

Jupiter Fund Management plc

Half Yearly Report 2011



Contents

04-05

Introduction

07-10

Business review

12-29

Financial statements

- 12. Consolidated income statement
- 13. Consolidated statement of comprehensive income
- 14. Consolidated balance sheet
- 15. Consolidated statement of changes in equity
- 16. Consolidated statement of cash flows
- 17. Notes to the financial statements
- 28. Statement of Directors' responsibilities
- 29. Independent review report

Introduction

04-05

Highlights
Chief Executive's review



Highlights

1 Net inflows of £0.7bn driving increase in AUM to £24.8bn

2 Continued delivery of benefits of scalable operating model, with EBITDA margin increasing to 55 per cent.

3 Operational cash generation reducing net debt to £36.0m

4 Maiden interim dividend of 2.5p per share

| | Six months ended 30 June 2011 (unaudited) | Six months ended 30 June 2010 (unaudited) | Year ended 31 December 2010 |
|-----------------------------|---|---|--------------------------------|
| Assets under management £bn | 24.8 | 19.8 | 24.1 |
| Net inflows £bn | 0.7 | 0.8 | 2.3 |
| Net revenue £m | 128.3 | 111.7 | 230.5 |
| EBITDA ¹ £m | 71.0 | 60.3 | 124.6 |
| EBITDA margin (per cent.) | 55 | 54 | 54 |
| Profit before tax £m | 37.3 | 14.6 | 42.4 |
| Dividend per share | 2.5p | – | 4.7p |

¹ Earnings before Interest, Tax, Depreciation and Amortisation ("EBITDA") is a non-GAAP measure which the Group uses to assess its performance. It is defined as operating earnings excluding the effect of depreciation and the charge for options over pre-Listing shares. EBITDA for the six months to 30 June 2010 has been restated from £59.1m to £60.3m to exclude the charge for options over pre-Listing shares of £1.2m, consistent with the Group's full year presentation.

Edward Bonham Carter, Chief Executive, commented:

"A year on from Listing, Jupiter continues to deliver strong performance for both clients and shareholders. Assets have increased 25 per cent. since the Listing to nearly £25bn, supported by net inflows of £0.7bn in the first half of 2011; investment performance has been steady with two thirds of our mutual funds ranked above median over three years; and we have captured the benefits of our scalable operating model. These factors have helped grow EBITDA 18 per cent. and further reduce net debt. Given this strong financial performance, we are pleased to report an interim dividend of 2.5p.

"With considerable uncertainty over sovereign debts and global growth on both sides of the Atlantic, financial markets are likely to remain volatile. Despite this, with our strong investment performance record, product set and adherence to our strategy of generating outperformance across a wide range of products, we are confident that we can grow the business and provide further returns for our clients and shareholders."

Chief Executive's review

Geopolitical issues provided a testing environment for financial markets in the six months to 30 June 2011. The global economy was affected by a devastating earthquake and tsunami in Japan and the 'Arab Spring' uprisings which increased concerns about the possible effect of an oil price spike on already fragile western economies.

Weakening economic data in many economies throughout the period dampened confidence, particularly as the ending of the second phase of quantitative easing in the US loomed in June. At the corporate level many companies remained in good shape, with trading results in the first half of the year mainly positive. However, intensifying concerns over sovereign debt issues in Europe and the US, and global growth have led to severe falls in global stock markets since the end of our reporting period.

Financial results

Despite the challenges presented by such a backdrop, Jupiter has continued to deliver against its strategy, producing both strong financial performance and new business generation. EBITDA rose 18 per cent. to £71.0m compared with the same period last year, as revenues increased alongside a stable fixed cost base. Gross inflows totalled £3.1bn during the period and net inflows totalled £0.7bn, with demand for fund of funds products, amongst others, offsetting the effect of greater risk aversion among Continental European investors towards the end of the second quarter. AUM rose 3 per cent. over the period to £24.8bn, a solid outcome in the current market environment.

Performance

Investment performance across our mutual fund range remains strong over the key three year time frame, with 66 per cent. of mutual funds at 30 June 2011 above median. The early adoption of defensive positioning by many of our fund managers resulted in a short-term dip in one year performance, with 21 per cent. of our mutual funds outperforming their sector averages as at 30 June 2011. However, as we have previously highlighted, Jupiter funds tend to outperform during periods of market volatility and recent market performance has led to an improvement in our relative positioning with 58 per cent. of our mutual funds above median over the 12 months to 12 August 2011.

Corporate developments

We have continued to develop our operations in line with our strategy. After a busy year for new product development in 2010, this year is largely one of consolidation as we focus on building assets in existing funds and developing our distribution capabilities, particularly internationally. To this end, we have registered our SICAV in Belgium, the Netherlands and Portugal. We also plan to launch I-classes across our unit trust range later this year to assist our penetration of wealth management channels.

We continued to develop our investment expertise during the period, appointing Amanda Sillars and David Lewis to our fund of funds team – a product category that has delivered significant new asset growth in recent years and which we believe will continue to do so. We also launched the Jupiter Global Energy Fund in July 2011, in an area we expect to provide asset growth over the medium to long-term.

We continue to seek operational efficiencies across the group to support the scalability of our business model. As announced in our annual results in March, we consolidated our UK offices onto one site during the first quarter of 2011 and, as part of an ongoing review into existing products, closed the Jupiter Merlin Absolute Return Portfolio, with professional investors being offered a switch to the Jupiter Equity Fund. Since the end of our reporting period our private equity team has left Jupiter, resulting in approximately £90m of AUM leaving the Group's segregated mandate product line and one-off management fees of £3.2m recognised in H2 2011 as a result of the separation. Due to the reduction in associated costs, the transaction will be modestly earnings enhancing after this point.

Outlook

Volatility in markets has increased significantly in recent months and overall equity levels are lower than at the start of the year. It is not surprising that such an environment is impacting investor confidence and flows across the asset management sector, particularly in Europe. Significant uncertainty remains, particularly with regard to the dislocation in European sovereign debt markets and the path of debt reduction in developed economies in general. Volatility in markets and lack of investor conviction may persist for some time.

We have experienced these conditions before, particularly in the bear market of 2000-2003 and the financial crisis of 2007-2009, and the lesson for asset managers and investors is to avoid being overly swayed by short-term fluctuations, even if some of the underlying economic imbalances will take some time to resolve. Instead we must remain focused on the medium-term opportunities, both in regard of the investment opportunities for clients and also the way we manage and grow our business.

We remain confident of the long-term drivers of growth for the savings market and our ability to access these opportunities on behalf of investors and shareholders.

Edward Bonham Carter
Chief Executive



Business review

| Table 1 | 31 December 2010 £m | Net flows to 30 June 2011 £m | Market movement £m | 30 June 2011 £m |
|---|---------------------------|------------------------------------|--------------------------|-----------------------|
| Assets under management by product | | | | |
| Mutual funds | 18,418 | 657 | (150) | 18,925 |
| Segregated mandates | 3,259 | 57 | 154 | 3,470 |
| Private clients | 1,693 | 56 | 11 | 1,760 |
| Investment trusts | 527 | – | 23 | 550 |
| Hedge funds | 181 | (94) | (9) | 78 |
| Total | 24,078 | 676 | 29 | 24,783 |

Assets under management and flows

Assets under management rose from £24.1bn as at 31 December 2010 to £24.8bn as at 30 June 2011. This represents an increase in AUM of 3 per cent. despite flat markets across the period.

We achieved net inflows of £676m across our products during the period. Mutual funds contributed net inflows of £657m, driven by our Merlin fund of funds range and continued growth from our international channels, although this was offset somewhat by greater risk aversion among Continental European investors towards the very end of the period. The majority of hedge fund outflows relate to the liquidation and reconstruction of the Jupiter Merlin Absolute Return Portfolio, which will allow the fund of funds team to focus on their long-only offerings.

