

Press Release – 2 March 2010

Presentation of the 2009 Full-Year Results

Assets under management increase by 15% in 2009 to CHF 114 billion – Net new money positive for full year – Underlying net profit CHF 150 million¹ – Strong balance sheet with tangible equity of CHF 1,223 million.

- Reported net profit 2009: CHF 3,637 million; including a gain from the divestment of Julius Baer Group Ltd. of CHF 3,943 million, net profit of CHF 861 million from the IPO of Artio Global Investors Inc., shown under discontinued operations, before eliminations, and a reduction in the balance sheet value of the GAM goodwill and customer relationships of CHF 1,314 million.
- Assets under management increased by 15% (CHF 14.8 billion) during 2009 to CHF 113.6 billion². The majority of this increase derived from positive market performance.
- Net new money for 2009 of CHF 0.4 billion³, driven by positive net new money of CHF 2.0 billion in second half of 2009. Significant client demand for fixed income, currency and commodity products.
- Average assets under management of CHF 105.9 billion, 23% lower than 2008, which, coupled with lower gross margins, resulted in 36% lower operating income of CHF 589 million. Operating expenses actively managed down by 15% to CHF 401 million, resulting in underlying net profit for 2009 of CHF 150 million¹.
- Balance sheet remains very healthy with tangible equity of CHF 1,223 million, including a cash position of CHF 974 million. Strong strategic and financial position to participate in expected market consolidation through targeted accretive acquisitions.
- Previously announced intention not to refinance the March 2010 bond is confirmed.
- The Board of Directors of GAM Holding Ltd. is pleased to announce that Daniel Daeniker has agreed to be nominated at the Annual General Meeting on 13 April 2010 as a prospective new member of the Board. A fifth prospective member of the Board of Directors has been approached and is expected to be nominated, together with Mr Daeniker, at the upcoming Annual General Meeting.

Assets under Management increased by CHF 14.8 billion in 2009 to CHF 113.6 billion². Market performance across all asset classes contributed CHF 10.9 billion to this increase, and net new money contributed CHF 0.4 billion³. The acquisition of Augustus Asset Managers Ltd. added a further CHF 1.9 billion and the deconsolidation of Artio Global Investors Inc. CHF 1.5 billion. GAM's assets under management rose by CHF 9.3 billion (22%) from CHF 41.7 billion at the end of 2008, to CHF 51.0 billion at the end of 2009. Swiss & Global Asset Management's (Swiss & Global) assets under management rose by CHF 15.8 billion (28%) from CHF 57.2 billion at the end of 2008 to CHF 73.0 billion at the end of 2009.

Net new money for 2009 was CHF 0.4 billion³, with net inflows of CHF 2.0 billion in the second half of the year offsetting CHF 1.6 billion of net outflows in the first half. Net new money into Swiss & Global amounted to CHF 7.9 billion in 2009, of which CHF 3.7 billion was recorded in the first half and CHF 4.2 billion in the second. Net new money was spread across a broad range of products including fixed income strategies, equity and commodity

¹ The underlying net profit of CHF 150 million includes certain pro forma adjustments and excludes a number of non-recurring items, which are detailed in the appendix to the presentation to media, analysts and investors. Including these items the net profit for 2009, as reported in the audited financial statements was CHF 3,637 million.

² Excludes CHF 10.4 billion of Julius Baer branded funds distributed by Swiss & Global and sub-advised by Augustus Asset Managers Ltd., now owned by GAM.

³ CHF 3.7 billion in total before removing double count of net new money relating to Julius Baer branded funds distributed by Swiss & Global and sub-advised by Augustus Asset Managers Ltd., now owned by GAM.

funds as well as flows into the private label funds business. Full-year net outflows of CHF 4.2 billion were recorded at GAM, with net inflows of CHF 0.8 billion in the second half of the year offsetting net outflows of CHF 5.0 billion in the first half. The majority of inflows have been into the attractive new range of active fixed income products.

