

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 8-K

**CURRENT REPORT PURSUANT
TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of report (Date of earliest event reported) **April 27, 2010**

Affiliated Managers Group, Inc.
(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of Incorporation)

001-13459
(Commission File Number)

04-3218510
(IRS Employer Identification No.)

600 Hale Street
Prides Crossing, Massachusetts
(Address of Principal Executive Offices)

01965
(Zip Code)

(617) 747-3300
(Registrant's Telephone Number, Including Area Code)

N/A
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 2.02 Results of Operations and Financial Conditions.

On April 27, 2010, Affiliated Managers Group, Inc. (the "Company") issued a press release setting forth its financial and operating results for the quarter ended March 31, 2010. A copy of this press release is furnished as Exhibit 99.1 hereto and is hereby incorporated by reference herein.

ITEM 8.01 Other Events.

The financial statement tables set forth in the press release issued by the Company on April 27, 2010 are also filed as Exhibit 99.2 hereto and are hereby incorporated by reference herein.

ITEM 9.01 Financial Statements and Exhibits.

(c) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1*	Earnings Press Release issued by the Company on April 27, 2010.
99.2	Earnings Press Release Financial Statement Tables.

* This exhibit shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liability of that section, nor shall it be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934.

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: April 27, 2010

By: /S/ JOHN KINGSTON, III
Name: John Kingston, III
Title: Executive Vice President
General Counsel and Secretary

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EXHIBIT INDEX

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Affiliated Managers Group, Inc.

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**AMG Reports Financial and Operating Results
for the First Quarter of 2010**

Company Reports Cash EPS of \$1.14; EPS of \$0.38

BOSTON, April 27, 2010 — Affiliated Managers Group, Inc. (NYSE: AMG) today reported its financial and operating results for the quarter ended March 31, 2010.

For the first quarter of 2010, Cash Earnings Per Share (“Cash EPS”) were \$1.14, compared to \$0.94 for the same period of 2009, while diluted earnings per share for the first quarter of 2010 were \$0.38, compared to \$0.15 for the same period of 2009. For the first quarter of 2010, Cash Net Income was \$50.8 million, compared to \$37.7 million for the same period of 2009. For the first quarter of 2010, Net Income was \$17.5 million, compared to \$6.1 million for the same period of 2009. (Cash EPS and Cash Net Income are defined in the attached tables.)

For the first quarter of 2010, revenue was \$251.0 million, compared to \$178.5 million for the same period of 2009. For the first quarter of 2010, EBITDA was \$68.2 million, compared to \$49.2 million for the same period of 2009.

Pro forma for closed and pending transactions, the aggregate assets under management of AMG’s affiliated investment management firms were approximately \$260 billion at March 31, 2010, and net client cash flows for the first quarter of 2010 were approximately \$(1.1) billion.

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“AMG is off to a strong start in 2010, as we significantly increased the scale and earnings power of our business through the successful execution of our new investments strategy, and our Affiliates continued to generate strong investment performance,” stated Sean M. Healey, President and Chief Executive Officer of AMG. “In the first quarter, we announced our investment in Pantheon, a global leader among private equity fund-of-funds, which, in combination with our recently-closed investments in Artemis and Aston, has increased our EBITDA contribution by 35%. In addition, our new Affiliates substantially enhance our strategic position in global equity and alternative products, which together will now contribute 65% of our earnings. Through our industry-leading boutique firms around the globe, AMG has significant and diverse exposure to the most attractive areas of the asset management industry, and we are well positioned to benefit as investors reallocate to risk assets.”

Mr. Healey continued, “We were pleased with the strong investment performance of our Affiliates, especially among their global and international equity products and alternative strategies. Highlights for the first quarter include the superior relative performance of global value manager Tweedy, Browne, which continued to build on its excellent long-term track record, as well as emerging markets manager Genesis, which generated outstanding results in its flagship product and remains ahead of its benchmark for all time periods. In addition, international and emerging markets manager Harding Loevner posted superior returns across its largest products in the quarter. And in the alternative space, AQR, BlueMountain, First Quadrant and ValueAct delivered positive performance across their wide range of absolute return products.”

“Our client cash flow trends continue to improve,” Mr. Healey added. “While inflows to our global and international products were offset by residual redemptions in certain alternative products, overall we see increasing indications that investor rotation toward return-oriented products is occurring, and in particular, we are seeing acceleration in both global search activity and funding. We continue to develop our distribution platforms through the expansion of our footprint worldwide and the introduction of new products which are highly attractive to our increasingly global client base. Given these efforts and the strong relative performance records of our Affiliates, we are positioned for strong organic growth.”

