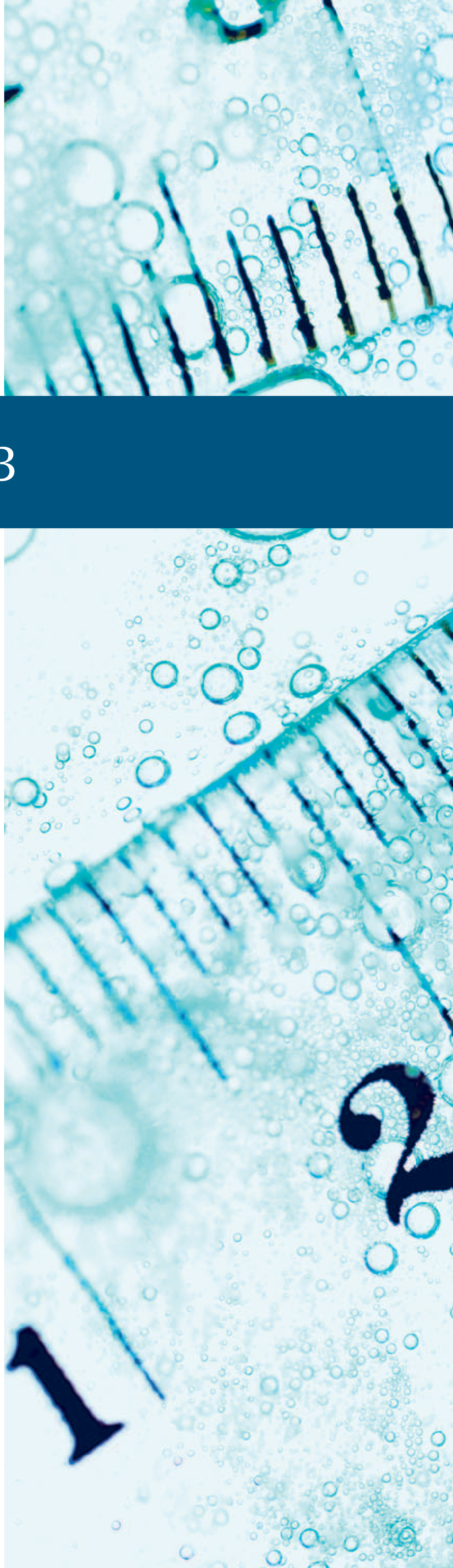
GAM | Holding AG

HALF-YEAR REPORT 2013



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KEY FIGURES

	H1 2013	H1 2012	H2 2012	CHANGE FROM H1 2012 IN %	CHANGE FROM H2 2012 IN %
CLIENT ASSETS CHF BN					
Assets under management at the end of the period	116.6	111.1	116.2	5	0
Average assets under management[1]	118.5	110.0	115.2	8	3
Net new money	-0.6	0.9	1.5	-167	-140
INCOME STATEMENT[2] CHF M					
Operating income	357.4	280.8	314.1	27	14
Operating expenses	231.2	193.4	206.3	20	12
Underlying profit before taxes	**126.2**	**87.4**	**107.8**	**44**	**17**
Underlying income taxes	14.5	16.9	16.3	-14	-11
Underlying net profit	**111.7**	**70.5**	**91.5**	**58**	**22**
IFRS net profit	119.0	36.6	51.8	225	130
BALANCE SHEET CHF M					
Net cash	466.1	445.7	504.0	5	-8
Assets	2,240.5	2,283.2	2,305.7	-2	-3
Equity	1,842.8	1,947.5	1,902.8	-5	-3
Tangible equity[3]	476.7	580.1	530.8	-18	-10
RATIOS					
Return on assets (basis points)[4]	60.3	51.1	54.5	-	-
Cost/income ratio	64.7%	68.9%	65.7%	-	-
Pre-tax margin (basis points)[4]	21.3	15.9	18.7	-	-
Return on tangible equity[5]	46.2%	24.3%	34.0%	-	-

[1] Average calculated with seven month-end values (December to June for H1 2013 and H1 2012; June to December for H2 2012).

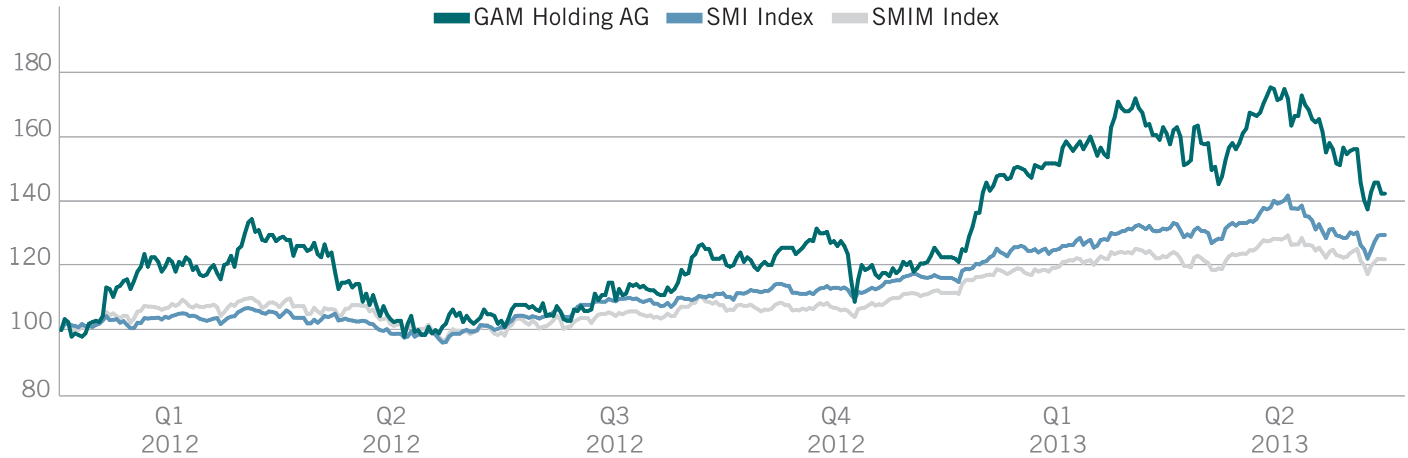
[2] The result for H1 2013 has been adjusted to exclude the gain from the sale of our investment in Artio of CHF 13.1 million and the amortisation of customer relationships of CHF 5.8 million. Including those items, the Group's net profit for H1 2013 amounted to CHF 119.0 million, as shown in the Condensed Interim Consolidated Financial Statements.
The result for 2012 has been adjusted to exclude the impairment of investments of CHF 56.3 million (H1 2012: CHF 22.5 million, H2 2012: CHF 33.8 million), the amortisation of customer relationships of CHF 11.7 million (H1 2012: CHF 5.8 million, H2 2012: CHF 5.9 million) and defined benefit pension plan curtailment expenses (net of taxes) of CHF 5.6 million (H1 2012: CHF 5.6 million, H2 2012: none). Including those non-cash items, the Group's net profit for 2012 amounted to CHF 88.4 million (H1 2012: CHF 36.6 million, H2 2012: CHF 51.8 million), as shown in the Condensed Interim Consolidated Financial Statements.

[3] Equity excluding non-controlling interests, goodwill, customer relationships and brand.

[4] Annualised.

[5] Underlying net profit excluding non-controlling interests (annualised) / tangible equity at the end of the period.

