

**GAM** Holding AG

## Results and Review 2010

Presentation for Media, Analysts and Investors

Zurich, 1 March 2011

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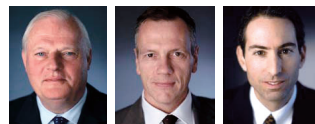
2

## Programme and content

1. Introduction  
 Johannes A. de Gier  
 Chairman and CEO, GAM Holding AG
2. Financial results 2010  
 Andrew M. Wills  
 Group CFO
3. GAM  
 David M. Solo  
 CEO, GAM
4. Swiss & Global Asset Management  
 David M. Solo  
 CEO, Swiss & Global Asset Management
5. Closing remarks  
 Johannes A. de Gier  
 Chairman and CEO, GAM Holding AG

Q&A session

Appendix



3

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1. Introduction  
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Chairman and CEO, GAM Holding AG
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CEO, Swiss & Global Asset Management
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Chairman and CEO, GAM Holding AG

Q&A session

Appendix



4

## 2010 highlights

First year of independence marked by solid set of results

### Assets under management growth, with considerable net new money inflows resulting from product diversification and broad distribution network

- Group AuM at CHF 118 billion: 4% growth during 2010
- NNM inflows of CHF 8 billion (CHF 0.4 billion in 2009)
- Supported by positive market performance of CHF 5 billion
- Significant negative currency impact of CHF 9 billion, from weakening of EUR and USD against CHF reporting currency

### Strong results despite adverse currency movements

- Underlying net profit of CHF 202 million, up 35% from 2009

### Investment in Artio: carrying value reduced as pre-announced in November 2010

- Non-cash charge of CHF 180 million, excluded from underlying net profit

5

## Financial strength

Acquisitions – yes, but only if compelling opportunities arise

### Strong capitalisation: tangible equity of over CHF 1 billion

- Investment in organic growth continues
- Search for suitable acquisitions ongoing

### Evaluated various opportunities in 2010, but none met our strict criteria

- Strategically compelling:
  - Complements our existing capabilities (distribution or investment management)
- Financially accretive:
  - Creates long-term shareholder value
  - Financial consideration is based on realistic estimates for synergies and revenue growth
  - Retention of key talent and client relationships of target company

## Distributions to shareholders

Key element of disciplined capital management

### Proposed dividend of CHF 0.50 per share

- Intended to be paid from contributed capital reserves (tax-efficient for shareholders)
- Distribution of approx. CHF 94 million, equivalent to around 50% of underlying net profit

### Current share buy-back programme: half of the programme completed by end 2010

- 5% of shares in issue bought back for cancellation (10.33 million shares)
- Average price CHF 14.94 per share; total cost of CHF 154 million
- Decision to terminate early and proposal to replace with new programme

### New share buy-back programme over 3 years: increases capital management flexibility

- For approval at Annual General Meeting on 19 April 2011
- Up to a maximum of 20% (41.3 million shares) of current shares in issue to be bought back for cancellation, subject to regulatory approval
- Intention to utilise mainly contributed capital reserves (tax-advantageous for all shareholders)
- Subject to M&A activity

## Operating business developments

High-quality active asset management geared towards sustainable profitability

### 2010 achievements



#### Significant diversification progress

Broadening of third-party distribution capabilities well on track  
 Highly successful fixed income range  
 Continued expansion of UCITS III products (internally and externally managed)

### Strategies outperforming benchmarks over 3 years

77%  
of AuM

### 2010 achievements



#### Successful differentiation and distribution

Continued expansion of distribution capabilities  
 Enhancement of product quality and performance  
 Captured investor interest with
 

- absolute-return products (incl. GAM sub-advised)
- physical commodity funds
- thematic equity funds

### Products outperforming benchmarks over 3 years

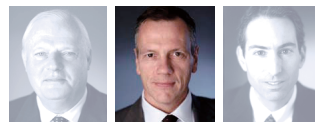
64%  
of AuM

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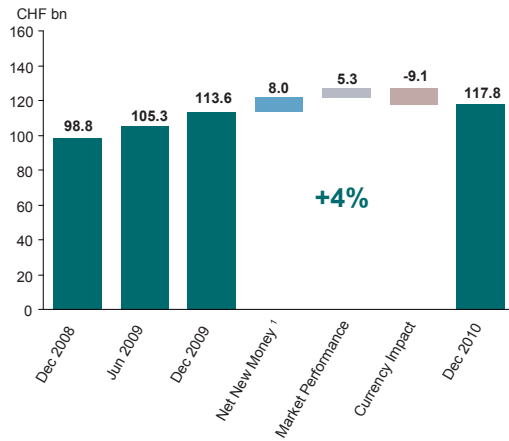
Q&A session

Appendix



## Group AuM development

Strong growth through NNM and market performance, reduced by currency movements



**AuM up CHF 4.2 billion**  
(+4%) from 2009

**NNM inflows of CHF 8.0 billion<sup>1</sup>**

- Significant increase from CHF 0.4 billion NNM in 2009
- Growth rate slowed in H2 (CHF 2.4 billion vs. CHF 5.6 billion in H1)

**Positive market performance of CHF 5.3 billion**

- Realised in H2 as main equity markets recovered from mid-year lows

**Negative FX impact of CHF 9.1 billion**

- Weakening of EUR and USD against CHF reporting currency, exacerbated due to year-end rates

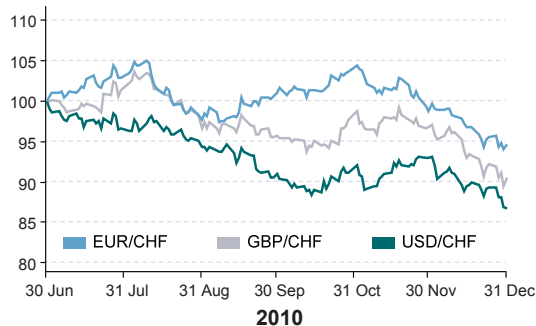
<sup>1</sup> CHF 15.6 billion including NNM from funds sub-advised by GAM and distributed by Swiss & Global Asset Management.

