# AMG Reports Financial And Operating Results For First Quarter Of 1999

April 21, 1999

**Company Reports First Quarter EPS of $0.36, a 44% Increase Over Prior Year**

BOSTON, April 21 /PRNewswire/ -- Affiliated Managers Group, Inc. (NYSE: AMG), an asset management holding company, today reported its financial and operating results for the first quarter ended March 31, 1999. Among the quarter's significant events were the completion of AMG's investment in Rorer Asset Management, LLC ("Rorer") in January, a successful equity offering in February, and on April 1, the closing of the Company's previously announced acquisition of The Managers Funds LLC.

Diluted earnings per share for the first quarter of 1999 were $0.36, a 44% increase over diluted earnings per share of $0.25 for the first quarter of 1998. On the same per share basis, EBITDA as adjusted (net income plus non-cash items, as defined in Note 2 to the attached Summary Financial Data) was $0.65 for the first quarter of 1999, a 35% increase compared to $0.48 per share for the first quarter of 1998. Aggregate net income for the first quarter of 1999 was $7.5 million, compared to $4.5 million for the first quarter of 1998, and aggregate EBITDA as adjusted for the first quarter of 1999 was $13.5 million, compared to $8.8 million for the first quarter of 1998. Earnings before interest expense, income taxes, depreciation and amortization ("EBITDA") for the first quarter of 1999 was $22.2 million versus $14.9 million for the first quarter of 1998, and revenues for the first quarter of 1999 were $68.1 million versus $45.7 million for the first quarter of 1998.

Assets under management at March 31, 1999 were $64.2 billion. Aggregate net client cash flow for directly managed assets was $381.0 million for the first quarter of 1999, while overlay assets (which generally carry lower fees than directly managed assets) declined by $1.1 billion during this period. Assets under management by Tweedy, Browne Company LLC, AMG's largest Affiliate based on EBITDA Contribution (as defined in Note 4 to the attached Summary Financial Data), rose to $6.7 billion.

"Our strong financial results this quarter are attributable to both the internal growth of existing Affiliates and growth through new investments, such as Rorer," said William J. Nutt, Chairman, Chief Executive Officer, and President of AMG. "In addition, our equity offering has strengthened our capital base and ability to finance new investments." Nutt continued, "Finally, our acquisition of The Managers Funds LLC was an attractive stand-alone investment and provides us with a mutual fund platform which will allow our Affiliates to access retail distribution channels on a cost-effective basis in the future."

AMG addresses the succession and transition issues facing the principals of growing mid-sized investment management firms. The Company's strategy is to generate growth through investments in new Affiliates, as well as through the internal growth of its existing Affiliates. AMG's innovative transaction structure allows individual members of each Affiliate's management to retain or receive significant direct ownership in their firm while maintaining operating autonomy. In addition, AMG provides centralized assistance to its Affiliates, when requested, in strategic matters, marketing and distribution, product development, and operations support. To date, AMG has made investments in 13 Affiliates and acquired a mutual fund subsidiary.

Certain matters discussed in this press release may constitute forward-looking statements within the meaning of the federal securities laws. Actual results and the timing of certain events could differ materially from those projected in or contemplated by the forward-looking statements due to a number of factors, including changes in the securities or financial markets or in general economic conditions, the availability of equity and debt financing, competition for acquisitions of interest in investment management firms, the performance of the existing funds and operations at The Managers Funds LLC, our ability to develop a cost-effective means for our Affiliates to offer mutual funds on terms acceptable to us, our Affiliates, and The Managers Funds LLC, and other risks detailed from time to time in AMG's filings with the Securities and Exchange Commission. Reference is hereby made to the "Cautionary Statements" set forth in the Company's Form 10-K for the year ended December 31, 1998.

Affiliated Managers Group, Inc.
Summary Financial Data
(dollars in thousands, except as indicated and share and per share data)

| | Three months Ended 3/31/98 | Three months Ended 3/31/99 |
|---|---|---|
| Statement of Income Data: | | |
| Revenues | $45,723 | $68,127 |
| Other operating expenses | 24,688 | 36,278 |
| Depreciation and amortization | 4,342 | 6,002 |
| Operating income | 16,693 | 25,847 |
| Investment and other income | (311) | (912) |
| Interest expense | 3,074 | 3,445 |
| Income before minority interest and income taxes | 13,930 | 23,314 |
| Minority interest | (6,493) | (10,528) |
| Income before income taxes | 7,437 | 12,786 |
| Income tax expense | 2,975 | 5,242 |
| Net income | $4,462 | $7,544 |
| Average shares outstanding - basic | 17,594,555 | 19,023,027 |
| Average shares outstanding - diluted | 18,176,428 | 20,726,355 |
| Net income per share - basic | $0.25 | $0.40 |
| Net income per share - diluted | $0.25 | $0.36 |

| | | |
|---|---|---|
| Other Financial Data: | | |
| EBITDA(A) | $14,853 | $22,233 |
| EBITDA as adjusted (B) | $8,804 | $13,546 |
| EBITDA as adjusted per share (under same method used to calculate diluted earnings per share) | $0.48 | $0.65 |

| Balance Sheet Data: | Dec. 31 1998 | March 31 1999 |
|---|---|---|
| Senior debt | $212,500 | $158,000 |
| Subordinated debt | 800 | 800 |
| Stockholder's equity | $313,655 | $422,775 |

Affiliated Mangers Group, Inc.
Summary Financial Data
(dollars in thousands, except as indicated)

Supplemental Reported Information:

| Assets under management (at period end, in millions): | Three months Ended 3/31/99 |
|---|---|
| Tweedy, Browne | $6,708 |
| Other Affiliates | 57,462 |
| Total | $64,170 |
| Revenues: | |
| Tweedy, Browne | $20,459 |
| Other Affiliates | 47,668 |
| Total | $68,127 |
| Owners' Allocation (C): | |
| Tweedy, Browne | $14,198 |
| Other Affiliates | 20,964 |
| Total | $35,162 |
| EBITDA Contribution(D): | |
| Tweedy, Browne | $10,226 |
| Other Affiliates | 14,507 |
| Total | $24,733 |
| Reconciliation of EBITDA Contribution to EBITDA: | |
| Total EBITDA (as above) | $24,733 |
| Less, holding company expenses | (2,500) |
| EBITDA | $22,233 |

Notes:

(A) EBITDA represents earnings before interest expense, income taxes, depreciation and amortization

(B) EBITDA as adjusted represents earnings after interest expense and income taxes but before depreciation and amortization

(C) Owners' Allocation represents the portion of an Affiliate's revenues which is allocated to the owners or that Affiliate, including AMG, generally in proportion to their ownership interest, pursuant to the revenue sharing agreement with such Affiliate

(D) EBITDA Contribution represents the portion of an Affiliate's revenues that is allocated to AMG after amounts retained by the Affiliate for compensation and day-to-day operating and overhead expenses, before the interest, income taxes, depreciation and amortization expenses of the Affiliate.