SHARE PRICE PERFORMANCE (INDEXED)



LISTING INFORMATION

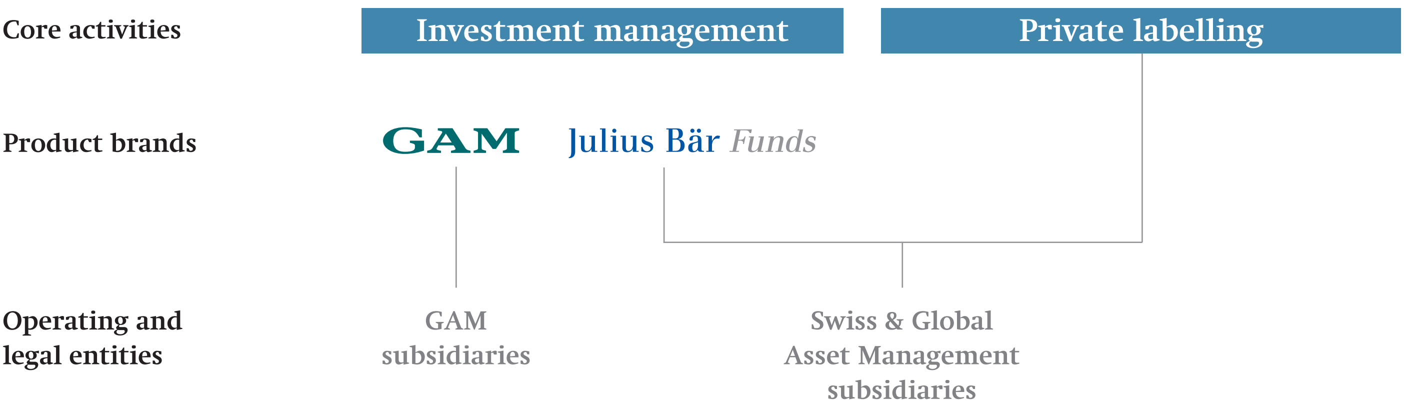
Swiss securities number	10265962
ISIN	CH0102659627
Listing	SIX Swiss Exchange and a component of the Swiss Market Index Mid (SMIM)

	H1 2013	H1 2012	H2 2012	CHANGE FROM H1 2012 IN %	CHANGE FROM H2 2012 IN %
SHARE INFORMATION CHF					
Basic EPS[1]	0.67	0.40	0.54	68	24
Closing price	14.50	10.55	12.35	37	17
High price	17.85	13.70	13.40	-	-
Low price	12.70	10.00	10.50	-	-
Market capitalisation at the end of the period (CHF m)	2,512	1,934	2,264	30	11
Weighted average number of shares outstanding	163,700,289	174,666,344	167,835,497	-6	-2
PERSONNEL					
Number of full-time equivalents at the end of the period	1,093	1,083	1,098	1	-0
in Switzerland	352	325	343	8	3
in the United Kingdom	380	405	396	-6	-4
in the rest of Europe	250	233	238	7	5
in the rest of the world	111	120	121	-8	-8

[1] Underlying net profit excluding non-controlling interests / weighted average number of shares outstanding, excluding treasury shares.

THE GROUP AT A GLANCE

GAM HOLDING AG



WHO WE ARE

- An independent, pure-play asset management group, financially strong and with a highly diversified business mix, focused on active investing
- Listed on the SIX Swiss Exchange since October 2009 (following the separation from the former Julius Baer Group)
- Investment strategies for institutions, intermediaries and private clients complemented by private labelling services for third-parties
- Manages investment strategies under two leading product brands: Julius Baer Funds (distributed by Swiss & Global Asset Management) and GAM
- Operates investment centres in London, Zurich, Lugano, New York and Hong Kong
- Headquartered in Switzerland, with over 1,000 staff in 10 countries and a global distribution reach

JOINT LETTER FROM THE CHAIRMAN AND CEO

DEAR READER

The first half of 2013 closed with a sharp market correction in June – a timely reminder that the recovery in economic conditions and market sentiment is still fragile. While this left its mark on our reported end-June asset levels, it has not impacted the confidence we have in the future of our Group.

We have been able to take advantage of the tailwinds seen earlier in the year, growing our revenues and profitability. We also started to work successfully within our new integrated management structure and continued to develop our business, positioning it firmly in areas of growing client demand.

We have achieved much over the last six months, starting with the successful implementation of our new operating structure. As we explained in March, the investment management activities of GAM and Swiss & Global Asset Management have strongly converged in recent years, prompting us to run them in a more integrated fashion and to establish a new Group Management Board (GMB) in April. The GMB now runs the Group as a single business, assessing performance and allocating resources based on aggregated financial information. This has a number of implications for our shareholders.

Firstly, our new approach to managing the Group means that it is no longer appropriate for us to report the results of GAM and Swiss & Global Asset Management separately. Instead, we have simplified our reporting structure and provided more transparency into the value drivers of our business, distinguishing between our two core activities: **investment management** and **private labelling**. The first activity involves the management and distribution of investment strategies under our own product brands – GAM and Julius Baer Funds. The second activity focuses on the development and operation of private label funds on behalf of third parties. We are convinced that this new disclosure format – explained in detail in our half-year report – will provide you with improved information and insight into our business, and so help you better assess our performance.

Secondly, our new integrated structure and leadership enhances our focus on the profitability and efficiency of the Group as a whole. In particular, we are convinced that we will be more effective in generating growth. The recent integration of our sales teams, to take one example, will create a number of cross-selling opportunities in the institutional sector and increase our critical mass in important markets such as Asia. A flatter and simpler management structure is also poised to reduce our cost base. All of this will contribute to reaching our new medium-term goal of a Group cost/income ratio in the 60–65% range, without reducing our ability to continue to invest in the breadth of our offering. This latter point is important. As we have said in the past, we run our business with a long-term view and will not sacrifice our ability to create sustainable value for clients and shareholders only to present short-term results.

The value of this approach can be seen both in the positive development of our business today and in our strong positioning for the future. As we outline in our half-year report, earnings per share – a measure of our delivery against our overriding objective of sustainable growth – reached CHF 0.67 in the first half of 2013, improving by 68% from a year earlier and by 24% from the second half of 2012. While the increase was helped by the buy-back of our own shares for cancellation, it primarily reflects a strong growth in profitability. Underlying net profit for the first half of 2013 was CHF 111.7 million, a rise of 58% from the first and of 22% from the second half of 2012. This number excludes CHF 5.8 million in non-cash amortisation of intangibles and, more importantly, a gain of CHF 13.1 million from the divestment of our minority stake in the US asset manager Artio Global Investors Inc. as part of its acquisition by Aberdeen Asset Management PLC.

Given the ability of our business to generate strong cash flows and its low capital consumption, we remain committed to returning excess cash and capital to our shareholders. We will continue to do this through dividend payments and the buy-back of our shares for cancellation. In the future, however, the balance between the two is likely to shift as we intend to place a stronger emphasis on dividends.

Turning back to our underlying results in the first half of 2013, performance fees recovered strongly from the low levels experienced during the first six months of the previous year, while net management fees and commissions benefited from an increase in average assets under management. At the same time, we continued to control costs tightly, keeping general expenses flat year-on-year. Contractual payments to investment professionals rose, but this was in line with the rise in performance fees. Personnel expenses also reflect the inclusion of the non-directional equity team in Lugano following our successful acquisition of a majority stake in Arkos Capital SA in July 2012 – an acquisition which has already made significant positive contributions to our business. Overall, our cost/income ratio improved from 68.9% to 64.7% year-on-year.

There were some mixed results as well. The broad-based market correction we experienced in June 2013 offset a significant amount of the asset growth achieved over the previous five months. At CHF 116.6 billion on 30 June 2013, Group assets under management were roughly flat from year-end 2012. We are also reporting net new money outflows of CHF 0.6 billion, among other things due to the loss of one sub-advisory mandate of exceptional size at GAM. In private labelling, where our client relationships tend to be very stable, we experienced an atypical period of net redemptions from offshore and Swiss-domiciled funds.

Despite these outflows, we are confident in our growth prospects, having seen considerable new business flows in those areas set to benefit most from emerging industry trends in the active asset management sector. Our market-leading absolute return single manager range, for example, posted its highest net new money inflows ever, and demand for our specialised and unconstrained fixed income offering was highly resilient. We also saw notable client interest in our strongest-performing and most differentiated equity strategies. While the industry is facing increasing regulatory demands, we have seen that these developments can occasionally result in business opportunities. The introduction of the new retail distribution rules in the UK has enabled us to cater to a new client segment – independent financial advisers – with dedicated model portfolio services. Although still in the early stages, the net new money generated so far is highly promising, and we believe that this initiative is likely to make a meaningful contribution in the future. In private labelling we have expanded our Luxembourg-based services in anticipation of client need to adapt to stricter regulatory constraints. Here, too, we are only at the beginning, and large-scale deals have not yet materialised. However, we are pleased to have been able to achieve a considerable mandate win during the first half of the year. Over the medium term, we therefore expect that both investment management and private labelling can grow net new money at an annualised rate of 5–10%.

As we said at the beginning of the year, investors today cannot rely on 'easy' solutions to safeguard and grow their wealth. The environment has changed considerably from what we saw over the last 30 years – the period which shaped perceptions and notions about investing for most of us. Current prospects for global economic growth are not particularly encouraging, and income on traditional bond investments is at record lows or – in real terms – even negative. Against such a backdrop, equity markets are set to remain highly volatile. While these factors will create a number of valuable return opportunities, they also pose an unprecedented set of investment risks. We are convinced that these can only be mitigated if portfolios are managed actively, driven by unconventional or alternative investment approaches without being constrained by the limits of a benchmark. The trends we saw in the first half of the year indicate that investors are reassessing their portfolio allocations, preferring alternative fixed income strategies to traditional ones, seeking quality absolute return products, and slowly but steadily regaining their appetite for equity investments.

