review of Group Income Statement below. Statutory diluted earnings per share on total operations were 13.8 cents, compared to minus 0.7 cents for H2 2009 and 28.8 cents for H1 2009.

Return on equity (ROE)

The Group's annualised post-tax return on shareholders' equity (excluding the gain/loss arising on the residual interest in MF Global together with the associated equity usage) for the first six months was 10.8%, compared to 13.5% for last year. The average shareholders' equity for the period was \$3.9 billion, compared to \$4.4 billion for last year.

Excess fund product performance

The excess fund product performance KPI, introduced in 2009, measures the investment performance, net of fees, of our flagship fund products compared to industry benchmarks. While the products have regular redemptions dates, many monthly, the investors generally have a medium to long term investment horizon, particularly in the guaranteed products. The excess return is therefore measured over a three year horizon.

Private investor products had an excess return of 3.9% over the last three years compared to benchmark. This is based on returns for Man's flagship IP220 product compared to a benchmark represented by 100% Stark 300 Trader Index and 60% HFRI Fund of Funds Composite Index. Man IP220 is composed of allocations to the AHL Diversified Programme and Man Glenwood Multi Strategy. It has additional structural level features, such as a capital guarantee and leverage, the intrinsic value of which is not reflected in this comparison.

Institutional products had an excess return of 1.5% over the last three years compared to benchmark. This is based on returns for RMF Four Seasons compared to the HFRI Fund of Funds Composite Index.

REVIEW OF GROUP INCOME STATEMENT

	H1 2010 \$m	H2 2009 \$m	H1 2009 \$m
Average FUM (\$'billion)	43.2	54.5	75.7
Revenue			
- Performances fees	43	391	236
- Management and other fees	649	777	1,084
	692	1,168	1,320
Gains/(losses) on investments and other financial instruments	1	(197)	(63)
Sales commissions	(146)	(207)	(204)
Compensation costs			
- Variable (bonus)	(84)	(88)	(162)
- Fixed (salaries)	(95)	(102)	(111)
Other costs	(104)	(144)	(131)
Associates	31	82	62
Net Finance (expense)/income	(3)	-	20
Adjusting items	10	(391)	(109)
Profit before tax	302	121	622
EPS (cents)	13.8	(0.7)	28.8
Adjusted EPS (cents)	13.1	22.2	34.5
Return on shareholders' equity	10.8%	(0.8%)	21.4%

Presentation of Comparative Periods

The income statement presented above and in the Interim Financial Statements shows the first half of the current financial year together with both the second half of the prior year and the first half of the prior year. Funds under management (FUM) are the key driver of Man's economics and as FUM decreased significantly between the first and second halves of the prior financial year, and given that our business is not seasonal, the second half of the prior year is considered to be a more relevant comparator for the first six months of the current financial year and hence the following commentary uses this period as the primary comparator.

Revenues and costs

Revenue for the six months to 30 September 2009 was \$692 million, a decrease of 41% compared to revenue of \$1,168 million in H2 2009. Gross management and other fees have decreased 16% to \$649 million compared to H2 2009, primarily as a result of the average funds under management for the six months declining 21% to \$43.2 billion from \$54.5 billion for the previous six months.

Gross performance fee income of \$43 million compared to H2 2009: \$391 million, all of which was contributed by AHL.

Gains/(losses) on investments and other financial instruments amounted to \$1 million, which includes seeding and other investment net gains of \$5 million and a gain of \$30 million on the sale of exchange shares, partly offset by costs of \$34 million arising in respect of the cessation of the Group's trade credit insurance and reinsurance business, Empyrean Re.

Included in sales commissions is \$74 million relating to the amortisation of upfront commissions ("placement fees"), compared to \$129 million in H2 2009, and \$72 million relating to trail commission

("servicing fees"), compared to \$78 million in H2 2009. The decrease in commission costs results from lower funds under management.

We continue to maintain tight controls and cost flexibility in our total expense base and in particular compensation expense. The following analysis excludes the restructuring costs which are discussed in the Adjusted Earnings section.

Total fixed compensation costs and other costs were \$199 million in the first half (H2 2009: \$246 million; H1 2009: \$242 million). The decrease of \$47 million from \$246 million in the second half of the prior year comprises: an adverse FX impact of \$10 million (as both sterling and the Swiss franc have strengthened against the US dollar in H1 2010 compared to H2 2009) and savings in fixed compensation costs of \$11 million and saving in other costs of \$46 million. The full period impact of these savings will flow through in the second half and as a result we are well placed to meet the cost savings targets (subject to foreign currency exchange rate movements), which we have previously announced, by the end of the current financial year.

Compensation costs amounted to \$179 million, compared to \$190 million in H2 2009 and \$273 million in H1 2009, reflecting the decrease in discretionary employee bonus compensation and the impact of a lower headcount.

Other costs have decreased to \$104 million from \$144 million in H2 2009 and from \$131 million in H1 2009, as analysed in the table below. As the table shows in the first half of the year we have reduced our discretionary costs, in particular around consultancy and other professional fees. The decrease in the other category primarily relates to staff recruitment, relocation and other personnel related costs. We have continued to invest in our technology platforms and in AHL research.

