GAM | Holding AG

Results and Review H1 2013

Presentation for Media, Analysts and Investors

Zurich, 13 August 2013

Cautionary statement on forward-looking information

This presentation by GAM Holding AG ('the Company') includes forward-looking statements that reflect the Company's intentions, beliefs or current expectations and projections about the Company's future results of operations, financial condition, liquidity, performance, prospects, strategies, opportunities and the industry in which it operates. Forward-looking statements involve all matters that are not historical facts. The Company has tried to identify those forward-looking statements by using words such as 'may', 'will', 'would', 'should', 'expect', 'intend', 'estimate', 'anticipate', 'project', 'believe', 'seek', 'plan', 'predict', 'continue' and similar expressions. Such statements are made on the basis of assumptions and expectations which, although the Company believes them to be reasonable at this time, may prove to be erroneous.

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Agenda and contents

1. H1 2013 overview
   David M. Solo, Group CEO

2. Changes in disclosure and financial results
   Marco Suter, Group CFO

3. Business update
   David M. Solo, Group CEO
   Craig Wallis, Group Head of Distribution & Marketing

4. Outlook
   David M. Solo, Group CEO

Q&A session

Appendix

Agenda and contents

1. H1 2013 overview
David M. Solo, Group CEO

2. Changes in disclosure and financial results
Marco Suter, Group CFO

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4. Outlook
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Q&A session

Appendix

H1 2013 overview

Strong profit growth and continued business development

Underlying net profit of CHF 111.7 million, 58% higher than in H1 2012

- Revenue growth of 31% in investment management
- General expenses flat despite continued product expansion

Group AuM of CHF 116.6 billion, up CHF 0.4 billion from year-end 2012

- Positive currency impact offset by negative market performance
- Net new money (NNM) outflows of CHF 0.6 billion
- Success story of single manager absolute return range continues, with record levels of NNM in H1 2013

Completed: sale of minority stake in Artio

- Minority stake in Artio Global Investors Inc. (Artio) successfully sold to Aberdeen Asset Management
- Cash proceeds of CHF 42 million
- Gain of CHF 13 million, not included in underlying net profit

New Group Management Board appointed on 18 April 2013

- Progressive integration of the Group
- Financial reporting structure aligned

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4. Outlook
   David M. Solo, Group CEO

Q&A session

Appendix

Changes in disclosure - rationale

Effective from H1 2013 reporting

New financial disclosure reflects how our business has developed and how we manage our Group

- Increasing convergence of GAM's and Swiss & Global's investment management businesses
- Integration of support functions
- Group now managed as one business

It provides more transparency on the value drivers of our two core activities

- As a Group, we essentially have two core activities:
  - Management & distribution of investment strategies under our own brands → **investment management**
  - Development & operation of private label funds on behalf of third parties → **private labelling**
- These two core activities have fundamentally different value propositions and economics

It simplifies our NNM and AuM reporting and improves the quality of certain key performance indicators (KPIs)

- New AuM breakdown by manager/distributor, showing the roles of GAM and Swiss & Global as investment managers and distribution channels
- Eliminates the double counting of AuM and NNM in our previous segment reporting
- Eliminates the distortion of previous NNM targets and RoA resulting from the double counting of AuM and partial revenue attribution to the segments

It aligns KPIs with management objectives

- Overarching objective: create sustainable value for our shareholders by growing earnings per share
- Specific KPIs to measure efficiency, profitability, financial strength and growth

Group and reporting structure

Our disclosure at a glance

Group

GAM Holding AG

Consolidated results
- Income statement
- Balance sheet

Key performance indicators
- EPS, RoA, C/I ratio
- Net cash, tangible equity
- Group AuM, Group NNM

Core activities

Value drivers

Investment management

Business metrics
- Net fee & commission income
- RoA
- AuM (by product, client and manager/distributor)
- NNM

Private labelling

Business metrics
- Net fee & commission income
- RoA
- AuM (by fund domicile)
- NNM

Product brands

GAM Julius Bär *Funds*

Operating & legal entities

GAM subsidiaries

Swiss & Global Asset Management subsidiaries

New accounting policies

Impact of restatement on 2012 results as reported according to IFRS[1]