## Adverse currency impact in 2010

Affecting both AuM and profitability

Results reported in CHF but

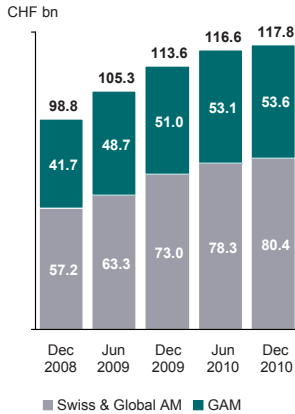
- AuM and revenues mainly denominated in USD and EUR, with smaller components of GBP and CHF
- Cost base mainly in GBP and CHF
- 2010 revenue impact moderate, since FX movements occurred mainly late in the year



## Group AuM breakdown

Diversified mix of products and channels

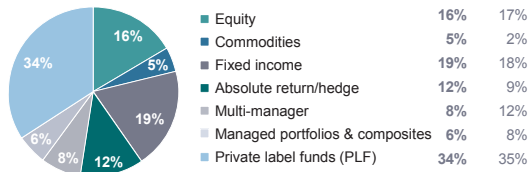
### By operating business<sup>1</sup>



### By clients<sup>1</sup>



### By products<sup>1</sup>



1. Group AuM excludes CHF 16.2 billion of funds sub-advised by GAM and distributed by Swiss & Global Asset Management.

## Group financial results

Underlying net profit of CHF 202.2 million<sup>1</sup>, on the back of revenue growth and cost control

(CHF m)	2010	2009	Change in %
<b>Operating income</b>	<b>712.5</b>	<b>589.3</b>	<b>21</b>
Net fees and commissions	570.4	523.1	9
Performance fees	89.5	17.5	411
Income from associates	27.5	31.7	-13
Other	25.1	17.0	48
<b>Operating expenses</b>	<b>466.0</b>	<b>400.6</b>	<b>16</b>
Personnel expenses	334.5	259.0	29
General expenses	124.5	130.6	-5
Depreciation and amortisation	7.0	10.9	-36
<b>Profit before taxes</b>	<b>246.5</b>	<b>188.7</b>	<b>31</b>
Taxes	44.3	39.1	13
<b>Underlying net profit<sup>1</sup></b>	<b>202.2</b>	<b>149.6</b>	<b>35</b>

AuM	CHFbn	117.8	113.6	4
Average AuM	CHFbn	118.3	105.9	12
Net new money	CHFbn	8.0	0.4	-
Gross margin	bps	60.2	55.7	-
Cost/income ratio		65.4%	68.0%	-
Tax rate		18.0%	20.7%	-
Number of employees	FTE	1,052	1,023	3

**Operating income +21%, to CHF 712.5 million**

**Operating expense +16%, to CHF 466.0 million**

**Estimated future tax rate of 18-20%**

- 2010 tax rate lower than 2009, resulting from evolving profitability profile

**Underlying net profit +35%**

**Gross margin increased to 60.2bps**

**Cost/income ratio at 65.4%**

- Improved from 68.0% in 2009

1. The net profit for 2010 has been adjusted to exclude the reduction in the carrying value of the investment in associates (Artio Global Investors Inc.) and the amortisation of customer relationships. Including those non-cash items, the Group's net profit for 2010 amounted to CHF 10.2 million, as shown in the Consolidated Financial Statements. A detailed reconciliation of the underlying net profit for 2010 and 2009 can be found on slide 43.

## Group key figures

Improved profitability in operating businesses boosted EPS and RoE

(CHF m)	2010	2009	Change in %
GAM	146.2	126.1	16
Swiss & Global AM	99.8	53.2	88
Group functions	0.5	9.3	-95
<b>Profit before taxes</b>	<b>246.5</b>	<b>188.7</b>	<b>31</b>
Pre-tax margin bps	20.8	17.8	-
Taxes	44.3	39.1	13
Tax rate	18.0%	20.7%	-
<b>Underlying net profit<sup>1</sup></b>	<b>202.2</b>	<b>149.6</b>	<b>35</b>
Weighted average no. of shares (in m)	196.3	206.5	-5
<b>EPS<sup>2</sup></b>	<b>1.03</b>	<b>0.72</b>	<b>43</b>
<b>Return on tangible equity<sup>3</sup></b>	<b>19.0%</b>	<b>12.2%</b>	<b>-</b>
Tangible equity CHFm	1,067	1,223	-13

### Significant profit growth in operating businesses

- GAM +16%
- Swiss & Global AM +88%

### EPS increased by 43% to CHF 1.03

- Boosted by profit growth and impact of share buy-backs

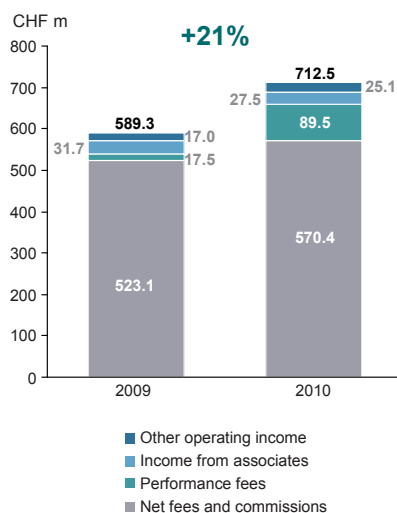
### Return on tangible equity at 19%

Increase reflects:

