



Jupiter Fund Management plc

Half Yearly Report 2010



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Business Highlights

	Six months ended 30 June 2010 (Unaudited)	Six months ended 30 June 2009 (Unaudited)	Year ended 31 December 2009
EBITDA* £million	59.1	36.0	91.2
Profit before tax £million	14.6	(6.5)	7.2
Assets under Management £billion	19.8	15.5	19.5
Net inflows £million	814.0	917.0	1,804.0

- EBITDA* increased 64 per cent. to £59.1 million for the half year.
- AUM increased to £19.8 billion in the six months to 30 June 2010.
- Net inflows of £814 million in the half year to 30 June 2010.
- 59 per cent. of mutual funds above benchmark over three years.
- Net debt of £104.9 million and a leverage ratio of 0.92x.

Edward Bonham Carter, Chief Executive, commented:

“Against a challenging backdrop of falling equity markets and continued volatility, Jupiter has had a strong first half of the year, culminating in the Group’s successful IPO at the end of June. Assets under Management have increased and investment performance remains strong for the majority of our funds and products. Whilst markets are likely to remain volatile, we believe the Group is well placed for continued growth.”

**Earnings Before Interest Tax, Depreciation and Amortisation (EBITDA) is a non-IFRS financial performance measure with no standard meaning under IFRS*

Chairman's Statement

This is our first formal report since Jupiter Fund Management plc was listed on the London Stock Exchange on 21 June 2010. Admission to listing is an important step in Jupiter's development. It has strengthened our ability to retain and attract talented employees, as well as providing our shareholders with some liquidity and a transparent valuation of their shareholdings. It has also allowed us to reduce our debt substantially, strengthening our balance sheet to a level we believe will be beneficial to the business, clients and investors over the long term. I would like to thank our new shareholders for their investment – it is pleasing to have garnered such support from institutions and retail investors for our business. I would also like to thank TA Associates for choosing to reinvest in us, which I believe reflects the strength of our future prospects.

As you will see from the Chief Executive's review and the interim results, we have had a good start to 2010 with continuing momentum from positive net sales over the first half of the year and investment outperformance for our clients. We aim to continue this progress in line with the strategy set out in our recent prospectus. May I also welcome two new independent directors, Liz Airey and Lorraine Trainer, who both joined the board on 17 May 2010.



Jamie Dundas
Chairman

24th August 2010

Chief Executive's Review

Highlights

Our first set of interim results demonstrate our continued delivery of strong financial performance and new business generation. EBITDA rose 64 per cent. to £59.1 million helped by increased revenues from higher AUM combined with a stable fixed cost base. Against a volatile market backdrop we have seen encouraging net inflows of £814 million in the period. This was driven by £873 million of net flows into our mutual fund range, particularly from our fund of funds and absolute return products and an increased presence within European distribution channels. As a result, AUM rose 2 per cent. over the past six months whilst the FTSE 100 fell 9 per cent.

Investment performance has remained strong with 59 per cent. of our mutual funds as at 30 June 2010 above median over three years, the key time frame for our intermediary distribution channels. Encouragingly, shorter-term performance has also improved over the past six months with 71 per cent. of our mutual funds as at 30 June 2010 above median over one year.

Ahead of our IPO, I had previously combined the role of Chief Investment Officer with that of Chief Executive. In order to enable me to have a greater focus on developing our growing business in the quoted arena and extending our international reach, John Chatfeild-Roberts was appointed Chief Investment Officer in February 2010 and I believe John possesses the right skills, experience and character to lead Jupiter's fund management capabilities. We have also broadened our investment team with the appointment of four new fund managers: Guy de Blonay, Miles Geldard, Lee Manzi and Kathryn Langridge. Guy has joined our market leading team of financial fund managers and we anticipate launching global convertible, global multi-asset and global emerging markets strategies this autumn for Miles, Lee and Kathryn respectively, subject to FSA and other regulatory approvals.

Chief Executive's Review *continued*

Financial Results

Revenues

Net revenue for the period was £111.7 million (H1 2009: £79.8 million), 40 per cent. ahead of the same period in 2009. This was mainly due to an increase of £29.0 million in net management fees, reflecting 30 per cent. higher average market levels and boosted by the contribution from net inflows over the last twelve months. The net management fee margin for the period was 99 basis points, in line with the full year 2009 margin due to the increased proportion of mutual funds in our product mix. Net initial charges and commissions increased by £2.3 million to £11.0 million (H1 2009: £8.7 million), reflecting increased levels of gross sales and redemptions, as compared to the first half of 2009, driving both higher front end fees and higher box profits. Performance fees of £1.0 million (H1 2009: £0.4 million) continue to be modest, at just under one per cent. of net revenues, although the calculation dates on relevant funds are biased towards the second half of the year.