Mr. Healey concluded, “In a transaction environment that is highly favorable for AMG, we continue to actively pursue investments with an array of outstanding boutique firms. In addition to ongoing divestiture activity, we are seeing increasing opportunities for succession-oriented transactions with both traditional and alternative independent boutiques around the world. With our long track record of successful investments, a global reputation as the partner of choice among high-quality asset management firms, and our substantial financial flexibility, we are uniquely positioned to continue to add materially to our earnings growth through accretive investments in additional new Affiliates.”

About Affiliated Managers Group

AMG is a global asset management company with equity investments in leading boutique investment management firms. AMG’s innovative partnership approach allows each Affiliate’s management team to own significant equity in their firm while maintaining operational autonomy.

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AMG's strategy is to generate growth through the internal growth of existing Affiliates, as well as through investments in new Affiliates. In addition, AMG provides centralized assistance to its Affiliates in strategic matters, marketing, distribution, product development and operations. As of March 31, 2010 (pro forma for a pending investment), the aggregate assets under management of AMG's Affiliates were approximately \$260 billion in more than 350 investment products across a broad range of investment styles, asset classes and distribution channels. For more information, please visit the Company's website at www.amg.com.

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 ability to close pending investments, 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, 2009.

AMG routinely posts information that may be significant for investors in the Investor Information section of its website, and encourages investors to consult that section regularly. For additional information, please visit www.amg.com.

Financial Tables Follow

A teleconference will be held with AMG's management at 11:00 a.m. Eastern time today. Parties interested in listening to the teleconference should dial 1-877-407-9210 (domestic calls) or 1-201-689-8049 (international calls) starting at 10:45 a.m. Eastern time. Those wishing to listen to the teleconference should dial the appropriate number at least ten minutes before the call begins.

The teleconference will also be available for replay beginning approximately one hour after the conclusion of the call. To hear a replay of the call, please dial 1-877-660-6853 (domestic calls) or 1-201-612-7415 (international calls) and provide account number 286 and conference ID 349443. The live call and replay of the session, and additional financial information referenced during the teleconference, can also be accessed via the Web at www.amg.com.

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Affiliated Managers Group, Inc.

Financial Highlights

(dollars in thousands, except per share data)

	Three Months Ended 3/31/09	Three Months Ended 3/31/10
Revenue	\$ 178,475	\$ 251,021
Net Income (controlling interest)	\$ 6,125	\$ 17,462
Cash Net Income (A)	\$ 37,706	\$ 50,842
EBITDA (B)	\$ 49,228	\$ 68,233
Average shares outstanding - diluted	41,082,130	45,421,716
Earnings per share - diluted	\$ 0.15	\$ 0.38
Average shares outstanding - adjusted diluted (C)	40,208,327	44,757,800
Cash earnings per share (C)	\$ 0.94	\$ 1.14
	December 31, 2009	March 31, 2010
Cash and cash equivalents	\$ 259,487	\$ 203,751
Senior bank debt	\$ —	\$ 170,000
Senior convertible securities (D)	\$ 456,976	\$ 460,137
Junior convertible trust preferred securities (D)	\$ 507,358	\$ 507,965
Stockholders' equity	\$ 1,109,690	\$ 1,140,661

(more)

Affiliated Managers Group, Inc.
Reconciliations of Earnings Per Share Calculation
(dollars in thousands, except per share data)

	<u>Three Months Ended 3/31/09</u>	<u>Three Months Ended 3/31/10</u>
Net Income (controlling interest)	\$ 6,125	\$ 17,462
Convertible securities interest expense, net (E)	36	24
Net Income (controlling interest), as adjusted	<u>\$ 6,161</u>	<u>\$ 17,486</u>
Average shares outstanding - diluted	41,082,130	45,421,716
Earnings per share - diluted	\$ 0.15	\$ 0.38

Reconciliations of Average Shares Outstanding

	<u>Three Months Ended 3/31/09</u>	<u>Three Months Ended 3/31/10</u>
Average shares outstanding - diluted	41,082,130	45,421,716
Assumed issuance of LYONS shares	(873,803)	(873,629)
Assumed issuance of 2008 Senior Convertible Notes shares	—	—
Assumed issuance of Trust Preferred shares	—	—
Dilutive impact of LYONS shares	—	209,713
Dilutive impact of 2008 Senior Convertible Notes shares	—	—
Dilutive impact of Trust Preferred shares	—	—
Average shares outstanding - adjusted diluted (C)	<u>40,208,327</u>	<u>44,757,800</u>

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Affiliated Managers Group, Inc.
Operating Results

Assets Under Management
(in millions)