The performance track record across our product range confirms that we have the skills and experience to help clients navigate successfully through the challenges ahead. Therefore, our Group is well-positioned to deliver value for its clients and shareholders over the long-term.

Johannes A. de Gier
Chairman, GAM Holding AG

David M. Solo
Group CEO, GAM Holding AG

Zurich, 13 August 2013

REPORTING STRUCTURE

CHANGES EFFECTIVE 30 JUNE 2013

In April 2013, following our Annual General Meeting (AGM), we implemented a new management structure supporting our move towards a more integrated Group organisation and replacing our previous operating model as a pure financial holding company. This decision reflected the increasing level of integration and convergence in the activities of GAM and Swiss & Global Asset Management, and included the establishment of a Group Management Board (GMB) which now leads the Group as a single business. As the GMB assesses performance and makes resource allocation decisions based on aggregated financial information, it is no longer appropriate to report the results of GAM and Swiss & Global Asset Management separately.

We have therefore decided to re-align and simplify our reporting structure effective 30 June 2013. To give our investors greater transparency on the value drivers of our business, we will provide key performance indicators (KPIs) for the Group as a whole and additional business metrics covering our two distinct core activities: first, the management and distribution of investment strategies under our own brands, and second, the development and operation of outsourcing services (private label funds and management company services) on behalf of third parties. As these activities – **investment management** and **private labelling** – have fundamentally different value propositions and economics, it makes sense to discuss business developments and metrics along these two areas individually.

At the Group level, our disclosure remains unchanged, with a consolidated income statement and balance sheet reported in accordance with International Financial Reporting Standards (IFRS). The discussion and analysis of our financial results will continue to focus on our **underlying net profit** which excludes certain items from the IFRS result. The adjustments are related to specific non-recurring events or non-cash charges which are indicative neither of the underlying performance of our business nor of its future growth potential. For example, in the first half of 2013 we excluded the gain from the sale of our stake in Artio Global Investors Inc. (Artio) of CHF 13.1 million, as well as the non-cash amortisation of customer relationships from the acquisition of GAM in 2005 of CHF 5.8 million. The underlying net profit also reflects our internal approach to analysing our results and managing the Group. The Group's key performance indicators (KPIs) where applicable are also disclosed and discussed on this basis.

GROUP PERFORMANCE AND BUSINESS METRICS

Group key performance indicators (KPIs)
- Basic earnings per share
- Cost/income ratio
- Return on assets
- Net cash
- Tangible equity
- Assets under management (AuM)
- Net new money (NNM)

Investment management business metrics
- Net fee and commission income
- Return on assets
- AuM (broken down by product type, client segment and manager/distributor)
- NNM

Private labelling business metrics
- Net fee and commission income
- Return on assets
- AuM (broken down by fund domicile)
- NNM

TARGETS

Over the medium term we are focused on the following targets, designed to ensure we deliver attractive returns to our shareholders:

- Our overarching objective is to grow profitability in a sustainable fashion, measured by **growth in basic earnings per share**
- Through cost discipline and operating leverage, we aim to achieve a **cost/income ratio of 60–65%**
- We aim to achieve a sustainable growth trend in new business flow, targeting an annualised **net new money growth rate of 5–10%** in both **investment management** and **private labelling**

H1 2013 RESULTS OVERVIEW

GROUP PERFORMANCE

- **Underlying net profit** of CHF 111.7 million, up 58% year-on-year, driven by revenue growth in investment management
- **Basic earnings per share** at CHF 0.67, up 68% year-on-year, reflecting the Group's overarching objective to grow profitability in a sustainable fashion
- **Cost/income ratio** at 64.7%, 4.2 percentage points lower than for the first half of 2012. Medium-term target range of 60–65% to be achieved through continued cost discipline and the operating leverage from a growing asset base
- **Return on assets** of 60.3 basis points, reflecting strong contribution from investment management activities

GROUP AUM AND NET NEW MONEY

- **Group assets under management (AuM)** of CHF 116.6 billion (up CHF 0.4 billion from year-end 2012)
- Positive impact of CHF 1.6 billion from strengthening of euro and US dollar against Swiss franc reporting currency
- Offset by negative market performance of CHF 0.6 billion and **net new money** outflows of CHF 0.6 billion

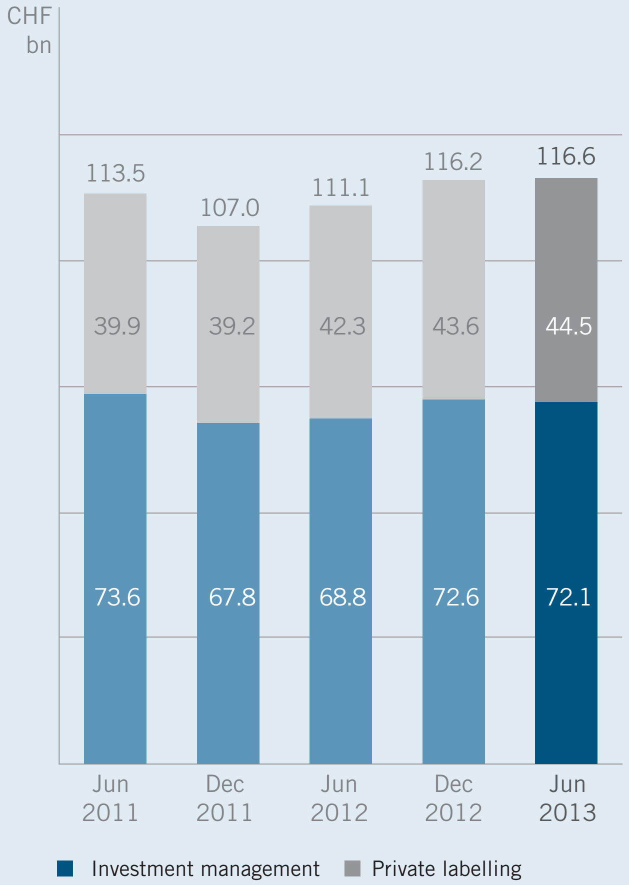
GROUP BALANCE SHEET

- **Net cash** of CHF 466.1 million, after dividend payment for the 2012 financial year and substantial share buy-backs during the first half of 2013
- **Tangible equity** of CHF 476.7 million, well above regulatory requirements

SALE OF ARTIO

- Minority stake in Artio Global Investors Inc., retained at their IPO in 2009, was successfully sold in the second quarter of 2013
- Cash proceeds of CHF 42.4 million
- Gain of CHF 13.1 million, reflected in net profit according to IFRS but excluded from underlying net profit

GROUP AUM : CHF 116.6 BN :
AS AT 30 JUNE 2013



INVESTMENT MANAGEMENT

- **Net fee and commission income** at CHF 329.5 million, up 31% year-on-year, reflecting renewed growth in asset-based and performance fees
- **Return on assets** at 88.9 basis points, up 16.1 basis points from the first half of 2012
- **Assets under management (AuM)** of CHF 72.1 billion, down CHF 0.5 billion from year-end 2012
- Positive currency impact (CHF 1.3 billion) offset by negative market performance (CHF 1.6 billion), mainly from our physically-backed gold ETFs
- **Net new money** outflows of CHF 0.2 billion, mainly reflecting the loss of a one-off mandate
- Record levels of net inflows into single manager absolute return range, supporting our ambition to grow net new money at an annualised rate of 5–10% over the medium term

PRIVATE LABELLING

- **Net fee and commission income** at CHF 20.3 million, 14% lower year-on-year, and **return on assets** at 9.2 basis points, 2.3 basis points lower, reflecting the loss of higher-margin business
- **Assets under management (AuM)** of CHF 44.5 billion, up CHF 0.9 billion from year-end 2012
- Positive impact from market performance (CHF 1.0 billion) and foreign exchange movements (CHF 0.3 billion)
- **Net new money** outflows of CHF 0.4 billion, reflecting an atypical period of net redemptions from offshore and Swiss-domiciled funds, offsetting a substantial new mandate win in Luxembourg
- Target of net new money growth rate of 5–10% (annualised), slightly reduced from previous level, reflecting uncertainty over regulatory developments

GROUP PERFORMANCE REVIEW

GROUP FINANCIAL RESULTS

Operating income for the first half of 2013 totalled CHF 357.4 million, up 27% from the same period a year earlier. Net management fees and commissions rose 14%, from CHF 245.0 million to CHF 278.9 million. This reflects a year-on-year increase in our average asset base, driven by the growth of higher-margin products. At CHF 70.9 million, performance fees on our single manager absolute return range rose to a normalised level, more than doubling from the unusually low levels experienced in the first half of 2012. They were generated across a broad range of macro, fixed income and equity strategies. The annual performance fees on most of the onshore funds are booked at the end of June and will not recur in the second half of the year, whereas most of the offshore funds book performance fees annually at year-end.