On 5 August 2011, Jupiter's private equity team agreed to become employees of iO Adria Limited, a company investing in Croatian property that they previously managed on behalf of the Group. This will result in approximately £90m of AUM leaving the Group's segregated mandate product line. There will be no ongoing revenue impact from this departure, although there will be one-off management fees of £3.2m recognised in H2 2011 as a result of the separation. Due to the reduction in associated costs, the transaction will be modestly earnings enhancing after this point.

Investment performance

Investment performance remained strong for the majority of our funds and products over the key three year timeframe. At 30 June 2011, 25 mutual funds representing approximately 74 per cent. of mutual funds by AUM, delivered first and second quartile investment performance over a three year period (31 December 2010: 22 mutual funds representing approximately 66 per cent. of mutual fund AUM).

EBITDA

EBITDA increased 18 per cent. to £71.0m for the period (2010 H1: £60.3m), as net management fees rose £14.5m alongside an increase of just £1.2m in fixed costs. The Group's EBITDA margin increased to 55 per cent. (2010 H1: 54 per cent.) as the benefits of our scalable business model more than offset the expected increase in our variable compensation ratio.

| Table 2 Net Revenue | Six months ended 30 June 2011 £m | Six months ended 30 June 2010 £m | Year ended 31 December 2010 £m |
|--------------------------------------|--|--|--------------------------------------|
| Net management fees | 114.2 | 99.7 | 204.7 |
| Net initial charges and commissions | 9.5 | 11.0 | 20.1 |
| Net performance fees | 4.6 | 1.0 | 5.7 |
| Total | 128.3 | 111.7 | 230.5 |

Net revenue for the period was £128.3m (2010 H1: £111.7m), 15 per cent. ahead of 2010. This is primarily due to a 15 per cent. increase in net management fees, reflecting both 10 per cent. higher average FTSE 100 levels over the six months to 30 June 2011 of 5,932 (2010 H1: 5,394) and the contribution from net inflows over the last two years.

| Table 3 | Six months ended 30 June 2011 £m | Six months ended 30 June 2010 £m | Year ended 31 December 2010 £m |
|---------------------------------|--|--|--------------------------------------|
| Average FTSE 100 | 5,932 | 5,394 | 5,465 |
| Average AUM (£bn) | 24.5 | 20.2 | 21.1 |
| Net management fee margin (bps) | 94 | 99 | 97 |

The Group's net management fee margin was 94 basis points in H1 2011. This is lower than the prior year due to three main factors: a less favourable interaction between daily market levels (the basis on which the majority of the Group's fees are collected) and month end market levels (the basis on which the majority of the Group's mutual fund rebates are paid); an increased proportion of international flows within the overall business mix; and the impact of having received no revenues during H1 2011 from the private equity business which has subsequently left the Group with one-off management fees of £3.2m recognised in H2 2011. We continue to expect net management fee margins to decline slowly over time at a rate of 2 to 3 basis points per annum, although this was more marked in this period due to elements we expect to be temporary in nature.

Net initial charges and commissions fell to £9.5m (2010 H1: £11.0m) as a result of lower box profits. Performance fees were £4.6m (2010 H1: £1.0m), largely attributable to the Jupiter European Opportunities investment trust.

| Table 4 Administrative expenses | Six months ended 30 June 2011 £m | Six months ended 30 June 2010 £m | Year ended 31 December 2010 £m |
|--|--|--|--------------------------------------|
| Fixed staff costs | 18.7 | 19.8 | 39.1 |
| Other expenses | 18.2 | 15.9 | 35.7 |
| Total fixed costs | 36.9 | 35.7 | 74.8 |
| Variable staff costs | 20.7 | 15.8 | 32.5 |
| Charge for options over pre-Listing shares | 5.6 | 1.2 | 7.8 |
| Total administrative expenses | 63.2 | 52.7 | 115.1 |

Administrative expenses of £63.2m were £10.5m higher than the same period in 2010 as a result of increased variable compensation costs and a full period charge for options over pre-Listing shares.

Overall fixed costs were up 3 per cent. to £36.9m (2010 H1: £35.7m), reflecting continued cost discipline across the Group. Fixed staff costs of £18.7m were lower than 2010 (2010 H1: £19.8m) due to the outsourcing of unit trust administration to IFDS in August 2010. Other expenses were £18.2m (2010 H1: £15.9m) as additional IFDS charges were partially offset by reduced occupancy costs following the closure of our West Malling office.

Variable staff costs increased due to the higher profitability of the business and as the new incentive schemes put in place as part of the Listing have been introduced. Variable staff costs as a proportion of pre-variable staff cost operating earnings were 23 per cent. (2010 H1: 21 per cent.). We continue to expect this ratio to rise to the high twenty per cents. over the medium-term as the new incentive scheme structure builds to maturity.

Exceptional costs

No exceptional costs are included within the 2011 results.

The Financial Services Compensation Scheme ("FSCS") announced it would impose a second interim levy on the industry for 2010/11 for the costs of major investment failures such as Keydata Investment Services Limited. The cost to the Group in 2010 was £5.2m. The size and allocation of this second interim levy is still under further investigation by the FSCS at present and therefore no adjustments have been made to our original charge.

Finance expense

Finance expenses decreased by £15.2m to £7.9m (2010 H1: £23.1m). This is due to the elimination of the MBO capital structure at Listing and lower bank loan interest costs following repayments made in June 2010 and March 2011.

Profit before tax

Profit before tax for the period more than doubled to £37.3m (2010 H1: £14.6m). This growth was driven by increased operating earnings and a reduction in finance expenses.

Underlying profit before tax and EPS

Underlying profit before tax and underlying EPS are non-GAAP measures which the Board believes provide more useful representation of the Group's trading performance than the statutory presentation. The Group's basic and diluted EPS were 9.1p and 8.8p respectively.

| Table 5 | Six months ended 30 June 2011 £m | Six months ended 30 June 2010 £m | Year ended 31 December 2010 £m |
|---|--|--|--------------------------------------|
| Profit before tax | 37.3 | 14.6 | 42.4 |
| Adjustments: | | | |
| Amortisation of acquired investment management contracts and trade name | 19.2 | 19.2 | 38.7 |
| Charge for options over pre-Listing shares | 5.6 | 1.2 | 7.8 |
| Exceptional Listing cost | – | 1.7 | 1.6 |
| FSCS levy exceptional cost | – | – | 5.2 |
| Pre-Listing loan amendment fees | – | 3.8 | 3.8 |
| Finance expense relating to pre-Listing capital structure | – | 12.5 | 12.5 |
| Underlying profit before tax | 62.1 | 53.0 | 112.0 |
| Tax effect at statutory rate | (16.5) | (14.9) | (31.4) |
| Underlying profit after tax | 45.6 | 38.1 | 80.6 |
| Issued share capital (m) | 457.7 | 457.7 | 457.7 |
| Underlying EPS | 10.0p | 8.3p | 17.6p |
| Basic | 9.1p | (0.7p) | 10.8p |
| Diluted | 8.8p | (0.7p) | 7.6p |

Underlying profit before tax was 17 per cent. ahead of the prior year at £62.1m due to the improved trading performance of the Group and lower ongoing financing costs. Underlying EPS was 20 per cent. ahead of the same period in the prior year at 10.0p, a slightly greater improvement due to benefiting from the reduced UK corporation tax rate.

Net debt and cash

The Group's net debt level reduced further to £36.0m (31 December 2010: £62.7m). Our leverage ratio, which compares net debt with trailing twelve month EBITDA, has fallen to 0.27 times at 30 June 2011 (30 June 2010: 0.92 times).

Within net debt, the Group's cash holdings decreased by £53.3m to £167.0m at 30 June 2011 (31 December 2010: £220.3m) as positive cash earnings from underlying operations were partially offset by the payment of the 2010 final dividend of £20.7m and £80m of cash was used to repay bank debt. Following this repayment on 31 March 2011, the gross outstanding bank loan is £203.0m.