As at 31.12.2012 | **FY 2012**

IFRS 10 – Consolidation Standard

Minor impact on balance sheet and income statement

'Single line' consolidation of seed capital investments the Group is deemed to control

→ CHF 68.2m (of a total of CHF 151.6m) reclassified from 'Financial investments' to 'Financial assets held for sale'

→ 'Financial assets held for sale' presented on a gross basis, increasing the balance sheet by CHF 5.9m

Unrealised gains previously recognised in other comprehensive income restated and reclassified to income statement

- Assets: +CHF 5.9m
- Liabilities: +CHF 5.9m
- Operating income: +CHF 0.8m
- Income taxes: CHF 0

IAS 19 revised – Employee Benefits

Impact on income statement minor, but noticeable on balance sheet

Eliminates 'corridor mechanism' in pension accounting, with actuarial gains & losses recognised through other comprehensive income

→ Total assets increased by CHF 5.1m, due to the recognition of a pension-related deferred tax asset of CHF 11.6m, while pension assets of CHF 6.5m were eliminated

→ Non-current pension liabilities increased by CHF 56.9m

→ Equity (mainly retained earnings) was reduced by CHF 50.5m

Future P&L impact expected to be insignificant but volatility of pension liability and equity will increase

- Assets: +CHF 5.1m
- Liabilities: +CHF 55.6m
- Equity: –CHF 50.5m
- Personnel expenses: +CHF 0.7m
- Income taxes: –CHF 0.3m

1. For details on the impact of the introduction of new accounting policies, please refer to Note 3 of the Condensed Interim Consolidated Financial Statements of GAM Holding AG's half-year report 2013. The net impact of these IFRS restatements on the Group's underlying profit for 2012 was zero.

Group summary

	H1 2013	H1 2012	H2 2012	Change from H1 2012 in %
Operating income (CHF m)	357.4	280.8	314.1	27
Operating expenses (CHF m)	231.2	193.4	206.3	20
Underlying net profit (CHF m)[1]	111.7	70.5	91.5	58
IFRS net profit (CHF m)	119.0	36.6	51.8	225
Period-end AuM (CHF bn)	116.6	111.1	116.2	5
NNM (CHF bn)	-0.6	0.9	1.5	-167
Average AuM (CHF bn)	118.5	110.0	115.2	8
Tangible equity (CHF m)	476.7	580.1	530.8	-18
Cash and cash equivalents (CHF m)	466.1	445.7	504.0	5
Basic EPS (CHF)[2]	0.67	0.40	0.54	68
Return on tangible equity[3]	46.2%	24.3%	34.0%	90
Return on assets (bps)[4]	60.3	51.1	54.5	18
Cost/income ratio	64.7%	68.9%	65.7%	-6
Period-end shares outstanding (m)	163.4	171.1	164.6	-5

Strong profitability

- Strong revenue growth paired with continued cost discipline yields impressive improvement in net profit

Modest growth in end-of-period AuM

- AuM significantly impacted by June 2013 market corrections
- Robust growth in average AuM

Strong liquidity & capitalisation

- 2012 dividends & 2013 buy-backs largely funded from current cash flow

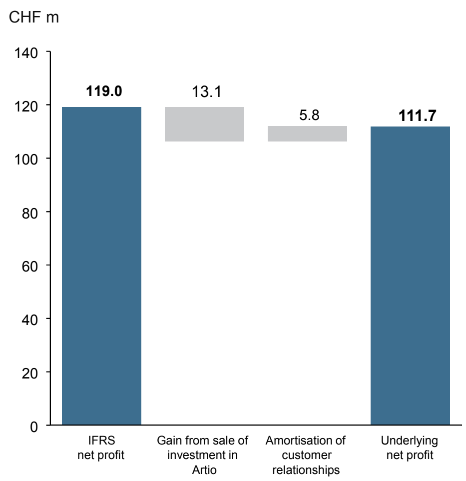
Delivering on our ambitions

- Strong EPS growth
- Improvements in RoA and cost/income ratio
- Continued share buy-back activity – albeit at reduced level

1. Includes non-controlling interests. 2. Underlying net profit excl. non-controlling interests / weighted average number of shares outstanding. 3. Underlying net profit excl. non-controlling interests (annualised) / tangible equity at the end of the period. 4. Annualised

