

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

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Date of Report (Date of earliest event reported): July 25, 2001

AFFILIATED MANAGERS GROUP, INC.

-----  
(Exact name of Registrant as specified in charter)

Delaware

0001-13459

043218510

-----  
(State or other jurisdiction  
of incorporation)

(Commission file number)

-----  
(IRS employer  
identification no.)

Two International Place, 23rd Floor, Boston, MA 02110

-----  
(Address of principal executive offices) (Zip code)

(617) 747-3300

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(Registrant's telephone number, including area code)

Item 5. Other Events

Registrant is filing this Form 8-K in order to file a current earnings press release. By this filing, Registrant is not establishing the practice of filing all earnings press releases in the future and may discontinue such filings at any time.

Item 7. Financial Statements and Exhibits

(c) Exhibits

Exhibit 99.1 -- Press Release, dated July 25, 2001 (filed for informational purposes).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AFFILIATED MANAGERS GROUP, INC.

Date: August 17, 2001

/s/ Darrell W. Crate

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DARRELL W. CRATE  
Executive Vice President,  
Chief Financial Officer and Treasurer  
(and also as Principal Financial and  
Accounting Officer)

Exhibits

Exhibit 99.1 -- Press Release, dated July 25, 2001 (filed for informational purposes).

[AMG LETTERHEAD]

Contact: Darrell W. Crate  
Affiliated Managers Group, Inc.  
(617) 747-3300

AMG REPORTS FINANCIAL AND OPERATING RESULTS  
FOR SECOND QUARTER AND FIRST HALF OF 2001

COMPANY REPORTS CASH EPS OF \$0.95  
NET CLIENT CASH FLOWS FROM DIRECTLY MANAGED ASSETS WERE \$1.1 BILLION

BOSTON, MA, JULY 25, 2001 - Affiliated Managers Group, Inc. (NYSE: AMG) today reported its financial and operating results for the quarter and six months ended June 30, 2001.

Cash earnings per share ("Cash EPS") for the second quarter of 2001 were \$0.95 compared to Cash EPS of \$0.95 for the second quarter of 2000 and \$0.89 for the first quarter of 2001. (Cash EPS is the Company's reported EPS figure plus the non-cash charges on a per share basis for depreciation and amortization of intangible assets which arise from the use of the purchase method of accounting. The Company considers Cash EPS to be the most meaningful measure of its financial performance.) Diluted earnings per share for the second quarter of 2001 were \$0.58, compared to \$0.61 for the second quarter of 2000. Cash Net Income (net income plus the non-cash charges for depreciation and amortization of intangible assets) was \$21.5 million, compared to \$21.3 million for the second quarter of 2000, while EBITDA was \$33.6 million, compared to \$34.9 million for the same period of 2000. Revenues for the second quarter of 2001 were \$100.7 million, compared to \$110.9 million for the second quarter of 2000. Net income for the second quarter of 2001 was \$13.1 million, compared to \$13.7 million for the same period of 2000.

For the six months ended June 30, 2001, Cash Net Income was \$41.7 million, or \$1.84 on a per share basis, while EBITDA was \$64.9 million. For the same period, net income was \$25.0 million, or \$1.11 on a per share basis, on revenues of \$201.1 million. For the six months ended June 30, 2000, Cash Net Income was \$42.5 million, or \$1.86 on a per share basis, while EBITDA was \$69.6 million. For the same period, net income was \$27.5 million, or \$1.21 on a per share basis, on revenues of \$225.7 million.

The aggregate assets under management of AMG's affiliated investment management firms at June 30, 2001 were \$73.7 billion. Aggregate net client cash flows of directly managed assets were \$1.1 billion, while outflows of overlay assets were \$40.0 million during the quarter. These aggregate net client cash flows (including directly managed and overlay assets) for the quarter resulted in a net increase of approximately \$2.7 million to AMG's annualized EBITDA.

(MORE)

"Our Affiliates had a strong second quarter during a period of modest improvement in the equity market environment," said William J. Nutt, Chairman and Chief Executive Officer. "Our Cash EPS grew nearly 7% quarter over quarter, as our Affiliates posted solid investment results and continued to achieve steady growth in client cash flows, with over \$1 billion from directly managed net flows in the quarter."