Expenses

Administrative expenses of £52.7 million were £8.1 million higher than the first half of 2009 due to increased variable compensation costs, in line with the higher profitability of the business, and a non-recurring lease provision release of £2.4 million in 2009. Fixed staff costs of £19.8 million have remained stable (H1 2009: £20.3 million). Variable compensation as a proportion of pre-variable compensation operating earnings was 21 per cent. This excludes a £1.2 million charge in respect of options granted immediately prior to the IPO over the remaining shares in the pool established for employees at the time of the MBO of 2007. One-off costs relating to the IPO were £1.7 million and have been excluded from EBITDA.

Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)*

EBITDA was £59.1 million for the period (H1 2009: £36.0 million), 64 per cent. up on the prior year, reflecting strong growth in net management fees from higher market levels and net inflows over the last twelve months. The average FTSE 100 level for the six months to 30 June 2010 was 5,394 (30 June 2009: 4,147). The Group's EBITDA margin rose to 53 per cent. (H1 2009: 45 per cent.), primarily due to the scalability of the business model as net revenues increased with fixed costs remaining stable.

**EBITDA represents operating earnings and other operating income before charging interest, tax, depreciation and amortisation on owned assets.*

Profit before tax

Net finance costs have decreased by £1.4 million to £22.7 million (H1 2009: £24.1 million). We expect the finance expense to decrease further in the second half of this year due to the capital restructuring and associated reduction in gross borrowings.

Other gains were £0.3 million, a decrease of £1.8 million (H1 2009: £2.1 million). These gains arise from a £1.0 million one-off gain on the part disposal of our stake in Cofunds, offset by a decrease in the hedged market value of our seed capital investments.

Profit before tax for the period was £14.6 million (H1 2009 loss: £6.5 million).

Earnings per share

The earnings per share number in the half yearly report has been impacted by the capital reorganisation and the IPO. Due to the restrictions placed on certain shareholdings of executives and other senior employees that vest over a number of years, the basic earnings per share number will be distorted by the number of restricted shares held by employees for the next few years until all of the shareholdings have vested.

Balance sheet

Following the IPO, the Group's only borrowings are the £283 million due under its bank facility. Gross borrowing under this facility has reduced following an £80 million repayment in June through a combination of IPO proceeds and payment from the Group's own resources. Combined with cash generated from operating activities and net disposals of seed investments, net debt as at 30 June 2010 was £104.9 million. The Group's leverage ratio* has therefore fallen to less than one times as at 30 June 2010, ahead of our full year target.

The Group continues to hedge the majority of its holdings of seed capital investments with 85 per cent. of the total £41.1 million seed capital hedged or invested in absolute return products.

**Leverage ratio represents net debt divided by trailing twelve month EBITDA.*

Dividend

During the period, as part of the IPO, a preference dividend of £10.4 million was paid in specie to Tier 1 Preference Share holders, prior to all the Preference Shares being converted into Ordinary Shares.

As outlined in the IPO prospectus, no interim dividend will be declared on the Ordinary Shares. The first dividend following Admission will be the final dividend for the year ending 31 December 2010.

Chief Executive's Review continued

Assets Under Management and Flows

Assets under management have increased from £19.5 billion as at 31 December 2009 to £19.8 billion as at 30 June 2010, an increase of 2 per cent. This compares to a 9 per cent. decline in the FTSE 100 over the same period.

AUM by business line	30 June 2010 £m	30 June 2009 £m	31 December 2009 £m
Mutual funds	15,248	11,447	14,692
Segregated mandates	2,493	2,349	2,754
Private clients	1,417	1,047	1,355
Investment trusts	505	491	546
Hedge funds	181	140	175
Total	19,844	15,474	19,522

We experienced £814 million of net inflows into our funds during the period, driven by continued mutual fund growth that was partially offset by the redemption of a single segregated mandate of £258 million on 30 June 2010. Mutual fund net flows remain steady, with second quarter net inflows of £441 million slightly ahead of their first quarter equivalents despite a more volatile market backdrop and lower net retail sales across the industry, particularly into equity products amidst uncertainty over the UK political and tax environment.

