

Press Release

GAM Holding AG: Interim management statement for the period to 31 March 2014

Zurich, 15 April 2014

- **Investment Management assets under management of CHF 69.6 billion, largely flat from year-end 2013**
 - **Net new money flows recovered over the quarter and were positive in March**
 - **Net outflows in January and February and negative currency impact over the quarter were largely offset by favourable market performance and March inflows**
 - **Investment performance remains attractive generally and has markedly improved for the Group's largest fixed income strategies (absolute return/unconstrained, local emerging market debt)**
- **Private Labelling assets under management of CHF 45.7 billion**
 - **Net new money inflows and positive market performance drove assets up 2%, despite slightly adverse currency impact**
- **Tangible equity up 2% from 31 December 2013, at CHF 563.1 million**

Investment Management

Assets under management in Investment Management as at 31 March 2014 amounted to CHF 69.6 billion, compared to CHF 69.8 billion at the end of December. Market performance had a positive effect, largely offsetting the net new money outflows experienced for the full quarter and the adverse impact from a strengthening Swiss franc (the Group's reporting currency) against the US dollar and the euro.

Consistent with the trends communicated at the annual results presentation on 4 March 2014, during the first two months of the year Investment Management experienced the tail end of outflows which began in late 2013, with client flows turning positive in March.

Flows into the Group's largest flagship absolute return/unconstrained bond and local emerging debt strategies were negative for the three months in total but stabilised towards the end of the quarter, on the back of a marked improvement in investment performance in both strategies. In particular institutional interest in the absolute return/unconstrained bond fund remained resilient, producing net inflows for the quarter.

Low-margin money market funds and the physical gold ETF continued to experience market-driven net new money outflows across the reporting period. They were successfully counteracted by robust demand for the Group's higher-margin equity products. Across the broadly diversified GAM and Julius Baer-branded equity range, long-only as well as long/short strategies continued to attract net new money inflows. Specialised fixed income strategies, such as those investing in catastrophe bonds or in subordinated debt instruments of high-quality issuers, also experienced solid net inflows.

GAM's alternative investments solutions benefited from a number of institutional mandate wins for its innovative risk premia solution, offsetting ongoing redemptions from its trading strategy where absolute performance continues to remain soft. The Group's combined multi-asset

class solutions achieved net new money inflows from Swiss institutions and from its discretionary fund management services for independent financial advisers, as hoped for, outpacing outflows from the historic private client channels.

Private Labelling

Private Labelling – the area providing outsourcing solutions to third parties and contributing around 6% of the Group’s revenues – ended the quarter with assets under management of CHF 45.7 billion. Assets were up CHF 1.1 billion from 31 December 2013, reflecting positive market performance and net new money inflows. Foreign exchange movements had a small negative impact, as the majority of assets in this business are denominated in Swiss francs.

Net inflows were recorded mainly in Luxembourg-domiciled and offshore funds, while funds domiciled in Switzerland experienced net outflows. The year started on a positive note, with a number of product launches by existing partners and a mandate from a newly acquired Swiss pension fund client.

Update on tangible equity and share buy-back programme

Tangible equity as at 31 March 2014 was CHF 563.1 million, up from CHF 551.4 million at year-end 2013. This reflects continued levels of robust profitability across the Group’s businesses. Cash and cash equivalents amounted to CHF 577.4 million, compared to CHF 592.6 million at year-end 2013.

At today’s Annual General Meeting (AGM), shareholders of GAM Holding AG will be asked to approve a dividend of CHF 0.65 per share for 2013, resulting in a total cash distribution of around CHF 105 million.

Shareholders today will also vote on the cancellation of 6.6 million shares repurchased in 2013 under the Group’s 2011–2014 buy-back programme. A further 1.1 million shares were bought back under the same programme in the first quarter 2014, reducing the Group’s outstanding shares as at 31 March 2014 to 162.1 million.

The 2011–2014 share buy-back programme will expire on 17 April 2014 and will be followed by a new one. As announced on 4 March 2014, this new programme will allow for the repurchase of up to 10% of shares in issue at inception (approximately 17 million shares) over a maximum of three years. These share buy-backs will provide the Group with flexibility in returning excess cash to shareholders and will be complementary to its policy of ensuring predictable and reliable dividend payments.

Forthcoming events:

15 Apr 2014	Annual General Meeting, further information on www.gamholding.com/agm2014
17 Apr 2014	Ex-dividend date
23 Apr 2014	Dividend record date
24 Apr 2014	Dividend payment date
12 Aug 2014	Half-year results 2014
21 Oct 2014	Interim management statement Q3 2014

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About GAM Holding AG

GAM Holding AG is an independent, pure-play asset management group with a focus on active investing. With global distribution networks and investment teams based in five investment centres in Europe, the US and Asia, it delivers investment solutions to institutions, intermediaries and private clients through two leading brands – Julius Baer Funds (distributed by Swiss & Global Asset Management) and GAM. The Group's investment management business is complemented by a private labelling unit which provides outsourcing solutions for third-parties.

Headquartered in Zurich, GAM Holding AG is listed on the SIX Swiss Exchange and is a component of the Swiss Market Index Mid (SMIM) with the symbol "GAM". The Group has total assets under management of CHF 115.3 billion (as at 31 March 2014) and employs over 1,000 staff in 10 countries.

Disclaimer regarding forward-looking statements

This press release by GAM Holding AG ('the Company') includes forward-looking statements that reflect the Company's intentions, beliefs or current expectations and projections about the Company's future results of operations, financial condition, liquidity, performance, prospects, strategies, opportunities and the industry in which it operates. Forward-looking statements involve all matters that are not historical facts. The Company has tried to identify those forward-looking statements by using words such as 'may', 'will', 'would', 'should', 'expect', 'intend', 'estimate', 'anticipate', 'project', 'believe', 'seek', 'plan', 'predict', 'continue' and similar expressions. Such statements are made on the basis of assumptions and expectations which, although the Company believes them to be reasonable at this time, may prove to be erroneous.

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