- Increased profitability
- Reduction in tangible equity resulting mainly from
  - Share buy-back programme
  - Increased position in treasury shares held as hedge for long-term incentive plan

1. The net profit for 2010 has been adjusted to exclude the reduction in the carrying value of the investment in associates (Artio Global Investors Inc.) and the amortisation of customer relationships. Including those non-cash items, the Group's net profit for 2010 amounted to CHF 10.2 million, as shown in the Consolidated Financial Statements.  
 2. Underlying net profit / weighted average number of shares outstanding. 3. Underlying net profit / tangible equity.

## Group operating income



### Net fees and commissions +9%

- 12% increase in average AuM
- Offsetting a 1 bps reduction in gross margin

### Performance fees increased substantially to CHF 89.5 million

- Weighted towards H1

### Income from associates -13% (Artio)

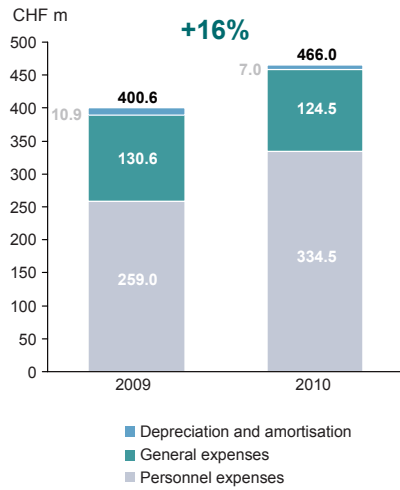
- Based on publicly available information
- Impacted by weakening USD vs. CHF

### Other operating income

- Including gains from hedges on our FX exposure



## Group operating expenses



### General expenses -5%

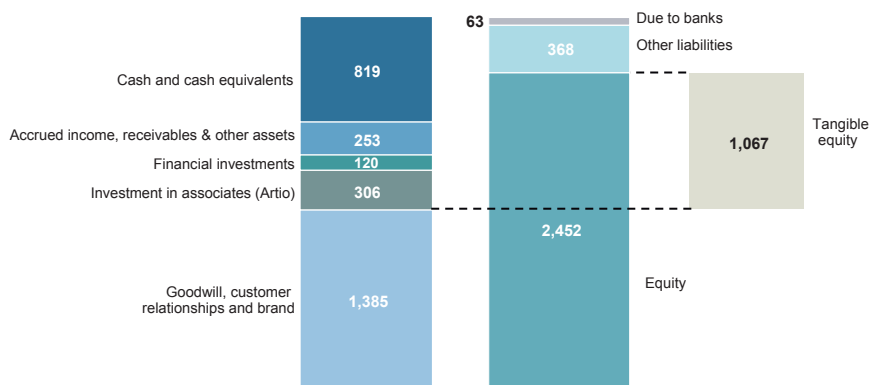
- GAM: stable costs (2010: CHF 67.2 million vs. 2009: CHF 66.3 million)
- Swiss & Global AM: slightly increased (2010: CHF 50.4 million vs. 2009: CHF 47.3 million)
- Group functions: general expenses significantly reduced (2010: CHF 6.9 million vs. 2009: CHF 17.0 million):
  - 2009 included overhead charges from Bank Julius Baer up to separation in September 2009

### Personnel expenses +29%

- Increased contractual-based payments to our investment professionals driven by higher fee income
- Non-cash amortisation of long-term incentive plan

## Strong balance sheet

As of 31 December 2010 (CHF million)



## Adjustment of Artio's carrying value

Balance sheet carrying value reduced to CHF 306 million

### Valuation according to IFRS

- Investment in Artio accounted for under the equity method
- Testing requires comparison of recoverable value against carrying value
- Recoverable value is the higher of the value in use (determined using discounted cash-flow model) and the fair value (market value)

### Non-cash charge of CHF 180 million

- Excluded from underlying net profit
- Combined with amortisation of customer relationships, this charge led to a net profit according to IFRS of CHF 10.2 million

## Capital management

Attractive distributions for shareholders, while managing capital flexibly and prudently

### Significant capital contribution reserves

- From premium of 2005 capital increase of former Julius Baer Holding Ltd.
- Final number to be confirmed by Swiss federal tax authorities

### Tax treatment of distributions from capital contribution reserves

- Exempt from Swiss withholding tax for all shareholders
- Exempt from income tax for private shareholders resident in Switzerland
- Applies to both 2010 dividend of CHF 0.50 and proposed new share buy-back programme

### 2011-2014 share buy-back programme

- Intention to utilise mainly capital contribution reserves
  - More attractive than traditional buy-back programmes for private shareholders
  - Enhanced cash flow benefits for institutional shareholders
- Flexibility to manage capital
  - Limit of 20% of current outstanding shares (41.3 million) is a ceiling, not a target
  - Subject to regulatory and shareholder approval