Other operating income – which includes the impact of foreign exchange movements as well as recurring fund-related fees and service charges – rose from CHF 4.6 million to CHF 7.6 million.

The Group's blended **return on assets** for the first half of 2013 was 60.3 basis points, compared to 51.1 basis points for the same period a year earlier. The increase reflects a more normalised level of performance fees and a larger proportion of higher-margin investment products, outpacing the 8% growth in average assets under management.

Operating expenses were CHF 231.2 million for the first half of 2013, compared to CHF 193.4 million for the same period a year earlier (up 20%). Personnel expenses were CHF 175.5 million, up 28%. The increase reflects higher social security expenses for the options of the 2009 long-term incentive plan (LTIP) resulting from the increase in our share price in the first half of 2013. These

CONSOLIDATED INCOME STATEMENT[1]

	H1 2013 CHF M	H1 2012 CHF M	H2 2012 CHF M	CHANGE FROM H1 2012 IN %
Net management fees and commissions	278.9	245.0	251.8	14
Performance fees	70.9	29.4	52.7	141
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	7.6	4.6	9.8	65
Operating income	**357.4**	**280.8**	**314.1**	**27**
Personnel expenses	175.5	137.3	148.3	28
General expenses	52.5	52.5	54.4	0
Depreciation and amortisation	3.2	3.6	3.6	-11
Operating expenses	**231.2**	**193.4**	**206.3**	**20**
Underlying profit before taxes	**126.2**	**87.4**	**107.8**	**44**
Underlying income taxes	14.5	16.9	16.3	-14
Underlying net profit	**111.7**	**70.5**	**91.5**	**58**

1 The result for H1 2013 has been adjusted to exclude the gain from the sale of our investment in Artio of CHF 13.1 million and the amortisation of customer relationships of CHF 5.8 million. Including those items, the Group's net profit for H1 2013 amounted to CHF 119.0 million, as shown in the Condensed Interim Consolidated Financial Statements.
The result for 2012 has been adjusted to exclude the impairment of investments of CHF 56.3 million (H1 2012: CHF 22.5 million, H2 2012: CHF 33.8 million), the amortisation of customer relationships of CHF 11.7 million (H1 2012: CHF 5.8 million, H2 2012: CHF 5.9 million) and defined benefit pension plan curtailment expenses (net of taxes) of CHF 5.6 million (H1 2012: CHF 5.6 million, H2 2012: none). Including those non-cash items, the Group's net profit for 2012 amounted to CHF 88.4 million (H1 2012: CHF 36.6 million, H2 2012: CHF 51.8 million), as shown in the Condensed Interim Consolidated Financial Statements.

charges were largely offset by the reduction in the corporate tax rate described below. Excluding this impact from social security charges, personnel costs would have increased less than net fee and commission income. While variable contractual payments to our investment professionals rose in line with net fee and commission income, the impact of the amortisation of the 2009 LTIP according to IFRS 2 fell to a negligible amount, as the majority of the options fully vested in October 2012. The Group's headcount rose by 10 full-time equivalents, driven by the addition of the non-directional equity team – the former Arkos Capital SA (Arkos) team – in July 2012.

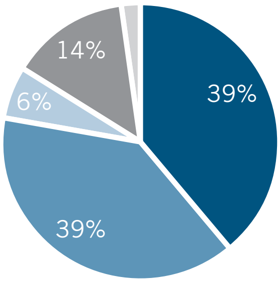
General expenses remained flat, at CHF 52.5 million, despite a high level of business development activities. Our continued cost discipline was supported by favourable currency movements: as a large part of our cost base is incurred in British pounds, during the first half of 2013 we benefited from its weakening against our Swiss franc reporting currency.

Year-on-year, the Group's **cost/income ratio** improved from 68.9% to 64.7%. This was just within the range of 60–65% we aim to achieve over the medium term. The improvement during the first half of 2013 reflects the growth in our overall net fee and commission income, combined with strict control of our cost base.

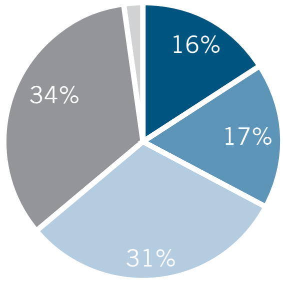
For the first half of 2013, the Group incurred a **tax rate** of 11.5% (19.3% for the first half of 2012), reflecting the positive impact of tax deductions and a deferred tax asset in connection with

APPROXIMATE REVENUE & COST ANALYSIS BY CURRENCY, FOR H1 2013

Group operating income[1,2]



Group operating expenses[1]



USD EUR GBP CHF Other

[1] Composition evolves over time, based on evolving fund performance.
[2] Based on base currency of underlying funds.

RECONCILIATION OF UNDERLYING TO IFRS NET PROFIT

	H1 2013 CHF M	H1 2012 CHF M	H2 2012 CHF M
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[1]	-	-22.5	-33.8
Pension plan curtailment expenses[2]	-	-5.6	-
IFRS net profit	**119.0**	**36.6**	**51.8**

[1] Includes reduction of carrying value of investment in Artio (H1 2012: CHF 22.5 million, H2 2012: CHF 33.1 million) and impairment of financial investments (H1 2012: none, H2 2012: CHF 0.7 million).
[2] Pre-tax expenses for pension plan curtailments of CHF 7.4 million.

CONSOLIDATED BALANCE SHEET

	30.06.2013 CHF M	31.12.2012 CHF M	30.06.2012 CHF M	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[1]	476.7	530.8	580.1	-10

[1] Equity excluding non-controlling interests, goodwill, customer relationships and brand.

the local tax treatment of the 2009 LTIP share-based payments. The tax deductions for the plan in certain jurisdictions are driven by the value of the options awarded and hence fluctuate with our share price.

The Group's **underlying net profit** was CHF 111.7 million for the first half of 2013, up 58% from the previous year's CHF 70.5 million. The increase in profitability was driven by revenue growth from a bigger asset base and improved investment performance, combined with ongoing cost discipline. Of the underlying net profit, CHF 1.5 million is attributable to non-controlling interests (resulting from our acquisition of a majority stake in Arkos) and CHF 110.2 million to the shareholders of GAM Holding AG. Including a gain of CHF 13.1 million from the sale of our minority stake in Artio (realised in the second quarter of 2013) and the amortisation of customer relationships of CHF 5.8 million, the Group's net profit according to IFRS was CHF 119.0 million (CHF 36.6 million for the first half of 2012).

Basic earnings per share, calculated on the basis of underlying net profit attributable to shareholders of GAM Holding AG, increased to CHF 0.67 from CHF 0.40 a year earlier. This was driven by a growth in profitability and, to a certain extent, by the reduction of the average number of shares outstanding as a result of our buy-back programme. **Return on tangible equity**, calculated on the same basis, rose to 46.2% (24.3% for the first half of 2012).

GROUP BALANCE SHEET[1]

Total assets for the Group as at 30 June 2013 were CHF 2,240.5 million, including CHF 1,364.2 million relating to goodwill, customer relationships and brand.

Cash and cash equivalents at the end of June 2013 amounted to CHF 466.1 million, compared to CHF 504.0 million at year-end 2012. The dividend payment for the 2012 financial year (CHF 81.8 million) and the repurchase of our own shares for cancellation (CHF 100.7 million) were largely funded by the strong levels of cash generated by our business. Our cash position as at 30 June 2013 further includes the proceeds received from the sale of our stake in Artio to Aberdeen Asset Management PLC (CHF 42.4 million).