Net inflows by business line	30 June 2010 £m	30 June 2009 £m	31 December 2009 £m
Mutual funds	873	807	1,747
Segregated mandates	(69)	(2)	(129)
Private clients	46	180	286
Investment trusts	–	(1)	(32)
Hedge funds	(36)	(67)	(68)
Total	814	917	1,804

Investment Performance

Investment performance remains strong for the majority of our funds and products. As at 30 June 2010, 59 per cent. of our mutual funds had above benchmark investment performance over the key three year period (47 per cent. in the first quartile). Over the past six months, we have seen an encouraging improvement in the one year record, as 71 per cent. of mutual funds are now above median (44 per cent. in the first quartile).

Outlook

We have seen continued market volatility this year with the FTSE 100 seeing closing levels between 4,806 and 5,825 in the first half, eventually falling 9 per cent. across the period as concerns over European sovereign debt and GDP growth stalled the recovery from the lows of 2009. This movement in the market has created a downward pressure on our assets under management that has been offset by the positive net inflows we have received.

In our view, markets will remain range-bound over the medium term but will endure significant bouts of volatility in between. These conditions, which have predominated over the past decade, present investors with both challenges and opportunities. While greater volatility is to be expected, equities continue to look more attractive than other asset classes, such as property and cash, and fund managers with a strong reputation for successful stock picking, therefore, have the potential to outperform equity indices, just as many did throughout the last 10 years.

We will continue to focus on delivering outperformance to our clients and leveraging our distribution capabilities to increase our share in both our existing core UK mutual funds business and developing into other markets.



Edward Bonham Carter
Chief Executive

Interim Financial Statement

Consolidated Income Statement for the six months ended 30 June 2010

	Notes	Six months ended 30 June 2010 (Unaudited) £m	Six months ended 30 June 2009 (Unaudited) £m	Year ended 31 December 2009 £m
Revenue		131.1	94.3	214.6
Commissions and fees payable		(19.4)	(14.5)	(32.5)
Net revenue		111.7	79.8	182.1
Administrative expenses		(52.7)	(44.6)	(92.9)
Operating earnings*		59.0	35.2	89.2
Other operating income		(0.5)	0.1	0.6
Other gains		0.3	2.1	2.4
Amortisation of intangible assets	5	(19.8)	(19.8)	(39.8)
Exceptional IPO costs		(1.7)	–	–
Operating profit		37.3	17.6	52.4
Finance income		0.4	0.8	1.2
Finance expense		(23.1)	(24.9)	(46.4)
Profit/(loss) on ordinary activities before taxation		14.6	(6.5)	7.2
Income tax (charge)/credit	3	(4.9)	(1.8)	1.4
Profit/(loss) for the period attributable to equity holders of the parent		9.7	(4.7)	8.6
Memo – dividends on Preference Shares		(10.4)	–	–
Earnings per share				
Basic		(0.7)	(5.8)	10.6
Diluted		(0.7)	(5.8)	3.2

*Operating earnings is net revenue less administrative expenses and does not include investment income and returns and amortisation of intangible assets, items which the Company considers are not indicative of the ongoing incomes and costs of the Group's operations. The Company 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 to similarly titled measures used by other companies.

The notes on pages 10 to 19 form part of these Interim Financial Statements.

Interim Financial Statement

Consolidated Statement Of Comprehensive Income for the six months ended 30 June 2010

	Six months ended 30 June 2010 (Unaudited) £m	Six months ended 30 June 2009 (Unaudited) £m	Year ended 31 December 2009 £m
Profit/(loss) for the period	9.7	(4.7)	8.6
Other comprehensive income:			
Exchange movements on translation of subsidiary undertakings	0.1	(3.7)	(2.9)
Gains on available-for-sale assets	3.2	–	–
Total other comprehensive income for the year	3.3	(3.7)	(2.9)
Total comprehensive income for the year attributable to equity holders of the parent	13.0	(8.4)	5.7