Analysis of other costs	H1 2010 \$m	H2 2009 \$m	H1 2009 \$m
Occupancy	21	22	20
Travel and entertainment	7	10	11
Technology	10	11	20
Communication	6	9	7
Consulting and professional services	15	27	19
Depreciation and amortisation	21	21	18
Charitable donations	2	5	5
Other	22	39	31
Total	104	144	131

Income from associates largely relates to our investment in BlueCrest, whose contribution to our profit consisted of \$17 million of net performance fee income and \$16 million of net management and other fee income.

Net finance expense included interest expense on borrowings and other debt of \$16 million (H2 2009: \$20 million), reflecting the decrease in US dollar interest rates. Finance income was \$13 million (H2 2009: \$20 million), which included interest income on cash and cash equivalents of \$9 million (H2 2009: \$10 million) and other finance fees and related income of \$4 million (H2 2009: \$10 million).

Group profit before tax increased 150% to \$302 million, compared to \$121 million in H2 2009, mainly due to non-recurring (adjusting) items, which totalled \$10 million (credit) in the period, as detailed below, compared to a charge of \$391 million in H2 2009 million.

Adjusted Group profit before tax reduced by 43% to \$292 million compared to \$512 million in H2 2009, with adjusted pre-tax margin of 40% compared to 49% in H2 2009, reflecting reduced performance fees partly offset by reduced expenses.

The tax charge for the period amounts to \$54 million compared to \$125 million in H2 2009. The effective tax rate on profits before adjusting items is 19.3%, compared to 20.3% for the year ended 31 March 2009, based on the estimated effective tax rate for the year. The effective tax rate for the period including adjusting items is 17.9%, compared to 32.3% for the prior year. The majority of the Group's profit continues to be earned in Switzerland and in the UK and the current effective tax rate is consistent with this profit mix.

Adjusted earnings

Adjusted earnings refer to the Group's profit excluding those material items which the directors consider should be presented separately on the face of the income statement in order to aid comparability from period to period. These adjusting items are:

	H1 FY2010 \$m	H2 FY2009 \$m	H1 FY2009 \$m
Gain/(loss) arising from residual interest in brokerage assets	34	(105)	-
Restructuring costs – compensation	(11)	(37)	-
Restructuring costs – other	(13)	-	-
Accelerated amortisation of MGS sales commissions	-	-	(107)
Gain on disposal of 50% of subsidiary	-	-	48
Impairment of Ore Hill investments and goodwill	-	(249)	(50)
	10	(391)	(109)

During the year ended 31 March 2009, the Group recorded a loss of \$105 million in respect of its residual investment in brokerage assets, mainly relating to an impairment of its investment in MF Global to reflect the decrease in share price to \$4.23 at year-end. In August 2009 the Group sold its entire remaining stake in MF Global under a Variable Forward Sale Agreement with Nomura International plc, at a sale price of \$5.95 per share, resulting in gross initial disposal proceeds of \$112 million, and an initial net gain of \$34 million. Under the Variable Forward Contract the eventual sale price is capped at \$7.14 per share with a floor at \$5.35 per share.

In March 2009 the Group announced that it had implemented a plan to reduce the cost base of the business. \$37 million of one-off compensation costs associated with this restructuring were reported as restructuring costs during H2 2009. A further \$24 million of restructuring costs have arisen in the half year to 30 September 2009, \$11 million of compensation costs (redundancy costs) and \$13 million of other restructuring costs, mainly in respect of vacant leasehold premises. Of the \$24 million costs in the period, \$10 million relates to cash items and \$14 million to non-cash items. \$7 million of the cash items had been paid out by 30 September 2009.

Revenue margins

Gross management and other fees represent management fees earned on funds under management and management fees from associates and joint ventures, interest on loans to funds and other fees. Gross margins, before interest income earned from funds, are negotiated directly with institutional investors and distributors of the private investor products. These margins are shown in the table below as this information is considered useful in analysing trends. Loans to funds are made to facilitate rebalancing and investing activities. In the table below we have shown gross margins both including and excluding interest income earned on loans to funds. Net margins are also shown to indicate the margin after deducting all expenses.

The gross management and other fees margin (before interest income) for private investors was 421 bp, compared to 417 bp for H2 2009. The primary reason for the small increase is the relative increase in FUM relating to high margin products, for example IP 220 and AHL products, as a proportion of the total private investor FUM. The impact of associates adds 11 bp to the overall private investor gross margin.

The gross margin (excluding interest income) on guaranteed products is approximately 462 bp and approximately 352 bp on open-ended products. The margins net of sales commission costs are 338 bp and 273 bp for guaranteed and open-ended products respectively. The difference between the two margins primarily relates to a structuring fee earned on guaranteed products.

The gross management and other fees margin for institutional investors was 91 bp, compared to 97 bp for H2 2009. The small decrease in this margin is primarily a result of a reduction in management fee income as some of our larger, long-standing investors redeemed out of higher fee earning products.