Underlying net profit: adjustments

Items unrelated to business performance



Reconciliation items:

CHF 13.1 million, gain from Artio divestment

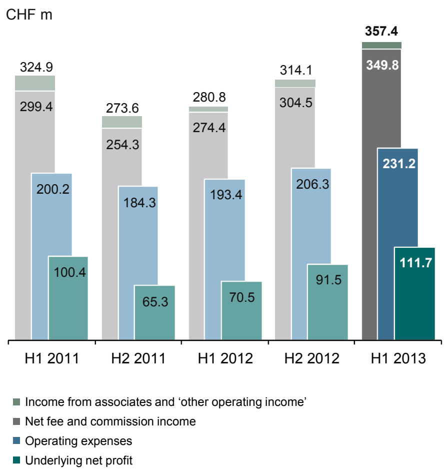
- Cash proceeds of CHF 42.4 million

CHF 5.8 million, amortisation of customer relationships

- From the 2005 acquisition of GAM
- Residual CHF 5.8 million, to be fully amortised by end 2013

Group financial results

Profitability driven by growth in net fees and commission income

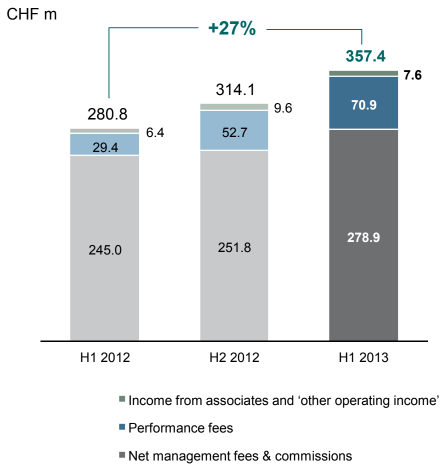


Underlying net profit up 58% from H1 2012 and 22% from H2 2012 supported by:

- **Strong earnings momentum**
  - Operating income rose 27% from H1 2012 and 14% from H2 2012
- **Continued cost discipline**
  - Group operating expenses advanced at slower pace than revenues (up 20% from H1 2012 and 12% from H2 2012)
- **Decline in tax expense**
  - Low tax rate due to local tax deductions for 2009 LTIP options – has largely offset incremental related social security expenses

Group operating income

Strong earnings momentum



Operating income up 27% (CHF 76.6 million) from H1 2012, resulting from:

- **Net fee and commission income increase of 27% (CHF 75.4 million) from H1 2012**
  - Supported by 8% year-on-year increase in average AuM
  - Improvement in RoA/margins
  - Rebound in performance fees from unusually low H1 2012 levels
    - Performance fees tend to be stronger in H1 as fees on many onshore funds are booked once a year, at the end of June
- **Increase in 'other operating income' from H1 2012, but trailing H2 2012**
  - Includes impact of FX movements as well as recurring fund-related fees and service charges

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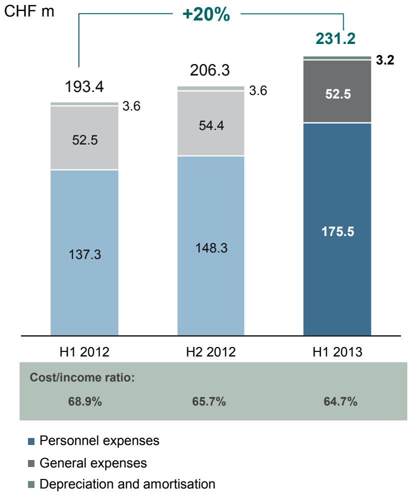
Group operating expenses

Rose at slower pace than income



Operating expenses advanced 20% from H1 2012, as a result of:

- **Increase in personnel expenses of 28% (CHF 38.2 million) from H1 2012**
  - Higher contractual payments resulting from strong rise in net fee and commission income
  - Inflated by social security costs on 2009 LTIP options
    - CHF 9 million charge in H1 2013 (credits of CHF 2.2 million in H1 2012 and of CHF 5.4 million in H2 2012) due to the increase in the value of these options
    - Largely offset by reduction in taxes on 2009 LTIP
    - Distorts achievements of cost containment
    - Adjusted for LTIP-related social security debits and credits, rise in personnel expenses (up 8% and 19% from H2 and H1 2012) well below rise in net fee & commission income
- **Flat general expenses year-on-year**
  - As a result of our cost discipline, paired with favourable foreign exchange developments
  - Reduced by 3% from H2 2012

