


Jupiter Fund Management plc

Half Yearly Results: 19 August 2011

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■ Highlights

1 Executing our strategy

- Two thirds of mutual funds above median over three years
- Net inflows of £0.7 billion
- AUM up 25% since Listing to £24.8 billion
- Capturing benefits of scalable operating model

2 Robust performance and financial position

- EBITDA up 18% to £71m
- EBITDA margin increased to 55%
- Net debt reduced to £36m from £105m at Listing; long-term cov-lite facility

3 Focused on a market with attractive long-term characteristics

- Structural dynamics favouring retail mutual fund managers
- Short-term conditions are challenging in the UK and Europe
- But Jupiter, the industry and the investor have all been here before...



Financials

Profit and loss highlights

4

Measure	2010	2011	Change
▪ Net revenues	£1111.7m	£128.3m	15%
▪ EBITDA	£60.3m	£71.0m	18%
▪ EBITDA margin	54%	55%	
▪ Profit before tax	£14.6m	£37.3m	
▪ Underlying EPS	8.3p	10.0p	20%

Revenues

Net revenues

(£ million)	2010	2011	% +/-
Net management fees	99.7	114.2	+14
Net initial charges and commissions	11.0	9.5	
Performance fees	1.0	4.6	
Net revenues	111.7	128.3	+15

- Net management fees continue to dominate group net revenues
- Reduced net initial charges and commissions due to lower box profits
- Performance fees largely attributable to Jupiter European Opportunities investment trust

Net management fee margin

	2010	2011	% +/-
Average FTSE	5394	5932	+10
Average AUM (£ billion) ¹	20.2	24.4	+21
Net management fee margin (bps)	99	94	

(1) Average AUM stated on a 7-month basis.

Net management fee margins

Key drivers

1

Technical

- Product mix changes
- Interaction of market shape on fee collection, rebate payments and the margin calculation

2

One-off

- Distorting events

3

Growth-related

- New flows at lower margins than within back book
- Growth of SICAV, appointed distributor in France

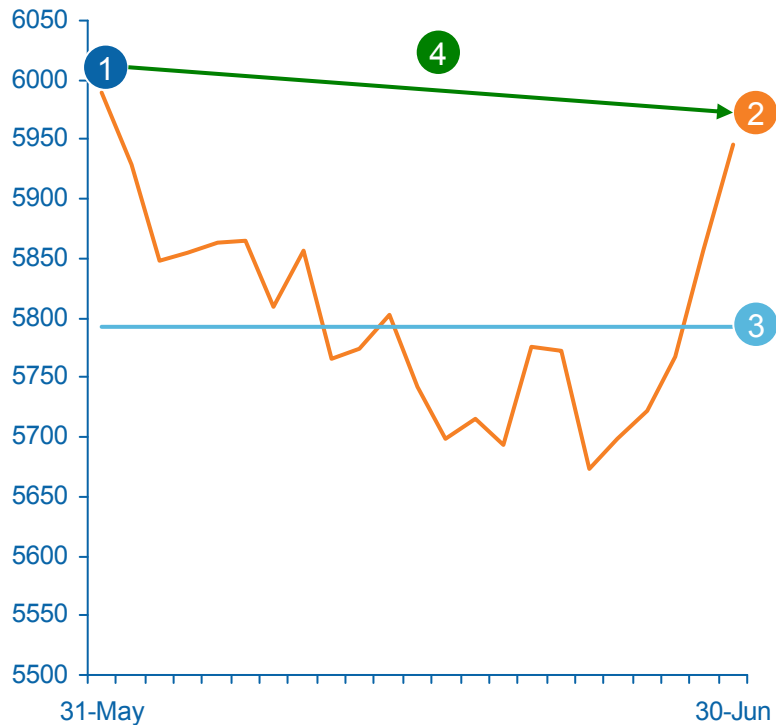
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Margin erosion

- Distributor vs. manufacturer tension

Net management fee margins (technical)