Sean M. Healey, President and Chief Operating Officer, stated, "We were pleased to announce the completion in June of the merger between our Affiliate, Renaissance Investment Management, and Bowling Portfolio Management. AMG sourced, structured and financed the merger, and the combination of these Cincinnati-based managers will enable them to recognize a number of synergies, enhance their administrative and marketing capabilities, and offer complementary investment styles." Mr. Healey continued, "Another important achievement in the quarter was the successful execution of our \$221 million zero-coupon convertible senior notes offering in May. This security lowers our cost of capital and increases our capacity to fund new investments. Finally, we continued to make good progress during the quarter toward investing in additional growing, high quality mid-sized investment management firms."

AMG is an asset management company that addresses the succession and transition issues facing the principals of growing mid-sized investment management firms. AMG's strategy is to generate growth through the internal growth of its existing Affiliates, as well as through investments in new Affiliates. AMG's innovative transaction structure allows individual members of each Affiliate's management team 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.

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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 INTERESTS IN INVESTMENT MANAGEMENT FIRMS, THE INVESTMENT PERFORMANCE OF OUR AFFILIATES AND THEIR ABILITY TO EFFECTIVELY MARKET THEIR INVESTMENT STRATEGIES, 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, 2000.

FINANCIAL TABLES FOLLOW

A TELECONFERENCE WILL BE HELD WITH AMG'S MANAGEMENT AT 11:00 A.M. EDT TODAY. PARTIES INTERESTED IN LISTENING TO THE TELECONFERENCE SHOULD DIAL 1-888-413-4411 (DOMESTIC CALLS) OR 1-703-871-3795 (INTERNATIONAL CALLS) STARTING AT 10:45 A.M. EDT. THOSE WISHING TO LISTEN TO THE TELECONFERENCE SHOULD DIAL THE APPROPRIATE NUMBER AT LEAST TEN MINUTES BEFORE THE CALL BEGINS. THE TELECONFERENCE WILL BE AVAILABLE FOR REPLAY FROM APPROXIMATELY ONE HOUR AFTER THE CONCLUSION OF THE CALL UNTIL 5:00 P.M. EDT ON WEDNESDAY, AUGUST 1, 2001. TO ACCESS THE REPLAY, PLEASE DIAL 1-888-266-2086, PASS CODE 5337022. THE LIVE CALL AND THE REPLAY (THROUGH AUGUST 1, 2001) CAN ALSO BE ACCESSED VIA THE WEB AT WWW.AMG.COM.

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FOR MORE INFORMATION ON AFFILIATED MANAGERS  
GROUP, INC., PLEASE VISIT AMG'S WEB SITE AT  
WWW.AMG.COM.

Affiliated Managers Group, Inc. Reports Financial and Operating Results

For Second Quarter and First Half of 2001

July 25, 2001

Page 3 of 7

AFFILIATED MANAGERS GROUP, INC.

FINANCIAL HIGHLIGHTS

(dollars in thousands, except per share data)

	Three Months Ended 6/30/00 -----	Three Months Ended 6/30/01 -----
Revenues	\$ 110,895	\$ 100,663
EBITDA (A)	\$ 34,915	\$ 33,564
Net Income	\$ 13,677	\$ 13,107
Cash Net Income (B)	\$ 21,270	\$ 21,475
Average shares outstanding - diluted	22,507,064	22,654,951
Earnings per share - diluted	\$ 0.61	\$ 0.58
Cash earnings per share - diluted (C)	\$ 0.95	\$ 0.95
	December 31, 2000 -----	June 30, 2001 -----
Cash and cash equivalents	\$ 31,612	\$ 175,835
Total debt	\$ 151,800	\$ 278,113
Stockholders' equity	\$ 493,910	\$ 523,662

(MORE)

Affiliated Managers Group, Inc. Reports Financial and Operating Results  
For Second Quarter and First Half of 2001

July 25, 2001

Page 4 of 7

AFFILIATED MANAGERS GROUP, INC.  
FINANCIAL HIGHLIGHTS

(dollars in thousands, except per share data)

	Six Months Ended 6/30/00 -----	Six Months Ended 6/30/01 -----
Revenues	\$ 225,693	\$ 201,138
EBITDA (A)	\$ 69,574	\$ 64,868
Net Income	\$ 27,492	\$ 25,037
Cash Net Income (B)	\$ 42,482	\$ 41,665
Average shares outstanding - diluted	22,803,699	22,612,010
Earnings per share - diluted	\$ 1.21	\$ 1.11
Cash earnings per share - diluted (C)	\$ 1.86	\$ 1.84

(MORE)



AFFILIATED MANAGERS GROUP, INC.  
FINANCIAL HIGHLIGHTS

(dollars in thousands, except as indicated)