The net management and other fees margin excludes net finance income, and also the adjusting items, which are deemed to be non-recurring. The net management fee margin for private investors is at a similar level to H2 2009 but has declined for institutional investors to 9 bp. The primary reason relates to fixed compensation costs and other costs decreasing to a lesser extent than the fall in FUM. However, it is expected that as FUM and revenues increase the cost base is likely to rise to a lesser extent resulting in an increase in the net margin.

	H1 2010	2009	H2 2009	H1 2009	2008	2007
Average FUM in period (\$bn)						
Private investor	27.8	38.4	32.6	44.2	39.6	33.5
Institutional	15.4	26.7	21.9	31.5	29.7	23.7
Private investor						
Gross management and other fees† (\$m)	593	1,662	698	964	1,771	1,525
Interest income earned from funds (\$m)	8	50	17	33	74	78
Net management fee income* (\$m)	241	737	279	458	898	787
Gross management fee margin (%)	4.27	4.33	4.28	4.36	4.47	4.55
Gross management fee margin before interest income from funds (%)	4.21	4.20	4.17	4.21	4.29	4.31
Net management fee margin	1.73	1.92	1.71	2.07	2.27	2.35
Institutional						
Gross management and other fees† (\$m)	70	252	106	146	297	269
Net management fee income* (\$m)	7	128	57	71	157	147
Gross management fee margin (%)	0.91	0.94	0.97	0.93	1.00	1.14
Net management fee margin (%)	0.09	0.48	0.52	0.45	0.53	0.62

†Includes management and other fee income from associates

*Net management fee income is before net finance income and excludes adjusting items

REVIEW OF GROUP BALANCE SHEET AND CASH FLOW

At 30 September 2009, equity was \$4.1 billion, compared to \$4.2 billion at the year-end. The decrease in shareholders' equity during the period arose from the payment of ordinary dividends in the period of \$0.4 billion, partly offset by the retention of earnings of \$0.2 billion and other comprehensive income of \$0.1 billion in the period.

Other balance sheet movements in the six months ended 30 September 2009 include other investments in fund products, primarily relating to seeding investments, of \$760 million (up \$42 million from 31 March 2009) and amounts owed by fund products of \$372 million (in line with the balance of \$373 million at 31 March 2009). The decrease in other investments to \$55 million from \$184 million at the end of the prior period reflects the sale of our residual stake in MF Global and the sale of exchange shares in the period.

The Group had a net cash position of \$1.5 billion at 30 September 2009, compared to \$1.7 billion at prior year-end. Cash generated from operations for the six months was \$311 million, in line with Group profit before tax. The movement in the Group's net cash position since the year-end is primarily the result of: cash generated from operating activities (\$228 million); cash realised from other financial assets (\$153 million), resulting from the sale of the Group's residual stake in MF Global and the remaining exchange shares; more than offset by the payment of ordinary dividends in the period (\$419 million), the payment of upfront commissions and purchase of other investments (\$160 million) and the purchase of own shares by the ESOP trust (\$59 million).

RISK MANAGEMENT

Governance and risk management are essential components of both the investment management process for our investors and our approach to maintaining a high quality, sustainable business for our shareholders. Our reputation is fundamental to our business and maintaining our corporate integrity is the responsibility of everyone at Man. Our strategy is to identify, monitor and measure risk throughout Man and then through risk management act to mitigate these risks within the framework of our risk appetite. We maintain sufficient excess capital and substantial liquidity resource to give us flexibility both to continue to finance long term growth and to operate the business effectively under various market conditions.

The principal risks and uncertainties faced by Man are summarised in our 2009 Annual Report on pages 41-43. These risks, their quantification and our response to them have not changed significantly from that described in our Annual Report.

Although regulatory risk was discussed in the 2009 Annual Report, following the financial crisis last year there has been increased discussion by the various regional regulators regarding the governance and the regulatory environment in which we operate. Some of these discussions could result in proposals that would make it more difficult to market alternative investment products in certain jurisdictions to potential investors. There is also a risk that regulatory changes could increase the capital that banks are required to hold in respect of certain types of exposures to hedge funds. This could affect the availability and cost of leverage provided by banks to fund products and also affect trading in various markets in which the fund products we manage also invest.

We continue to have an active dialogue with our regulators in each of the jurisdictions in which we operate. Our compliance and legal teams provide us with an infrastructure for managing regulatory changes and the potential effects on the products we manage.

There is still considerable uncertainty over the timing of any potential changes to the regulatory regime and changes could create opportunities as well as risks for the fund products and our business.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors confirm that this condensed set of financial statements has been prepared in accordance with IAS 34 as adopted by the European Union, and that the half year review herein includes a fair view of the information required by the Financial Services Authority's Listing Rules, including the Disclosure and Transparency Rules 4.2.7 and 4.2.8, namely:

- an indication of important events that have occurred during the six months ended 30 September 2009 and their impact on the condensed interim financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related party transactions in the six months ended 30 September 2009 and any material changes in the related party transactions described in the last annual report.

The Directors of Man Group plc are as listed in the Annual Report for 31 March 2009 except for the following changes. Glen Moreno retired from the Board on 9 July 2009. Ruud Hendriks and Frédéric Jolly were appointed to the Board as independent non-executive directors on 1 August 2009.