Shareholders' equity

Total shareholders' equity increased by £15.2m as a result of the continued profitability of the Group, partially offset by the payment of the maiden final dividend of £20.7m. During the period, the share premium account of £255.7m and the capital redemption reserve of £54.1m were cancelled with the sanction of the Court and the balances on these accounts were transferred to retained earnings as distributable reserves.

Dividend

The Board has declared an interim dividend of 2.5p per share to ordinary shareholders, which will be paid on 30 September 2011 to shareholders on the register at close of business on 2 September 2011. There was no interim dividend in 2010 due to the short period since Listing.

Principal risks & uncertainties

The Group faces a number of risks and uncertainties associated with the investment management business it carries out. The Group has designed a framework to manage the risks of its business and to ensure that the Directors have in place risk management practices appropriate to the Group. The management of risk within the Group is governed by the Board. All functions within the Group identify and

prioritise risks and all significant risks are recorded and managed. Each part of the business is responsible for developing and maintaining procedures and controls. Operational activities that are outsourced to third party providers are monitored on a regular basis.

The principal risks to which the Group will be exposed in the second half of 2011 are substantially the same as those outlined in the Annual Report for the year ended 31 December 2010, being:

- Market risk
- Investment performance risk
- Liquidity risk
- Credit risk
- Operational risk
- Distribution risk
- People risk
- Product risk

Forward-looking statements

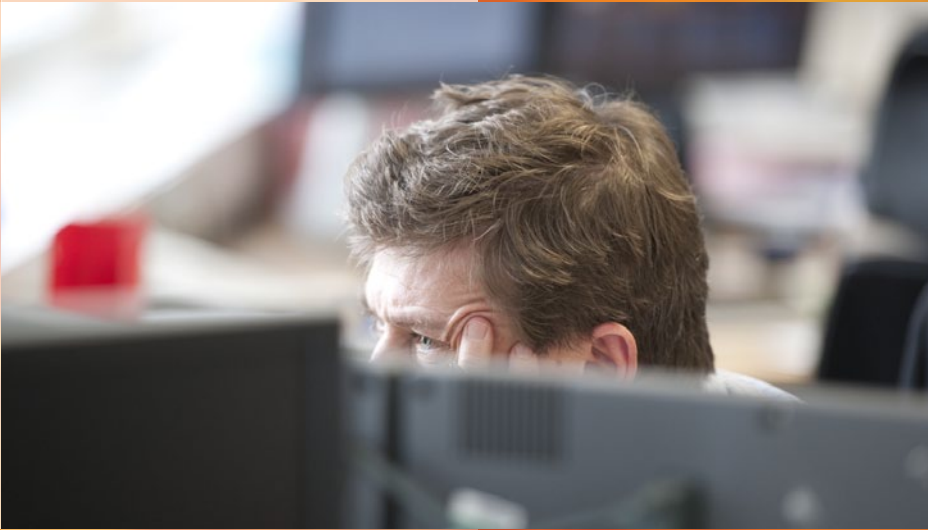
This announcement contains forward-looking statements with respect to the financial condition, results of operations and businesses of the Group. Such statements and forecasts involve risk and uncertainty because they relate to events and depend on circumstances in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by forward-looking statements and forecasts. Forward-looking statements and forecasts are based on the Directors' current view and information known to them at the date of this announcement. The Directors do not make any undertaking to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Nothing in this announcement should be construed as a profit forecast.

Financial statements

12-29

Consolidated income statement
Consolidated statement of comprehensive income
Consolidated balance sheet
Consolidated statement of changes in equity

Consolidated statement of cash flows
Notes to the financial statements
Statement of Directors' responsibilities
Independent review report



Consolidated income statement
 Consolidated statement of comprehensive income
 Consolidated balance sheet
 Consolidated statement of changes in equity

Consolidated statement of cash flows
 Notes to the financial statements
 Statement of Directors' responsibilities
 Independent review report

Consolidated income statement

| | Notes | Six months ended 30 June 2011 (unaudited) £m | Six months ended 30 June 2010 (unaudited) £m | Year ended 31 December 2010 (audited) £m |
|---|-------|---|---|---|
| Revenue | | 151.0 | 131.1 | 271.1 |
| Fee and commission expenses | | (22.7) | (19.4) | (40.6) |
| Net revenue | | 128.3 | 111.7 | 230.5 |
| Administrative expenses | | (63.2) | (52.7) | (115.1) |
| Operating earnings | 4 | 65.1 | 59.0 | 115.4 |
| Other operating expense | | – | (0.5) | – |
| Other (losses)/gains | | (0.6) | 0.3 | 1.7 |
| Amortisation of intangible assets | 9 | (19.8) | (19.8) | (39.8) |
| Operating profit before exceptional costs | | 44.7 | 39.0 | 77.3 |
| Exceptional costs | 6 | – | (1.7) | (6.8) |
| Operating profit | | 44.7 | 37.3 | 70.5 |
| Finance income | | 0.5 | 0.4 | 0.9 |
| Finance expense | 7 | (7.9) | (23.1) | (29.0) |
| Profit before taxation | | 37.3 | 14.6 | 42.4 |
| Income tax expense | 8 | (8.7) | (4.9) | (9.9) |
| Profit for the period attributable to owners of the parent | | 28.6 | 9.7 | 32.5 |
| Earnings per share | | | | |
| Basic | 13 | 9.1p | (0.7p) | 10.8p |
| Diluted | 13 | 8.8p | (0.7p) | 7.6p |

Consolidated income statement
Consolidated statement of comprehensive income
 Consolidated balance sheet
 Consolidated statement of changes in equity

Consolidated statement of cash flows
 Notes to the financial statements
 Statement of Directors' responsibilities
 Independent review report

Consolidated statement of comprehensive income

| | Notes | Six months ended 30 June 2011 (unaudited) £m | Six months ended 30 June 2010 (unaudited) £m | Year ended 31 December 2010 (audited) £m |
|---|-------|---|---|---|
| Profit for the period | | 28.6 | 9.7 | 32.5 |
| Other comprehensive (loss)/income | | | | |
| Exchange movements on translation of subsidiary undertakings | 17 | (0.3) | 0.1 | 0.2 |
| Changes in the fair value of available for sale assets | | – | 3.2 | 10.3 |
| Other comprehensive (loss)/income for the period | | (0.3) | 3.3 | 10.5 |
| Total comprehensive income for the period attributable to owners of the parent | | 28.3 | 13.0 | 43.0 |

| | |
|---|--|
| Consolidated income statement Consolidated statement of comprehensive income Consolidated balance sheet Consolidated statement of changes in equity | Consolidated statement of cash flows Notes to the financial statements Statement of Directors' responsibilities Independent review report |
|---|--|