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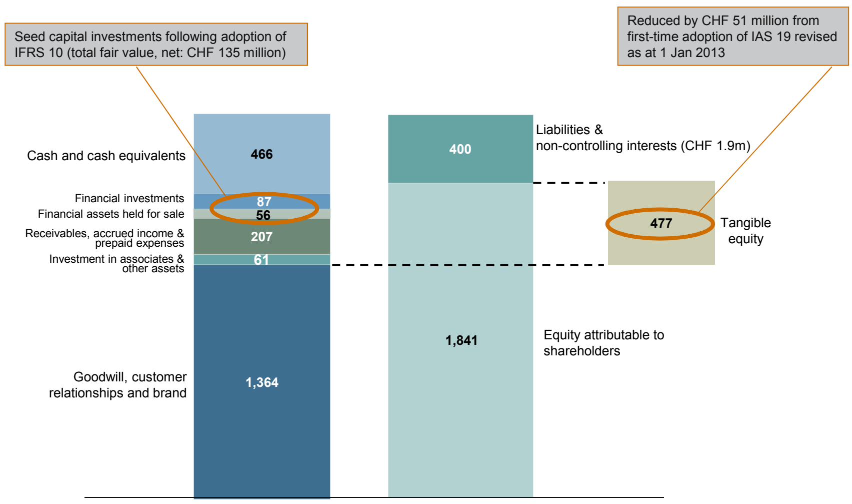
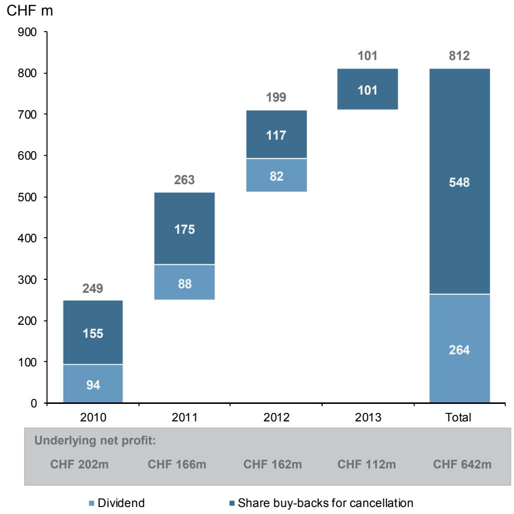
Balance sheet

As at 30 June 2013 (CHF million)



Return of capital to shareholders[1]

Cumulative CHF 812 million since 2010



We remain committed to returning excess cash and capital to our shareholders

- Ability to generate strong cash flows and low capital consumption as basis for strong total shareholder returns
- Mix of dividends versus buy-backs likely to change in the future, with stronger emphasis on dividends
- Buy-backs over second trading line provide flexibility
  - Current programme runs until April 2014
- Strong capitalisation and investment in growth remain top priority

1. Dividend is shown in the year of performance; figures therefore deviate from GAM Holding AG's consolidated cash flow statements.

Treasury shares and shares outstanding

in millions	30.06.2013	31.12.2012	31.12.2011	31.12.2010
Shares issued	**173.2**	**183.4**	**196.3**	**206.6**
Treasury shares bought back for cancellation (2010 programme)	-	-	-	-10.3
Treasury shares bought back for cancellation (2011–2014 programme)	-6.0	-10.1	-12.9	-
Treasury shares purchased over 1st trading line	-3.8	-8.7	-6.3	-7.6
Shares outstanding, eligible for dividend	**163.4**	**164.6**	**177.1**	**188.7**
Maximum buy-back capacity left under 2011–2014 programme	*12.2*	*18.3*	*28.4*	*41.3*

Share count (shares outstanding) reduced slightly in H1 2013

- 10.1 million shares (bought back in 2012) cancelled in June 2013, following AGM approval
- 6 million shares bought back for cancellation during H1 2013 under 2011–2014 programme; bringing cumulative buy-back volume since the start of the programme to 29.1 million shares (70% of maximum limit)
- 0.3 million bought back in July 2013 (not reflected in table above)