By order of the Board

Peter Clarke
Chief Executive
5 November 2009

Kevin Hayes
Finance Director
5 November 2009

INTERIM FINANCIAL STATEMENTS

Group Income Statement

	Not e	Half year to 30 September 2009 \$m	Half year to 31 March 2009 \$m	Half year to 30 September 2008 \$m
Revenue:				
Performance fees		43	391	236
Management and other fees		649	777	1,084
		692	1,168	1,320
Gains/(losses) on investments and other financial instruments		1	(197)	(63)
Sales commissions		(146)	(207)	(204)
Accelerated amortisation of MGS sales commissions	3	-	-	(107)
Total sales commissions		(146)	(207)	(311)
Compensation		(179)	(190)	(273)
Restructuring costs - compensation	3	(11)	(37)	-
Total compensation costs		(190)	(227)	(273)
Other costs		(104)	(144)	(131)
Restructuring costs - other	3	(13)	-	-
Total other costs		(117)	(144)	(131)
Share of after tax profit of associates and joint ventures		31	82	62
Gain on disposal of 50% of subsidiary	3	-	-	48
Impairment of Ore Hill investments and goodwill	3	-	(249)	(50)
Gain/(loss) arising from residual interest in brokerage assets	3	34	(105)	-
Finance income	4	13	20	38
Finance expense	4	(16)	(20)	(18)
Profit before tax		302	121	622
Taxation	5	(54)	(125)	(115)
Profit/(loss) for the period		248	(4)	507
Attributable to:				
Equity holders of the Company		248	(4)	507
Equity minority interests		-	-	-
		248	(4)	507
Earnings per share:	6			
Basic (cents)		14.1	(0.7)	29.2
Diluted (cents)		13.8	(0.7)	28.8

Group Statement of Comprehensive Income

	Half year to 30 September 2009 \$m	Half year to 31 March 2009 \$m	Half year to 30 September 2008 \$m
Profit/(loss) for the period	248	(4)	507
Other comprehensive income			
Available for sale investments:			
Valuation gains/(losses) taken to equity	43	(107)	(143)
Transfer to income statement on sale	(65)	201	(29)
Foreign currency translation adjustments	109	(148)	(113)
Tax on items taken directly to or transferred from equity	7	4	(10)
Other comprehensive income/(expense) for the period, net of tax	94	(50)	(295)
Total comprehensive income/(expense) for the period	342	(54)	212
Attributable to:			
Equity holders of the Company	341	(54)	212
Equity minority interests	1	-	-
	342	(54)	212

Group Statement of Changes in Equity

Half year to 30 September 2009	Attributable to equity holders of the Company			Minority interest	Total
	Share capital and capital reserves \$m	Revaluation reserves and retained earnings \$m	Total \$m		
At 1 April 2009	2,608	1,584	4,192	-	4,192
Comprehensive income for the period	-	341	341	1	342
Perpetual capital securities	-	(12)	(12)	-	(12)
Share-based payment	15	(31)	(16)	-	(16)
Dividends	-	(419)	(419)	-	(419)
At 30 September 2009	2,623	1,463	4,086	1	4,087
Half year to 31 March 2009					
At 1 October 2008	2,583	1,915	4,498	1	4,499
Comprehensive expense for the period	-	(54)	(54)	-	(54)
Purchase and cancellation of own shares	-	(9)	(9)	-	(9)
Close period share buy-back programme	-	(3)	(3)	-	(3)
Perpetual capital securities	-	(8)	(8)	-	(8)
Share-based payment	2	28	30	-	30
Business combinations	23	6	29	-	29
Transfer and other adjustments	-	4	4	-	4
Dividends	-	(295)	(295)	(1)	(296)
At 31 March 2009	2,608	1,584	4,192	-	4,192
Half year to 30 September 2008					
At 1 April 2008	2,125	2,585	4,710	1	4,711
Comprehensive income for the period	-	212	212	-	212
Purchase and cancellation of own shares	-	(268)	(268)	-	(268)
Perpetual capital securities issued	300	(15)	285	-	285
Share-based payment	51	(101)	(50)	-	(50)
Cancellation of B shares	67	(67)	-	-	-
Business combinations	41	(5)	36	-	36
Transfer and other adjustments	(1)	(3)	(4)	-	(4)
Dividends	-	(423)	(423)	-	(423)
At 30 September 2008	2,583	1,915	4,498	1	4,499

Group Balance Sheet

	Note	At 30 September 2009 \$m	At 31 March 2009 \$m	At 30 September 2008 \$m
ASSETS				
Cash and cash equivalents		2,139	2,361	1,678
Trade and other receivables		466	413	697
Investments in fund products	7	1,132	1,091	1,871
Other investments	7	55	184	147
Investments in joint ventures and associates		347	317	563
Property, plant and equipment		76	64	61
Other intangible assets	8	389	366	386
Goodwill	8	795	774	798
Total Assets		5,399	5,570	6,201
LIABILITIES				
Trade and other payables		407	462	501
Current tax liabilities		231	246	215
Borrowings	9	645	643	943
Pension obligations		21	13	21
Deferred tax		8	14	22
Total Liabilities		1,312	1,378	1,702
NET ASSETS		4,087	4,192	4,499
EQUITY				
Capital and reserves attributable to equity holders	10	4,086	4,192	4,498
Equity minority interests		1	-	1
Total Equity		4,087	4,192	4,499