FTSE movements in Jun-11



1. Market open: 5990
2. Market close: 5945
3. Daily average: 5792
4. Point to point average: 5968

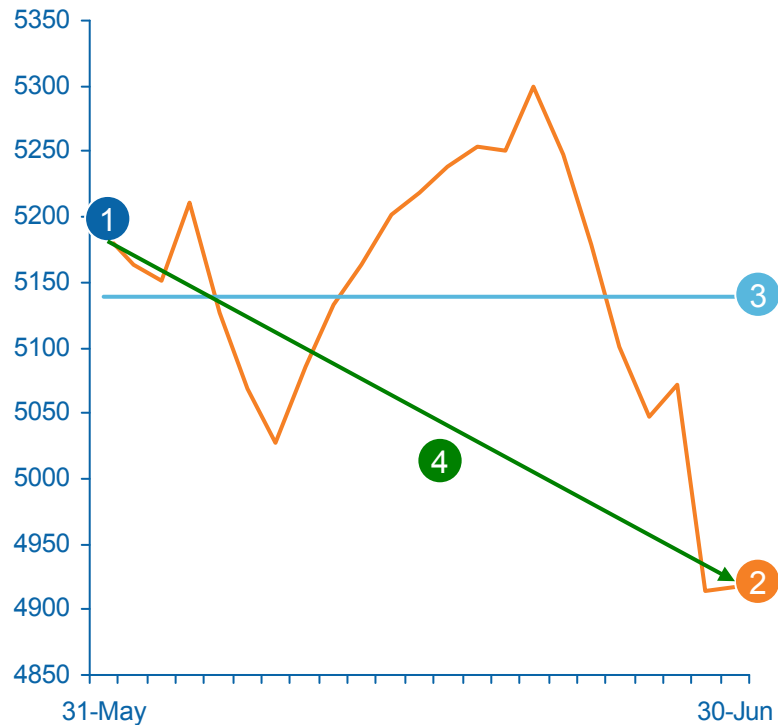
- Standard unit trust revenue = 150 + 21 = 171bps
- Standard rebate = 75 bps
- Theoretical net management fee margin = 96bps

- In June 2011, the theoretical fund's margin would be:

$$\frac{(5792 \times 171) - (5945 \times 75)}{5968} = 91\text{bps}$$

Net management fee margins (technical ctd)

FTSE movements in Jun-10



1. Market open: 5188

2. Market close: 4916

3. Daily average: 5139

4. Point to point average: 5052

Standard unit trust revenue = 150 + 21 = 171bps

Standard rebate = 75 bps

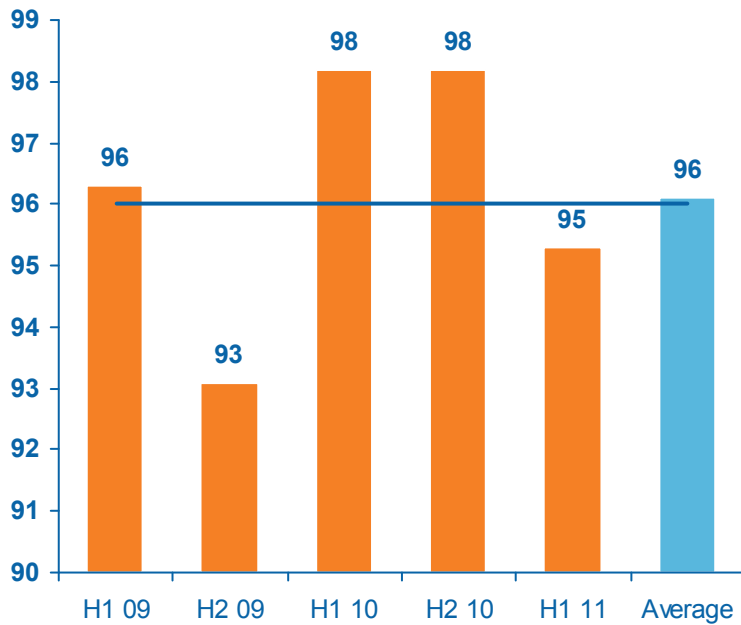
Theoretical net management fee margin = 96bps

In June 2010, the theoretical fund's margin would be:

$$\frac{(5139 \times 171) - (4916 \times 75)}{5052} = 101\text{bps}$$

Net management fee margins (technical ctd)

Theoretical margin over time



■ Theoretical margin
 — Written margin

- H1 2010:
 - Series of helpful parabola-shaped months
 - = 98bps

- H1 2011
 - Series of unhelpful U-shaped months
 - = 95bps

■ 2.5bps negative impact on net management fee margin

Net management fee margins (one off: Adria)