Group operating income amounted to CHF 589.3 million in 2009, a decline of 36% when compared to 2008. Net fee and commission income was CHF 523.1 million in 2009, 37% lower than 2008 as a result of 23% lower average assets under management in 2009, as well as an 11.5 basis points decline in the gross margin to 55.7 basis points. This decline resulted mainly from the changing mix of assets managed across the Group and investors' preference for fixed income strategies, as well as the growth of the private label fund business at Swiss & Global. Performance fees for 2009 were CHF 17.5 million, up from CHF 1.0 million in 2008.

Group operating expenses declined by 15% to CHF 400.6 million, as active cost management reduced expenses across the Group. Personnel expenses, which were down 11% (CHF 33.3 million) year-on-year, as a result of a 5% reduction in full-time employees to 1,023 (even after the acquisition of Augustus Asset Managers Ltd. which added 47 full-time employees), and further reductions in variable compensation. Strict cost control continues to be applied to general expenses, which declined by 21% (CHF 35.1 million) in 2009. The cost income ratio of the Group increased to 68.0% in 2009 from 51.4% in 2008, as income declined at a faster rate than expenses.

Consequently, *profit before taxes* for 2009 amounted to CHF 188.7 million, a decline of 58% when compared to 2008. Taxes amounted to CHF 39.1 million (representing a rate of 24.9% on profit before taxes and excluding income from associates), including taxes relating to Swiss & Global arising in respect of previous years. *Net profit* for 2009 was therefore CHF 149.6 million, a decline of 60% on 2008.

EPS for 2009 was CHF 0.72 per share, a decline of 60% compared to 2008.

Balance Sheet: Total Group assets amounted to CHF 3,161 million at the end of 2009, including CHF 1,397 million of GAM goodwill, customer relationships and brand; total equity and reserves were CHF 2,619 million and tangible equity (total equity excluding goodwill, customer relationships and brand) was CHF 1,223 million, including the 27.9% retained stake in Artio Global Investors Inc. With the strength of the balance sheet, including the CHF 974 million cash position at the end of 2009, the decision not to refinance the March 2010 bond of CHF 150 million is confirmed.

During December 2009 GAM Holding Ltd. took advantage of weaker markets to build a position of treasury shares to hedge potential exposure under the long-term incentive plan launched in October 2009. This move is consistent with the stated intention to limit potential shareholder dilution resulting from the plan. As at 31 December 2009 this position amounted to 2.81% of shares in issue. The total equity and reserves and net tangible equity disclosed in the financial statements have been reduced by the cost of these treasury shares. Since the end of 2009 the position in treasury shares has been further increased and now stands at 4.0% of shares in issue.

Capital Management Policy: The basic principal is to return excess capital to shareholders via dividends or share buy-backs if not required to expand the business organically or for targeted accretive acquisitions. Following the divestment of the Julius Baer Group Ltd., 2010 will be a transitional year for GAM Holding Ltd. with various new and potential uses for its capital, therefore no dividend payment in respect of the business year 2009 will be proposed. Going forward GAM Holding Ltd. will be targeting a dividend payout ratio in excess of 50% of net profit.

Dr Daniel Daeniker will be nominated at the Annual General Meeting on 13 April 2010 as a prospective new member of the Board of Directors of GAM Holding Ltd. Mr Daeniker (b.1963) is an attorney-at-law living and working in Zurich, Switzerland. He is the head of the Corporate / M&A practice group of Homburger AG, one of Switzerland's leading law firms, where he has been a partner since 2000. Mr Daeniker's practice focuses on mergers and acquisitions, equity capital markets, financial services regulation and corporate governance. He is a lecturer in law at the University of Zurich and a member of the editorial board of the legal periodical, *GesKR (Gesellschafts- und Kapitalmarktrecht)*.

The results conference will be webcast at 9:30am (CET) on 2 March 2010. All documents (presentation, Business Review, 2009 Annual Report and press release) will be available as of 7:00am (CET) at www.gamholding.com.

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For further information please contact:

Media Relations Contact:

Jürg Wildberger
Hirzel.Neef.Schmid.Konsulenten
T: +41 (0) 43 344 4242

Investor Relations Contact:

Thomas Schneckenburger
Bluechip Financial Communications
T: +41 (0) 44 256 8833

Notes to Editors

About GAM Holding Ltd.