Group Cash Flow Statement

	Note	Half year to 30 September 2009 \$m	Half year to 31 March 2009 \$m	Half year to 30 September 2008 \$m
Cash flows from operating activities				
Cash generated from operations	11	311	1,574	394
Interest paid		(14)	(28)	(12)
Income tax paid		(69)	(93)	(219)
Cash flows from operating activities		228	1,453	163
Cash flows from investing activities				
Acquisition of joint ventures and businesses, net of cash acquired		-	5	(250)
Purchase of property, plant and equipment		(24)	(20)	(18)
Purchase of intangible assets		(95)	(115)	(135)
Purchase of other investments		(41)	(153)	(19)
Purchase of additional interests in joint ventures		-	(10)	(7)
Proceeds from sale of other investments		153	7	34
Interest received		10	25	35
Dividends received from associates and other investments		26	121	20
Proceeds from sale of associate		-	25	-
Cash flows from investing activities		29	(115)	(340)
Cash flows from financing activities				
Proceeds from issue of ordinary shares		15	1	52
Proceeds from issue of capital securities, net of issue costs		-	-	293
Purchase of treasury shares		-	(12)	(268)
Purchase of own shares by ESOP trust		(59)	(22)	(149)
Proceeds from borrowings net of issue costs		-	-	550
Repayment of borrowings		-	(308)	-
Return of net proceeds from sale of Brokerage		-	-	(67)
Dividends paid to Company shareholders		(419)	(295)	(423)
Dividends in respect of capital securities		(17)	(17)	(8)
Dividends paid to minority interests		-	(1)	-
Cash flows from financing activities		(480)	(654)	(20)
Net (decrease)/increase in cash and bank overdrafts		(223)	684	(197)
Cash and bank overdrafts at the beginning of the period		2,360	1,676	1,873
Cash and bank overdrafts at the end of the period		2,137	2,360	1,676

For the purposes of the cash flow statement, cash and cash equivalents are included net of overdrafts repayable on demand. These overdrafts are included in borrowings disclosed on the balance sheet. At 30 September 2009 overdrafts repayable on demand amounted to \$2 million (31 March 2009 \$1 million; 30 September 2008 \$2 million).

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. Basis of preparation

The financial information contained herein is unaudited and does not constitute statutory accounts as defined by Section 434 of the Companies Act 2006. Statutory accounts for the year to 31 March 2009, which were prepared in accordance with International Financial Reporting Standards ('IFRS') and relevant IFRIC interpretations issued by the International Accounting Standards Board ('IASB') and IFRIC Committee respectively and adopted by the European Union ('EU') and upon which the auditors have given an unqualified and unmodified report and which contained no statement under Section 237 of the Companies Act 1985, have been delivered to the Registrar of Companies and were posted to shareholders on 8 June 2009.

The interim financial statements for the half year to 30 September 2009 have been prepared in accordance with IAS 34 'Interim Financial Reporting' and the Disclosure and Transparency Rules of the Financial Services Authority.

A number of new standards and amendments to existing standards and interpretations have been issued, some of which are mandatory for the financial year beginning 1 April 2009, with the remaining becoming effective in future years.

The following new standards and amendments to existing standards are effective for the financial year ending 31 March 2010:

- IAS 1 (Revised) – 'Presentation of financial statements';
- IFRS 8 – 'Operating Segments';
- IFRS 2 – 'Share-based Payment' amendment (relating to vesting conditions);
- IAS 23 (Revised) – 'Borrowing costs'; and
- IAS 32 – 'Financial Instruments: Presentation' amendment (relating to puttable financial instruments).

As a result of the adoption of IAS 1 (Revised), the Group Statement of Recognised Income and Expense has been replaced with the Group Statement of Comprehensive Income, and the Group Statement of Changes in Equity is now presented separately as a primary statement.

The accounting policies applied in these interim financial statements are consistent with those set out and applied in the Group's Annual Report for the year to 31 March 2009, except for the adoption of the new standards and amendments to existing standards noted above, which have had no impact on the measurement of the results or financial position of the Group.

2. Segmental analysis

As discussed in Note 1, during the period the Group adopted IFRS 8 – 'Operating Segments'.

Under IFRS 8, a condition for identifying an operating segment is that it is a component of the entity whose results are regularly reviewed by the entity's chief operating decision-maker to make decisions about resources to be allocated to the segment and to assess its performance ('the management approach'). The chief operating decision-maker for the Group is considered to be the executive directors.

From review of the information made available to, and regularly reviewed by, the executive directors, our conclusion is that the Group's operations are in one business segment, Investment Management, and that there are no other significant classes of business, either individually or in aggregate.