Interim Financial Statement

Consolidated Balance Sheet as at 30 June 2010

	Notes	30 June 2010 (Unaudited) £m	30 June 2009 (Unaudited) £m	31 December 2009 £m
Non-Current Assets				
Property, plant and equipment	4	1.2	2.0	1.6
Intangible assets	5	503.5	542.8	522.9
Available-for-sale investments	6	13.1	13.2	13.2
Deferred income tax assets		11.2	27.2	13.0
Trade and other receivables		16.2	10.3	14.4
Total non-current assets		545.2	595.5	565.1
Current Assets				
Investments in associates	6	25.5	15.6	27.6
Financial assets at fair value through profit or loss	6	22.7	13.1	23.3
Current income tax assets		–	–	10.2
Trade and other receivables		109.1	66.4	71.3
Cash and cash equivalents		178.1	203.4	223.4
Total current assets		335.4	298.5	355.9
Total Assets		880.6	894.0	920.9
Equity Capital And Reserves				
Called up share capital	9	9.2	32.3	32.3
Share premium	9	328.1	–	–
Own shares	10	(2.9)	–	–
Available-for-sale reserve	10	3.2	–	–
Foreign currency translation reserve	10	7.4	6.5	7.3
Retained earnings	10	7.4	(6.4)	6.9
Total Equity Attributable To Equity Holders Of The Parent		352.4	32.4	46.5
Non-Current Liabilities				
Loans and borrowings	8	281.0	587.9	627.7
Trade and other payables		28.9	30.4	27.3
Deferred income tax liabilities		50.1	57.8	54.4
Total non-current liabilities		360.0	676.1	709.4
Current Liabilities				
Financial liabilities at fair value through profit or loss	7	6.0	3.0	–
Trade and other payables		151.6	158.9	156.3
Current income tax liabilities		7.6	10.8	–
Derivative financial instruments	7	3.0	12.8	8.7
Total current liabilities		168.2	185.5	165.0
Total Liabilities		528.2	861.6	874.4
Total Equity And Liabilities		880.6	894.0	920.9

Consolidated Statement of Changes in Equity for the six months ended 30 June 2010

	Ordinary Share capital £m	Share premium £m	Own shares £m	Available-for- sale reserve £m	Foreign currency translation reserve £m	Retained earnings £m	Total £m
Balance at 1 January 2009	32.3	–	–	–	10.2	(1.9)	40.6
Comprehensive income							
Loss for the period	–	–	–	–	–	(4.7)	(4.7)
Other comprehensive income							
Currency translation differences	–	–	–	–	(3.7)	–	(3.7)
Total other comprehensive income	–	–	–	–	(3.7)	–	(3.7)
Total comprehensive income	–	–	–	–	(3.7)	(4.7)	(8.4)
Transactions with owners							
Proceeds from shares issued	–	–	–	–	–	–	–
Employee share schemes – value of employee services	–	–	–	–	–	0.2	0.2
Total transactions with owners	–	–	–	–	–	0.2	0.2
Balance at 30 June 2009	32.3	–	–	–	6.5	(6.4)	32.4
Comprehensive income							
Profit for the period	–	–	–	–	–	13.3	13.3
Other comprehensive income							
Currency translation differences	–	–	–	–	0.8	–	0.8
Total other comprehensive income	–	–	–	–	0.8	–	0.8
Total comprehensive income	–	–	–	–	0.8	13.3	14.1
Transactions with owners							
Proceeds from shares issued	–	–	–	–	–	0.3	0.3
Share issue expenses	–	–	–	–	–	(0.4)	(0.4)
Employee share schemes – value of employee services	–	–	–	–	–	0.1	0.1
Total transactions with owners	–	–	–	–	–	–	–
Balance at 31 December 2009	32.3	–	–	–	7.3	6.9	46.5
Comprehensive income							
Profit for the period	–	–	–	–	–	9.7	9.7
Other comprehensive income							
Currency translation differences	–	–	–	–	0.1	–	0.1
Changes in the fair value of available-for-sale assets	–	–	–	3.2	–	–	3.2
Total other comprehensive income	–	–	–	3.2	0.1	–	3.3
Total comprehensive income	–	–	–	3.2	0.1	9.7	13.0
Transactions with owners							
Dividends paid	–	–	–	–	–	(10.4)	(10.4)
Proceeds from shares issued	(23.1)	338.6	(2.9)	–	–	–	312.6
Share issue expenses	–	(10.5)	–	–	–	–	(10.5)
Employee share schemes – value of employee services	–	–	–	–	–	1.2	1.2
Total transactions with owners	(23.1)	328.1	(2.9)	–	–	(9.2)	292.9
Balance at 30 June 2010	9.2	328.1	(2.9)	3.2	7.4	7.4	352.4