Consolidated balance sheet

| | Notes | 30 June 2011 (unaudited) £m | 30 June 2010 (unaudited) restated £m | 31 December 2010 (audited) £m |
|--|-------|-----------------------------------|---|-------------------------------------|
| Non-current assets | | | | |
| Goodwill | 9 | 341.2 | 341.2 | 341.2 |
| Intangible assets | 9 | 122.9 | 162.3 | 142.4 |
| Property, plant and equipment | 10 | 1.1 | 1.2 | 1.1 |
| Available for sale investments | 11 | 20.2 | 13.1 | 20.2 |
| Deferred tax assets | | 12.4 | 11.2 | 11.0 |
| Trade and other receivables | | 18.7 | 16.2 | 11.2 |
| Total non-current assets | | 516.5 | 545.2 | 527.1 |
| Current assets | | | | |
| Investment in associates | 11 | 13.5 | 25.5 | 13.6 |
| Financial assets at fair value through profit and loss | 11 | 41.3 | 22.7 | 45.3 |
| Derivative financial instruments | 11 | 0.1 | – | 0.9 |
| Trade and other receivables | | 106.9 | 109.1 | 110.5 |
| Cash and cash equivalents | 11 | 167.0 | 178.1 | 220.3 |
| Total current assets | | 328.8 | 335.4 | 390.6 |
| Total assets | | 845.3 | 880.6 | 917.7 |
| Equity attributable to the owners of the parent | | | | |
| Share capital | 15 | 9.2 | 9.2 | 9.2 |
| Deferred share capital | 16 | – | 54.1 | – |
| Share premium | 17 | – | 255.6 | 255.7 |
| Capital redemption reserve | 17 | – | – | 54.1 |
| Own share reserve | 17 | (2.1) | (2.9) | (2.9) |
| Other reserve | 17 | 8.0 | 8.0 | 8.0 |
| Available for sale reserve | 17 | 10.3 | 3.2 | 10.3 |
| Foreign currency translation reserve | 17 | 7.2 | 7.4 | 7.5 |
| Retained earnings | 17 | 373.3 | 17.8 | 48.8 |
| Total equity | | 405.9 | 352.4 | 390.7 |
| Non-current liabilities | | | | |
| Loans and borrowings | 14 | 200.4 | 281.0 | 281.5 |
| Trade and other payables | | 30.5 | 28.9 | 17.1 |
| Deferred tax liabilities | | 33.1 | 50.1 | 39.6 |
| Total non-current liabilities | | 264.0 | 360.0 | 338.2 |
| Current liabilities | | | | |
| Financial liabilities at fair value through profit or loss | 11 | 8.2 | 6.0 | 7.0 |
| Trade and other payables | | 149.1 | 151.6 | 170.6 |
| Provisions | | 1.4 | – | 2.0 |
| Current tax liabilities | | 16.7 | 7.6 | 9.2 |
| Derivative financial instruments | 11 | – | 3.0 | – |
| Total current liabilities | | 175.4 | 168.2 | 188.8 |
| Total liabilities | | 439.4 | 528.2 | 527.0 |
| Total equity and liabilities | | 845.3 | 880.6 | 917.7 |

Consolidated income statement
 Consolidated statement of comprehensive income
 Consolidated balance sheet
Consolidated statement of changes in equity

Consolidated statement of cash flows
 Notes to the financial statements
 Statement of Directors' responsibilities
 Independent review report

Consolidated statement of changes in equity

| Attributable to the owners of the parent (restated) | Ordinary share capital £m | Share premium £m | Deferred share capital £m | Capital redemption reserve £m | Own share reserve £m | Other reserve £m | Available for sale reserve £m | Foreign currency translation reserve £m | Retained earnings £m | Total £m |
|--|------------------------------|---------------------|------------------------------|----------------------------------|-------------------------|---------------------|----------------------------------|--|-------------------------|--------------|
| Balance at 1 January 2010 (audited) | 32.3 | – | – | – | – | – | – | 7.3 | 6.9 | 46.5 |
| Profit for the period | – | – | – | – | – | – | – | – | 9.7 | 9.7 |
| Currency translation differences | – | – | – | – | – | – | – | 0.1 | – | 0.1 |
| Changes in fair value of available for sale investments | – | – | – | – | – | – | 3.2 | – | – | 3.2 |
| B shares conversion | 3.7 | – | – | – | (2.9) | – | – | – | – | 0.8 |
| Tier 1 preference share conversion | (30.5) | – | 30.5 | – | – | – | – | – | – | – |
| Tier 2 preference share conversion | 0.4 | – | 23.6 | – | – | 8.0 | – | – | – | 32.0 |
| Acquisition of Preferred Finance Securities | 0.6 | 48.4 | – | – | – | – | – | – | – | 49.0 |
| New ordinary shares issued | 2.7 | 217.6 | – | – | – | – | – | – | – | 220.3 |
| Share issue expenses | – | (10.4) | – | – | – | – | – | – | – | (10.4) |
| Share-based payments | – | – | – | – | – | – | – | – | 1.2 | 1.2 |
| Balance at 30 June 2010 (unaudited) | 9.2 | 255.6 | 54.1 | – | (2.9) | 8.0 | 3.2 | 7.4 | 17.8 | 352.4 |
| Profit for the period | – | – | – | – | – | – | – | – | 22.8 | 22.8 |
| Currency translation differences | – | – | – | – | – | – | – | 0.1 | – | 0.1 |
| Changes in fair value of available for sale investments | – | – | – | – | – | – | 7.1 | – | – | 7.1 |
| Cancellation of deferred shares | – | – | (54.1) | 54.1 | – | – | – | – | – | – |
| Share issue expenses | – | 0.1 | – | – | – | – | – | – | – | 0.1 |
| Share-based payments | – | – | – | – | – | – | – | – | 6.6 | 6.6 |
| Deferred tax | – | – | – | – | – | – | – | – | 1.6 | 1.6 |
| Balance at 31 December 2010 (audited) | 9.2 | 255.7 | – | 54.1 | (2.9) | 8.0 | 10.3 | 7.5 | 48.8 | 390.7 |
| Profit for the period | – | – | – | – | – | – | – | – | 28.6 | 28.6 |
| Currency translation differences | – | – | – | – | – | – | – | (0.3) | – | (0.3) |
| Cancellation of share premium and capital redemption reserve | – | (255.7) | – | (54.1) | – | – | – | – | 309.8 | – |
| Vesting of ordinary shares | – | – | – | – | 0.8 | – | – | – | – | 0.8 |
| Dividends paid | – | – | – | – | – | – | – | – | (20.7) | (20.7) |
| Share-based payments | – | – | – | – | – | – | – | – | 6.6 | 6.6 |
| Deferred tax | – | – | – | – | – | – | – | – | 0.2 | 0.2 |
| Balance at 30 June 2011 (unaudited) | 9.2 | – | – | – | (2.1) | 8.0 | 10.3 | 7.2 | 373.3 | 405.9 |

| | |
|--|---|
| Consolidated income statement Consolidated statement of comprehensive income Consolidated balance sheet Consolidated statement of changes in equity | Consolidated statement of cash flows Notes to the financial statements Statement of Directors' responsibilities Independent review report |
|--|---|

Consolidated statement of cash flows

| | Notes | Six months ended 30 June 2011 (unaudited) £m | Six months ended 30 June 2010 (unaudited) £m | Year ended 31 December 2010 (audited) £m |
|--|-------|---|---|---|
| Cash flows from operating activities | | | | |
| Cash generated from operations | 18 | 61.8 | 42.7 | 116.6 |
| Finance expense paid | | (5.7) | (44.5) | (56.2) |
| Income tax (paid)/received | | (8.9) | 10.5 | (1.7) |
| Net cash inflows from operating activities | | 47.2 | 8.7 | 58.7 |
| Cash flows from investing activities | | | | |
| Purchases of property, plant and equipment | | (0.2) | (0.2) | (0.9) |
| Proceeds from sale of property, plant and equipment | | – | 0.1 | – |
| Purchase of intangible assets | | (0.3) | (0.3) | (0.5) |
| Proceeds from sale of available for sale investments | | – | 4.3 | 4.3 |
| Finance income received | | 0.6 | 0.4 | 0.8 |
| Net cash inflows from investing activities | | 0.1 | 4.3 | 3.7 |
| Cash flow from financing activities | | | | |
| Gross proceeds on issue of ordinary shares | | – | 220.3 | 220.3 |
| Net payments in relation to Preferred Finance Securities | | – | (192.9) | (192.9) |
| Repayment of loans and borrowings | | (80.0) | (80.0) | (80.0) |
| Listing and equity issuance expenses | | – | (7.1) | (11.9) |
| Dividends paid | | (20.7) | – | – |
| Net cash outflows from financing activities | | (100.7) | (59.7) | (64.5) |
| Net decrease in cash and cash equivalents | | (53.4) | (46.7) | (2.1) |
| Cash and cash equivalents at beginning of the period | | 220.3 | 223.4 | 223.4 |
| Exchange gain/(loss) on cash and cash equivalents | | 0.1 | 1.4 | (1.0) |
| Cash and cash equivalents at end of period | | 167.0 | 178.1 | 220.3 |

Consolidated income statement
 Consolidated statement of comprehensive income
 Consolidated balance sheet
 Consolidated statement of changes in equity

Consolidated statement of cash flows
Notes to the financial statements
 Statement of Directors' responsibilities
 Independent review report

Notes to the financial statements

1. Introduction

The principal activity of Jupiter Fund Management plc (the "Company") is to act as a holding company for a group of investment management companies. The Company and its subsidiaries (together the "Group") offer a range of asset management products. Through its subsidiaries, the Group acts as an investment manager to authorised unit trusts, SICAVs, investment trust companies, pension funds, private clients, hedge funds and other specialist funds. The Group has offices in the United Kingdom, Bermuda, Germany, Jersey and Singapore. Jupiter Fund Management plc is a company incorporated and domiciled in England and Wales and is the ultimate parent of the Group.