Treasury shares held for 2009 LTIP reduced

- Used to cover net-settled options exercised in March 2013

Agenda and contents

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4. Outlook
   David M. Solo, Group CEO

Q&A session

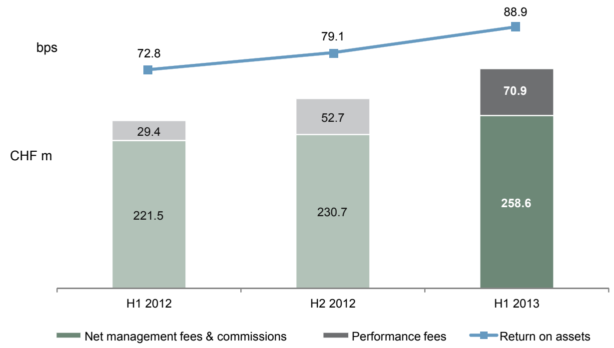
Appendix

Investment management

Key figures

	H1 2013	H1 2012	H2 2012	Change from H1 2012 in %
Net management fees & commissions (CHF m)	258.6	221.5	230.7	17
Performance fees (CHF m)	70.9	29.4	52.7	141
Net fee and commission income (CHF m)	**329.5**	**250.9**	**283.4**	**31**
Period-end AuM (CHF bn)	72.1	68.8	72.6	5
NNM (CHF bn)	-0.2	-1.2	1.1	83
Average AuM (CHF bn)	74.2	68.9	71.7	8
Return on assets (bps)	88.9	72.8	79.1	22

Investment management revenues and RoA



Growth of net management fees and commissions driven by high-margin absolute return range

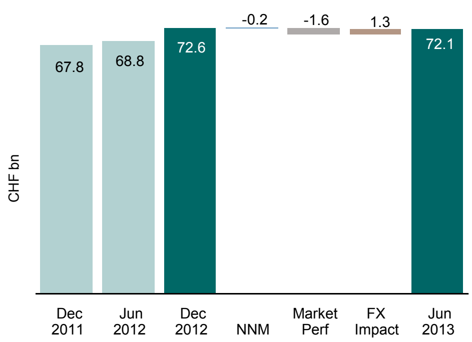
- Net management fees & commissions up 17% from H1 2012 and 12% from H2 2012
- Growth in average AuM by 8% from H1 2012 and by 3% from H2 2012

Performance fees at more normalised levels, recovered from lows in H1 2012

- Largest contributors: Global rates, absolute return fixed income and non-directional equity strategies
- As at 30 June 2013: 99.75% of performance fee-generating assets at or within 5% of their high-water mark

Investment management AuM and NNM

Business development stronger than suggested by NNM results in H1 2013



AuM down by CHF 0.5 billion

- Sharp market corrections in June 2013 across all asset classes, offsetting growth of the previous five months
- Fall in gold prices throughout Q2 affected the JB physical gold ETF

NNM outflows of CHF 0.2 billion

- Loss of a one-off equity mandate at GAM
- Net outflows from JB physical gold ETF
- Record net inflows into absolute return single manager: fixed income, macro, non-directional equities
- EM bond funds with positive NNM for H1 2013, despite June sell-off in the asset class
- Encouraging demand for strongest-performing, most differentiated equity strategies