Interim Financial Statement

Consolidated Cash Flow Statement for the six months ended 30 June 2010

	Six months ended 30 June 2010 (Unaudited) £m	Six months ended 30 June 2009 (Unaudited) £m	Year ended 31 December 2009 £m
Cash flows from operating activities			
Cash generated from operations	42.7	24.0	57.8
Finance expense paid	(44.5)	(13.8)	(24.4)
Income tax received/(paid)	10.5	(10.4)	(16.2)
Net cash inflows (outflows) from operating activities	8.7	(0.2)	17.2
Cash flows from investing activities			
Purchases of property, plant and equipment	(0.2)	(0.4)	(0.5)
Proceeds from sale of property, plant and equipment	0.1	0.2	0.2
Purchase of intangible assets	(0.3)	(0.4)	(0.6)
Proceeds from sale of available-for-sale investments	4.3	–	–
Finance income received	0.4	0.8	1.1
Dividend income received	–	–	0.1
Net cash inflows from investing activities	4.3	0.2	0.3
Cash flows from financing activities			
Gross proceeds on issue of Ordinary Shares	220.3	–	–
Net proceeds on issue of B Shares	–	–	0.1
Net proceeds from the Tier 1 Preference Shares	–	–	0.3
Net proceeds from the Tier 2 Preference Shares	–	–	0.3
Net (payments)/proceeds in relation to the Preferred Finance Securities	(192.9)	–	2.3
Repayment of long term loans	(80.0)	(12.0)	(12.0)
Share issue expenses	(7.1)	–	–
Net cash (outflows) from financing activities	(59.7)	(12.0)	(9.0)
Net (decrease)/increase in cash and cash equivalents	(46.7)	(12.0)	8.5
Cash and cash equivalents at beginning of year	223.4	216.4	216.4
Exchange gain/(loss) on cash and cash equivalents	1.4	(1.0)	(1.5)
Cash and cash equivalents at end of period	178.1	203.4	223.4

1. Basis of Preparation

a. Basis of preparation

The condensed set of half yearly financial statements are unaudited and do not constitute statutory Financial Statements within the meaning of Section 434 of the Companies Act 2006. The Financial Statements for the year ended 31 December 2009 were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and IFRIC Interpretations ("IFRS as adopted by the EU") and the Companies Act 2006 applicable to companies reporting under IFRS. The report of the auditors on the financial statements on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under Section 498 (2)(3) of the Companies Act 2006.

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 condensed half yearly Financial Statements should be read in conjunction with the Group's Financial Statements for the year ended 31 December 2009.

The financial statements have been prepared on the historical cost convention modified by the revaluation of certain available-for-sale financial assets and financial liabilities (including derivative financial instruments) that have been measured at fair value through profit or loss. In addition, they have been prepared on a going concern basis. After reviewing the Group's current plans and forecasts and financing arrangements, as well as the current trading activities of the Group, the Directors consider that the Group has adequate resources to continue operating for the foreseeable future.

The accounting policies that have been applied in preparing the half yearly financial statements are consistent with those applied in the preparation of the financial statements for the year ended 31 December 2009 and will be in use for the year ending 31 December 2010.

b. New standards and interpretations not applied

The following standards and amendments to existing standards have been published but are not effective for the Group's accounting period beginning on 1 January 2010, and, where applicable, the Group has decided not to early adopt them:

Not yet endorsed		Effective for period beginning on or after
IFRS 1 amendment	First-time Adoption – Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters	1 July 2010
IFRS 9	Financial Instruments on Classification and Measurement	1 January 2013
Endorsed and available for early adoption		Effective for period beginning on or after
IAS 24 revised	Related Party Disclosures	1 January 2011
IFRIC 14 amendment	Prepayments of a Minimum Funding Requirement	1 January 2011
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2010

IFRS 9 has not yet been endorsed by the European Union and would require the Group to reclassify its available for sale assets. The impact of the new standard will be determined by the Group's decision as to how it wishes to reclassify its available-for-sale assets.

The Directors do not anticipate that the future adoption of any of the other new standards and interpretations will have a material impact on the financial statements in the period of initial application and have decided not to early adopt.

2. Segment Reporting

The Group operates only as a single business segment: Investment Management. The Group acts as an investment manager to authorised unit trusts, investment trusts, pension funds, private clients, hedge funds and other specialist funds and has offices in the United Kingdom, Bermuda, Germany, Jersey, Croatia and Singapore.

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 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.

	Six months ended 30 June 2010 (Unaudited) £m	Six months ended 30 June 2009 (Unaudited) £m	Year ended 31 December 2009 £m
Revenue by product and services			
Management and performance fees – external	117.0	82.8	190.4
Total	117.0	82.8	190.4
Net revenue by location of clients			
UK	101.5	72.8	163.3
Continental Europe	7.1	3.5	10.9
Bermuda	2.9	3.4	7.7
Rest of the world	0.2	0.1	0.2
Total	111.7	79.8	182.1

The net revenue information above is based on the location of the customer.