2. Basis of preparation

This condensed consolidated interim financial information for the period ended 30 June 2011 has been prepared in accordance with IAS 34 'Interim Financial Reporting'. The condensed consolidated financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2010 which have been prepared in accordance with IFRSs.

The condensed consolidated interim financial information does not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2010 were approved by the Board of Directors on 8 April 2011 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006. The condensed consolidated interim financial information has been reviewed not audited.

The Group continues to have access to the financial resources required to run the business efficiently and has a strong gross cash position. The Group's forecasts, which are subject to rigorous sensitivity analysis, show that the Group will be able to operate within its available resources. As a consequence, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing these financial statements.

3. Accounting policies

The accounting policies have been applied consistently to all periods presented in the financial statements, except for the adoption of new standards and amendments to existing standards, which have no significant impact on the measurement of the result or financial position of the Group.

As disclosed in Note 27 of the financial statements for the year ended 31 December 2010, certain share capital and reserve balances were restated as at 30 June 2010 to reflect changes in the Group's capital structure as a result of the capital reorganisation immediately prior to the Listing (see Note 17(viii)).

4. Operating earnings

Operating earnings are defined as net revenue less administrative expenses and do not include investment income and returns, other (losses)/gains, amortisation of intangible assets or exceptional costs. These are items which the Group considers are not indicative of the ongoing income and costs of its operations. The Group believes that operating earnings, while not a GAAP measure, gives

relevant information on the profitability of the Group and its ongoing operations. Operating earnings may not be comparable with similarly titled measures used by other companies.

5. Segmental reporting

The Group has a single operating segment which is investment management.

The Group offers different fund products through different distribution channels. All financial, business and strategic decisions are made centrally by the Board of Directors (the "Board"), which determines the key performance indicators of the Group. Information is reported to the chief operating decision maker, the Board, on a single segment basis. Whilst the Group has the ability to analyse its underlying information in different ways, this information is not used by the Board to make decisions on an aggregated basis. The information used to allocate resources and assess performance is reviewed for the Group as a whole. On this basis, the Group considers itself to be a single-segment investment management business.

Management monitors the operating earnings of its business segment for the purposes of making decisions about resource allocation and performance assessment.

6. Exceptional costs

There were no exceptional costs recognised during the period ended 30 June 2011.

In the year ended 31 December 2010, the Group recognised an exceptional cost of £1.6m (2010 H1: £1.7m) related to expenses associated with the Listing. A further cost of £10.3m (2010 H1: £10.4m) relating to the issue of new equity was written off against the share premium account.

In January 2011, the Financial Services Compensation Scheme (“FSCS”) announced that a levy would be imposed on the investment management industry for the costs of major investment failures relating to Keydata Investment Services Limited, Willis & Co and other investment intermediary firms. In the year ended 31 December 2010, this resulted in an exceptional cost to the Group of £5.2m (2010 H1: £nil). The charge did not arise from any act or omission by the Group.

| Exceptional costs | Six months ended 30 June 2011 £m | Six months ended 30 June 2010 £m | Year ended 31 December 2010 £m |
|--------------------------------|--|--|--------------------------------------|
| IPO costs | – | 1.7 | 1.6 |
| FSCS levy | – | – | 5.2 |
| Total exceptional costs | – | 1.7 | 6.8 |

7. Finance expense

| | Six months ended 30 June 2011 £m | Six months ended 30 June 2010 £m | Year ended 31 December 2010 £m |
|---|--|--|--------------------------------------|
| Interest payable on bank borrowings | 5.4 | 10.8 | 19.9 |
| Amortisation of senior debt issue costs | 1.5 | 1.9 | 2.3 |
| Interest payable on swaps | 0.2 | – | – |
| Fair value movement on interest rate swaps | 0.8 | (5.8) | (9.6) |
| Interest on Preferred Finance Securities | – | 10.9 | 10.9 |
| Dividends on Tier 2 preference shares treated as debt | – | 1.5 | 1.6 |
| Bank facility fees | – | – | 0.1 |
| Loan amendment costs | – | 3.8 | 3.8 |
| Total finance expense | 7.9 | 23.1 | 29.0 |

A partial debt repayment of £80.0m was made on 31 March 2011. Following this repayment, the Group’s outstanding bank debt was £203.0m (2010: £283.0m, 2010 H1: £283.0m). The repayment resulted in an acceleration of the amortisation of debt issue costs of £1.1m.

■ Interest rate swaps

In November 2010, the Group entered into two interest rate swaps, one for a period of three years and one for a period of four years. Under the terms of the agreements, the Group has agreed to pay a fixed interest rate of 1.33 per cent. on a notional amount of £35m and 1.6175 per cent. on a further notional amount of £35m, settling quarterly.

In 2007, the Group entered into a £300m amortising interest rate swap, at an interest rate of 6.2475 per cent. The notional amount of the swap was £212.5m from 26 May 2009 until maturity on 26 August 2010.

■ Finance expense relating to pre-Listing structure

Prior to the Listing, the Group was partially funded by Preferred Finance Securities (“PFS”) and Tier 2 preference shares. These were treated as debt instruments in the financial statements. The PFS accrued interest at 10 per cent. per annum, compounding on 31 March each year if no interest had been paid. The Tier 2 preference shares carried the right to a fixed preferential dividend of 10 per cent. per annum of the issue price of £1 per share, compounding if no payment had been made. In the period ending 30 June 2010, the PFS were repaid and the Tier 2 preference shares were converted to ordinary and deferred shares.

8. Income tax expense

| | Six months ended 30 June 2011 £m | Six months ended 30 June 2010 £m | Year ended 31 December 2010 £m |
|--|--|--|--------------------------------------|
| Current taxation – UK corporation tax | | | |
| Current period | 15.7 | 7.4 | 21.4 |
| Prior period adjustment | 0.6 | – | (0.3) |
| | 16.3 | 7.4 | 21.1 |
| Deferred taxation | | | |
| Current period | (6.5) | (2.5) | (10.6) |
| Prior period adjustment due to rate change | (1.4) | – | – |
| Prior period adjustment | 0.3 | – | (0.6) |
| | (7.6) | (2.5) | (11.2) |
| Total income tax expense | 8.7 | 4.9 | 9.9 |

The average UK corporation tax rate for the period ended 30 June 2011 was 26.5 per cent. (2010: 28 per cent, 2010 H1: 28 per cent.).

On 1 April 2011, the UK corporation tax rate changed from 28 per cent. to 26 per cent. In addition, a number of other changes to the UK corporation tax system were announced in the March 2011 UK Budget Statement. Legislation to reduce the main rate of corporation tax from 26 per cent. to 25 per cent. from 1 April 2012 was included in the Finance Act 2011. The effect of these changes would be to increase profit by £0.9m and decrease retained earnings directly by £0.1m, resulting in a £0.8m decrease in the deferred tax liability.

