AMG Reports Financial and Operating Results For Third Quarter and Nine Months Ended September 30, 1999; Company Reports Third Quarter EPS Increase of 50% Over Prior Year

October 20, 1999

BOSTON--(BUSINESS WIRE)--Oct. 20, 1999--Affiliated Managers Group, Inc. (NYSE:AMG), an asset management holding company, today reported its financial and operating results for the third quarter and nine months ended September 30, 1999.

Diluted earnings per share for the third quarter of 1999 were $0.45, a 50% increase over diluted earnings per share of $0.30 for the third quarter of 1998. EBITDA as adjusted (net income plus non-cash items, as defined in Note B to the attached Summary Financial Data) for the third quarter of 1999 grew 26% to $0.72 per share, as compared to $0.57 per share for the third quarter of 1998. Aggregate net income for the third quarter of 1999 was $10.5 million, an increase of 78% compared to $5.9 million for the third quarter of 1998. Earnings before interest expense, income taxes, depreciation and amortization ("EBITDA") for the third quarter of 1999 was $26.9 million, a 45% increase versus $18.6 million for the third quarter of 1998, and revenues for the third quarter of 1999 were $85.4 million, a 53% increase versus $55.9 million for the third quarter of 1998.

For the nine months ended September 30, 1999, net income was $27.5 million, or $1.22 per share on a diluted basis, on revenues of $232.1 million, while EBITDA as adjusted per share was $2.08. EBITDA for the same period was $74.8 million. For the nine months ended September 30, 1998, net income was $16.2 million, or $0.85 per share on a diluted basis, on revenues of $158.2 million. EBITDA as adjusted per share was $1.62 and EBITDA was $52.4 million for the nine months ended September 30, 1998.

Assets under management at September 30, 1999 were $69.9 billion, compared to $70.9 billion at June 30, 1999. Assets under management by Tweedy, Browne Company LLC, AMG's largest Affiliate based on EBITDA Contribution (as defined in Note D to the attached Summary Financial Data), were $7.2 billion at September 30, 1999, compared to $7.7 billion at June 30, 1999. Aggregate net client cash flow from directly managed assets was a positive $66 million for the quarter and $1.5 billion for the nine months ended September 30, 1999. Overlay assets (which generally carry lower fees than directly managed assets) declined by $95 million for the quarter.

"While this quarter was a difficult market environment, our financial results demonstrate both the strong relative performance of our Affiliates and the benefits of diversification," said William J. Nutt, Chairman and Chief Executive Officer of AMG. "Our largest Affiliates, based on contribution to our EBITDA, generally continued to perform very well, and notwithstanding the challenging market environment, our Affiliates and the AMG business model continued to produce meaningful growth of cash earnings, or EBITDA as adjusted, and net income quarter over quarter and year over year."

Mr. Nutt continued, "We are also excited about our recent announcement of AMG's definitive agreement to invest in our 15th Affiliate, Frontier Capital Management Company, LLC, a Boston-based investment adviser managing over $4 billion in growth equities." "Frontier has a deep and talented management group, and an impressive array of seven growth equity products. We believe that Frontier will add to AMG's future growth while further diversifying our earnings base," said Sean M. Healey, AMG's President.

Mr. Healey added, "The quarter also marked progress in various Affiliate support initiatives. We filed the initial registration statement of the Essex Aggressive Growth Fund, the first series of the Managers AMG Funds, and have begun to achieve the strategic objective we envisioned with our acquisition of The Managers Funds LLC in April 1999: to offer our Affiliates a centralized capability to develop, administer and distribute mutual fund products. In addition, we introduced AMG's Affiliate Intranet, an electronic venue which will enhance communications and assist in the development of synergies among Affiliates, as well as serve as an information exchange between the holding company and the Affiliates."

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 in strategic matters, marketing, distribution, product development, and operations. To date, AMG has made investments in 15 Affiliates, including one pending transaction.

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 investment performance of our Affiliates and their ability to effectively market their investment strategies, fulfillment of the conditions to the closing of pending investments, 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.