Notes to the Financial Statements

3. Income Tax Expense/(Credit)

	Six months ended 30 June 2010 (Unaudited) £m	Six months ended 30 June 2009 (Unaudited) £m	Year ended 31 December 2009 £m
Tax charge/(credit) for the period			
Current taxation			
UK corporation tax:			
Current period	7.4	5.9	2.1
Prior period adjustment	–	–	(6.6)
	7.4	5.9	(4.5)
Deferred taxation			
Origination and reversal of temporary differences	(2.5)	(7.7)	3.1
Total tax charge/(credit)	4.9	(1.8)	(1.4)

A number of changes to the UK corporation tax system were announced in the June 2010 Budget Statement. The Finance (No 2) Act 2010 is expected to include legislation to reduce the main rate of corporation tax from 28 per cent. to 27 per cent. from 1 April 2011.

The changes had not been substantively enacted at the balance sheet date and are not included in these financial statements. The effect of the changes to be enacted in the Finance (No 2) Act 2010 would be to reduce the deferred tax liability provided at 30 June 2010 by £1.4 million.

4. Property, Plant And Equipment

During the period, the Group acquired property, plant and equipment with a value of £0.2 million (H1 2009: £0.4 million).

Disposals of property, plant and equipment were £0.1 million (H1 2009: £0.2 million).

5. 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 £19.8 million for investment management contracts, brand name and software in the period (H1 2009: £19.8 million).

	30 June 2010 (Unaudited) £m	30 June 2009 (Unaudited) £m	31 December 2009 £m
Net carrying values of intangible assets			
Computer software	2.9	3.5	3.2
Goodwill	341.3	341.3	341.3
Investment management contracts and trade name	159.3	198.0	178.4
Total intangible assets at end of period	503.5	542.8	522.9

During the period, the Group acquired software with a value of £0.3 million (H1 2009: £0.4 million). No disposals of software were made

during the period. No additional goodwill or investment management contracts were acquired in the period (H1 2009: Nil).

6. Financial Assets

Financial instruments by category

The carrying values of the financial assets of the Group are shown below:

As at 30 June 2010	Loans and receivables	Fair value through profit or loss	Available-for-sale
Financial assets			
Available-for-sale investments	–	–	13.1
Investment in associates	–	25.5	–
Financial assets at fair value through profit or loss	–	22.7	–
Trade and other receivables*	89.4	–	–
Cash and cash equivalents	178.1	–	–
Total financial assets	267.5	48.2	13.1
As at 31 December 2009			
Financial assets			
Available-for-sale investments	–	–	13.2
Investment in associates	–	27.6	–
Financial assets at fair value through profit or loss	–	23.3	–
Trade and other receivables*	55.0	–	–
Cash and cash equivalents	223.4	–	–
Total financial assets	278.4	50.9	13.2
As at 30 June 2009			
Financial assets			
Available-for-sale investments	–	–	13.2
Investment in associates	–	15.6	–
Financial assets at fair value through profit or loss	–	13.1	–
Trade and other receivables*	52.5	–	–
Cash and cash equivalents	203.4	–	–
Total financial assets	255.9	28.7	13.2

*(excluding prepayments and deferred acquisition and commission costs totalling: 30 June 2010: 35.9; 31 December 2009: 30.7; 30 June 2009: 24.2)

7. Financial Liabilities

Financial instruments by category

The carrying values of the financial liabilities of the Group at 30 June are shown below:

	Financial liabilities at fair value through profit or loss – held for trading	Other financial liabilities at amortised cost
As at 30 June 2010		
Financial liabilities		
Loans and borrowings	–	281.0
Liabilities at fair value through profit or loss	6.0	–
Trade and other payables*	–	139.6
Derivative financial instruments	3.0	–
Total financial assets	9.0	420.6
As at 31 December 2009		
Financial liabilities		
Loans and borrowings	–	627.7
Liabilities at fair value through profit or loss	–	–
Trade and other payables*	–	144.2
Derivative financial instruments	8.7	–
Total financial liabilities	8.7	771.9
As at 30 June 2009		
Financial liabilities		
Loans and borrowings	–	587.9
Liabilities at fair value through profit or loss	3.0	–
Trade and other payables*	–	149.6
Derivative financial instruments	12.8	–
Total financial liabilities	15.8	737.5

*(excluding deferred income of: 30 June 2010: 40.9; 31 December 2009: 39.4; 30 June 2009: 39.7)

8. Loans and Borrowings

	30 June 2010 (Unaudited) £m	30 June 2009 (Unaudited) £m	31 December 2009 £m
Non-current			
Bank loan	278.4	355.9	356.6
Preferred Finance Securities	–	204.7	243.5
Tier 2 Preference Shares	–	23.8	24.0
B Shares	–	3.5	3.6
Restricted Ordinary Shares	2.6	–	–
	280.1	587.9	627.7
Total borrowings	280.1	587.9	627.7

Bank loan

A portion of the proceeds of the IPO was used to repay £80 million of the bank loan on 24 June 2010. The current loan balance repayable of £283 million is disclosed net of £4.6 million in respect of amortised debt issue costs. Interest was payable at a rate per annum of LIBOR plus a margin on 2.125 per cent. until the IPO and is now payable at a rate per annum of LIBOR plus a margin of 3.75 per cent.