Background

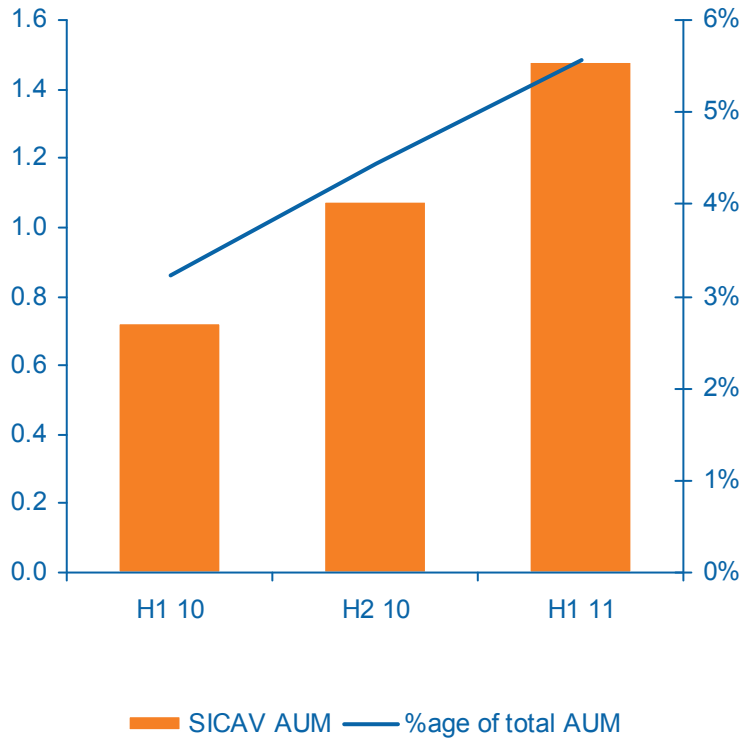
- Legacy Croatian property fund managed by Jupiter's private equity team
- Fund raised in 2007, expansion hit by credit crunch
- Additional liquidity raised via rights issue
- Jupiter agreed with the independent board that separation would maximise long-term value for investors
- Private equity team joined Adria and fund re-branded as iO

Impact on results

- Historic:
 - No fees have been recognised since 1 October 2010
 - H1 11 vs H1 10 comparison is distorted
 - 1bp negative impact on net management fee margin
- Prospective:
 - £0.5 million reduction in annual costs
 - €3.6 million of one-off management fees received at separation (consideration in Adria equity); recognised in H2 2011
 - No further ongoing revenue impact
 - £90 million of segregated mandate AUM will no longer be recognised by Jupiter from 5 August 2011

Net management fee margins (growth-related)

Absolute and relative size of SICAV assets¹



- Increased size of International business
 - Absence of registration fee within the SICAV
 - Use of appointed distributor in France, paid for out of net management fees rather than operating costs
- Significant growth in AUM and revenue terms
 - Net SICAV revenues doubled H1 11 vs. H1 10
 - High marginal contribution to operating earnings
- New unit trust business comes at lower margins than back book
 - 1bp negative impact on net management fee margin

(1) Average balances in each period

Net management fee margins

Aggregated impact

1 Technical	<ul style="list-style-type: none"> ■ Unit trust fee collection and rebate structure ■ Mix effect of lower hedge fund assets 	(2.5bps) (0.3bps)
2 One-off	<ul style="list-style-type: none"> ■ Adria 	(1.0bps)
3 Growth-related	<ul style="list-style-type: none"> ■ International 	(1.0bps)
4 Other	<ul style="list-style-type: none"> ■ Combination of smaller factors 	(0.2bps)
5 Total		(5.0bps)