Statement of Changes

	<u>Mutual Fund</u>	<u>Institutional</u>	<u>High Net Worth</u>	<u>Total</u>
Assets under management, December 31, 2009	\$ 44,531	\$ 133,858	\$ 29,650	\$ 208,039
Client cash inflows	3,013	6,629	1,696	11,338
Client cash outflows	(2,669)	(8,616)	(1,564)	(12,849)
Net client cash flows	344	(1,987)	132	(1,511)
New investments (F)	13,444	2,212	43	15,699
Investment performance	2,192	6,596	1,227	10,015
Other (G)	—	(106)	(1)	(107)
Assets under management, March 31, 2010	<u>\$ 60,511</u>	<u>\$ 140,573</u>	<u>\$ 31,051</u>	<u>\$ 232,135</u>

Financial Results
(in thousands)

	<u>Three Months Ended 3/31/09</u>	<u>Percent of Total</u>	<u>Three Months Ended 3/31/10</u>	<u>Percent of Total</u>
Revenue				
Mutual Fund	\$ 68,338	38%	\$ 97,925	39%
Institutional	82,238	46%	121,772	49%
High Net Worth	27,899	16%	31,324	12%
	<u>\$ 178,475</u>	<u>100%</u>	<u>\$ 251,021</u>	<u>100%</u>
EBITDA (B)				
Mutual Fund	\$ 14,875	30%	\$ 20,865	31%
Institutional	27,437	56%	38,122	56%
High Net Worth	6,916	14%	9,246	13%
	<u>\$ 49,228</u>	<u>100%</u>	<u>\$ 68,233</u>	<u>100%</u>

(more)

Affiliated Managers Group, Inc.
Reconciliations of Performance and Liquidity Measures
(in thousands)

	Three Months Ended 3/31/09	Three Months Ended 3/31/10
Net Income (controlling interest)	\$ 6,125	\$ 17,462
Intangible amortization	16,000	16,728
Intangible-related deferred taxes	9,571	10,740
Imputed interest and contingent payment adjustments	2,057	2,280
Affiliate equity expense	2,006	1,717
Affiliate depreciation	1,947	1,915
Cash Net Income (A)	<u>\$ 37,706</u>	<u>\$ 50,842</u>
Cash flow from operations	\$ 15,691	\$ 68,021
Interest expense, net of non-cash items	14,722	14,226
Current tax provision	(8,045)	2,507
Income from equity method investments, net of distributions	(4,619)	(5,977)
Changes in assets and liabilities and other adjustments	31,479	(10,544)
EBITDA (B)	<u>\$ 49,228</u>	<u>\$ 68,233</u>
Holding company expenses	10,512	18,208
EBITDA Contribution	<u>\$ 59,740</u>	<u>\$ 86,441</u>

(more)

Affiliated Managers Group, Inc.
Consolidated Statements of Income
(dollars in thousands, except per share data)

	Three Months Ended March 31,	
	2009	2010
Revenue	\$ 178,475	\$ 251,021
Operating expenses:		
Compensation and related expenses	84,160	119,229
Selling, general and administrative	32,507	46,059
Amortization of intangible assets	8,094	8,937
Depreciation and other amortization	3,239	3,026
Other operating expenses	5,750	6,053
	<u>133,750</u>	<u>183,304</u>
Operating income	<u>44,725</u>	<u>67,717</u>
Non-operating (income) and expenses:		
Investment and other (income) loss	241	(2,822)
Income from equity method investments	(6,416)	(9,147)
Investment (income) loss from Affiliate investments in partnerships (H)	3,795	(4,091)
Interest expense	19,948	19,851
	<u>17,568</u>	<u>3,791</u>
Income before income taxes	27,157	63,926
Income taxes - current	(8,045)	2,507
Income taxes - intangible-related deferred	9,571	10,740
Income taxes - other deferred	2,391	(2,082)
Net income	<u>23,240</u>	<u>52,761</u>
Net income (non-controlling interests) (H)	(20,878)	(31,285)
Net (income) loss (non-controlling interests in partnerships) (H)	3,763	(4,014)
Net Income (controlling interest)	<u>\$ 6,125</u>	<u>\$ 17,462</u>

Average shares outstanding - basic	40,022,423	42,360,311
Average shares outstanding - diluted	41,082,130	45,421,716
Earnings per share - basic	\$ 0.15	\$ 0.41
Earnings per share - diluted	\$ 0.15	\$ 0.38

(more)

Affiliated Managers Group, Inc.
Consolidated Balance Sheets
(in thousands)