Further reductions to the main rate are proposed to reduce the rate by 1 per cent. per annum to 23 per cent. by 1 April 2014. These further changes had not been substantively enacted at the balance sheet date and therefore are not included in this financial information. These proposed reductions of the main rate of corporation tax by 1 per cent. per year to 23 per cent. by 1 April 2014 are expected to be enacted separately each year. The overall effect of the further changes from 25 per cent. to 23 per cent., if applied to the deferred tax balance at the balance sheet date, would be to reduce the deferred tax liability by an additional £1.6m (being £0.8m recognised in 2013 and £0.8m recognised in 2014).

9. Goodwill and intangible assets

The Group has determined that it is a single cash generating unit for the purpose of assessing the potential impairment of both goodwill and intangible assets. The Group's intangible assets are computer software, investment management contracts and a trade name arising from the acquisition of Comasman Limited on 19 June 2007. There was an amortisation charge of £19.8m for investment management contracts, brand name and software in the period (2010: £39.8m, 2010 H1: £19.8m). No additional goodwill or investment management contracts were acquired in the period (2010: £nil, 2010 H1: £nil).

| | 30 June 2011 £m | 30 June 2010 £m | 31 December 2010 £m |
|--|--------------------|--------------------|------------------------|
| Net carrying values of goodwill and intangible assets | | | |
| Goodwill | 341.2 | 341.2 | 341.2 |
| Investment management contracts and trade name | 120.6 | 159.4 | 139.8 |
| Computer software | 2.3 | 2.9 | 2.6 |
| Total intangible assets at end of period | 464.1 | 503.5 | 483.6 |

During the period, the Group acquired software with a value of £0.3m (2010: £0.5m, 2010 H1 £0.3m). No disposals of software were made during the period (2010: £nil, 2010 H1: £nil).

10. Property, plant and equipment

The net book value of property, plant and equipment at 30 June 2011 was £1.1m (2010: £1.1m, 2010 H1: £1.2m).

During the period, the Group acquired property, plant and equipment with a value of £0.2m (2010: £0.9m, 2010 H1: £0.2m).

11. Financial instruments

Financial instruments by category

The carrying value of the financial instruments of the Group at the period end is shown below.

| as at 30 June 2011 | Available for sale £m | Designated at FVTPL £m | Loans and receivables £m | Financial liabilities at FVTPL £m | Other financial liabilities £m | Total financial instruments £m | Non-financial instruments £m | Total £m |
|---|--------------------------|---------------------------|-----------------------------|--------------------------------------|-----------------------------------|-----------------------------------|---------------------------------|--------------|
| Goodwill | – | – | – | – | – | – | 341.2 | 341.2 |
| Intangible assets | – | – | – | – | – | – | 122.9 | 122.9 |
| Property, plant and equipment | – | – | – | – | – | – | 1.1 | 1.1 |
| Available for sale investments | 20.2 | – | – | – | – | 20.2 | – | 20.2 |
| Deferred tax assets | – | – | – | – | – | – | 12.4 | 12.4 |
| Non current trade and other receivables | – | – | – | – | – | – | 18.7 | 18.7 |
| Investments in associates | – | 13.5 | – | – | – | 13.5 | – | 13.5 |
| Financial assets at fair value through profit or loss (“FVTPL”) | – | 41.3 | – | – | – | 41.3 | – | 41.3 |
| Derivative financial instruments | – | 0.1 | – | – | – | 0.1 | – | 0.1 |
| Current trade and other receivables | – | – | 85.5 | – | – | 85.5 | 21.4 | 106.9 |
| Cash and cash equivalents | – | – | 167.0 | – | – | 167.0 | – | 167.0 |
| Loans and borrowings | – | – | – | – | (203.0) | (203.0) | 2.6 | (200.4) |
| Non current trade and other payables | – | – | – | – | – | – | (30.5) | (30.5) |
| Deferred tax liabilities | – | – | – | – | – | – | (33.1) | (33.1) |
| Financial liabilities at FVTPL | – | – | – | (8.2) | – | (8.2) | – | (8.2) |
| Current trade and other payables | – | – | – | – | (136.3) | (136.3) | (12.8) | (149.1) |
| Provisions | – | – | – | – | – | – | (1.4) | (1.4) |
| Current income tax liability | – | – | – | – | – | – | (16.7) | (16.7) |
| Total | 20.2 | 54.9 | 252.5 | (8.2) | (339.3) | (19.9) | 425.8 | 405.9 |

11. Financial instruments continued

| as at 30 June 2010 | Available for sale £m | Designated at FVTPL £m | Loans and receivables £m | Financial liabilities at FVTPL £m | Other financial liabilities £m | Total financial instruments £m | Non- financial instruments £m | Total £m |
|--|-----------------------------|------------------------------|--------------------------------|--|---|---|--|--------------|
| Goodwill | – | – | – | – | – | – | 341.2 | 341.2 |
| Intangible assets | – | – | – | – | – | – | 162.3 | 162.3 |
| Property, plant and equipment | – | – | – | – | – | – | 1.2 | 1.2 |
| Available for sale investments | 13.1 | – | – | – | – | 13.1 | – | 13.1 |
| Deferred tax assets | – | – | – | – | – | – | 11.2 | 11.2 |
| Non current trade and other receivables | – | – | – | – | – | – | 16.2 | 16.2 |
| Investments in associates | – | 25.5 | – | – | – | 25.5 | – | 25.5 |
| Financial assets at FVTPL | – | 22.7 | – | – | – | 22.7 | – | 22.7 |
| Current trade and other receivables | – | – | 89.4 | – | – | 89.4 | 19.7 | 109.1 |
| Cash and cash equivalents | – | – | 178.1 | – | – | 178.1 | – | 178.1 |
| Loans and borrowings | – | – | – | – | (281.0) | (281.0) | – | (281.0) |
| Non current trade and other payables | – | – | – | – | – | – | (28.9) | (28.9) |
| Deferred tax liabilities | – | – | – | – | – | – | (50.1) | (50.1) |
| Financial liabilities at FVTPL | – | – | – | (6.0) | – | (6.0) | – | (6.0) |
| Current trade and other payables | – | – | – | – | (139.6) | (139.6) | (12.0) | (151.6) |
| Current income tax liability | – | – | – | – | – | – | (7.6) | (7.6) |
| Derivative financial instruments | – | – | – | (3.0) | – | (3.0) | – | (3.0) |
| Total | 13.1 | 48.2 | 267.5 | (9.0) | (420.6) | (100.8) | 453.2 | 352.4 |

11. Financial instruments continued

| as at 31 December 2010 | Available for sale £m | Designated at FVTPL £m | Loans and receivables £m | Financial liabilities at FVTPL £m | Other financial liabilities £m | Total financial instruments £m | Non-financial instruments £m | Total £m |
|---|--------------------------|---------------------------|-----------------------------|--------------------------------------|-----------------------------------|-----------------------------------|---------------------------------|--------------|
| Goodwill | – | – | – | – | – | – | 341.2 | 341.2 |
| Intangible assets | – | – | – | – | – | – | 142.4 | 142.4 |
| Property, plant and equipment | – | – | – | – | – | – | 1.1 | 1.1 |
| Available for sale investments | 20.2 | – | – | – | – | 20.2 | – | 20.2 |
| Deferred tax assets | – | – | – | – | – | – | 11.0 | 11.0 |
| Non current trade and other receivables | – | – | – | – | – | – | 11.2 | 11.2 |
| Investments in associates | – | 13.6 | – | – | – | 13.6 | – | 13.6 |
| Financial assets at FVTPL | – | 45.3 | – | – | – | 45.3 | – | 45.3 |
| Derivative financial instruments | – | 0.9 | – | – | – | 0.9 | – | 0.9 |
| Current trade and other receivables | – | – | 83.1 | – | – | 83.1 | 27.4 | 110.5 |
| Cash and cash equivalents | – | – | 220.3 | – | – | 220.3 | – | 220.3 |
| Loans and borrowings | – | – | – | – | (281.5) | (281.5) | – | (281.5) |
| Non current trade and other payables | – | – | – | – | – | – | (17.1) | (17.1) |
| Deferred tax liabilities | – | – | – | – | – | – | (39.6) | (39.6) |
| Financial liabilities at FVTPL | – | – | – | (7.0) | – | (7.0) | – | (7.0) |
| Current trade and other payables | – | – | – | – | (144.6) | (144.6) | (26.0) | (170.6) |
| Provisions | – | – | – | – | – | – | (2.0) | (2.0) |
| Current income tax liability | – | – | – | – | – | – | (9.2) | (9.2) |
| Total | 20.2 | 59.8 | 303.4 | (7.0) | (426.1) | (49.7) | 440.4 | 390.7 |

12. Dividends

On 24 May 2011, the Group paid a dividend of 4.7p per ordinary share.