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Q&A session

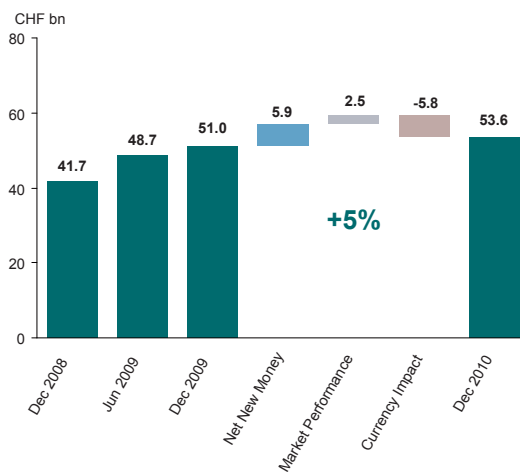
Appendix



20

## GAM AuM development

Recovery of NNM growth



**AuM up CHF 2.6 billion (5%) from 2009**

**NNM of CHF 5.9 billion**

- Strong turn-around from net outflows of CHF 4.2 billion in 2009
- Strong inflows into fixed income products, particularly in H1
- Complemented by successes in:
  - Local emerging market strategies
  - Single manager absolute return products
  - Asian and US equity strategies
  - Institutional fund of funds mandates
  - Institutional long fixed income mandates

**Positive market performance of CHF 2.5 billion**

**Adverse currency impact of CHF 5.8 billion**

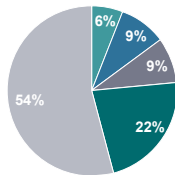
- Significant from both USD and EUR

21

## GAM AuM breakdown

Increasingly diversified and sustainable mix of businesses and clients

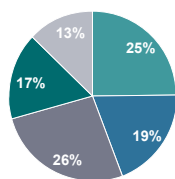
### By clients



	year ended	
	2010	2009
Julius Baer private clients	6%	9%
Referred private clients	9%	13%
GAM private clients	9%	10%
Institutional clients	22%	21%
Wholesale fund distribution	54%	47%

- Efforts to broaden distribution capabilities on track
- Inflows & assets from wholesale & institutional clients at all-time high
- Continued support for UBS & JB relationships

### By products



	year ended	
	2010	2009
Equity	25%	24%
Fixed income	19%	13%
Absolute return/hedge	26%	19%
Multi-manager	17%	26%
Managed portfolios & composites	13%	18%

- Ongoing shift in private client investment from offshore to onshore
- Single manager absolute return strategies
  - UCITS III products: tax-efficient, liquid, transparent

22

## GAM – financial results

(CHF m)		2010	2009	Change in %
<b>Operating income</b>		<b>470.3</b>	395.3	19
Net fees and commissions		367.2	364.5	1
Performance fees		83.7	15.7	433
Other		19.4	15.1	28
<b>Operating expenses</b>		<b>324.1</b>	269.2	20
Personnel expenses		250.6	195.9	28
General expenses		67.2	66.3	1
Depreciation and amortisation		6.3	7.1	-11
<b>Profit before taxes</b>		<b>146.2</b>	126.1	16
AuM	CHFbn	53.6	51.0	5
Average AuM	CHFbn	53.9	46.4	16
Net new money	CHFbn	5.9	-4.2	240
Gross margin	bps	87.3	85.2	-
Cost/income ratio		68.9%	68.1%	-
Number of employees	FTE	757	750	1

### Net fees & commissions

- Higher share of fixed income assets

### Performance fees significantly higher

- Spread throughout the year
- H1 stronger mainly due to mid-year booking of fees on fixed income products
- H2 fees mainly from single manager absolute return strategies

### Personnel expenses up due to deferred and contractual variable compensation

- Salaries broadly flat
- Increased contractual payments to investment professionals
- Non-cash amortisation of long-term incentive plan

### Cost discipline

- Stable general expenses despite continued business build-out

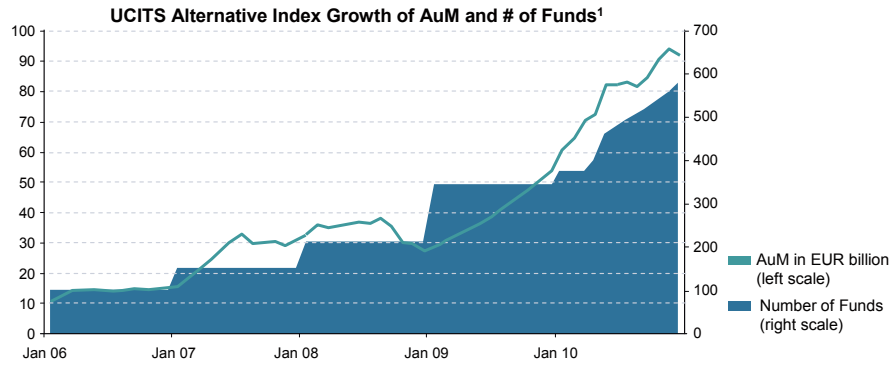
**Cost/income ratio at 68.9%**

23

## Capturing the demand for onshore alternative products

A market leading position for GAM

- Market share of ~10% in the broadly defined 'alternative UCITS III' market of EUR 98 billion
- Sub-market of pure hedge fund strategies is much smaller – estimated at around EUR 25 billion, with GAM's market share also at ~10% (valued at approx. USD 2 billion at year-end 2010)
- GAM's strict quality and risk control provides assurance to investor base