	December 31, 2009	March 31, 2010
Assets		
Current assets:		
Cash and cash equivalents	\$ 259,487	\$ 203,751
Investment advisory fees receivable	140,118	157,502
Investments in partnerships (H)	93,809	97,304
Investments in marketable securities	56,690	80,814
Unsettled fund share receivables	—	154,740
Prepaid expenses and other current assets	35,478	22,119
Total current assets	<u>585,582</u>	<u>716,230</u>
Fixed assets, net	62,402	65,309
Equity investments in Affiliates	658,332	644,876
Acquired client relationships, net	571,573	803,250
Goodwill	1,413,217	1,521,222
Other assets	99,800	114,984
Total assets	<u>\$ 3,390,906</u>	<u>\$ 3,865,871</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 117,227	\$ 126,960
Unsettled fund share payables	—	159,039
Payables to related party	109,888	18,314
Total current liabilities	<u>227,115</u>	<u>304,313</u>
Senior bank debt	—	170,000
Senior convertible securities (D)	456,976	460,137
Junior convertible trust preferred securities (D)	507,358	507,965
Deferred income taxes	322,671	393,263
Other long-term liabilities	26,066	123,655
Total liabilities	<u>1,540,186</u>	<u>1,959,333</u>
Redeemable non-controlling interests	368,999	368,702
Equity:		
Common stock	458	458
Additional paid-in capital	612,091	594,842
Accumulated other comprehensive income	45,958	71,350
Retained earnings	873,137	890,599
	<u>1,531,644</u>	<u>1,557,249</u>
Less treasury stock, at cost	(421,954)	(416,588)
Total stockholders' equity	<u>1,109,690</u>	<u>1,140,661</u>
Non-controlling interests (H)	281,946	303,674
Non-controlling interests in partnerships (H)	90,085	93,501
Total equity	<u>1,481,721</u>	<u>1,537,836</u>
Total liabilities and equity	<u>\$ 3,390,906</u>	<u>\$ 3,865,871</u>

(more)

Affiliated Managers Group, Inc.
Consolidated Statements of Cash Flow
(in thousands)

Three Months Ended	
March 31,	
2009	2010

Cash flow from operating activities:				
Net income	\$	23,240	\$	52,761
Adjustments to reconcile Net income to net cash flow from operating activities:				
Amortization of intangible assets		8,094		8,937
Amortization of issuance costs		1,795		1,847
Depreciation and other amortization		3,239		3,026
Deferred income tax provision		11,962		8,658
Accretion of interest		3,431		3,778
Income from equity method investments, net of amortization		(6,416)		(9,147)
Distributions received from equity method investments		18,941		23,187
Tax benefit from exercise of stock options		—		274
Stock option expense		1,177		3,644
Affiliate equity expense		3,250		3,368
Other adjustments		2,550		(3,975)
Changes in assets and liabilities:				
(Increase) decrease in investment advisory fees receivable		29,342		(938)
Decrease in Affiliate investments in partnerships		979		283
Decrease in prepaids and other current assets		257		10,729
Increase in unsettled fund shares receivable		—		(98,711)
(Increase) decrease in other assets		1,830		(11,112)
Decrease in accounts payable, accrued liabilities and other long-term liabilities		(87,980)		(36,942)
Increase in unsettled fund shares payable		—		108,354
Cash flow from operating activities		<u>15,691</u>		<u>68,021</u>
Cash flow used in investing activities:				
Investments in Affiliates		—		(127,668)
Purchase of fixed assets		(552)		(1,105)
Purchase of investment securities		(8,836)		(14,919)
Sale of investment securities		5,720		11,784
Cash flow used in investing activities		<u>(3,668)</u>		<u>(131,908)</u>
Cash flow from (used in) financing activities:				
Borrowings of senior bank debt		—		235,000
Repayments of senior bank debt		(233,514)		(65,000)
Issuance of common stock		—		2,455
Issuance costs		(921)		(82)
Excess tax benefit from exercise of stock options		—		361
Settlement of forward equity sale agreement		144,258		—
Note payments		(1,547)		(25,371)
Distributions to non-controlling interests		(61,619)		(36,913)
Affiliate equity issuances and repurchases		(16,385)		(102,639)
Redemptions of non-controlling interests in partnerships		(979)		(284)
Cash flow from (used in) financing activities		<u>(170,707)</u>		<u>7,527</u>
Effect of foreign exchange rate changes on cash and cash equivalents		(456)		624
Net decrease in cash and cash equivalents		(159,140)		(55,736)
Cash and cash equivalents at beginning of period		396,431		259,487
Cash and cash equivalents at end of period	\$	<u>237,291</u>	\$	<u>203,751</u>

(more)

Affiliated Managers Group, Inc.

Notes

- (A) Under our Cash Net Income definition, we add to Net Income (controlling interest) amortization (including equity method amortization), deferred taxes related to intangible assets, Affiliate depreciation and Affiliate equity expense, and exclude the non-cash effect of APB 14-1 (principally imputed interest on convertible securities) and non-cash expenses related to contingent payment arrangements. We consider Cash Net Income an important measure of our financial performance, as we believe it best represents operating performance before non-cash expenses relating to the acquisition of interests in our affiliated investment management firms, and it is therefore employed as our principal performance benchmark. This non-GAAP performance measure is provided in addition to, but not as a substitute for, Net Income; Cash Net Income is not a liquidity measure, and should not be used in place of other liquidity measures calculated under GAAP.