Financial investments, representing mainly seed capital investments, were slightly higher at CHF 86.7 million, compared to CHF 83.4 million at year-end. The gains from the sale of positions were partly offset by the addition of new investments, reclassified from financial assets held for sale. Following the introduction of IFRS 10, seed capital investments deemed to be under our control are consolidated and presented, on a gross basis, as **financial assets and liabilities held for sale**. On a net basis, the fair value of these consolidated seed capital investments as at 30 June 2013 was CHF 48.4 million. At year-end, net financial assets held for sale were CHF 95.8 million as they also included our minority stake in Artio. The decline during the first half of 2013 reflects the sale of our Artio stake and of certain seed capital investments, as well as the reclassification of seed capital investments we no longer control to financial investments.

Investment in associates, at CHF 9.5 million as at 30 June 2013, represents our minority stake in QFS, a US-based alternative asset manager, which we acquired in the first quarter of the year.

CAPITAL MANAGEMENT

Our capital management strategy is based on a firm commitment to deploying our capital in a disciplined way so as to maximise shareholder value over the long term whilst retaining our balance sheet strength. Excess capital will be returned to our shareholders either through dividends or the repurchase of our publicly listed shares. In the future, the mix between the two is likely to shift as we intend to place a stronger emphasis on dividends.

Total equity as at 30 June 2013 amounted to CHF 1,842.8 million. Excluding non-controlling interests, goodwill, customer relationships and brand, our **tangible equity** stood at CHF 476.7 million, compared to CHF 530.8 million as at 31 December 2012. This decrease was driven by the dividend payment for the 2012 financial year and our share buy-back activity in the first half of 2013, offset by the net profit for the period as reported in accordance with IFRS.

RECENT CORPORATE ACTIONS

After receiving shareholder approval at the AGM on 17 April 2013, we paid an annual dividend for the 2012 financial year of CHF 0.50 per share, unchanged from the previous year, resulting in a total payment to shareholders of CHF 81.8 million. The distribution was made from contributed capital reserves and was exempt from Swiss withholding tax of 35%, and also from income tax for private investors who are resident in Switzerland and hold the shares as part of their private assets.

At the same AGM, our shareholders approved the cancellation of a total of 10,125,340 shares repurchased under the current buy-back programme during 2012. These shares were cancelled on 27 June 2013, contributing to a decline in our treasury shares holding from 18.8 million at year-end 2012 to 9.9 million as at 30 June 2013.

[1] For details on the restatement of the Group's balance sheet as at 31.12.2012 and 30.06.2012 following the adoption of new accounting policies please refer to Note 3 of the Condensed Interim Consolidated Financial Statements.

TREASURY SHARES

IFRS requires a company that holds its own shares for trading or non-trading purposes to record those shares as treasury shares and deduct them from shareholders' equity.

On 30 June 2013, our holding of own shares of 9.9 million was equivalent to 5.7% of shares in issue. Of these shares, 3.8 million were bought back over the regular trading line at the SIX Swiss Exchange (first trading line) and held to cover the options granted to employees under the 2009 LTIP. The position decreased during the first half of 2013 by 4.8 million shares, following the exercise and net settlement of a majority of the outstanding options. The remaining 6.0 million shares are earmarked for cancellation and were repurchased during the first half of 2013 over a second trading line at the SIX Swiss Exchange as part of our ongoing 2011–2014 share buy-back programme.

CURRENT SHARE BUY-BACK PROGRAMME 2011–2014

At the 2011 AGM, shareholders approved the current share buy-back programme for the purpose of capital reduction. The programme authorises the repurchase of up to a maximum of 41.3 million shares for subsequent cancellation and is scheduled to run for a maximum period of three years. While its introduction creates additional flexibility in the management of the Group's capital, the Board of Directors remains firmly committed both to maintaining a strong balance sheet and to its ambitions to expand the Group through organic growth or targeted acquisitions should compelling opportunities arise.

We initiated share buy-backs under the new programme over a second trading line at the SIX Swiss Exchange starting on 9 May 2011 and so far have cancelled 23,070,340 shares bought back in 2011 and 2012. Over the course of the first half of 2013, we bought back 6,016,429 shares at an average price of CHF 16.73, representing a total value of CHF 100.7 million. Buy-backs are funded from capital contribution reserves, making the programme more attractive to both institutional and private shareholders than traditional repurchase schemes.

TREASURY SHARES

	30.06.2013	31.12.2012
Shares issued	**173,229,660**	**183,355,000**
Treasury shares held as a hedge for employee options	-3,844,133	-8,654,941
Treasury shares bought back for cancellation (2011–2014 programme)	-6,016,429	-10,125,340
Shares outstanding	**163,369,098**	**164,574,719**

INVESTMENT MANAGEMENT

- Comprises all investment strategies, mandates and funds managed and distributed across the Group, by both GAM and Swiss & Global Asset Management, for our institutional, wholesale and private clients
- Covers both product brands GAM and Julius Baer Funds

BUSINESS UPDATE

LAUNCH OF PHYSICALLY BACKED INDUSTRIAL METAL FUNDS

At the end of June 2013, we received the approval of the Swiss Financial Market Authority (FINMA) for the world's first physically replicated funds that invest in industrial metals – aluminium, copper, nickel and zinc. The Julius Baer-branded funds will be launched in the near term and will be available for qualified investors only. Their performance will reflect the market value of the underlying metals after safekeeping, insurance and management fees. Given the physical backing, investors do not incur any roll losses.

Thanks to the joint efforts of our product development team at Swiss & Global Asset Management and their partners – Trafigura, the leading international commodities and trading company, and NEMS, a specialist in warehousing and logistics – we achieved a considerable reduction in storage and trading costs. This enables us to offer the funds at a very attractive price relative to exchange-traded commodities and trusts. In addition, the funds represent a real alternative to mining stocks, allowing investors to gain exposure to industrial metals without incurring geopolitical risks. The funds will be available in four currency classes, with the non-USD versions hedged against foreign exchange movements. Besides the currency hedging, the funds do not make use of derivatives or leverage, thereby avoiding issuer or counterparty risks for investors.

DISTRIBUTION PARTNERSHIPS FOR UK DISCRETIONARY FUND MANAGEMENT OFFERING

Since April 2013, GAM's discretionary fund management (DFM) offering for independent financial advisers in the UK has been available on Cofunds, the UK's pre-eminent platform for financial services. With a user base of 7,000 adviser firms, this step will significantly expand the reach of our five risk-rated model portfolios. Further, in July 2013, Lighthouse Group, one of the UK's largest

INVESTMENT MANAGEMENT : KEY FIGURES

	H1 2013	H1 2012	H2 2012	CHANGE FROM H1 2012 IN %	CHANGE FROM H2 2012 IN %
Net management fees and commissions (CHF m)	258.6	221.5	230.7	17	12
Performance fees (CHF m)	70.9	29.4	52.7	141	35
Net fee and commission income (CHF m)	**329.5**	**250.9**	**283.4**	**31**	**16**
Period-end AuM (CHF bn)	72.1	68.8	72.6	5	-1
Net new money (CHF bn)	-0.2	-1.2	1.1	83	-118
Average AuM (CHF bn)	74.2	68.9	71.7	8	3
Return on assets (basis points)[1]	88.9	72.8	79.1	22	12

[1] Annualised.

autonomous financial advisory companies, announced that it was including GAM's DFM offering on its panel of researched solutions, making it accessible to its over 600 specialist advisers.

On both the Cofunds platform and Lighthouse's researched solutions panel, the model portfolios are offered in the form of personalised collective accounts (PCAs). PCAs distinguish GAM's offering from other collective vehicles and multi-manager funds in the market. They provide cost-effective access to our model portfolios within a unitised fund structure, combined with fully bespoke reporting, without the time-consuming process of setting up a fully segregated portfolio. Hence, they are also attractive for smaller investment amounts. Further, the PCAs are exempt from VAT and do not have any restrictions on the number of portfolio rebalances that can be carried out on the available assets.

GAM HOLDING AG — A TRADITION OF ACTIVE INVESTING

Our roots as asset managers go back to 1970, when Swiss & Global Asset Management launched its first mutual fund as part of the former Julius Baer Group. The first half of 2013 marked another milestone in our history: the 30-year anniversary of GAM, which was founded in May 1983 by Gilbert de Botton with the aim of providing superior risk-adjusted returns for its clients.

We have evolved significantly in the intervening years, notably with the separation from Julius Baer and our independent listing as a pure-play asset management group on the SIX Swiss Exchange in October 2009. The entities which had formed Julius Baer Asset Management were then renamed Swiss & Global Asset Management, benefiting from an exclusive license for the management and distribution of the Julius Baer Funds and continuing our success as a provider of private labelling services to third parties. GAM, on the other hand, expanded its reach from its original focus on high-net worth individuals and the private banking distribution channels of its previous owners UBS and Julius Baer to institutions and intermediaries, unlocking new sources of asset growth. With the establishment of GAM Holding AG's new Group management structure in April 2013, the sales forces of GAM and Swiss & Global Asset Management were integrated under the same leadership, further enhancing the effectiveness and reach of our global distribution capabilities.