For more complete information concerning the Essex Aggressive Growth Fund, including fees and expenses, please contact The Managers Funds LLC for a prospectus. Please read the prospectus carefully before investing. The information in the prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. The prospectus is not an offer to sell shares in the Fund and is not soliciting an offer to buy these shares in any state where the offer or sale is not permitted. The principal value and investment return of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost.

For more information on Affiliated Managers Group, please visit AMG's web site at www.amg-boston.com

Financial Tables follow

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Affiliated Managers Group, Inc. Summary Financial Data

(dollars in thousands, except as

indicated and share and per share data)

	Three Months Ended 9/30/98	Three Months Ended 9/30/99
Statement of Income Data:		
Revenues	$ 55,892	$ 85,395
Other operating expenses	29,277	46,631
Depreciation and amortization	5,266	6,510
Operating income	21,349	32,254
Investment and other income	(500)	(881)
Interest expense	3,564	2,699
Income before minority interest and income	18,285	30,436
Minority interest	(8,512)	(12,714)
Income before income taxes	9,773	17,722
Income tax expense	3,909	7,266
Net income	$ 5,864	$ 10,456
Average shares outstanding - basic	17,627,839	23,282,559
Average shares outstanding - diluted	19,546,983	23,403,540
Net income per share - basic	$ 0.33	$ 0.45
Net income per share - diluted	$ 0.30	$ 0.45
Other Financial Data:		
EBITDA (A)	$ 18,603	$ 26,931
EBITDA as adjusted (B)	$ 11,130	$ 16,966
EBITDA as adjusted per share (under same method used to calculate diluted earnings per share)	$ 0.57	$ 0.72

	December 31, 1998	September 30, 1999
Balance Sheet Data:		
Senior debt	$ 212,500	$ 157,500
Subordinated debt	800	800
Stockholders' equity	$ 313,655	$ 442,481

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

	Nine Months Ended 9/30/98	Nine Months Ended 9/30/99
Statement of Income Data:		
Revenues	$ 158,201	$ 232,099
Other operating expenses	83,200	124,508
Depreciation and amortization	14,726	19,252
Operating income	60,275	88,339
Investment and other income	(1,341)	(2,539)
Interest expense	10,567	8,955
Income before minority interest and income taxes	51,049	81,923
Minority interest	(23,981)	(35,288)
Income before income taxes	27,068	46,635
Income tax expense	10,827	19,120

Net income	$ 16,241	$ 27,515
Average shares outstanding - basic	17,613,291	21,876,944
Average shares outstanding - diluted	19,146,658	22,517,737
Net income per share - basic	$ 0.92	$ 1.26
Net income per share - diluted	$ 0.85	$ 1.22

Other Financial Data:		
EBITDA (A)	$ 52,361	$ 74,842
EBITDA as adjusted (B)	$ 30,967	$ 46,767
EBITDA as adjusted per share (under same method used to calculate diluted earnings per share)	$ 1.62	$ 2.08

Affiliated Managers Group, Inc.
Summary Financial Data
(dollars in thousands)

Supplemental Reported Information:

Assets under management (at period end, in millions):	Three Months Ended 9/30/99	Nine Months Ended 9/30/99
Tweedy, Browne	$ 7,227	$ 7,227
Other Affiliates	62,716	62,716
Total	$ 69,943	$ 69,943
Revenues:		
Tweedy, Browne	$ 23,516	$ 65,463
Other Affiliates	61,879	166,636
Total	$ 85,395	$ 232,099
Owners' Allocation (C):		
Tweedy, Browne	$ 16,521	$ 45,897
Other Affiliates	26,565	72,301
Total	$ 43,086	$ 118,198
EBITDA Contribution (D):		
Tweedy, Browne	$ 11,785	$ 32,873
Other Affiliates	18,646	50,464
Total	$ 30,431	$ 83,337
Reconciliation of EBITDA Contribution to EBITDA:		
Total EBITDA Contribution (as above)	$ 30,431	$ 83,337
Less, holding company expenses	(3,500)	(8,495)
EBITDA	$ 26,931	$ 74,842

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 of 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, but before the interest, income taxes, depreciation and amortization expenses of the Affiliate.

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