The Board has declared an interim dividend for the period of 2.5p per ordinary share. This dividend will be paid on 30 September 2011 to ordinary shareholders on the register at close of business on 2 September 2011.

13. Earnings per share

Basic earnings per share (“EPS”) is calculated by dividing the profit/(loss) for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period, less the weighted average number of own shares held.

Diluted EPS is calculated by dividing the profit/(loss) for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during that period plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

In 2010, the profit for the period was reduced by the catch up entitlement of £10.4m on the Tier 1 preference share conversion at Listing.

| | Six months ended 30 June 2011 £m | Six months ended 30 June 2010 £m | Year ended 31 December 2010 £m |
|--|--|--|--------------------------------------|
| Net profit attributable to owners of the parent | | | |
| Profit for the period attributable to owners of the parent | 28.6 | 9.7 | 32.5 |
| Deduction of the catch up entitlement of £10.4m on the Tier 1 preference share conversion at Listing in 2010 | – | (10.4) | (10.4) |
| Net profit/(loss) attributable to owners of the parent | 28.6 | (0.7) | 22.1 |

Since the Listing, the number of ordinary shares in issue is 457.7m. For the purposes of calculating EPS, the share capital of the parent is calculated as the weighted average number of ordinary shares in issue over the periods reported. 2010 calculations take retrospective account of the restructuring of the Company’s share capital at Listing. The weighted average number of ordinary shares during the period used for the purposes of calculating EPS is as follows:

| | Six months ended 30 June 2011 Number m | Six months ended 30 June 2010 Number m | Year ended 31 December 2010 Number m |
|---|---|---|---|
| Weighted average number of shares | | | |
| Issued share capital | 457.7 | 278.2 | 368.7 |
| Less: own shares held | (144.6) | (172.8) | (164.2) |
| Weighted average number of ordinary for the purpose of basic EPS | 313.1 | 105.4 | 204.5 |
| Add back weighted average number of dilutive shares | 13.7 | 172.8 | 88.2 |
| Weighted average number of ordinary shares for the purpose of diluted EPS | 326.8 | 278.2 | 292.7 |

The weighted average number of own shares is deducted from the weighted average number of ordinary shares. ‘Own shares’ are shares held in an Employee Benefit Trust for the benefit of employees under the vesting, lock-in and other incentive arrangements in place.

| | Six months ended 30 June 2011 p | Six months ended 30 June 2010 p | Year ended 31 December 2010 p |
|---------------------------|---------------------------------------|---------------------------------------|-------------------------------------|
| Earnings per share | | | |
| Basic | 9.1 | (0.7) | 10.8 |
| Diluted | 8.8 | (0.7) | 7.6 |

14. Loans and borrowings

| | 30 June 2011 £m | 30 June 2010 £m | 31 December 2010 £m |
|--|--------------------|--------------------|------------------------|
| Loans and borrowings | | | |
| Bank loan | 200.4 | 278.4 | 278.9 |
| Amounts due in respect of shares subject to vesting conditions | – | 2.6 | 2.6 |
| Total loans and borrowings | 200.4 | 281.0 | 281.5 |

| | 30 June 2011 £m | 30 June 2010 £m | 31 December 2010 £m |
|--|--------------------|--------------------|------------------------|
| Bank loan | | | |
| Carrying value of bank loan | | | |
| Bank loan | 203.0 | 283.0 | 283.0 |
| Unamortised debt issue costs | (2.6) | (4.6) | (4.1) |
| Total carrying value of bank loan | 200.4 | 278.4 | 278.9 |

The Group has a syndicated loan which is repayable on or before 19 June 2015. The facility agent for the loan is The Royal Bank of Scotland plc. The loan is secured by a charge over the assets of a subsidiary company, Jupiter Asset Management Group Limited (“JAMG”). The restrictions which arise under the terms of the loan facility prevent intercompany loans between certain subsidiaries and prohibit assets being sold, leased or disposed of other than in the ordinary course of business.

A portion of the proceeds of the Listing and the Group’s pre-existing cash resources were used to repay £80m of the bank loan on 24 June 2010 and on 31 March 2011 the Group made a further repayment of £80m. Interest was payable at a rate per annum of 3 month LIBOR plus a margin of 2.125 per cent. until the Listing and at 3 month LIBOR plus a margin of 3.75 per cent since the Listing.

The Group has entered into two interest rate swaps to partially hedge the interest rate risk on the bank debt (see Note 7).

Under the facility agreement, the Group also has access to a revolving credit facility of £10m. This was not utilised during the period.

■ Amounts due in respect of shares subject to vesting conditions

Conditions are attached to certain ordinary shares which in some circumstances require the Group to repurchase the shares at the original cost of issue. As at 30 June 2011, 89.0m (2010: 130.2m, 2010 H1: 130.2m) ordinary shares of 2p each were subject to these restrictions. As at 30 June 2011, these are current liabilities and have been shown within current trade and other payables.

15. Share capital

| | 30 June 2011 £m | 30 June 2010 £m | 31 December 2010 £m |
|--|--------------------|--------------------|------------------------|
| Authorised, issued and fully paid | | | |
| 457.7m ordinary shares of 2p each | 9.2 | 9.2 | 9.2 |

16. Deferred share capital

| | 30 June 2011 £m | 30 June 2010 (restated) £m | 31 December 2010 £m |
|-------------------------------------|--------------------|----------------------------------|------------------------|
| At 1 January | – | – | – |
| Tier 1 preference shares conversion | – | 30.5 | 30.5 |
| Tier 2 preference shares conversion | – | 23.6 | 23.6 |
| Cancellation of deferred shares | – | – | (54.1) |
| At end of period | – | 54.1 | – |

17. Reserves

| (i) Share premium account | 30 June 2011 £m | 30 June 2010 (restated) £m | 31 December 2010 £m |
|--|--------------------|----------------------------------|------------------------|
| At 1 January | 255.7 | – | – |
| Premium arising on issue of ordinary shares on acquisition of Preferred Finance Securities | – | 48.4 | 48.4 |
| Premium arising on issue of ordinary shares to new subscribers | – | 217.6 | 217.6 |
| Cancelled in period and transferred to retained earnings | (255.7) | – | – |
| Less: expenses arising on issue of equity shares | – | (10.4) | (10.3) |
| At end of period | – | 255.6 | 255.7 |

The share premium account represented amounts received on the issue of share capital in excess of nominal value and was not a distributable reserve. On 9 June 2011, the Company's share premium account was, with the sanction of the Court, cancelled and an amount of £255.7m transferred to a distributable reserve.