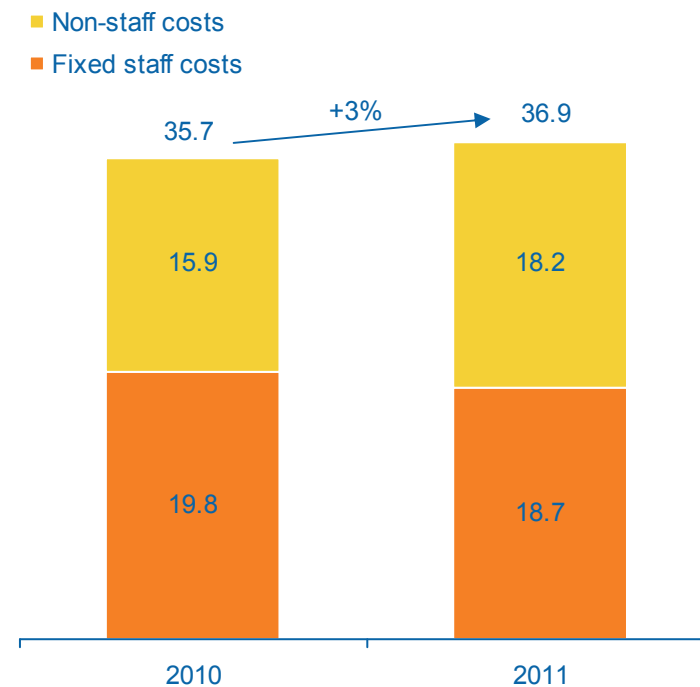
Administrative expenses (fixed)

Fixed costs

(£ million)	2010	2011	% +/-
Fixed staff costs	19.8	18.7	
Non-staff costs	15.9	18.2	
Fixed costs	35.7	36.9	+3

- Scalability of operating model
 - £14.5 million increase in net management fees
 - £1.2 million rise in underlying fixed costs
- Outsource of unit trust administration switching cost from staff to non-staff line

Fixed costs (£ million)



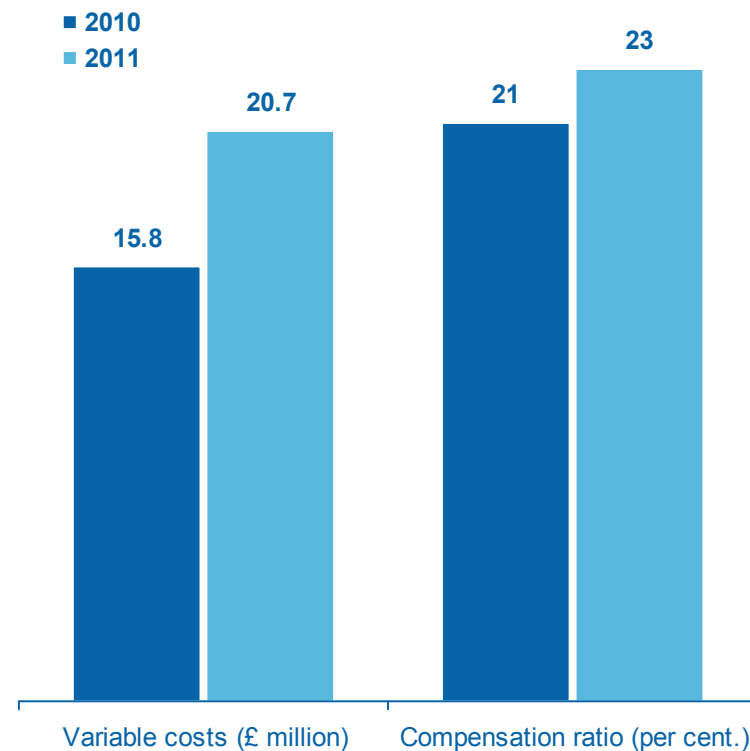
Administrative expenses (variable)

Variable costs

(£ million)	2010	2011
Variable costs	15.8	20.7
Charge over pre-Listing options	1.2	5.6
Total incentive costs	17.0	26.3
Variable compensation ratio¹	21%	23%

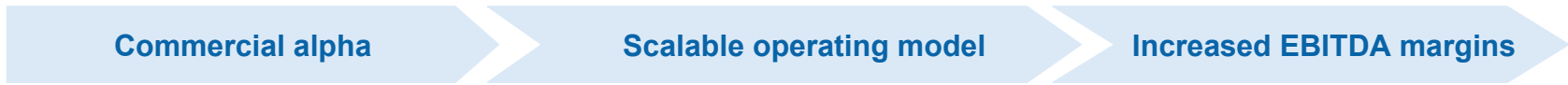
- Non-cash, non-dilutive charge from options over MBO shares excluded from core earnings and ratios
- Variable costs increasing in line with increased profitability of business and introduction of new incentive schemes
- Ratio expected to rise to high twenty per cents over medium-term