We add back amortization attributable to acquired client relationships because this expense does not correspond to the changes in value of these assets, which do not diminish predictably over time. The portion of deferred taxes generally attributable to intangible assets (including goodwill) that are no longer amortized but continue to generate tax deductions is added back because we believe it is unlikely these accruals will be used to settle material tax obligations. We add back the portion of consolidated depreciation expense incurred by Affiliates because under our Affiliate operating agreements, we are generally not required to replenish these depreciating assets. We add back non-cash expenses relating to certain transfers of equity between Affiliate management partners when these transfers have no dilutive effect to shareholders.

In connection with recent investments in Affiliates, in the first quarter of 2010 we modified our Cash Net Income definition to exclude non-cash

imputed interest and revaluation adjustments related to contingent payment arrangements from Net Income (controlling interest). The modification of the Cash Net Income definition did not have an impact on the periods reported herein.

- (B) EBITDA is defined as earnings before interest expense, income taxes, depreciation and amortization. This supplemental non-GAAP liquidity measure is provided in addition to, but not as a substitute for, cash flow from operations. As a measure of liquidity, we believe EBITDA is useful as an indicator of our ability to service debt, make new investments and meet working capital requirements. EBITDA, as calculated by us, may not be consistent with computations of EBITDA by other companies. In reporting EBITDA by segment, Affiliate expenses are allocated to a particular segment on a pro rata basis with respect to the revenue generated by that Affiliate in such segment.
- (C) Cash earnings per share represents Cash Net Income divided by the adjusted diluted average shares outstanding. In this calculation, the potential share issuance in connection with our convertible securities is measured using a "treasury stock" method. Under this method, only the net number of shares of common stock equal to the value of the contingently convertible securities and the junior convertible trust preferred securities in excess of par, if any, are deemed to be outstanding. We believe the inclusion of net shares under a treasury stock method best reflects the benefit of the increase in available capital resources (which could be used to repurchase shares of common stock) that occurs when these securities are converted and we are relieved of our debt obligation. This method does not take into account any increase or decrease in our cost of capital in an assumed conversion. Cash earnings per share is not a liquidity measure, and should not be used in place of other liquidity measures calculated under GAAP.

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- (D) We have bifurcated certain of our convertible debt securities into their debt and equity components on our balance sheet. The senior convertible securities balance consists of zero coupon senior convertible notes, which were not required to be bifurcated, and senior convertible notes due 2038. The principal amount at maturity of the senior convertible notes due 2038 was \$460,000 at December 31, 2009 and March 31, 2010. The principal amount at maturity of the junior convertible trust preferred securities was \$730,820 at December 31, 2009 and March 31, 2010.
- (E) Convertible securities interest expense, net, includes the interest expense, net of tax, associated with our dilutive convertible securities.
- (F) We completed our investment in Artemis Investment Management during the first quarter of 2010.
- (G) Other includes assets under management attributable to Affiliate product closings, the financial effects of which are not material to our ongoing results.
- (H) Income attributable to non-controlling interests on our income statement represents the profits allocated to Affiliate management owners and investors in certain Affiliate investments in partnerships that we are required to consolidate. Non-controlling interests on our balance sheet represents the undistributed profits and capital owned by Affiliate management. Non-controlling interests in partnerships on our balance sheet represent the net assets owned by investors in certain Affiliate investment partnerships.
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Affiliated Managers Group, Inc.**Financial Highlights**

(dollars in thousands, except per share data)

	<u>Three Months Ended 3/31/09</u>	<u>Three Months Ended 3/31/10</u>
Revenue	\$ 178,475	\$ 251,021
Net Income (controlling interest)	\$ 6,125	\$ 17,462
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Earnings per share - diluted	\$ 0.15	\$ 0.38
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	<u>December 31, 2009</u>	<u>March 31, 2010</u>
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Senior bank debt	\$ —	\$ 170,000
Senior convertible securities (D)	\$ 456,976	\$ 460,137
Junior convertible trust preferred securities (D)	\$ 507,358	\$ 507,965
Stockholders' equity	\$ 1,109,690	\$ 1,140,661

*(more)***Affiliated Managers Group, Inc.****Reconciliations of Earnings Per Share Calculation**

(dollars in thousands, except per share data)

	<u>Three Months Ended 3/31/09</u>	<u>Three Months Ended 3/31/10</u>
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Net Income (controlling interest), as adjusted	\$ 6,161	\$ 17,486
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Reconciliations of Average Shares Outstanding