We have considered whether management information at product type or core investment manager level provided to the chief operating decision-maker indicates different operating segments, but have concluded that none of these segmental approaches, if applied uniformly, would reflect appropriately how the Group's economic resources, and income/expense, are currently managed by the executive directors.

3. Income statement presentation

In the interim financial statements for the half year to 30 September 2008 gains/losses of \$63 million (charge) were reported within Revenue, as part of performance fees. For consistency with the presentation applied in the Group's Annual Report for the year to 31 March 2009, these have now been restated out of Revenue in the comparative data for the half year to 30 September 2008, and disclosed as a separate category on the face of the income statement.

The following material items have been presented separately on the face of the income statement by virtue of their size or nature, in order to aid comparability from period to period:

	Note	Half year to 30 September 2009 \$m	Half year to 31 March 2009 \$m	Half year to 30 September 2008 \$m
Gain/(loss) arising from residual interest in brokerage assets	a)	34	(105)	-
Restructuring costs - compensation	b)	(11)	(37)	-
Restructuring costs - other	b)	(13)	-	-
Accelerated amortisation of MGS sales commissions	c)	-	-	(107)
Gain on disposal of 50% of subsidiary	d)	-	-	48
Impairment of Ore Hill investments and goodwill	d)	-	(249)	(50)
		10	(391)	(109)

a) Gain/(loss) arising from residual interest in brokerage assets

In August 2009 the Group sold its remaining stake in MF Global under a Variable Forward Sale (VFS) Agreement with Nomura International plc, at a sale price of \$5.95 per share. The VFS Agreement guarantees that Man Group will achieve a minimum of \$5.35 per share, while retaining a capped participation in future share price appreciation over a three to four year period. The VFS provided Man Group with gross initial disposal proceeds of \$112 million, and a net gain of \$34 million. Man has derecognised its stake in MF Global on the grounds that it no longer retains substantially all the risks and rewards of ownership of these shares.

b) Restructuring costs

In March 2009 the Group announced that it had implemented a plan to reduce the cost base of the business. A further \$11 million of one-off compensation costs associated with this restructuring have arisen in the half year to 30 September 2009.

During the half year to 30 September 2009, an additional \$13 million of other costs associated with this restructuring have arisen, mainly onerous contract provisions in respect of leasehold properties.

c) Accelerated amortisation of MGS sales commissions

Details of the accelerated amortisation charge of \$107 million in respect of MGS sales commissions are given in Note 2 of the Annual Report 2009. There is no further charge in the half year to 30 September 2009.

d) Gain on disposal of 50% of subsidiary/Impairment of Ore Hill investments and goodwill

Details of the gain of \$48 million on the disposal of 50% of a subsidiary, and the charge of \$299 million arising on impairment of Ore Hill investments and goodwill, are given in Note 2 of the Annual Report 2009. There is no further gain/charge in respect of these items in the half year to 30 September 2009.

4. Finance income and finance expense

	Half year to 30 September 2009 \$m	Half year to 31 March 2009 \$m	Half year to 30 September 2008 \$m
Finance income:			
Interest on cash deposits	9	10	32
Finance fees	1	2	4
Other	3	8	2
	13	20	38
Finance expense:			
Interest payable on borrowings	(15)	(20)	(16)
Amortisation of issue costs on borrowings and other	(1)	-	(2)
	(16)	(20)	(18)
Net finance (expense)/income	(3)	-	20

5. Taxation

	Half year to 30 September 2009 \$m	Half year to 31 March 2009 \$m	Half year to 30 September 2008 \$m
Taxation charge for the period			
UK	36	119	71
Overseas	18	6	44
	54	125	115

The tax charge for the period amounts to \$54 million. The effective tax rate on profits before tax is 17.9% (half year ended 30 September 2008 - 18.5%), reflecting the estimated rate for the full year, adjusted for the tax effect of the restructuring costs and disposal of MF Global shares. The majority of the Group's profit continues to be earned in Switzerland and the UK, and the forecast full year effective tax rate is consistent with this profit mix.

6. Earnings per share (EPS)

The calculation of basic earnings per ordinary share and diluted earnings per ordinary share is based on a profit for the period of \$236 million (half year ended 31 March 2009: loss of \$12 million; half year ended 30 September 2008: profit of \$497 million).

The calculation of basic earnings per ordinary share is based on 1,677,533,021 (half year ended 31 March 2009: 1,673,979,951; 30 September 2008: 1,701,519,998) ordinary shares, being the weighted average number of ordinary shares in issue during the period after excluding the shares owned by the Man Group plc employee trusts.