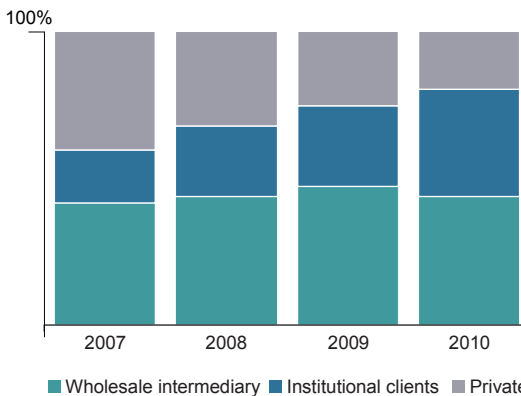


1. Source: Alix Capital.

## GAM multi-manager business

Increasingly oriented towards sophisticated and growing institutional market

### GAM multi-manager AuM by clients



**Overall industry has shrunk since 2007, but is recovering from 2008/9 outflows<sup>1</sup>**

**Offshore fund structures remain efficient for institutions (non-taxable)**

- Unlike private clients, no need to turn to onshore investment products

**GAM increased its penetration of the institutional market**

- 2010 inflows into Trading strategy with strong performance track record and low equity-market correlation
- Good pipeline for 2011

1. Source: HFR Global Hedge Fund Industry Report – Year End 2010

## GAM – priorities

Complement successful independent thinking with powerful distribution engine

### Diversification of product range

- UCITS III plays to GAM's core strengths:
  - Due diligence expertise, commitment to liquidity, strong operational infrastructure
- Launches 2011:
  - Trading UCITS III fund of hedge funds
  - New onshore strategies for managed portfolios and wholesale distribution
- The 'GAM approved' quality makes the difference, not only the UCITS label!

### Focus on investment quality and talent

- Continued leadership in comprehensive due diligence and risk management technology
- Selective addition of high-calibre investment management capabilities

### Expansion of distribution capabilities

- Continued focus on US and European institutional markets
- Expand sales presence in Germany and France: high demand for onshore UCITS III products
- Longer-term initiative: direct distribution to private clients in managed portfolios business

26

## GAM mid-term targets

Updated to reflect the broadening of our business model

	Actual results 2010	Mid-term targets	
<b>C/I ratio</b>	68.9%	60-65%	<i>Investment in diversification initiatives; efficiency improvements</i>
<b>NNM</b>	11.6% of AuM	6-10% of AuM	<i>Target unchanged since Sept 2009</i>
		<b>Expected mid-term run-rate</b>	
<b>Gross margin</b>	87.3 bps	73-80 bps	<i>Asset mix drives blended RoA</i>

27

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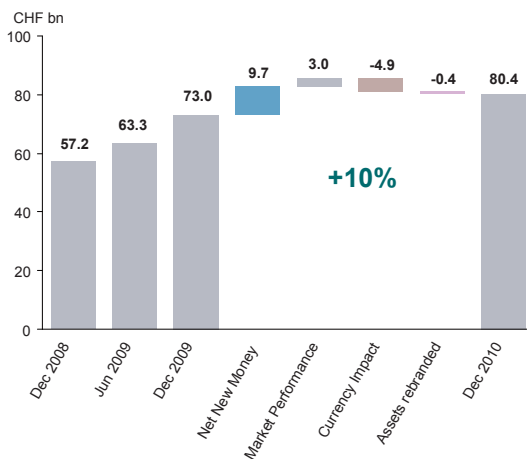
Q&A session

Appendix



## Swiss & Global Asset Management – AuM development

Exceptional NNM in 2010



**AuM up CHF 7.4 billion (10%) from 2009**

### NNM of CHF 9.7 billion

- Increase from CHF 7.9 billion in 2009
- Exceptional inflows into GAM sub-advised fixed income funds, particularly in H1
- Successful year for physical precious metal funds
- Muted inflows into equity funds
- Solid PLF inflows, though below exceptional 2009 levels
- Outflows from smaller, low-margin institutional mandates

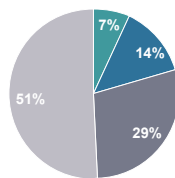
### Positive market performance of CHF 3.0 billion

- CHF 4.9 billion adverse FX impact**
- Mainly due to EUR decline

## Swiss & Global Asset Management AuM breakdown

Diversified 'investment factory'

### By clients

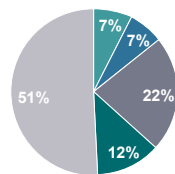


	year ended	
	2010	2009
Julius Baer private clients	7%	7%
Institutional clients	14%	16%
Wholesale fund distribution	29%	23%
Private label funds (PLF)	51%	54%

Strong growth in fund distribution to third-party wholesale intermediaries

- Institutional business re-positioned
- Concentration on truly active mandates
  - De-emphasising lower margin mandates
- PLF focusing on more complex mandates
- Healthy business pipeline

### By products



	year ended	
	2010	2009
Equity	7%	10%
Commodities	7%	4%
Fixed income	22%	21%
Absolute return/hedge	12%	11%
Private label funds (PLF)	51%	54%

Continuous product development and quality enhancement

- Demonstrated good time-to-market (products with low interest rate duration; precious metals)
- Equity AuM flat in absolute terms, while fixed income expanded

## Swiss & Global Asset Management – financial results

(CHF m)	2010	2009	Change in %
<b>Operating income</b>	<b>217.1</b>	166.4	30
Net fees and commissions	203.2	159.8	27
Performance fees	5.8	1.8	222
Other	8.1	4.9	65
<b>Operating expenses</b>	<b>117.3</b>	113.2	4
Personnel expenses	66.3	61.2	8
General expenses	50.4	47.3	7
Depreciation and amortisation	0.6	4.7	-87
<b>Profit before taxes</b>	<b>99.8</b>	53.2	88