GAM Holding Ltd. is an independent, well-diversified asset management business, with a focus on the manufacturing and distribution of investment products and services.

GAM Holding Ltd. is listed on the SIX Swiss Exchange and a component of the Swiss Leader Index (SLI) and the Swiss Market Index Mid (SMIM) with the symbol "GAM". GAM Holding Ltd. has Group assets under management of CHF 114 billion as at the end of December 2009. It employs over 1,000 staff in more than 13 countries and 16 locations, including Zurich (head office), Bermuda, Cayman Islands, Dubai, Dublin, Frankfurt, Hong Kong, London, Los Angeles, Luxembourg, Milan, New York and Tokyo.

Further information and copies of the 2009 financial statements can be found at: www.gamholding.com.

Key figures – pro forma¹

	2009 CHF m	2008 CHF m	Change 2009 to 2008 in %
Consolidated income statement			
Net fee and commission income	523.1	827.1	-36.8
Performance fees	17.5	1.0	1,584.1
Income from associates	31.7	49.6	-36.2
Other ordinary results	17.0	39.8	-57.2
Operating income	589.3	917.5	-35.8
Personnel expenses	259.0	292.3	-11.4
General expenses	130.6	165.7	-21.2
Depreciation and amortisation	10.9	14.0	-22.3
Operating expenses	400.6	472.0	-15.1
Profit before taxes	188.7	445.5	-57.6
Income taxes	39.1	68.9	-43.3
Net profit	149.6	376.6	-60.3
Gross margin (basis points)	55.7	67.2	-17.1
Cost/income ratio	68.0%	51.4%	-
Pre-tax margin (basis points)	17.8	32.6	-45.4
Tax rate	20.7%	15.5%	-
Tax rate (excluding income from associates)	24.9%	17.4%	-
Client assets (CHF bn)			
Assets under management ²	113.6	98.8	15.0
Average Assets under management	105.9	136.6	-22.5
Net new money ³	0.4	-24.3	101.7
Personnel			
Number of employees (FTE)	1,023	1,076	-4.9
of whom Switzerland	302	361	-16.4
of whom abroad	721	715	0.8
	31.12.09 CHF m	31.12.08 CHF m	Change 2009 to 2008 in %
Consolidated balance sheet			
Total assets	3,161.4	4,194.2	-24.6
Total equity	2,619.3	3,030.3	-13.6
Tangible equity (total equity, excl. goodwill, customer relationships, brand)	1,222.8	219.5	457.1
Return on equity ⁴	12.2%	171.6%	-92.9
	2009 CHF	2008 CHF	Change 2009 to 2008 in %
Share information			
Number of registered shares	206,630,756	211,034,256	-2.1
Share capital (CHF m)	10.3	10.5	-1.9
EPS ⁵	0.72	1.82	-60.2
Book value as of 31 December ⁶	6.08	1.06	472.3
Closing price as of 31 December	12.59	n/a	n/a

¹ The consolidated pro forma financial results above have been adjusted to include income from associates (Artio Global Investors Inc.), but exclude the consolidation of Artio Global Investors Inc.'s results in both 2008 and 2009. They also exclude: the impact of the divestment of Julius Baer Group Ltd. by GAM Holding Ltd.; the impact of the Artio Global Investors Inc. IPO; the reduction in the carrying value of the GAM goodwill and customer relationships; the amortisation of customer relationships and the elimination of non-recurring revenues paid to GAM Holding Ltd. from Bank Julius Baer & Co Ltd. during the period to September 2009. Including these items the Group's net profit for 2009, as reported in its audited financial statements, was CHF 3,637 million.

² Excludes CHF 10.4 billion of Julius Baer branded funds distributed by Swiss & Global Asset Management and sub-advised by Augustus Asset Managers Ltd., now owned by GAM.

³ CHF 3.7 billion in total for 2009 before removing double count of net new money relating to Julius Baer branded funds distributed by Swiss & Global Asset Management and sub-advised by Augustus Asset Managers Ltd., now owned by GAM.

⁴ Net profit / tangible equity.

⁵ Net profit / weighted average number of shares.

⁶ Tangible equity / registered shares (excluding treasury shares).