For diluted EPS, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The calculation of diluted earnings per ordinary share is based on 1,707,723,960 (half year ended 31 March 2009: 1,697,195,657; 30 September 2008: 1,728,212,032) ordinary shares, calculated as shown in the following table:

	Half year ended 30 September 2009 Number (millions)	Half year ended 31 March 2009 Number (millions)	Half year ended 30 September 2008 Number (millions)
Basic weighted average number of shares	1,677.5	1,674.0	1,701.5
Dilutive potential ordinary shares			
Share awards under incentive schemes	29.7	22.9	12.6
Employee share options	0.5	0.3	12.7
Shares to be issued in consideration for joint ventures acquired	-	-	1.4
Dilutive weighted average number of shares	1,707.7	1,697.2	1,728.2

The reconciliation of earnings per share to an adjusted EPS is given below:

Half year ended 30 September 2009				
	Basic post-tax earnings \$m	Diluted post-tax earnings \$m	Basic earnings per share cents	Diluted earnings per share cents
Earnings per share*	236	236	14.1	13.8
Items for which EPS has been adjusted (see note 3)	(10)	(10)	(0.7)	(0.7)
Tax on the above items	(2)	(2)	-	-
Adjusted Earnings per share	224	224	13.4	13.1

Half year ended 31 March 2009				
	Basic post-tax earnings \$m	Diluted post-tax earnings \$m	Basic earnings per share cents	Diluted earnings per share cents
Loss per share*	(12)	(12)	(0.7)	(0.7)
Items for which EPS has been adjusted (see note 3)	391	391	23.4	23.0
Tax on the above items	(2)	(2)	(0.2)	(0.1)
Adjusted Earnings per share	377	377	22.5	22.2

Half year ended 30 September 2008				
	Basic post-tax earnings \$m	Diluted post-tax earnings \$m	Basic earnings per share cents	Diluted earnings per share cents
Earnings per share*	497	497	29.2	28.8
Items for which EPS has been adjusted (see note 3)	109	109	6.4	6.3
Tax on the above items	(11)	(11)	(0.6)	(0.6)
Adjusted Earnings per share	595	595	35.0	34.5

* The difference between profit after tax and basic and diluted post-tax earnings is the adding back of the finance expense in the period relating to the Fixed Rate Perpetual Capital Securities (see Note 10).

7. Investments

	At 30 September 2009 \$m	At 31 March 2009 \$m	At 30 September 2008 \$m
Investments in fund products comprise:			
Amounts owed by fund products	372	373	641
Other investments in fund products	760	718	1,230
	1,132	1,091	1,871
Other investments comprise:			
Residual stake in MF Global	-	94	97
Investment in Ore Hill DI portfolio	49	52	-
Exchange shares	5	28	34
Other equity investments	1	10	16
	55	184	147

The Group uses fair values to measure its investments in fund products and other investments on the balance sheet.

The fair values of investments in fund products are derived from the reported Net Asset Values (NAVs) of each of the fund products, which in turn are based upon the value of the underlying assets held within each of the fund products. The valuation of the underlying assets within each fund product is determined by external valuation service providers (VSP) based on an agreed valuation policy and methodology. Whilst these valuations are performed independently of the Group, the Group has established oversight procedures and due diligence processes to ensure that the net asset values reported by the VSP are reliable and appropriate. The Group makes adjustments to NAVs where events or circumstances indicate that the NAVs are not reflective of fair value.

There are certain other assets, for example the Ore Hill DI portfolio, where the Group establishes the fair value by using appropriate valuation techniques. In these situations the valuation techniques used to calculate fair values include comparisons with similar financial instruments for which observable prices exist and discounted cash flow analysis.

Given the uncertainty and subjective nature of valuing assets at fair value, it is possible that the outcomes within the next financial year could be different from the assumptions used and this could therefore result in a significant adjustment to the carrying amount of assets and liabilities measured using fair values. This is particularly the case where the Group establishes the fair value of assets by using appropriate valuation techniques.

8. Intangible assets

	Goodwill \$m	Other intangible assets		Total \$m
		Upfront sales commissions \$m	Other \$m	
Net book value				
At 1 April 2009	774	317	49	366
Currency translation difference	21	1	-	1
Additions	-	81	14	95
Redemptions/disposals	-	(8)	(1)	(9)
Charge for the period	-	(54)	(10)	(64)
Net book value at 30 September 2009	795	337	52	389
Net book value at 31 March 2009	774	317	49	366
Net book value at 30 September 2008	798	343	43	386

9. Borrowings

	At 30 September 2009 \$m	At 31 March 2009 \$m	At 30 September 2008 \$m
Bank loans and overdrafts	2	1	302
Fixed rate notes	244	243	242
Floating rate notes – subordinated debt	399	399	399
	645	643	943

On 1 August 2008 the Group issued \$250 million Fixed Rate Notes under the \$3 billion Euro Medium Term Note ('EMTN') Programme of Man Group plc dated 21 December 2007. The Fixed Rate Notes consist of \$250 million EMTN Programme Notes issued on 1 August 2008 and due 1 August 2013. The interest rate is 6.5% per annum payable semi-annually in arrears up to and including the maturity date.

The subordinated floating rate notes consist of \$400 million Eurobonds issued 21 September 2005 and due 22 September 2015. The notes may be redeemed in whole at the option of the Group on any interest payment date falling on or after 22 September 2008, subject to FSA approval. The interest rate is US dollar LIBOR plus 1.15% until 22 September 2010 and thereafter is US dollar LIBOR plus 1.65%.

Except for the \$250 million Fixed Rate Notes above, all of the Group's other borrowings are subject to floating rate charges.