Despite these developments, our core principles of active investing have remained at the heart of our business model. The heads of all our investment management teams report directly to the Group CEO, fostering a culture of independent thinking and innovation. Our managers are free to make decisions according to their own individual philosophies and styles, seeking to generate alpha through conviction investing.

This approach is best embodied by two of GAM's longest-standing investment managers, Andrew Green and Gordon Grender, whose expertise spans almost three decades. Green's global strategy, investing in stocks selected on the basis of fundamental and technical analysis, was launched in 1984 and his UK strategy, a long-only fund focused primarily on listed UK equities, was launched in 1990. Both strategies seek areas with excessively negative sentiment and a catalyst for change – and both have been highly successful, returning 3,456.5% and 1,554.2% respectively since inception (as at 28 June 2013). This compares to returns of 1,326.3% and 575.5% in their respective benchmark indices (the MSCI World Index and the FTSE All-Share Index, both denominated in British pounds, the funds' base currency). Grender's directional strategy, which invests in a concentrated portfolio of US and Canadian stocks selected on the basis of intensive, bottom-up company research, has returned 2,759% since its launch in 1985 (as at 28 June 2013), compared to 1,354.1% delivered by its benchmark (the S&P 500 denominated in British pounds, the fund's base currency).

PERFORMANCE H1 2013

REVENUES AND RETURN ON ASSETS

For the first half of 2013, the **return on assets** in investment management was 88.9 basis points, up from 72.8 basis points a year earlier. While average assets under management were 8% higher, at CHF 74.2 billion, revenues grew by 31% year-on-year, mainly driven by a rebound in performance fees and the growth of our single manager absolute return range.

Net management fees and commissions increased by 17% to CHF 258.6 million. **Performance fees** returned to more normal levels – from the lows reported for the first half of 2012 – and amounted to CHF 70.9 million, reflecting the strong investment returns achieved across our range of single manager absolute return strategies. The biggest contributors were the alternative fixed income strategies as well as the non-directional equity strategies acquired with the majority stake in Arkos in July 2012. The annual performance fees on most of the onshore funds are booked at the end of June and will not recur in the second half of the year, whereas most of the offshore funds book performance fees annually at year-end.

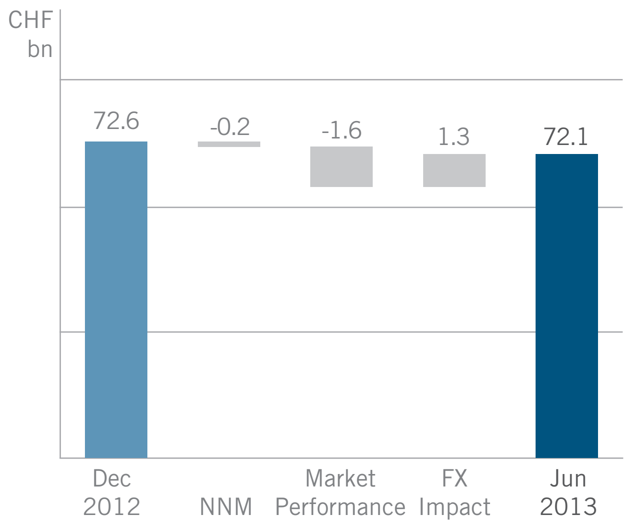
ASSETS UNDER MANAGEMENT AND NET NEW MONEY

Assets under management for the investment management activities as at 30 June 2013 amounted to CHF 72.1 billion. They rose by CHF 3.3 billion from a year earlier, mainly reflecting the impact of market performance, but were CHF 0.5 billion lower than on 31 December 2012. The main drivers of the decline over the first half of 2013 were the sharp market corrections in June 2013, affecting all asset classes, and the fall in gold prices throughout the second quarter, impacting our Julius Baer-branded physical gold ETF. Overall, market performance had a negative impact of CHF 1.6 billion for the first half of 2013. This was partly offset by a positive effect of CHF 1.3 billion from foreign exchange developments. Assets in our investment management activities, reported in Swiss francs but largely denominated in other currencies, benefited in particular from the strengthening of the US dollar and the euro against our reporting currency since the beginning of the year.

For the first six months of 2013, we reported **net new money** outflows of CHF 0.2 billion from our investment management activities, compared to net outflows of CHF 1.2 billion in the first half of 2012. The result was negatively impacted by substantial redemptions from the physical gold fund – driven by the large correction in the gold price – along with the loss of a one-off equity mandate at GAM. Smaller outflows were also recorded in equity mandates for Swiss institutions managed by Swiss & Global Asset Management, as well as from private client discretionary portfolios managed by GAM.

These negative developments were largely offset by strong net inflows into our absolute return single manager funds, which reached their highest level ever. A notable contribution came from GAM's global rates and FX/global macro strategy, which continued to attract client interest. Flows into the absolute return bond range managed by GAM held up well throughout the first half of 2013, with positive contributions from GAM's institutional clients globally as well as from the wholesale distribution channels serviced by Swiss & Global Asset Management. Further net new money contributors were the non-directional equity strategies. Demand for

INVESTMENT MANAGEMENT : AUM DEVELOPMENT



INVESTMENT PERFORMANCE BY PRODUCT BRAND[1]

	% 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.

the European non-directional strategy was particularly strong: in July we decided to introduce a cap for this strategy in order to protect its integrity and preserve the interest of current investors.

Our emerging market bond funds were affected by the general sell-off of the asset class in June, but posted positive net new money inflows for the first half as a whole. Further positive net contributions were made by GAM's catastrophe bond fund and various Julius Baer-branded specialist fixed income products.

Despite the losses of the mandates mentioned above, inflows into equity funds were encouraging, driven by positive net contributions from our strongest-performing, most differentiated strategies, such as the Julius Baer-branded luxury brand and Japan funds or GAM's China, Continental European, North American and technology strategies.

Net new money inflows into GAM's DFM service for independent financial advisers in the UK continued to grow. Although the contribution is still modest, the encouraging progress we are seeing and positive client feedback make us confident that the DFM service will turn into a meaningful contributor over the next few years.

AUM BREAKDOWNS

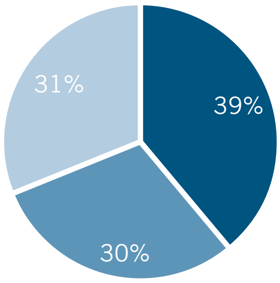
Our AuM breakdowns are designed to provide transparency on the breadth of our business and the level of cooperation across the entities in our Group:

Breakdown by manager/distributor, a new disclosure, shows the two different roles covered by our entities – the roles as investment manager and as a distribution channel to our different client segments. The breakdown discloses the assets managed and distributed within a single entity versus those managed by GAM investment teams and distributed (under the Julius Baer brand) by the sales force of Swiss & Global Asset Management.

Breakdown by product type highlights the asset classes and investment solutions we offer. *Equity* includes only directional strategies, while *fixed income* encompasses traditional as well as specialised strategies (such as cat bonds and emerging markets), which represent around half of the assets and a small proportion of money market funds. *Absolute return single manager* covers our alternative strategies across all asset classes. *Commodities* are dominated by our Julius Baer-branded ETF range investing in physical metals. *Alternative investments solutions* (previously labelled multi-manager) covers portfolios of third-party hedge funds, which we increasingly offer in the form of customised solutions. *Discretionary & advisory portfolios* represents assets managed for private clients or their advisers, with most of these assets reinvested in our own funds and counted in other product categories as appropriate.

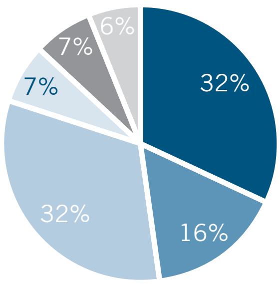
Breakdown by client segment shows the clients we serve – mainly wholesale intermediaries and institutions. The category *private clients* represents the share of assets held in *discretionary & advisory portfolios* which is reinvested in our own funds.