AuM	CHFbn	80.4	73.0	10
Average AuM	CHFbn	79.0	64.9	22
Net new money	CHFbn	9.7	7.9	23
Gross margin	bps	27.5	25.6	-
Cost/income ratio		54.0%	68.0%	-
Number of employees	FTE	279	266	5

### Strong revenue growth

- Increased on the back of asset growth
- Modest performance fees from institutional accounts and funds

### Personnel expenses up due to deferred and variable compensation

- Salaries broadly flat
- Variable compensation up in line with improved financial performance
- Non-cash amortisation of long-term incentive plan

### General expenses modestly up from build-out of standalone infrastructure and product range



## Swiss & Global Asset Management – priorities

Sharpen value proposition and continue to strengthen distribution

### Attract investor interest with products capturing long-term trends for economic growth

- 'New economic world order' as driver of new thematic Julius Baer investment funds
- Further broadening of physical commodity range planned
- Building on enhanced quality of products
  - Strong performance of in-house and GAM sub-advised fixed income products
  - Broad range of equity funds, encompassing both core regional funds and attractive focused and specialty funds, with solid performance and long track records

### Leverage and further expand global distribution capabilities

- European onshore presence expanded in 2010
  - Madrid office opened in October 2010
  - UK presence established at the end of 2010
- New growth markets
  - Nordic and Baltic regions
  - Asia: capitalise on partnerships established in 2010

32

## Swiss & Global Asset Management mid-term targets

Updated to reflect accelerated fund growth

	Actual results 2010	Mid-term targets	
C/I ratio	54.0%	53-58%	Higher degree of operating leverage
NNM	13.3% of AuM	8-12% of AuM	Target unchanged since Sept 2009
		<b>Expected mid-term run-rate</b>	
Gross margin	27.5 bps	26-29 bps	Asset mix drives blended RoA

33

## Programme and content

1. Introduction  
Johannes A. de Gier  
Chairman and CEO, GAM Holding AG
2. Financial results 2010  
Andrew M. Wills  
Group CFO
3. GAM  
David M. Solo  
CEO, GAM
4. Swiss & Global Asset Management  
David M. Solo  
CEO, Swiss & Global Asset Management
5. Closing remarks  
Johannes A. de Gier  
Chairman and CEO, GAM Holding AG

Q&A session

Appendix



34

## Group summary

### Key financials 2010

	2010	2009	Change
Underlying net profit <sup>1</sup>	CHF 202.2 m	CHF 149.6 m	+35%
Return on tangible equity <sup>2</sup>	19.0%	12.2%	–
EPS <sup>3</sup>	CHF 1.03	CHF 0.72	+43%
AuM	CHF 117.8 bn	CHF 113.6 bn	+ 4%
NNM	CHF 8.0 bn	CHF 0.4 bn	–
Gross margin	60.2 bps	55.7 bps	+4.5 bps
Cost/income ratio	65.4%	68.0%	–
Pre-tax margin	20.8 bps	17.8 bps	+3.0 bps

1. The net profit for 2010 has been adjusted to exclude the reduction in the carrying value of the investment in associates (Artio Global Investors Inc.) and the amortisation of customer relationships. Including those non-cash items, the Group's net profit for 2010 amounted to CHF 10.2 million, as shown in the Consolidated Financial Statements.  
2. Underlying net profit / tangible equity. 3. Underlying net profit / weighted average number of shares outstanding.

35

## Balanced outlook for 2011 appears appropriate

### Well-positioned for sustained long-term growth, with some near-term challenges

- Broad range of products continues to attract wholesale and institutional interest
- Product range and innovative new product pipeline remain strong
- Highly effective, client-focused global distribution capabilities leveraging powerful brands

But:

- Private investors continue to be cautious and are shifting away from offshore products
- Markets remain unsettled; FX rates create meaningful headwind to CHF AuM and fees

### Uncompromising focus on product quality and business diversification

- Continued broadening of product range using the highest-calibre investment talent
- Delivery of compelling long-term investment performance across the entire product range always a priority and a short-term business variable

### Capitalising on our competitive advantage as an independent asset manager

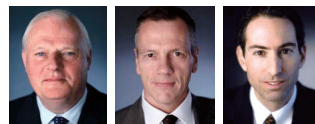
- Attractive home for talented investment professionals
- Committed to efficient capital management
- Two scalable, responsive, and largely autonomous businesses are positioned for growth and to act as potential industry consolidators

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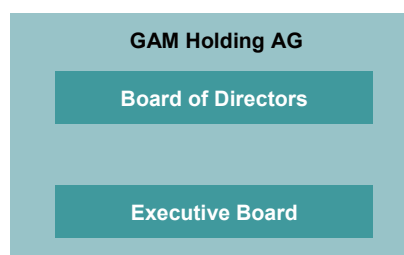
Appendix



## Appendix

- Corporate overview
- Group functions financial results
- Consolidated Financial Statements (IFRS): income statement
- Consolidated Financial Statements (IFRS): balance sheet
- Reconciliation of underlying net profit to financial statements
- Half-year results (Group, GAM, Swiss & Global Asset Management)
- Corporate calendar and contacts

## Corporate overview



### Operating companies



Equity, fixed income and alternative strategies  
Discretionary portfolio management services  
Alpha unrestricted by a house view



Exclusive manager of Julius Baer funds  
Thematic and traditional funds: core equity, fixed income, commodities and absolute return  
Institutional and private label solutions