Variable costs and compensation ratio¹

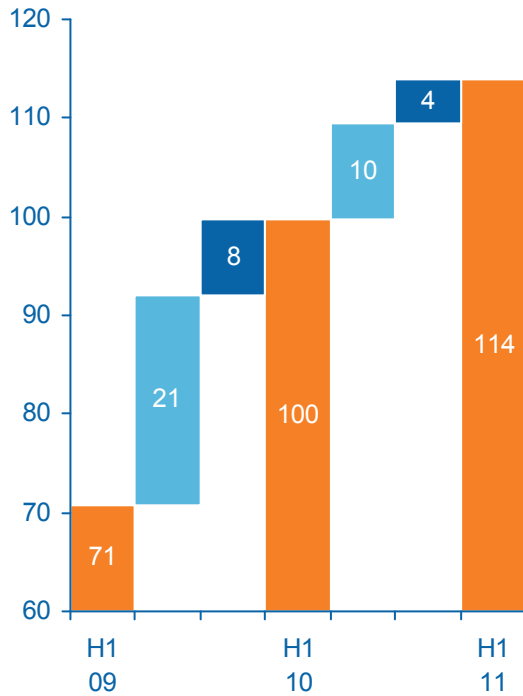


1) Ratio defined as variable staff costs adjusted for these items divided by operating earnings before adjusted variable staff costs

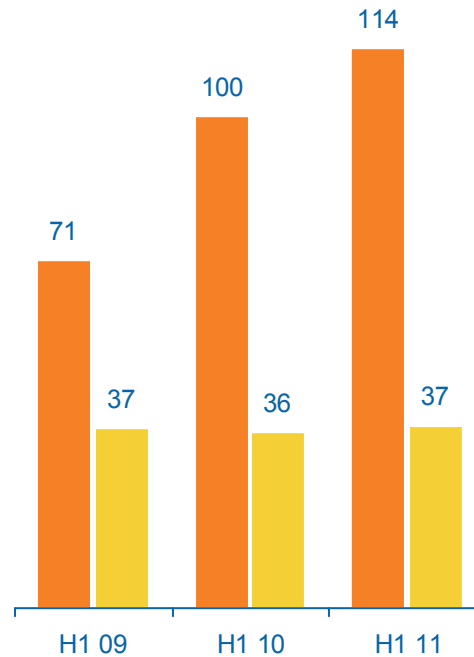
Strong financial delivery



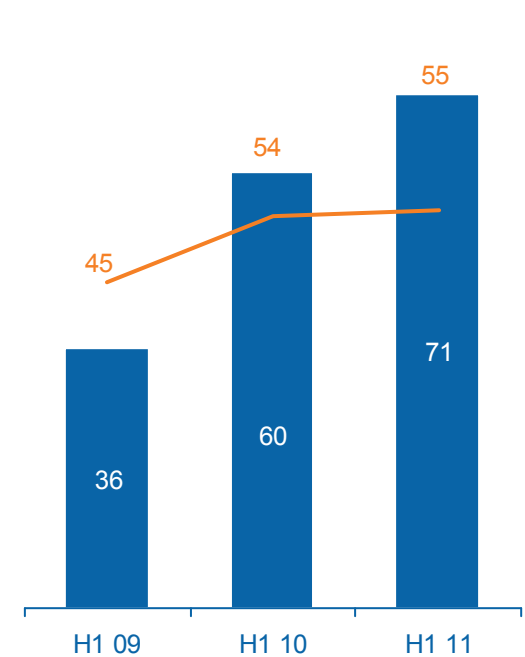
Net management fees Markets Alpha



Net management fees Underlying fixed costs



EBITDA (£m) EBITDA margin (%)



Balance sheet and dividend

Measure	Dec-10	Jun-11	Change
▪ Net debt ¹	£63m	£36m	(£27m)
▪ Outstanding debt facility	£283m	£203m	(£80m)
▪ Leverage ratio ²	0.5x	0.3x	
▪ Initial interim dividend	-	2.5p	