| (ii) Capital redemption reserve | 30 June 2011 £m | 30 June 2010 £m | 31 December 2010 £m |
|--|--------------------|--------------------|------------------------|
| At 1 January | 54.1 | – | – |
| Created in period on cancellation of deferred shares | – | – | 54.1 |
| Cancelled in period and transferred to retained earnings | (54.1) | – | – |
| At end of period | – | – | 54.1 |

On 9 June 2011, the Company's capital redemption reserve was, with the sanction of the Court, cancelled and an amount of £54.1m transferred to a distributable reserve.

| (iii) Own share reserve | 30 June 2011 £m | 30 June 2010 £m | 31 December 2010 £m |
|--------------------------------|--------------------|--------------------|------------------------|
| At 1 January | (2.9) | – | – |
| B shares conversion | – | (2.9) | (2.9) |
| Vesting of ordinary shares | 0.8 | – | – |
| At end of period | (2.1) | (2.9) | (2.9) |

As at 30 June 2011, 89.0m (2010: 130.2m, 2010 H1: 130.2m) ordinary shares beneficially owned by senior employees were subject to restrictions which, in some circumstances, require the Group to repurchase the shares at their nominal value. At 30 June 2011, this liability was shown within current trade and other payables. The shares on which these restrictions are attached vest over the next three years. These shares are held within the Group's Employee Benefit Trust and together with a further 15.8m (2010: 16.7m, 2010 H1: 16.7m) shares held for the purpose of satisfying share option obligations to employees, are treated as own shares with a cost of £2.1m (2010: £2.9m, 2010 H1: £2.9m).

During the period ended 30 June 2011, 41.2m of the ordinary shares vested and the reserve and associated payable were reduced by £0.8m.

| (iv) Available for sale reserve | 30 June 2011 £m | 30 June 2010 £m | 31 December 2010 £m |
|--|--------------------|--------------------|------------------------|
| At 1 January | 10.3 | – | – |
| Changes in fair value of available for sale assets | – | 3.2 | 10.3 |
| At end of period | 10.3 | 3.2 | 10.3 |

The available for sale reserve relates to the uplift in the fair value of the Group's holdings in investments classified as available for sale.

17. Reserves continued

| (v) Foreign currency translation reserve | 30 June 2011 £m | 30 June 2010 £m | 31 December 2010 £m |
|---|--------------------|--------------------|------------------------|
| At 1 January | 7.5 | 7.3 | 7.3 |
| Exchange movement on translation of subsidiary undertakings | (0.3) | 0.1 | 0.2 |
| At end of period | 7.2 | 7.4 | 7.5 |

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

| (vi) Other reserve | 30 June 2011 £m | 30 June 2010 (restated) £m | 31 December 2010 £m |
|------------------------------------|--------------------|----------------------------------|------------------------|
| At 1 January | 8.0 | – | – |
| Tier 2 preference share conversion | – | 8.0 | 8.0 |
| At end of period | 8.0 | 8.0 | 8.0 |

| (vii) Retained earnings | 30 June 2011 £m | 30 June 2010 (restated) £m | 31 December 2010 £m |
|--|--------------------|----------------------------------|------------------------|
| At 1 January | 48.8 | 6.9 | 6.9 |
| Profit for the period | 28.6 | 9.7 | 32.5 |
| Share-based payments | 6.6 | 1.2 | 7.8 |
| Deferred tax on share-based payments | 0.2 | – | 1.6 |
| Dividends paid | (20.7) | – | – |
| Cancellation of share premium and transfer to retained earnings | 255.7 | – | – |
| Cancellation of capital redemption reserve and transfer to retained earnings | 54.1 | – | – |
| At end of period | 373.3 | 17.8 | 48.8 |

| (viii) Restatement of capital and reserves | 30 June 2010 (as reported) £m | Pre-Listing adjustment £m | 30 June 2010 (restated) £m |
|---|-------------------------------------|---------------------------------|----------------------------------|
| Deferred share capital | – | 54.1 | 54.1 |
| Share premium | 328.1 | (72.5) | 255.6 |
| Other reserve | – | 8.0 | 8.0 |
| Retained earnings | 7.4 | 10.4 | 17.8 |
| At end of period | 335.5 | – | 335.5 |

As disclosed in Note 27 of the financial statements for the year ended 31 December 2010, the share capital and reserve balances above were restated as at 30 June 2010 to reflect changes in the Group's capital structure as a result of the capital reorganisation immediately prior to the Listing.

18. Cash flow from operating activities

| | Six months ended 30 June 2011 £m | Six months ended 30 June 2010 £m | Year ended 31 December 2010 £m |
|---|--|--|--------------------------------------|
| Cash flows from operating activities | | | |
| Profit on ordinary activities before taxation | 37.3 | 14.6 | 42.4 |
| Adjustments for: | | | |
| Depreciation | 0.3 | 0.6 | 1.4 |
| Amortisation of intangible assets | 19.8 | 19.8 | 39.8 |
| Net amortisation of initial charges and initial commissions | (1.5) | (1.1) | (2.5) |
| Share based payments | 6.6 | 1.2 | 7.8 |
| Losses/ (gains) on derivative financial instruments | 0.8 | (5.8) | (9.6) |
| Losses/ (gains) on total return swap | 1.3 | (0.6) | 6.2 |
| Fair value (gains)/ losses on financial assets and liabilities at FVTPL | (1.8) | 0.4 | (10.2) |
| Finance income | (0.5) | (0.4) | (0.8) |
| Finance expense | 7.1 | 28.9 | 38.6 |
| Foreign exchange (gains)/ losses | (0.3) | 0.5 | 0.6 |
| (Decrease)/ increase in provisions | (0.5) | – | 2.0 |
| Exceptional costs | – | – | 6.8 |
| Changes in working capital: | | | |
| Increase in trade and other receivables | (3.4) | (35.9) | (29.7) |
| (Decrease)/ increase in trade and other payables | (10.4) | 15.8 | 25.2 |
| Financial assets at fair value through profit or loss | 7.0 | 4.9 | (4.2) |
| Investment in associates | – | (0.1) | 0.5 |
| Liabilities at FVTPL | – | (0.1) | 2.3 |
| Cash generated from operations | 61.8 | 42.7 | 116.6 |

19. Related party transactions

Related party transactions during the period are consistent with the categories disclosed in the Annual Report for the year ended 31 December 2010.

20. Events after the reporting date

Subsequent to 30 June 2011, iO Adria Limited (previously Jupiter Adria Limited), a company investing in Croatian property, terminated its management arrangements with the Group and the Group disposed of two subsidiaries, iO Adria Management Limited (formerly Jupiter Adria Management Limited) and Jupiter Adria AG at book value. As a result of the above events, the Group recognised £3.2m of non-recurring management fees.

| | |
|--|---|
| Consolidated income statement | Consolidated statement of cash flows |
| Consolidated statement of comprehensive income | Notes to the financial statements |
| Consolidated balance sheet | Statement of Directors' responsibilities |
| Consolidated statement of changes in equity | Independent review report |

Statement of Directors' responsibilities

We confirm that to the best of our knowledge:

- the condensed set of financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting and give a true and fair view of the assets, liabilities, financial position and profit of the Group for the period ended 30 June 2011.
- the half yearly report includes a fair review of the information required by:
 - DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the current financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
 - DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the Group during that period; and any changes in the related party transactions described in the last annual report that could have a material effect on the financial position or performance of the Group in the past six months of the current financial year.

On behalf of the Board



Philip Johnson
Chief Financial Officer
18 August 2011

Consolidated income statement
 Consolidated statement of comprehensive income
 Consolidated balance sheet
 Consolidated statement of changes in equity

Consolidated statement of cash flows
 Notes to the financial statements
 Statement of Directors' responsibilities
Independent review report

Independent review report

to Jupiter Fund Management 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 June 2011, which comprises the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows 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 2, 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 Jupiter Fund Management 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 June 2011 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
 London

18 August 2011



Registered address: 1 Grosvenor Place, London SW1X 7JJ