Positive FX impact

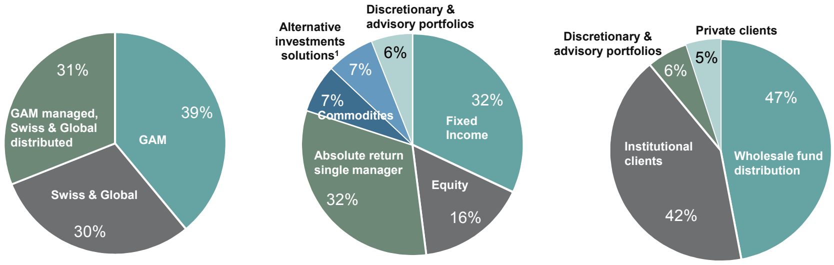
- Strengthening of USD and EUR

Investment management AuM breakdown

By manager/distributor
As at 30 June 2013

By product type
As at 30 June 2013

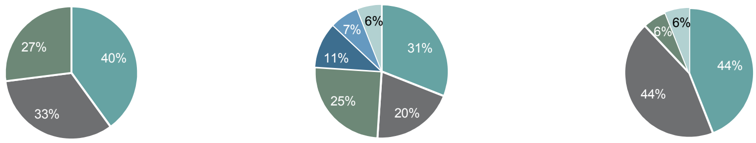
By client segment
As at 30 June 2013



As at 31 December 2012

As at 31 December 2012

As at 31 December 2012



1. Multi-manager has been renamed alternative investments solutions, reflecting the increasingly customised nature of the assets managed in this area.

Private labelling

Key facts & figures

	H1 2013	H1 2012	H2 2012	Change from H1 2012 in %
Net management fees & commissions (CHF m)	20.3	23.5	21.1	-14
Performance fees (CHF m)	-	-	-	-
Net fee and commission income (CHF m)	**20.3**	**23.5**	**21.1**	**-14**
Period-end AuM (CHF bn)	44.5	42.3	43.6	5
NNM (CHF bn)	-0.4	2.1	0.4	-119
Average AuM (CHF bn)	44.4	41.1	43.4	8
Return on assets (bps)	9.2	11.5	9.6	-20

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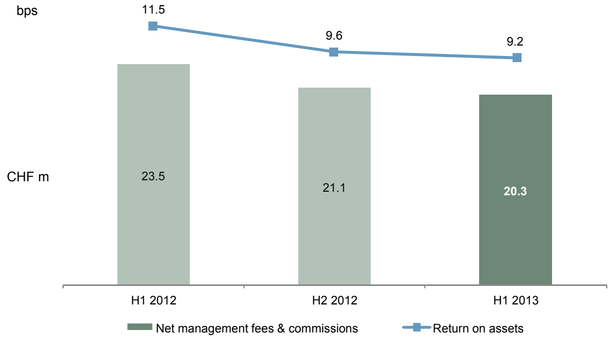
Private labelling revenues and RoA



Decline in net management fees and commissions reflects redemptions from higher-margin business
- Despite growth in average AuM (up 8% from H1 2012 and 2% from H2 2012)
- Driven by H1 2013 outflows

High operating leverage and considerable contribution to bottom-line profitability

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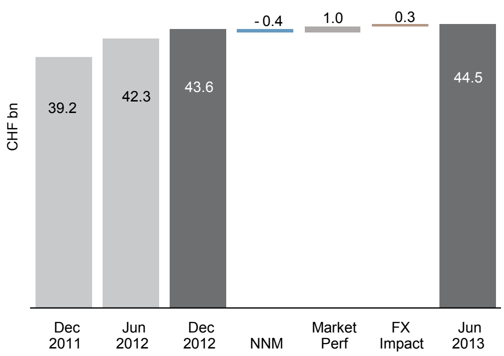
Private labelling AuM and NNM

Affected by a period of atypical outflows



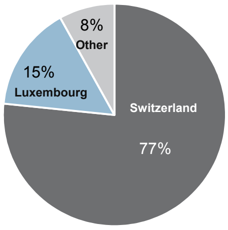
AuM increased by 2%
- Driven by market performance and small positive FX impact (mainly USD)
- Over two thirds of the assets denominated in Swiss francs

NNM outflows of CHF 0.4 billion
- Outflows of offshore funds
- Outflows from Swiss-domiciled funds
- Partly offset by win of substantial new mandate in Luxembourg

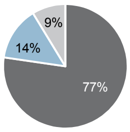
Private labelling AuM development

By fund domicile

As at 30 June 2013



As at 31 December 2012



Client assets typically quite stable

- Considerable joint effort involved in setting up tailored solutions
- Our partnership approach fosters long-term relationships, allowing us to grow with our clients

Growth opportunities in Luxembourg

- Anticipated demand for management company services following more stringent regulation has not yet materialised in scale