(1) Gross cash less outstanding bank facility

(2) Gross cash less outstanding bank facility divided by last 12 month EBITDA

 **Strategy and delivery**

1

Preserving our investment culture and generating outperformance for our clients

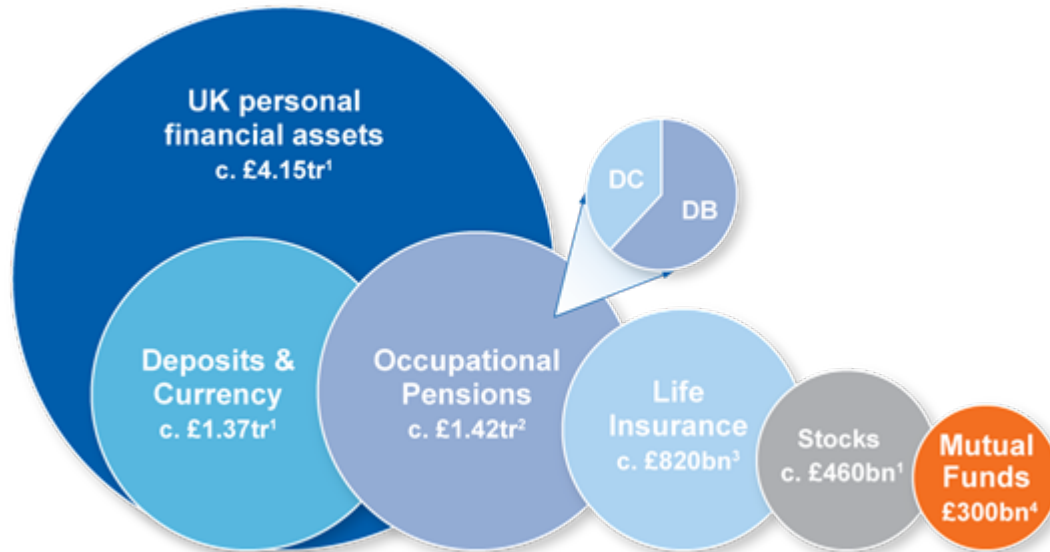
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Selling our expertise through products suited to our distribution strengths

3

Leveraging Jupiter's investment and distribution capabilities to deliver attractive economic returns