In August 2007, Jupiter Asset Management Group Limited (JAMG) entered into an Amortising Interest Rate Swap arrangement with The Royal Bank of Scotland plc for a period of three years. Under the terms of the agreement, JAMG has agreed to pay a fixed interest rate of 6.2475 per cent. on the below notional amounts as follows, settling quarterly:

- Period to 26 February 2009 – £250,000,000
- Period to 26 May 2009 – £225,000,000
- Period to 26 August 2010 – £212,500,000

Preferred Finance Securities

During the period, the Preferred Finance Securities (PFS) were paid down on two occasions. A payment of £25.4 million of the capital balance outstanding was made to holders on 31 March 2010. On the IPO date, £49.0 million of PFS was converted into Ordinary Shares and £167.5 million was repaid.

Tier 2 Preference Shares and B Shares

Immediately prior to Admission, the remaining Tier 2 Preference Shares and outstanding interest were redesignated at the offer price as Ordinary Shares. Each B Share was subdivided into 50 shares of 2p each and each subdivided share was converted into and redesignated as an Ordinary Share. Conditions were attached to certain of the B Shares which would in some circumstances require the company to repurchase the shares at the original cost of issue; these conditions were carried over to certain of the Ordinary Shares when they were converted from B Shares and the liability recognised in loans and borrowings.

Notes to the Financial Statements

9. Share Capital

	30 June 2009 (Unaudited) Number m	30 June 2009 (Unaudited) £m	31 December 2009 Number m	31 December 2009 £m
Authorised				
A Shares of £1 each	1.3	1.3	1.3	1.3
Tier 1 Preference Shares of £1 each	31.0	31.0	31.0	31.0
	32.3	32.3	32.3	32.3
Issued, allotted and fully paid				
A Shares of £1 each	1.3	1.3	1.3	1.3
Tier 1 Preference Shares of £1 each	31.0	31.0	31.0	31.0
	32.3	32.3	32.3	32.3

Immediately prior to Admission, the A Shares and B Shares were subdivided into 50 shares of 2p each and converted into and re-designated as Ordinary Shares. The Tier 1 Preference Shares and Tier 2 Preference Shares and outstanding interest were redesignated at the offer price as Ordinary Shares. £48.7 million of the PFS was converted into Ordinary Shares.

The conditions attached to certain of the Ordinary Shares may, in some circumstances, require the Group to repurchase the shares at their nominal value. The shares on which these conditions are attached vest over the next five years. Therefore, a liability of £2.6 million in respect of 129.0 million Ordinary Shares, is included in loans and borrowings in Note 8. These restricted shares are deducted from equity through the own share reserve.

	30 June 2010 (Unaudited) Number m	30 June 2010 (Unaudited) £m
Issued, allotted and fully paid		
Ordinary Shares of 2p each	457.7	9.2
	457.7	9.2

A Shares and Tier 1 Preference Shares

Immediately prior to Admission, the A Shares and the Tier 1 Preference Shares were subdivided and converted into, and redesignated as, Ordinary Shares.

Notes to the Financial Statements

10. Reserves

	30 June 2010 (Unaudited) £m	30 June 2009 (Unaudited) £m	31 December 2009 £m
i. Share Premium			
At 1 January	–	–	–
Proceeds from shares issued	328.1	–	–
At period end	328.1	–	–
ii. Own shares reserve			
At 1 January	–	–	–
Restricted Ordinary Shares	(2.6)	–	–
Other Ordinary Shares held in Employee Benefit Trust	(0.3)	–	–
At period end	(2.9)	–	–
iii. Available-for-sale reserve			
At 1 January	–	–	–
Revaluation of available-for-sale assets	3.2	–	–
At period end	3.2	–	–
iv. Foreign currency translation reserve			
At 1 January	7.3	10.2	10.2
Exchange movement on translation of subsidiary undertakings	0.1	(3.7)	(2.9)
At period end	7.4	6.5	7.3
v. Retained earnings			
At 1 January	6.9	(1.9)	(1.9)
Profit/(loss) for the year	9.7	(4.7)	8.6
Dividend paid	(10.4)	–	–
Employee share schemes – value of employee services	1.2	–	0.3
Share issue expenses	–	–	(0.4)
Employee share scheme	–	0.2	0.3
At period end	7.4	(6.4)	6.9