	Three Months Ended 6/30/01 -----	Six Months Ended 6/30/01 -----
Assets under management (at period end, in millions):	\$ 73,698	\$ 73,698
Revenues:	\$ 100,663	\$ 201,138
Owners' Allocation (D):	\$ 50,935	\$ 100,624
EBITDA Contribution (E):	\$ 38,065	\$ 73,871
RECONCILIATION OF EBITDA CONTRIBUTION TO EBITDA:		
Total EBITDA Contribution (as above)	\$ 38,065	\$ 73,871
Less, holding company expenses	(4,501)	(9,003)
	=====	=====
EBITDA	\$ 33,564	\$ 64,868
	=====	=====

- Notes:
- (A) EBITDA represents earnings before interest expense, income taxes, depreciation and amortization.
  - (B) Cash Net Income represents net income plus depreciation and amortization.
  - (C) Cash earnings per share represents Cash Net Income divided by average shares outstanding.
  - (D) 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.
  - (E) 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.

(MORE)

Affiliated Managers Group, Inc. Reports Financial and Operating Results  
 For Second Quarter and First Half of 2001

July 25, 2001

Page 6 of 7

AFFILIATED MANAGERS GROUP, INC.  
 CONSOLIDATED STATEMENTS OF INCOME

(dollars in thousands, except per share data)

	Quarter Ended June 30,		Year to Date June 30,	
	2000	2001	2000	2001
Revenues	\$110,895	\$100,663	\$225,693	\$201,138
Operating expenses:				
Compensation and related expenses	40,154	32,698	84,569	66,906
Amortization of intangible assets	6,609	6,940	13,053	13,842
Depreciation and other amortization	984	1,428	1,937	2,786
Selling, general and administrative	18,759	19,034	35,387	37,115
Other operating expenses	2,409	2,673	4,832	5,288
	-----	-----	-----	-----
	68,915	62,773	139,778	125,937
	-----	-----	-----	-----
Operating income	41,980	37,890	85,915	75,201
	-----	-----	-----	-----
Non-operating (income) and expenses:				
Investment and other income	(582)	(1,470)	(2,220)	(1,994)
Interest expense	4,142	3,351	7,989	6,512
	-----	-----	-----	-----
	3,560	1,881	5,769	4,518
	-----	-----	-----	-----
Income before minority interest and taxes	38,420	36,009	80,146	70,683
Minority interest	(15,240)	(14,164)	(33,551)	(28,956)
	-----	-----	-----	-----
Income before income taxes	23,180	21,845	46,595	41,727
Income taxes	9,503	8,738	19,103	16,690
	-----	-----	-----	-----
Net income	\$ 13,677	\$ 13,107	\$ 27,492	\$ 25,037
	=====	=====	=====	=====
Average shares outstanding - basic	22,187,587	22,109,068	22,455,041	22,086,244
Average shares outstanding - diluted	22,507,064	22,654,951	22,803,699	22,612,010
Earnings per share - basic	\$ 0.62	\$ 0.59	\$ 1.22	\$ 1.13
Earnings per share - diluted	\$ 0.61	\$ 0.58	\$ 1.21	\$ 1.11

(MORE)

AFFILIATED MANAGERS GROUP, INC.  
CONSOLIDATED BALANCE SHEETS  
(in thousands)

	December 31, 2000	June 30, 2001
	-----	-----
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 31,612	\$175,835
Investment advisory fees receivable	66,126	54,286
Other current assets	15,448	10,248
	-----	-----
Total current assets	113,186	240,369
Fixed assets, net	15,346	14,815
Equity investment in Affiliate	1,816	1,905
Acquired client relationships, net	199,354	197,052
Goodwill, net	444,116	444,407
Other assets	19,912	21,590
	=====	=====
Total assets	\$ 793,730	\$ 920,138
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 86,800	\$ 60,950
	-----	-----
Total current liabilities	86,800	60,950
Long-term debt	151,000	277,313
Deferred taxes	31,907	34,164
Other long-term liabilities	2,636	2,765
Subordinated debt	800	800
	-----	-----
Total liabilities	273,143	375,992
Minority interest	26,677	20,484
Stockholders' equity:		
Common stock	235	235
Additional paid-in capital	407,057	408,356
Accumulated other comprehensive income	(342)	(1,070)
Retained earnings	140,513	165,549
	-----	-----
	547,463	573,070
Less treasury shares	(53,553)	(49,408)
Total stockholders' equity	493,910	523,662
	=====	=====
Total liabilities and stockholders' equity	\$793,730	\$ 920,138
	=====	=====