UK retail savings market

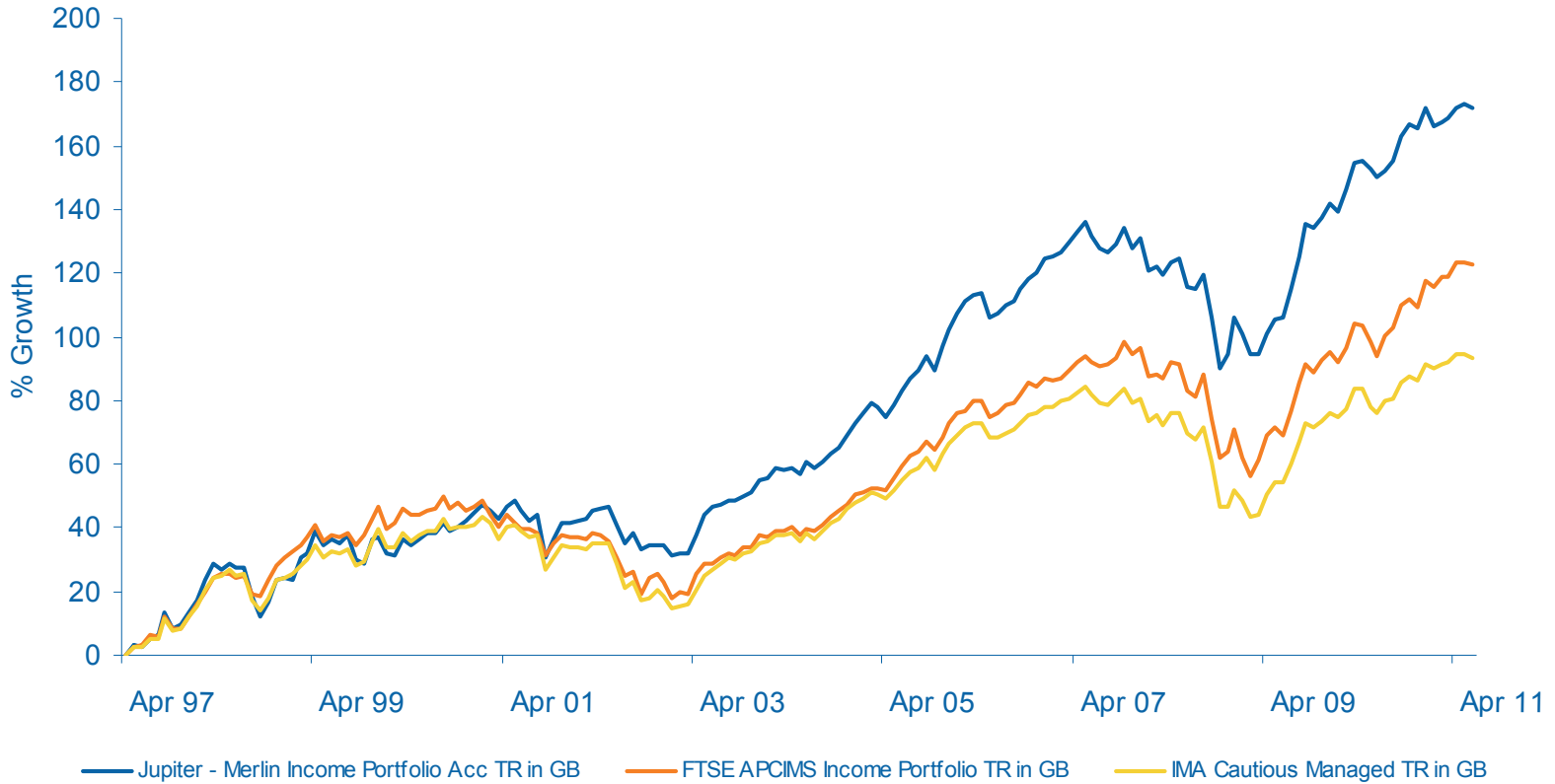


Key trends

- Demographics
- Increased savings rate
- State withdrawal from pension provision
- Move from DB to DC
- Shift towards transparent products
- Pressure on Insurance products
- Some inflation protection
- Tax changes

The active management challenge

Merlin Income¹



(1) Source: Financial Express, bid to bid; net income reinvested from 30.04.97 to 30.06.11. The Jupiter Merlin Income portfolio was managed by John Chaffeild-Roberts and his team at Lazard from 1 May 1997 until March 2001. In March 2002, the management of the funds were fully transferred to Jupiter Unit Trust Managers Limited, under the same management team;

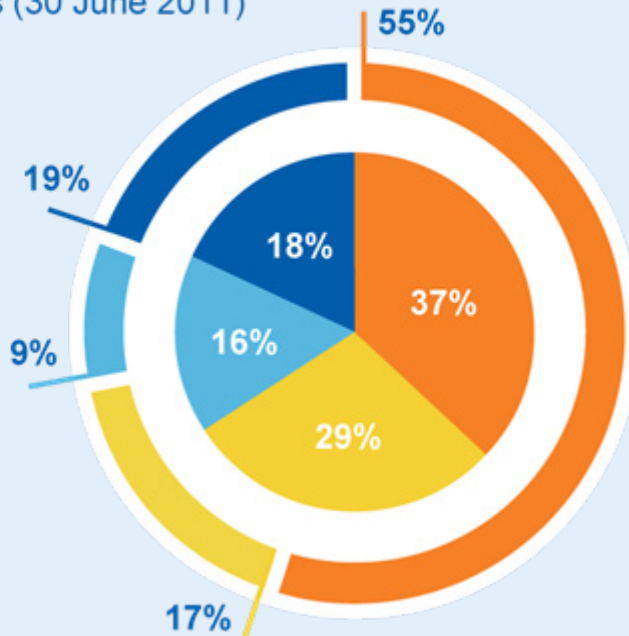


Generating outperformance for our clients

Three year mutual fund investment performance

1st quartile 2nd quartile 3rd quartile 4th quartile

Quartile rankings (30 June 2011)