	<u>Three Months Ended 3/31/09</u>	<u>Three Months Ended 3/31/10</u>
Average shares outstanding - diluted	41,082,130	45,421,716
Assumed issuance of LYONS shares	(873,803)	(873,629)
Assumed issuance of 2008 Senior Convertible Notes shares	—	—
Assumed issuance of Trust Preferred shares	—	—
Dilutive impact of LYONS shares	—	209,713
Dilutive impact of 2008 Senior Convertible Notes shares	—	—
Dilutive impact of Trust Preferred shares	—	—
Average shares outstanding - adjusted diluted (C)	<u>40,208,327</u>	<u>44,757,800</u>

(more)

Affiliated Managers Group, Inc.
Operating Results

Assets Under Management
(in millions)

Statement of Changes

	<u>Mutual Fund</u>	<u>Institutional</u>	<u>High Net Worth</u>	<u>Total</u>
Assets under management, December 31, 2009	\$ 44,531	\$ 133,858	\$ 29,650	\$ 208,039
Client cash inflows	3,013	6,629	1,696	11,338
Client cash outflows	(2,669)	(8,616)	(1,564)	(12,849)
Net client cash flows	344	(1,987)	132	(1,511)
New investments (F)	13,444	2,212	43	15,699
Investment performance	2,192	6,596	1,227	10,015
Other (G)	—	(106)	(1)	(107)
Assets under management, March 31, 2010	<u>\$ 60,511</u>	<u>\$ 140,573</u>	<u>\$ 31,051</u>	<u>\$ 232,135</u>

Financial Results
(in thousands)

	<u>Three Months Ended 3/31/09</u>	<u>Percent of Total</u>	<u>Three Months Ended 3/31/10</u>	<u>Percent of Total</u>
Revenue				
Mutual Fund	\$ 68,338	38%	\$ 97,925	39%
Institutional	82,238	46%	121,772	49%
High Net Worth	27,899	16%	31,324	12%
	<u>\$ 178,475</u>	<u>100%</u>	<u>\$ 251,021</u>	<u>100%</u>
EBITDA (B)				
Mutual Fund	\$ 14,875	30%	\$ 20,865	31%
Institutional	27,437	56%	38,122	56%
High Net Worth	6,916	14%	9,246	13%
	<u>\$ 49,228</u>	<u>100%</u>	<u>\$ 68,233</u>	<u>100%</u>

(more)

Affiliated Managers Group, Inc.
Reconciliations of Performance and Liquidity Measures
(in thousands)

	<u>Three Months Ended 3/31/09</u>	<u>Three Months Ended 3/31/10</u>
Net Income (controlling interest)	\$ 6,125	\$ 17,462
Intangible amortization	16,000	16,728
Intangible-related deferred taxes	9,571	10,740
Imputed interest and contingent payment adjustments	2,057	2,280
Affiliate equity expense	2,006	1,717
Affiliate depreciation	1,947	1,915
Cash Net Income (A)	<u>\$ 37,706</u>	<u>\$ 50,842</u>
Cash flow from operations	\$ 15,691	\$ 68,021
Interest expense, net of non-cash items	14,722	14,226
Current tax provision	(8,045)	2,507
Income from equity method investments, net of distributions	(4,619)	(5,977)
Changes in assets and liabilities and other adjustments	31,479	(10,544)
EBITDA (B)	<u>\$ 49,228</u>	<u>\$ 68,233</u>
Holding company expenses	10,512	18,208
EBITDA Contribution	<u>\$ 59,740</u>	<u>\$ 86,441</u>

(more)

Affiliated Managers Group, Inc.
Consolidated Statements of Income
(dollars in thousands, except per share data)

	Three Months Ended March 31,	
	2009	2010
Revenue	\$ 178,475	\$ 251,021
Operating expenses:		
Compensation and related expenses	84,160	119,229
Selling, general and administrative	32,507	46,059
Amortization of intangible assets	8,094	8,937
Depreciation and other amortization	3,239	3,026
Other operating expenses	5,750	6,053
	<u>133,750</u>	<u>183,304</u>
Operating income	<u>44,725</u>	<u>67,717</u>
Non-operating (income) and expenses:		
Investment and other (income) loss	241	(2,822)
Income from equity method investments	(6,416)	(9,147)
Investment (income) loss from Affiliate investments in partnerships (H)	3,795	(4,091)
Interest expense	19,948	19,851
	<u>17,568</u>	<u>3,791</u>
Income before income taxes	27,157	63,926
Income taxes - current	(8,045)	2,507
Income taxes - intangible-related deferred	9,571	10,740
Income taxes - other deferred	2,391	(2,082)
Net income	<u>23,240</u>	<u>52,761</u>
Net income (non-controlling interests) (H)	(20,878)	(31,285)
Net (income) loss (non-controlling interests in partnerships) (H)	3,763	(4,014)
Net Income (controlling interest)	<u>\$ 6,125</u>	<u>\$ 17,462</u>
Average shares outstanding - basic	40,022,423	42,360,311
Average shares outstanding - diluted	41,082,130	45,421,716
Earnings per share - basic	\$ 0.15	\$ 0.41
Earnings per share - diluted	\$ 0.15	\$ 0.38