The maturities of borrowings at their contractual maturity dates are as follows:

	At 30 September 2009 \$m	At 31 March 2009 \$m	At 30 September 2008 \$m
Amounts falling due:			
Less than one year	2	1	2
Between one and two years	-	-	-
Between two and five years	244	243	542
More than five years	399	399	399
	645	643	943

The maturity of the floating rate notes has been reclassified as at 30 September 2008, for consistency with the 31 March 2009 accounts, to reflect the contractual maturity date of 22 September 2015.

The undrawn committed facilities available are:

	At 30 September 2009 \$m	At 31 March 2009 \$m	At 30 September 2008 \$m
Expiring in one year or less	-	-	230
Expiring beyond one year	2,430	2,430	2,200
	2,430	2,430	2,430

10. Share capital and reserves

	At 30 September 2009 \$m	At 31 March 2009 \$m	At 30 September 2008 \$m
Share capital	59	59	58
Shares to be issued	-	-	16
Perpetual subordinated capital securities	300	300	300
Share premium account	972	957	917
Capital redemption reserve	1,292	1,292	1,292
Available for sale reserve	(19)	(2)	(100)
Retained earnings	1,482	1,586	2,015
	4,086	4,192	4,498

On 7 May 2008 the Group issued \$300 million US\$ RegS Fixed Rate Perpetual Subordinated Capital Securities ('Capital Securities'). The Capital Securities consist of \$300 million principal issued on 7 May with a perpetual maturity date with optional par redemption at the Group's discretion on 7 May 2013 and any coupon date thereafter, subject to FSA consent. On any coupon date the Group may exchange or vary the Capital Securities for Qualifying non-innovative Tier 1 Securities (e.g. perpetual non-cumulative preference shares). The interest rate is 11% per annum quarterly in arrears and is deferrable at the discretion of the Group. The Capital Securities have been classified as equity on the basis that the securities are irredeemable except at the option of the Group, and coupon payments and principal repayments can be deferred indefinitely at the option of the Group.

11. Cash generated from operations

	Half year ended 30 September 2009 \$m	Half year ended 31 March 2009 \$m	Half year ended 30 September 2008 \$m
Profit/(loss) for the period	248	(4)	507
Adjustments for:			
Income tax	54	125	115
Gain on sale of subsidiary	-	-	(48)
Finance income	(13)	(20)	(38)
Finance expense	16	20	18
Share of results of associates and joint ventures	(31)	(82)	(62)
Loss on disposal of an associate	-	11	-
Depreciation of tangible fixed assets	11	13	9
Amortisation of intangible fixed assets	64	68	189
Share based payments expense	27	38	48
Fair value gains on available for sale financial assets	(31)	-	(29)
Impairment of Ore Hill investments and goodwill	-	248	51
(Gain)/loss arising from residual interest in brokerage assets	(34)	143	-
Net (gains)/losses on financial instruments	(17)	65	31
Increase/(decrease) in provisions	18	(5)	3
Other non-cash movements	14	70	22
	326	690	816
Changes in working capital:			
Decrease in receivables	30	250	47
(Increase)/decrease in other financial assets	(7)	708	(243)
(Decrease) in payables	(38)	(74)	(226)
Cash generated from operations	311	1,574	394

12. Related party transactions

The related party transactions during the period are consistent with the categories disclosed in the Annual Report 2009.

13. Exchange rates

The following US dollar: sterling exchange rates have been used in the preparation of this Interim Report:

	30 September 2009	31 March 2009	30 September 2008
Average exchange rate for 6 month period	0.6262	0.6650	0.5178
Period-end exchange rate	0.6247	0.6970	0.5624

14. Contingent liabilities

On 28 February 2008, MF Global announced that it had incurred a significant credit loss. Following this disclosure a number of plaintiffs filed class action law suits in the US Federal Court against the Group, MF Global, certain of its officers and directors, and certain underwriters asserting various causes of action arising out of the US initial public offering. The consolidated class action complaint alleged claims under certain sections of the US Securities Act of 1933 and alleged, among other things, that the public disclosure documents for the offering contained false and misleading statements concerning risk management and trading risk controls at MF Global. The plaintiffs were seeking compensatory damages, rescission and attorneys' fees and expenses. On 16 July 2009, the United States district court dismissed the case on the grounds that the plaintiffs had failed to identify any material misrepresentations or omissions in the disclosure documents. The district court granted the plaintiffs leave to replead which was rejected on 11 September 2009 because the amended complaint failed to correct the previously identified defects, and ordered the district court case closed. The plaintiffs appealed both rulings to the United States Court of Appeals. The scheduling of the appeal process is currently underway. The directors believe that these rulings corroborate its view that the Group complied with all applicable laws and regulations in connection with the initial public offering of MF Global.

Independent review report to Man Group plc

Introduction

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2009, which comprises the Group Income Statement, Group Statement of Comprehensive Income, Group Statement of Changes in Equity, Group Balance Sheet and Group Cash Flow and related notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in Note 1, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

The maintenance and integrity of the Man Group plc website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of the Disclosure and Transparency Rules of the Financial Services Authority and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2009 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

PricewaterhouseCoopers LLP
Chartered Accountants
5 November 2009
London