H1 2013 performance versus mid-term targets

	Actual results H1 2013	Mid-term targets	
Basic EPS growth	+ 68% y-on-y	Sustainable growth	• Driven mainly by profit increase
C/I ratio	64.7%	60–65%	• Continued cost discipline • Business provides operating leverage
Net new money growth rate[1]			
Investment management	– 1% of AuM	5–10% of AuM	• Well-positioned in areas with strong growth potential • Integrated global sales force
Private labelling	– 2% of AuM	5–10% of AuM	• Proven ability to grow over the cycle • Target slightly reduced reflecting uncertainty over regulatory developments

1. Annualised.

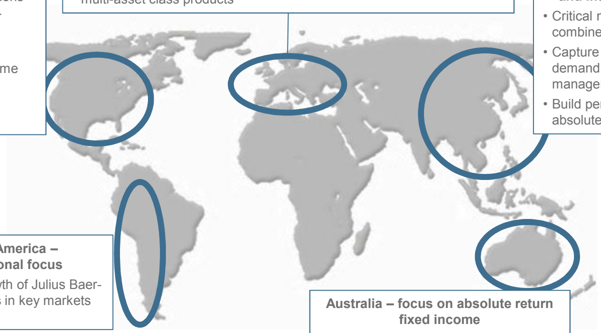
Global distribution strategy

Core markets and priorities

Europe including UK & Nordics – wholesale and institutional focus
- Continue to develop broader penetration of UCITS range
- Realise benefits of integrated sales force
- Capture continued growth in alternative UCITS and institutional demand for absolute return fixed income
- Expand independent financial adviser/pension client base of risk-rated multi-asset class products

North America – institutional focus
- Provide portfolio of hedge funds and advisory solutions
- Promote single manager absolute return offering
- Capture interest in unconstrained fixed income strategy
- Sub-advisory for liquid alternatives

Asia & Japan – wholesale and institutional focus
- Critical mass improved with combined sales force
- Capture 'hot spots' of client demand with broad single manager offering
- Build penetration of absolute return products



South America – institutional focus
- Continue growth of Julius Baer-branded funds in key markets (Chile, Peru)

Australia – focus on absolute return fixed income
- Build retail and institutional penetration
- Develop consultant support

Agenda and contents

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4. Outlook
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Q&A session

Appendix

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Outlook

Market corrections in June 2013 have not affected our medium-term outlook

Investor rotation away from traditional bond allocations is now clearly established

- Clients are increasingly selective in their allocations to active investment strategies
- Consistent interest in proven absolute return products across asset classes, including unconstrained and specialised active fixed income
- Slow but steady increase in demand for equity products

Absolute return and unconventional strategies offer the highest growth in active management sector

- Investors cannot rely on 'easy' solutions
  - Very low or negative real yields
  - Slow economic growth
  - Equity market volatility
- We have the skillset to help clients achieve their return targets and/or wealth preservation goals

Our Group is well-positioned to deliver value to clients and shareholders over the long-term

- Newly integrated management structure
- Broad range of differentiated products with solid long-term investment performance
- Healthy levels of client interest
- Strong balance sheet and profitability

Active management will prove its value in this environment

GAM | Holding AG

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4. Outlook
   David M. Solo, Group CEO

Q&A session

Appendix

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Appendix

- Consolidated balance sheet
- Consolidated income statement (IFRS)
- Reconciliation of underlying net profit to financial statements
- Investment management AuM development
- Investment performance
- Private labelling AuM development
- Corporate calendar and contacts

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Consolidated balance sheet

(CHF m)	30.06.2013	31.12.2012	30.06.2012	Change from 31.12.2012 in %
Cash and cash equivalents	466.1	504.0	445.7	-8
Financial investments	86.7	83.4	99.0	4
Financial assets held for sale	55.6	101.7	38.7	-45
Investment in associates	9.5	-	55.5	-
Trade and other receivables	46.6	53.7	105.2	-13
Accrued income and prepaid expenses	160.2	143.3	123.0	12
Goodwill, customer relationships and brand	1,364.2	1,370.0	1,367.4	-0
Other assets	51.6	49.6	48.7	4
Assets	**2,240.5**	**2,305.7**	**2,283.2**	**-3**
Trade and other payables	53.1	36.6	25.3	45
Accrued expenses and deferred income	229.5	240.1	191.5	-4
Provisions	2.1	2.1	2.0	0
Pension liabilities	66.2	70.9	63.8	-7
Financial liabilities held for sale	7.2	5.9	0.2	22
Other liabilities	39.6	47.3	52.9	-16
Liabilities	**397.7**	**402.9**	**335.7**	**-1**
Share capital	8.7	9.2	9.2	-5
Treasury shares	-137.9	-241.9	-161.1	43
Other equity components	1,972.0	2,135.5	2,099.4	-8
Equity	**1,842.8**	**1,902.8**	**1,947.5**	**-3**
Liabilities and equity	**2,240.5**	**2,305.7**	**2,283.2**	**-3**
Tangible equity (equity excluding non-controlling interests, goodwill, customer relationships and brand)	476.7	530.8	580.1	-10