(more)

Affiliated Managers Group, Inc.
Consolidated Balance Sheets
(in thousands)

	December 31, 2009	March 31, 2010
	Assets	
Current assets:		
Cash and cash equivalents	\$ 259,487	\$ 203,751
Investment advisory fees receivable	140,118	157,502
Investments in partnerships (H)	93,809	97,304
Investments in marketable securities	56,690	80,814
Unsettled fund share receivables	—	154,740
Prepaid expenses and other current assets	35,478	22,119
Total current assets	<u>585,582</u>	<u>716,230</u>
Fixed assets, net	62,402	65,309
Equity investments in Affiliates	658,332	644,876
Acquired client relationships, net	571,573	803,250
Goodwill	1,413,217	1,521,222
Other assets	99,800	114,984
Total assets	<u>\$ 3,390,906</u>	<u>\$ 3,865,871</u>

Liabilities and Stockholders' Equity

Current liabilities:

Accounts payable and accrued liabilities	\$ 117,227	\$ 126,960
Unsettled fund share payables	—	159,039
Payables to related party	109,888	18,314
Total current liabilities	227,115	304,313

Senior bank debt

Senior bank debt	—	170,000
Senior convertible securities (D)	456,976	460,137
Junior convertible trust preferred securities (D)	507,358	507,965
Deferred income taxes	322,671	393,263
Other long-term liabilities	26,066	123,655
Total liabilities	1,540,186	1,959,333

Redeemable non-controlling interests

Redeemable non-controlling interests	368,999	368,702
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Equity:

Common stock	458	458
Additional paid-in capital	612,091	594,842
Accumulated other comprehensive income	45,958	71,350
Retained earnings	873,137	890,599
	1,531,644	1,557,249
Less treasury stock, at cost	(421,954)	(416,588)
Total stockholders' equity	1,109,690	1,140,661
Non-controlling interests (H)	281,946	303,674
Non-controlling interests in partnerships (H)	90,085	93,501
Total equity	1,481,721	1,537,836
Total liabilities and equity	\$ 3,390,906	\$ 3,865,871

(more)

Affiliated Managers Group, Inc.
Consolidated Statements of Cash Flow
(in thousands)

	Three Months Ended March 31,	
	2009	2010
Cash flow from operating activities:		
Net income	\$ 23,240	\$ 52,761
Adjustments to reconcile Net income to net cash flow from operating activities:		
Amortization of intangible assets	8,094	8,937
Amortization of issuance costs	1,795	1,847
Depreciation and other amortization	3,239	3,026
Deferred income tax provision	11,962	8,658
Accretion of interest	3,431	3,778
Income from equity method investments, net of amortization	(6,416)	(9,147)
Distributions received from equity method investments	18,941	23,187
Tax benefit from exercise of stock options	—	274
Stock option expense	1,177	3,644
Affiliate equity expense	3,250	3,368
Other adjustments	2,550	(3,975)
Changes in assets and liabilities:		
(Increase) decrease in investment advisory fees receivable	29,342	(938)
Decrease in Affiliate investments in partnerships	979	283
Decrease in prepaids and other current assets	257	10,729
Increase in unsettled fund shares receivable	—	(98,711)
(Increase) decrease in other assets	1,830	(11,112)
Decrease in accounts payable, accrued liabilities and other long-term liabilities	(87,980)	(36,942)
Increase in unsettled fund shares payable	—	108,354
Cash flow from operating activities	15,691	68,021
Cash flow used in investing activities:		
Investments in Affiliates	—	(127,668)
Purchase of fixed assets	(552)	(1,105)
Purchase of investment securities	(8,836)	(14,919)
Sale of investment securities	5,720	11,784
Cash flow used in investing activities	(3,668)	(131,908)
Cash flow from (used in) financing activities:		

Borrowings of senior bank debt	—	235,000
Repayments of senior bank debt	(233,514)	(65,000)
Issuance of common stock	—	2,455
Issuance costs	(921)	(82)
Excess tax benefit from exercise of stock options	—	361
Settlement of forward equity sale agreement	144,258	—
Note payments	(1,547)	(25,371)
Distributions to non-controlling interests	(61,619)	(36,913)
Affiliate equity issuances and repurchases	(16,385)	(102,639)
Redemptions of non-controlling interests in partnerships	(979)	(284)
Cash flow from (used in) financing activities	<u>(170,707)</u>	<u>7,527</u>
Effect of foreign exchange rate changes on cash and cash equivalents	(456)	624
Net decrease in cash and cash equivalents	(159,140)	(55,736)
Cash and cash equivalents at beginning of period	396,431	259,487
Cash and cash equivalents at end of period	<u>\$ 237,291</u>	<u>\$ 203,751</u>

(more)

Affiliated Managers Group, Inc.

