

Press Release



14 January 2009

THIRD QUARTER INTERIM MANAGEMENT STATEMENT

Man Group plc makes the following Interim Management Statement for its third quarter ending 31 December 2008.

Peter Clarke, Group Chief Executive, will host a conference call for investors and analysts at 08:00 GMT this morning. Access numbers for the call are included at the end of this release.

Market conditions in the three months to 31 December continued to be extremely challenging, with high volatility, low levels of liquidity, limited availability of leverage and year-end redemptions by many investors. While Man is not immune from these conditions, their impact has been mitigated by continued private investor demand for conservatively structured products and Man's leadership in the strongly performing managed futures style.

The initiative announced in November to protect investor capital by reducing investment exposure across the MGS product range is substantially complete. This accounted for a reduction of \$9.7 billion in Funds Under Management (FUM) in the period, the majority of the total decrease.

- FUM at 31 December 2008 was an estimated \$53.3 billion, compared to \$67.6 billion at 30 September 2008. Private investor FUM was \$32.3 billion and institutional FUM \$21.0 billion.
- The principal cause of FUM reduction in the period was the previously announced de-risking of the MGS product range and the associated rebalancing of these products. This rebalancing is required to maintain an appropriate overall balance of investment styles within each MGS product in accordance with the investment mandate, and related predominantly to AHL allocations. The overall effect was to reduce FUM by \$9.7 billion in the quarter. From an MGS investor perspective, investment exposure has been quickly and efficiently reduced, product assets have been preserved and all capital guarantees remain effective in accordance with product terms.
- Private investor sales for the three months to December 2008 remained robust, at an estimated \$2.7 billion. This includes \$0.6 billion of client money raised in the November IP220 product launch, reflecting continued investor demand for principal protection and access to the managed futures style through AHL. Private investor redemption levels increased in the period to \$3.8 billion, principally in open-ended products. Guaranteed products had a small net inflow in the quarter and open-ended products a net outflow.
- Investors saw overall positive investment movement of \$1.2 billion in the quarter, driven by strong AHL performance, up 22% for the quarter and 25% for the calendar year¹. The continued positive performance of AHL has generated substantial net performance fee income for shareholders in the third quarter.
- The institutional sales environment remains very subdued. Estimated sales of \$0.4 billion and continued redemptions in the quarter resulted in a net outflow of \$2.1 billion. RMF saw negative performance of 7% for the quarter, but was ahead of industry benchmarks both for the quarter and the calendar year.

- Other movements, including the FX translation effect associated with a strengthening dollar and maturities, were a negative \$2.6 billion.

Peter Clarke, Group Chief Executive of Man Group, said:

“The outlook for global markets in 2009 remains uncertain and, against this backdrop, our private investors are likely to focus increasingly on principal protection and liquidity. Our products are designed to provide long-term investment exposure to a range of strategies capable of performing across the market cycle. We have pro-actively positioned investors’ existing portfolios for these markets by reducing risk and balancing exposures to reflect the mandate of the products. We have delivered material positive performance for our investors overall in the quarter and generated significant performance fees for our shareholders, despite difficult markets. The flexibility of our product range allows us to tailor our forward sales pipeline to meet the strong demand for managed futures, by offering AHL guaranteed products across the wide geography of our investor base.

“The outlook for institutional sales remains very subdued in the short term and continued institutional redemptions mean that we will see institutional net outflows until markets stabilise and confidence returns.

“Through these turbulent markets we have preserved financial resources, maintained surplus capital and acted to protect investors. Looking further ahead, our international scale and track record will continue to afford us market access and investment opportunities, reinforcing our leading competitive position.”

Funds under management analysis

3 months to 31 December 2008

	Guaranteed \$bn	Open- ended \$bn	Private Investor \$bn	Institutional \$bn	Total \$bn
FUM at 30 September 2008			40.8	26.8	67.6
Sales	1.9	0.8	2.7	0.4	3.1
Redemptions	(1.6)	(2.2)	(3.8)	(2.5)	(6.3)
Net inflows/(outflows)	0.3	(1.4)	(1.1)	(2.1)	(3.2)
Investment movement					1.2
MGS de-risking and associated rebalancing of AHL and Glenwood					(9.7)
FX and other					(2.6)
FUM at 31 December 2008			32.3	21.0	53.3

9 months to 31 December 2008

	Guaranteed \$bn	Open- ended \$bn	Private Investor \$bn	Institutional \$bn	Total \$bn
FUM at 31 March 2008			43.5	31.1	74.6
Sales	5.6	4.2	9.8	3.5	13.3
Redemptions	(3.6)	(3.2)	(6.8)	(5.5)	(12.3)
Net inflows/(outflows)	2.0	1.0	3.0	(2.0)	1.0
Investment movement					(4.7)
MGS de-risking and associated rebalancing of AHL and Glenwood					(11.4)
FX and other					(6.2)
FUM at 31 December 2008			32.3	21.0	53.3

MGS product FUM analysis

3 months to 31 December 2008

	MGS \$bn	AHL \$bn	Glenwood \$bn	Total \$bn
FUM at 30 September 2008	8.6	4.8	1.1	14.5
MGS de-risking and associated rebalancing of AHL and Glenwood	(4.9)	(4.0)	(0.8)	(9.7)
Other, net*	(1.5)	0.2	0.0	(1.3)
FUM at 31 December 2008	2.2	1.0	0.3	3.5

* Includes redemptions, investment movement and FX.

Investment performance

	3 months to 31-Dec-08	12 months to 31-Dec-08
AHL ¹	21.5%	24.9%
IP220 ²	17.4%	9.2%
RMF ³	(7.9)%	(15.3)%
HFRX ⁴	(13.2)%	(23.3)%
World Stocks ⁵	(20.4)%	(39.9)%

1 Athena Guaranteed Futures Limited

2 Man IP220 Ltd - USD class bonds (latest estimate)

3 RMF Four Seasons Strategies (Master) Ltd (latest estimate)

4 HFRX Investible Global Hedge Fund Index

5 MSCI World Index price return (hedged to USD)

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UK Access Number	+44 (0)20 8609 3822
UK Toll Free* Number	0800 358 1448

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UK Toll Access Number	+44 (0)20 8609 0289
UK Toll Free* Access Number	0800 358 2189
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About Man

Man is a world-leading alternative investment management business. With a broad range of funds for institutional and private investors globally, it is known for its performance, innovative product design and investor service. Man manages about USD50 billion and employs around 1,800 people in 14 countries worldwide.

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 over USD5 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.mangrouplc.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 31 December 2008. 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.