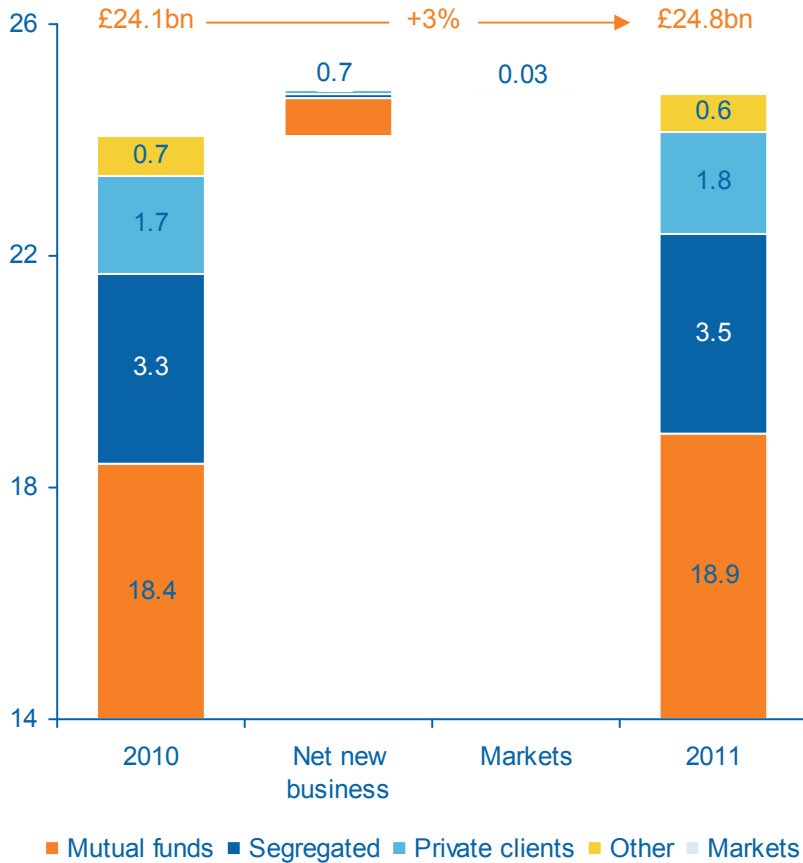


- Three year performance numbers key for our distribution channels
 - Medium-term numbers best since Sep-09
- Short-term performance dipped but considerable improvement during market volatility
 - Two thirds of funds (by AUM) above median over one year as at 12 August

Source: Financial Express; pie chart in centre = performance weighted by number of funds; ring around pie chart = performance weighted by AUM

Selling our expertise

AUM and net new business by product £bn



Highlights

- Assets grew despite flat markets
- Mutual funds remain predominant flow contributor
- Platform position maintained
 - Remain ranked number 2 on Cofunds by gross and net YTD sales
 - Merlin Income number 1 selling fund on FundsNetwork
- Risk-off behaviour hurt towards end of period, particularly in Europe

■ Selling our expertise

Focus on intermediaries in the UK

- Continued investment in the brand
- Global Energy unit trust launched in July
- I-class launch planned in H2 to improve wealth manager penetration
- RDR remains unclear but some trends emerging

Focus on wealth managers in Europe and Asia

- Deepening our international presence
 - SICAV registered in Belgium, the Netherlands and Portugal
 - Additional resource hired in Germany
 - Increasing focus on Switzerland
- Indian sub-advised fund launched into Taiwan in July
- Institutional interest in specialist equity products

Range bound volatility

The FTSE over the last four years



Source: FTSE

Diversified product range and front office talent

Empowered investment culture; succession planning; talent development

Fund of funds £6.8bn John Chatfeild-Roberts Algy Smith-Maxwell Peter Lawery Amanda Sillars and David Lewis	UK Income £4.1bn Anthony Nutt Philip Matthews Ben Whitmore	European £3.8bn Alexander Darwall Cedric de Fonclare Stephen Pearson
Absolute Return £0.9bn Philip Gibbs Stephen Pearson Miles Geldard Lee Manzi	Emerging markets £1.3bn Philip Ehrmann Kathryn Langridge Elena Shaftan Avinash Vazirani	Fixed Income £0.7bn Miles Geldard Lee Manzi Ariel Bezalel John Hamilton
Financials £1.0bn Guy de Blonay Philip Gibbs Robert Mumby	UK Growth £2.8bn Ian McVeigh Ben Whitmore Patrick Harrington	Discretionary £1.8bn Team of 12 private client managers
International £1.0bn John Chatfeild-Roberts Simon Somerville Seb Radcliffe	ESG / Climate change £0.6bn Charlie Thomas Chris Watt	Additions since Jan-10

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TAXI

Know our way.

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Investment management from Jupiter.
The value of investments can fall as well as rise.

JUPITER

On 10/11/07 to 31/12/07

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