	Governance & Nomination Committee	Audit Committee	Compensation Committee
<b>Board of Directors</b>			
Johannes A. de Gier (Chairman)	√		
Daniel Daeniker	√		√
Diego du Monceau	√	√	
Dieter A. Enkelmann		√	√
Hugh Scott-Barrett		√	√
<b>Executive Board</b>			
Johannes A. de Gier			CEO
Andrew M. Wills			Group CFO
Scott Sullivan			Group General Counsel

David M. Solo	CEO, GAM
David M. Solo	CEO, Swiss & Global Asset Management

## Group functions financial results<sup>1</sup>

(CHF m)	2010	2009	Change in %
<b>Operating income</b>	<b>25.1</b>	<b>27.5</b>	<b>-9</b>
<b>Operating expenses</b>	<b>24.6</b>	<b>18.2</b>	<b>35</b>
<b>Profit before taxes</b>	<b>0.5</b>	<b>9.3</b>	<b>-95</b>

Number of employees	FTE	2010	2009	Change
		16	7	129

1. For a full breakdown of segmental reporting, please refer to Note 10 of the Consolidated Financial Statements in our Annual Report 2010.

40

## Consolidated Financial Statements (IFRS): income statement

(CHF m)	2010	2009	Change in %
Fee and commission income	1,117.1	937.2	19
Distribution and commission expenses	-457.2	-428.6	7
<b>Net fee and commission income</b>	<b>659.9</b>	<b>508.6</b>	<b>30</b>
Income from investment in associates	27.5	11.3	143
Other operating income	25.1	72.5	-65
<b>Operating income</b>	<b>712.5</b>	<b>592.4</b>	<b>20</b>
Personnel expenses	334.5	239.5	40
General expenses	124.5	119.2	4
Depreciation of property and equipment and amortisation of software	7.0	7.8	-10
Amortisation of customer relationships	11.7	100.7	-88
Impairment of goodwill and customer relationships	-	1,313.6	-100
Impairment of investment in associates	180.3	-	-
<b>Operating expenses</b>	<b>658.0</b>	<b>1,780.8</b>	<b>-63</b>
Gain on non-cash dividend distributed, net	-	3,942.9	-100
<b>Profit before taxes from continuing operations</b>	<b>54.5</b>	<b>2,754.5</b>	<b>-98</b>
Income taxes	44.3	38.2	16
<b>Net profit from continuing operations</b>	<b>10.2</b>	<b>2,716.3</b>	<b>-100</b>
Net profit after tax from discontinued operations	-	920.9	-100
<b>Net profit</b>	<b>10.2</b>	<b>3,637.2</b>	<b>-100</b>

41

## Consolidated Financial Statements (IFRS): balance sheet

(CHF m)	31.12.2010	31.12.2009	Change in %
Cash and cash equivalents	819.1	974.2	-16
Financial investments	119.5	90.7	32
Investment in associates	306.3	463.4	-34
Other assets	253.2	236.6	7
Goodwill, customer relationships and brand	1,384.9	1,396.5	-1
<b>Total assets</b>	<b>2,883.0</b>	<b>3,161.4</b>	<b>-9</b>
Debt	63.2	245.6	-74
Other liabilities	368.1	296.5	24
<b>Total liabilities</b>	<b>431.3</b>	<b>542.1</b>	<b>-20</b>
Share capital	10.3	10.3	0
Treasury shares	-248.2	-66.1	-275
Other equity components	2,689.6	2,675.1	1
<b>Total equity</b>	<b>2,451.7</b>	<b>2,619.3</b>	<b>-6</b>
<b>Total liabilities and equity</b>	<b>2,883.0</b>	<b>3,161.4</b>	<b>-9</b>
Tangible equity (total equity excluding goodwill, customer relationships and brand)	1,066.8	1,222.8	-13

42

## Reconciliation of underlying net profit to financial statements

(CHF m)	2010	2009
<b>Underlying net profit</b>	<b>202.2</b>	<b>149.6</b>
Income from associates (Artio Global Investors Inc.) included in underlying net profit	-	-31.7
Actual income from associates (Artio Global Investors Inc.) included in the financial statements	-	11.3
Discontinued operations of Artio Global Investors Inc. and Julius Baer Group Ltd.	-	920.9
Adjustment in the carrying value of investment in associates (Artio Global Investors Inc.)	-180.3	-
Gain from divestment of Julius Baer Group Ltd.	-	3,942.9
Income and expenses of the pro forma Swiss & Global segment included in the companies of Julius Baer Group deconsolidated in the financial statements of GAM Holding AG	-	14.4
Amortisation of customer relationships	-11.7	-100.7
Reduction in the carrying value of goodwill and customer relationships	-	-1,313.6
Non-recurring other income relating to GAM Holding AG's ownership of Bank Julius Baer	-	44.0
<b>Net profit per financial statements</b>	<b>10.2</b>	<b>3,637.2</b>