AUM BY MANAGER/DISTRIBUTOR : CHF 72.1 BN : AS AT 30 JUNE 2013



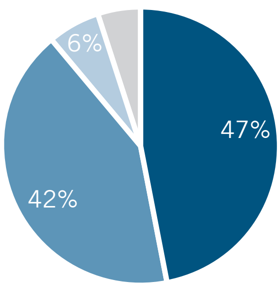
	30.06.2013	31.12.2012	30.06.2012
GAM	39%	40%	42%
Swiss & Global	30%	33%	34%
GAM managed, S&G distributed	31%	27%	24%

AUM BY PRODUCT TYPE : CHF 72.1 BN : AS AT 30 JUNE 2013



	30.06.2013	31.12.2012	30.06.2012
Fixed income	32%	31%	32%
Equity	16%	20%	20%
Absolute return single manager	32%	25%	21%
Commodities	7%	11%	11%
Alternative investments solutions	7%	7%	9%
Discretionary & advisory portfolios	6%	6%	7%

AUM BY CLIENT SEGMENT : CHF 72.1 BN : AS AT 30 JUNE 2013



	30.06.2013	31.12.2012	30.06.2012
Wholesale fund distribution	47%	44%	43%
Institutional clients	42%	44%	44%
Discretionary & advisory portfolios	6%	6%	7%
Private clients	5%	6%	6%

PRIVATE LABELLING

- Includes outsourcing and private labelling solutions for third parties, such as fund administration and management company services
- These services are provided by Swiss & Global Asset Management

BUSINESS UPDATE

LUXEMBOURG MANANAGEMENT COMPANY SERVICES

With our two decades of experience as an outsourcing partner for private labelling solutions, we are well placed to take advantage of the increasing regulatory complexity in our industry. Remaining at the forefront of such developments, and ensuring we can address these challenges on behalf of our clients, is one of our core competencies.

For instance, we have fully aligned our management company services in Luxembourg with the latest requirements governing the authorisation and organisational requirements applicable to UCITS management companies and UCITS self-managed SICAVs. The rules were issued by the Commission de Surveillance du Secteur Financier (CSSF) in late 2012 and became effective in July 2013. While market participants are still awaiting the regulator's practical guidance on the implementation of the new provisions, the strict nature of the new requirements is expected to lead to an increased demand for reliable outsourcing solutions. With our long-standing presence in Luxembourg and the recent efforts made to develop our management company offering, we believe we are strongly positioned to capture these growth opportunities once they arise.

PERFORMANCE H1 2013

REVENUES AND RETURN ON ASSETS

Return on assets in private labelling was 9.2 basis points for the first half of 2013, 2.3 basis points less than for the same period a year earlier. Average assets under management grew by 8%, to CHF 44.4 billion, but **net management fees and commissions** fell by 14% to CHF 20.3 million, reflecting the loss of mandates and outflows from certain funds with higher-than-average margins.

PRIVATE LABELLING : KEY FIGURES

	H1 2013	H1 2012	H2 2012	CHANGE FROM H1 2012 IN %	CHANGE FROM H2 2012 IN %
Net management fees and commissions (CHF m)	20.3	23.5	21.1	-14	-4
Performance fees (CHF m)	-	-	-	-	-
Net fee and commission income (CHF m)	**20.3**	**23.5**	**21.1**	**-14**	**-4**
Period-end AuM (CHF bn)	44.5	42.3	43.6	5	2
Net new money (CHF bn)	-0.4	2.1	0.4	-119	-200
Average AuM (CHF bn)	44.4	41.1	43.4	8	2
Return on assets (basis points)[1]	9.2	11.5	9.6	-20	-4

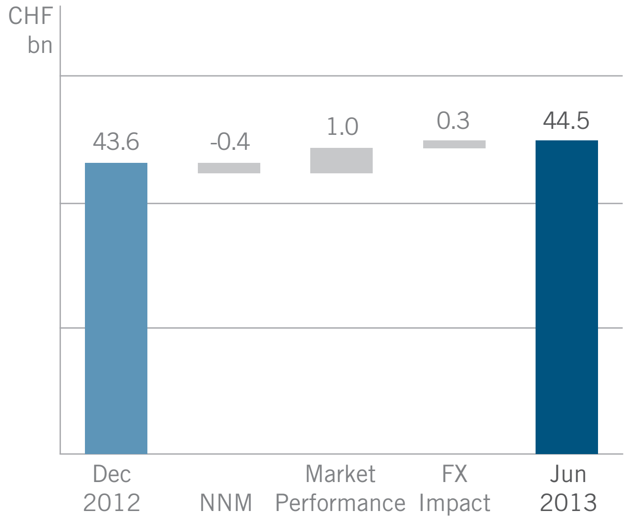
[1] Annualised.

ASSETS UNDER MANAGEMENT AND NET NEW MONEY

Assets under management in private labelling were CHF 44.5 billion as at 30 June 2013, up from CHF 43.6 billion at year-end 2012, driven mainly by positive market performance of CHF 1.0 billion. While some two-thirds of the assets from private labelling clients are denominated in Swiss francs, we still benefited from the positive effect of foreign exchange movements which added CHF 0.3 billion, mainly reflecting the strengthening of the US dollar.

For the first six months of 2013, the private labelling business reported **net new money** outflows of CHF 0.4 billion, compared to net inflows of CHF 2.1 billion in the first half of 2012. A substantial new mandate win for our Luxembourg-domiciled funds was more than offset by atypical redemptions in both offshore and Swiss-domiciled funds. Once acquired, private labelling partnerships tend to be very stable. While our results are reflective of the flows into our clients' funds, the long-term nature of these relationships provides us with the ability to prosper along with our partners and has been proven to deliver attractive growth rates over the cycle.

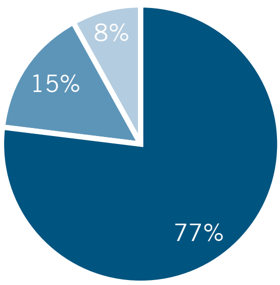
PRIVATE LABELLING : AUM DEVELOPMENT



AUM BREAKDOWNS

As part of our new disclosure, we provide further transparency on the domicile of the funds we set up and operate for our private labelling partners.

AUM BY FUND DOMICILE : CHF 44.5 BN : AS AT 30 JUNE 2013



	30.06.2013	31.12.2012	30.06.2012
Switzerland	77%	77%	76%
Luxembourg	15%	14%	15%
Other	8%	9%	9%

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED INCOME STATEMENT

	H1 2013 CHF M	H1 2012[1] CHF M *restated*	H2 2012[1] CHF M *restated*	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 and amortisation	9.0	9.4	9.5	-4
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**
Net profit attributable to:				
- the shareholders of the Company	117.5	36.6	50.5	221
- non-controlling interests	1.5	-	1.3	-
	119.0	**36.6**	**51.8**	**225**
Earnings per share				
Basic earnings per share	0.72	0.21	0.30	243
Diluted earnings per share	0.70	0.21	0.30	233

[1] Comparative figures have been restated to reflect the adoption of new accounting policies. For further information see Note 3.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	H1 2013 CHF M	H1 2012 [1] CHF M *restated*	H2 2012 [1] CHF M *restated*	CHANGE FROM H1 2012 IN %
Net profit	**119.0**	**36.6**	**51.8**	**225**
Remeasurements of defined benefit pension plans	1.6	-1.6	-6.6	200
Items that will not be reclassified subsequently to the income statement	**1.6**	**-1.6**	**-6.6**	**200**
Net gains/(losses) on financial investments available-for-sale	15.2	2.4	5.7	533
Net (gains)/losses reclassified to the income statement on financial investments available-for-sale	-14.2	-	-3.9	-
Translation differences	-2.1	2.5	-0.3	-184
Net (gains)/losses on translation differences reclassified to the income statement	-	-	7.0	-
Items that may be reclassified subsequently to the income statement	**-1.1**	**4.9**	**8.5**	**-122**
Other comprehensive income, net of taxes	**0.5**	**3.3**	**1.9**	**-85**
Total comprehensive income	**119.5**	**39.9**	**53.7**	**199**
Total comprehensive income attributable to:				
- the shareholders of the Company	118.0	39.9	52.4	196
- non-controlling interests	1.5	-	1.3	-
	119.5	**39.9**	**53.7**	**199**

[1] Comparative figures have been restated to reflect the adoption of new accounting policies. For further information see Note 3.