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Consolidated income statement (IFRS)

(CHF m)	H1 2013	H1 2012	H2 2012	Change from H1 2012 in %
Fee and commission income	588.3	499.9	541.0	18
Distribution, fee and commission expenses	-238.5	-225.5	-236.5	6
Net fee and commission income	**349.8**	**274.4**	**304.5**	**27**
Income from investment in associates	-	1.8	-0.2	-100
Other operating income	20.7	4.6	9.8	350
Operating income	**370.5**	**280.8**	**314.1**	**32**
Personnel expenses	175.5	144.7	148.3	21
General expenses	52.5	52.5	54.4	0
Depreciation of property and equipment and amortisation of software	3.2	3.6	3.6	-11
Amortisation of customer relationships	5.8	5.8	5.9	0
Impairment of investments	-	22.5	33.8	-100
Operating expenses	**237.0**	**229.1**	**246.0**	**3**
Profit before taxes	**133.5**	**51.7**	**68.1**	**158**
Income taxes	14.5	15.1	16.3	-4
Net profit	**119.0**	**36.6**	**51.8**	**225**

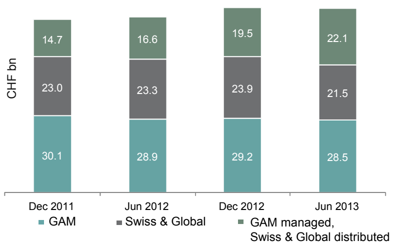
GAM Holding AG

Reconciliation of underlying net profit to financial statements

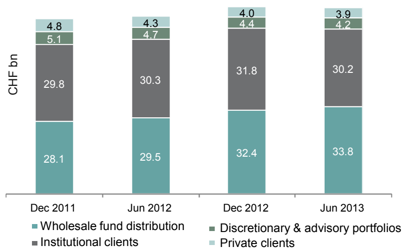
(CHF m)	H1 2013	H1 2012	H2 2012
Underlying net profit	**111.7**	**70.5**	**91.5**
Gain from sale of investment in Artio	13.1	-	-
Amortisation of customer relationships	-5.8	-5.8	-5.9
Impairment of investments	-	-22.5	-33.8
Pension plan curtailment expenses	-	-5.6	-
Net profit as per financial statements	**119.0**	**36.6**	**51.8**

Investment management AuM development

By manager/distributor



By client segment



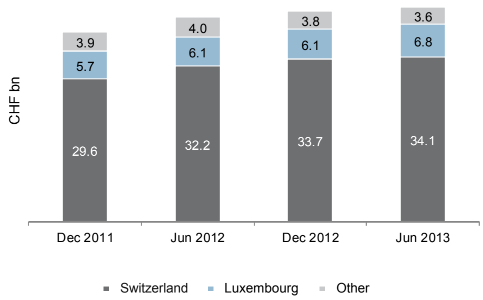
By product type

Investment performance over 3 years, by product brand[1]

As at 30 Jun 2013	% of AuM in funds outperforming their benchmark over 3 years
GAM	84%
Julius Baer Funds	84%
Total funds	**84%**

1. Excludes mandates and segregated accounts.

Private labelling AuM development



Corporate calendar and contacts

Forthcoming events

22 Oct 2013	Interim management statement Q3 2013
4 Mar 2014	Full-year results 2013
15 Apr 2014	Ordinary Annual General Meeting Interim management statement Q1 2014
12 Aug 2014	Half-year results 2014

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