43

## Group half-year results

(CHF m)	H1 2010	H2 2010	2010	H1 2009	H2 2009	2009
<b>Operating income</b>	<b>367.9</b>	<b>344.6</b>	<b>712.5</b>	<b>286.9</b>	<b>302.4</b>	<b>589.3</b>
Net fees and commissions	286.1	284.3	570.4	259.1	263.9	523.1
Performance fees	57.7	31.8	89.5	3.5	14.0	17.5
Income from associates	16.4	11.1	27.5	13.8	17.9	31.7
Other	7.7	17.4	25.1	10.4	6.6	17.0
<b>Operating expenses</b>	<b>232.2</b>	<b>233.8</b>	<b>466.0</b>	<b>188.8</b>	<b>211.7</b>	<b>400.6</b>
Personnel expenses	171.9	162.6	334.5	124.6	134.4	259.0
General expenses	56.9	67.6	124.5	57.7	72.9	130.6
Depreciation and amortisation	3.4	3.6	7.0	6.5	4.4	10.9
<b>Profit before taxes</b>	<b>135.7</b>	<b>110.8</b>	<b>246.5</b>	<b>98.1</b>	<b>90.7</b>	<b>188.7</b>
Taxes	29.4	14.9	44.3	19.9	19.2	39.1
<b>Underlying net profit<sup>1</sup></b>	<b>106.3</b>	<b>95.9</b>	<b>202.2</b>	<b>78.1</b>	<b>71.5</b>	<b>149.6</b>

AuM	CHFbn	116.6	117.8	117.8	105.3	113.6	113.6
Average AuM	CHFbn	117.9	118.4	118.3	100.7	111.0	105.9
Net new money	CHFbn	5.6	2.4	8.0	-1.6	2.0	0.4
Gross margin	bps	62.4	58.2	60.2	57.0	54.5	55.7
Cost/income ratio		63.1%	67.8%	65.4%	65.8%	70.0%	68.0%
Pre-tax margin	bps	23.0	18.7	20.8	19.5	16.3	17.8
Tax rate		21.6%	13.5%	18.0%	20.3%	21.1%	20.7%
Number of employees	FTE	1,042	1,052	1,052	1,035	1,023	1,023

1. The net profit for 2010 has been adjusted to exclude the reduction in the carrying value of the investment in associates (Artio Global Investors Inc.) and the amortisation of customer relationships. Including those non-cash items, the Group's net profit for 2010 amounted to CHF 10.2 million, as shown in the consolidated financial statements.

44

## GAM half-year results

(CHF m)	H1 2010	H2 2010	2010	H1 2009	H2 2009	2009
<b>Operating income</b>	<b>243.8</b>	<b>226.5</b>	<b>470.3</b>	<b>197.7</b>	<b>197.6</b>	<b>395.3</b>
Net fees and commissions	186.5	180.7	367.2	184.1	180.4	364.5
Performance fees	54.0	29.7	83.7	3.0	12.7	15.7
Other	3.3	16.1	19.4	10.6	4.5	15.1
<b>Operating expenses</b>	<b>161.4</b>	<b>162.7</b>	<b>324.1</b>	<b>129.2</b>	<b>140.0</b>	<b>269.2</b>
Personnel expenses	129.9	120.7	250.6	93.7	102.2	195.9
General expenses	28.3	38.9	67.2	31.9	34.4	66.3
Depreciation and amortisation	3.2	3.1	6.3	3.6	3.5	7.1
<b>Profit before taxes</b>	<b>82.4</b>	<b>63.8</b>	<b>146.2</b>	<b>68.5</b>	<b>57.6</b>	<b>126.1</b>

AuM	CHFbn	53.1	53.6	53.6	48.7	51.0	51.0
Average AuM	CHFbn	53.8	53.9	53.9	42.7	50.4	46.4
Net new money	CHFbn	3.7	2.2	5.9	-5.0	0.8	-4.2
Gross margin	bps	90.6	84.1	87.3	92.7	78.4	85.2
Cost/income ratio		66.2%	71.8%	68.9%	65.3%	70.8%	68.1%
Number of employees	FTE	750	757	757	783	750	750

45

## Swiss & Global Asset Management half-year results

(CHF m)	H1 2010	H2 2010	2010	H1 2009	H2 2009	2009	
<b>Operating income</b>	<b>107.1</b>	<b>110.0</b>	<b>217.1</b>	<b>82.4</b>	<b>84.0</b>	<b>166.4</b>	
Net fees and commissions	99.6	103.6	203.2	79.6	80.1	159.8	
Performance fees	3.8	2.0	5.8	0.5	1.2	1.8	
Other	3.8	4.3	8.1	2.2	2.6	4.9	
<b>Operating expenses</b>	<b>59.0</b>	<b>58.3</b>	<b>117.3</b>	<b>57.6</b>	<b>55.6</b>	<b>113.2</b>	
Personnel expenses	33.9	32.4	66.3	30.8	30.3	61.2	
General expenses	25.0	25.4	50.4	23.9	23.4	47.3	
Depreciation and amortisation	0.1	0.5	0.6	2.9	1.8	4.7	
<b>Profit before taxes</b>	<b>48.1</b>	<b>51.7</b>	<b>99.8</b>	<b>24.8</b>	<b>28.4</b>	<b>53.2</b>	
AuM	CHFbn	78.3	80.4	80.4	63.3	73.0	73.0
Average AuM	CHFbn	77.2	80.8	79.0	59.9	69.6	64.9
Net new money	CHFbn	7.4	2.3	9.7	3.7	4.2	7.9
Gross margin	bps	27.8	27.2	27.5	27.5	24.1	25.6
Cost/income ratio		55.1%	53.0%	54.0%	70.0%	66.2%	68.0%
Number of employees	FTE	276	279	279	252	266	266

46

## Corporate calendar and contacts

### Forthcoming events

<b>19 April 2011</b>	Annual General Meeting Interim management statement Q1 2011
<b>23 August 2011</b>	Half-year results 2011 (webcast)
<b>25 October 2011</b>	Interim management statement Q3 2011

### Contacts

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47