Notes to the Financial Statements

11. Earnings per share

	Six months ended 30 June 2010 (Unaudited) £m	Six months ended 30 June 2009 (Unaudited) £m	Year ended 31 December 2009 £m
Net (loss)/profit attributable to ordinary equity holders of the parent for basic earnings after preference dividends	(0.7)	(4.7)	8.6
	(0.7)	(4.7)	8.6

After the IPO the number of ordinary shares in issue is 457,699,916. 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. The weighted average number of ordinary shares outstanding during the period used for the purposes of calculating EPS is as follows:

	30 June 2010 Number m	30 June 2009 Number m	31 December 2009 Number m
Weighted Average:			
Issued share capital	278.2	268.8	268.8
Less own shares held (conditional awards)	(172.8)	(187.5)	(187.5)
Weighted average number of Ordinary Shares after share restructuring for the purpose of basic earnings per share	105.4	81.3	81.3
Add back own shares held (conditional awards)	172.8	187.5	187.5
Weighted average number of Ordinary Shares after share restructuring for the purpose of basic earnings per share	278.2	268.8	268.8

The weighted average number of own shares is deducted from the weighted average number of Ordinary Shares. 'Own shares' are restricted shares held by in an employee benefit trust for the

benefit of employees under the vesting, lock in and other incentive arrangements in place prior to the IPO.

	Six months ended 30 June 2010 Pence	Six months ended 30 June 2009 Pence	Year ended 31 December 2009 Pence
Earnings per share			
Basic	(0.7)	(5.8)	10.6
Diluted	(0.7)	(5.8)	3.2

There is no dilution effect in H1 2010 and H1 2009 due to the loss incurred in both periods.

Notes to the Financial Statements

12. Cash Flows from Operating Activities

	Six months ended 30 June 2010 (Unaudited) £m	Six months ended 30 June 2009 (Unaudited) £m	Year ended 31 December 2009 £m
Cash flows from operating activities			
Profit/(loss) on ordinary activities before taxation	14.6	(6.5)	7.2
Adjustments for:			
Depreciation	0.6	0.7	1.4
Amortisation	19.8	19.8	39.9
Net amortisation of initial charges and initial commissions	(1.1)	(2.4)	(3.8)
Share-based payments	1.2	0.2	0.3
Losses/(gains) on derivative financial instruments	(5.8)	(2.4)	(6.5)
(Gains)/losses on total return swap	(0.6)	(0.9)	8.2
Fair value losses/(gains) on financial assets at fair value through profit or loss	0.4	(1.2)	(10.7)
Finance income	(0.4)	(0.8)	(1.2)
Finance expense	28.9	27.3	52.9
Foreign exchange losses/(gains)	0.5	(0.1)	(0.1)
Increase/(decrease) in provisions	–	(2.4)	(2.3)
Changes in working capital:			
Trade and other receivables	(35.9)	(11.1)	(21.5)
Trade and other payables	15.8	5.5	17.3
Financial assets at fair value through profit or loss	4.9	(1.8)	(20.5)
Investment in associates	(0.1)	0.4	0.4
Financial liabilities at fair value through profit or loss	(0.1)	(0.3)	(3.2)
Cash generated from operations	42.7	24.0	57.8

13. Contingent Liabilities

The directors do not believe there are any contingent liabilities within the Group that would materially affect the Group's financial position.

Forward-Looking Statements

This report contains forward looking statements with respect to the financial condition, results and business of the Group. Such forward looking statements involve risk and uncertainty because they relate to events and depend on circumstances in the future. The Group's actual future results may differ materially from the results expressed or implied in these forward looking statements. Nothing in this report should be construed as a profit forecast.

Principal Risks

The Group faces a number of risks 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 2010 are substantially the same as those outlined in the 2009 annual report in particular:

- Adverse economic political and market factors in particular falls in equity markets.
- Sustained underperformance of our investment funds.
- Ability to attract and retain key staff.
- Changes in distribution trends in our principal distribution market the UK.

Statement Of Directors' Responsibilities

The condensed set of financial statements in this half yearly report has been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting, as adopted by the European Union.

This half yearly report includes a fair review of the information required by Disclosure and Transparency Rule 4.2.7R, being an indication of important events that have occurred during the first six months of the 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.

This half yearly report includes a fair review of the information required by Disclosure and Transparency Rule 4.2.8R, being disclosure of 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 the performance of the Group 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

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 2010, 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 Cash Flow Statement 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.

Director's responsibility

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 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 2010 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.



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