Notes

(A) Under our Cash Net Income definition, we add to Net Income (controlling interest) amortization (including equity method amortization), deferred taxes related to intangible assets, Affiliate depreciation and Affiliate equity expense, and exclude the non-cash effect of APB 14-1 (principally imputed interest on convertible securities) and non-cash expenses related to contingent payment arrangements. We consider Cash Net Income an important measure of our financial performance, as we believe it best represents operating performance before non-cash expenses relating to the acquisition of interests in our affiliated investment management firms, and it is therefore employed as our principal performance benchmark. This non-GAAP performance measure is provided in addition to, but not as a substitute for, Net Income; Cash Net Income is not a liquidity measure, and should not be used in place of other liquidity measures calculated under GAAP.

We add back amortization attributable to acquired client relationships because this expense does not correspond to the changes in value of these assets, which do not diminish predictably over time. The portion of deferred taxes generally attributable to intangible assets (including goodwill) that are no longer amortized but continue to generate tax deductions is added back because we believe it is unlikely these accruals will be used to settle material tax obligations. We add back the portion of consolidated depreciation expense incurred by Affiliates because under our Affiliate operating agreements, we are generally not required to replenish these depreciating assets. We add back non-cash expenses relating to certain transfers of equity between Affiliate management partners when these transfers have no dilutive effect to shareholders.

In connection with recent investments in Affiliates, in the first quarter of 2010 we modified our Cash Net Income definition to exclude non-cash imputed interest and revaluation adjustments related to contingent payment arrangements from Net Income (controlling interest). The modification of the Cash Net Income definition did not have an impact on the periods reported herein.

(B) EBITDA is defined as earnings before interest expense, income taxes, depreciation and amortization. This supplemental non-GAAP liquidity measure is provided in addition to, but not as a substitute for, cash flow from operations. As a measure of liquidity, we believe EBITDA is useful as an indicator of our ability to service debt, make new investments and meet working capital requirements. EBITDA, as calculated by us, may not be consistent with computations of EBITDA by other companies. In reporting EBITDA by segment, Affiliate expenses are allocated to a particular segment on a pro rata basis with respect to the revenue generated by that Affiliate in such segment.

(C) Cash earnings per share represents Cash Net Income divided by the adjusted diluted average shares outstanding. In this calculation, the potential share issuance in connection with our convertible securities is measured using a “treasury stock” method. Under this method, only the net number of shares of common stock equal to the value of the contingently convertible securities and the junior convertible trust preferred securities in excess of par, if any, are deemed to be outstanding. We believe the inclusion of net shares under a treasury stock method best reflects the benefit of the increase in available capital resources (which could be used to repurchase shares of common stock) that occurs when these securities are converted and we are relieved of our debt obligation. This method does not take into account any increase or decrease in our cost of capital in an assumed conversion. Cash earnings per share is not a liquidity measure, and should not be used in place of other liquidity measures calculated under GAAP.

(more)

(D) We have bifurcated certain of our convertible debt securities into their debt and equity components on our balance sheet. The senior convertible securities balance consists of zero coupon senior convertible notes, which were not required to be bifurcated, and senior convertible notes due 2038. The principal amount at maturity of the senior convertible notes due 2038 was \$460,000 at December 31, 2009 and March 31, 2010. The principal amount at maturity of the junior convertible trust preferred securities was \$730,820 at December 31, 2009 and March 31, 2010.

(E) Convertible securities interest expense, net, includes the interest expense, net of tax, associated with our dilutive convertible securities.

(F) We completed our investment in Artemis Investment Management during the first quarter of 2010.

(G) Other includes assets under management attributable to Affiliate product closings, the financial effects of which are not material to our ongoing

results.

- (H) Income attributable to non-controlling interests on our income statement represents the profits allocated to Affiliate management owners and investors in certain Affiliate investments in partnerships that we are required to consolidate. Non-controlling interests on our balance sheet represents the undistributed profits and capital owned by Affiliate management. Non-controlling interests in partnerships on our balance sheet represent the net assets owned by investors in certain Affiliate investment partnerships.
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