CONDENSED CONSOLIDATED BALANCE SHEET

	30.06.2013 CHF M	31.12.2012 [1] CHF M *restated*	01.01.2012 [1] CHF M *restated*	CHANGE FROM 31.12.2012 IN %
Cash and cash equivalents	466.1	504.0	600.1	-8
Trade and other receivables	46.6	53.7	107.8	-13
Accrued income and prepaid expenses	160.2	143.3	105.8	12
Financial investments	85.8	82.6	118.1	4
Financial assets held for sale	55.6	101.7	-	-45
Current assets	**814.3**	**885.3**	**931.8**	**-8**
Financial investments and other financial assets	2.4	1.5	0.8	60
Investment in associates	9.5	-	76.5	-
Deferred tax assets	26.1	23.7	19.3	10
Property and equipment	20.2	22.4	26.4	-10
Goodwill and other intangible assets	1,368.0	1,372.8	1,375.5	-0
Non-current assets	**1,426.2**	**1,420.4**	**1,498.5**	**0**
Assets	**2,240.5**	**2,305.7**	**2,430.3**	**-3**

[1] Comparative figures have been restated to reflect the adoption of new accounting policies. For further information see Note 3.

CONDENSED CONSOLIDATED BALANCE SHEET *(CONTINUED)*

	30.06.2013 CHF M	31.12.2012[1] CHF M *restated*	01.01.2012[1] CHF M *restated*	CHANGE FROM 31.12.2012 IN %
Trade and other payables	31.4	17.1	16.9	84
Other financial liabilities	2.7	1.1	13.5	145
Accrued expenses and deferred income	226.3	237.2	235.1	-5
Tax liabilities	36.8	46.3	44.9	-21
Provisions	0.2	0.2	0.2	0
Financial liabilities held for sale	7.2	5.9	-	22
Current liabilities	**304.6**	**307.8**	**310.6**	**-1**
Financial liabilities	25.0	22.3	4.0	12
Provisions	1.9	1.9	1.7	0
Pension liabilities	66.2	70.9	55.7	-7
Deferred tax liabilities	-	-	0.1	-
Non-current liabilities	**93.1**	**95.1**	**61.5**	**-2**
Liabilities	**397.7**	**402.9**	**372.1**	**-1**
Share capital	8.7	9.2	9.8	-5
Capital reserves	1,537.3	1,736.0	1,998.4	-11
Retained earnings	517.1	480.7	411.3	8
Other components of equity	-84.3	-83.2	-96.6	-1
Treasury shares	-137.9	-241.9	-264.7	43
Equity attributable to the shareholders of the Company	**1,840.9**	**1,900.8**	**2,058.2**	**-3**
Non-controlling interests	1.9	2.0	-	-5
Equity	**1,842.8**	**1,902.8**	**2,058.2**	**-3**
Liabilities and equity	**2,240.5**	**2,305.7**	**2,430.3**	**-3**

[1] Comparative figures have been restated to reflect the adoption of new accounting policies. For further information see Note 3.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY[1]

	SHARE CAPITAL CHF M	CAPITAL RESERVES CHF M
Published balance at 1 January 2012	9.8	1,998.4
Effect of adoption of IAS 19 revised[1]	-	-
Restated balance at 1 January 2012	**9.8**	**1,998.4**
Net profit	-	-
Remeasurements of defined benefit pension plans	-	-
Net gains/(losses) on financial investments available-for-sale	-	-
Translation differences	-	-
Other comprehensive income	**-**	**-**
Total comprehensive income	**-**	**-**
Dividends paid to shareholders of the Company	-	-87.8
Capital reduction	-0.6	-174.6
Share-based payment transactions	-	-
Acquisitions of own shares and derivatives on own shares	-	-
Balance at 30 June 2012	**9.2**	**1,736.0**
Net profit	-	-
Remeasurements of defined benefit pension plans	-	-
Net gains/(losses) on financial investments available-for-sale	-	-
Net (gains)/losses reclassified to the income statement on financial investments available-for-sale	-	-
Translation differences	-	-
Net (gains)/losses on translation differences reclassified to the income statement	-	-
Other comprehensive income	**-**	**-**
Total comprehensive income	**-**	**-**
Acquisition of subsidiary	-	-
Share-based payment transactions	-	-
Acquisitions of own shares and derivatives on own shares	-	-
Disposals of own shares and derivatives on own shares	-	-
Balance at 31 December 2012	**9.2**	**1,736.0**
Net profit	-	-
Remeasurements of defined benefit pension plans	-	-
Net gains/(losses) on financial investments available-for-sale	-	-
Net (gains)/losses reclassified to the income statement on financial investments available-for-sale	-	-
Translation differences	-	-
Other comprehensive income	**-**	**-**
Total comprehensive income	**-**	**-**
Dividends paid	-	-81.8
Capital reduction	-0.5	-116.9
Share-based payment transactions	-	-
Acquisitions of own shares and derivatives on own shares	-	-
Disposals of own shares and derivatives on own shares	-	-
Balance at 30 June 2013	**8.7**	**1,537.3**

[1] Comparative figures have been restated to reflect the adoption of new accounting policies. For further information see Note 3.

	OTHER COMPONENTS OF EQUITY						
RETAINED EARNINGS CHF M	FINANCIAL INVESTMENTS AVAILABLE-FOR-SALE, NET OF TAXES CHF M	FOREIGN CURRENCY TRANSLATION RESERVE CHF M	TREASURY SHARES CHF M	**EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE COMPANY** CHF M	NON-CONTROLLING INTERESTS CHF M	**EQUITY** CHF M
452.6	-2.4	-94.2	-264.7	**2,099.5**	-	**2,099.5**
-41.3	-	-	-	-41.3	-	-41.3
411.3	**-2.4**	**-94.2**	**-264.7**	**2,058.2**	**-**	**2,058.2**
36.6	-	-	-	**36.6**	-	**36.6**
-1.6	-	-	-	**-1.6**	-	**-1.6**
-	2.4	-	-	**2.4**	-	**2.4**
-	-	2.5	-	**2.5**	-	**2.5**
-1.6	**2.4**	**2.5**	**-**	**3.3**	**-**	**3.3**
35.0	**2.4**	**2.5**	**-**	**39.9**	**-**	**39.9**
-	-	-	-	**-87.8**	-	**-87.8**
4.7	-	-	170.5	**-**	-	**-**
4.1	-	-	-	**4.1**	-	**4.1**
-	-	-	-66.9	**-66.9**	-	**-66.9**
455.1	**-**	**-91.7**	**-161.1**	**1,947.5**	**-**	**1,947.5**
50.5	-	-	-	**50.5**	1.3	**51.8**
-6.6	-	-	-	**-6.6**	-	**-6.6**
-	5.7	-	-	**5.7**	-	**5.7**
-	-3.9	-	-	**-3.9**	-	**-3.9**
-	-	-0.3	-	**-0.3**	-	**-0.3**
-	-	7.0	-	**7.0**	-	**7.0**
-6.6	**1.8**	**6.7**	**-**	**1.9**	**-**	**1.9**
43.9	**1.8**	**6.7**	**-**	**52.4**	**1.3**	**53.7**
-18.2	-	-	-	**-18.2**	0.7	**-17.5**
4.3	-	-	-	**4.3**	-	**4.3**
-	-	-	-85.2	**-85.2**	-	**-85.2**
-4.4	-	-	4.4	**-**	-	**-**
480.7	**1.8**	**-85.0**	**-241.9**	**1,900.8**	**2.0**	**1,902.8**
117.5	-	-	-	**117.5**	1.5	**119.0**
1.6	-	-	-	**1.6**	-	**1.6**
-	15.2	-	-	**15.2**	-	**15.2**
-	-14.2	-	-	**-14.2**	-	**-14.2**
-	-	-2.1	-	**-2.1**	-	**-2.1**
1.6	**1.0**	**-2.1**	**-**	**0.5**	**-**	**0.5**
119.1	**1.0**	**-2.1**	**-**	**118.0**	**1.5**	**119.5**
-	-	-	-	**-81.8**	-1.6	**-83.4**
-23.8	-	-	141.2	**-**	-	**-**
4.6	-	-	-	**4.6**	-	**4.6**
-	-	-	-100.7	**-100.7**	-	**-100.7**
-63.5	-	-	63.5	**-**	-	**-**
517.1	**2.8**	**-87.1**	**-137.9**	**1,840.9**	**1.9**	**1,842.8**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	H1 2013 CHF M	H1 2012 CHF M	H2 2012 CHF M
Cash and cash equivalents at the beginning of the period	504.0	600.1	445.7
Cash flow from operating activities	159.9	1.0	151.5
Cash flow from investing activities	-11.1	-1.5	-8.0
Cash flow from financing activities	-184.1	-154.7	-85.2
Effects of exchange rate changes on cash and cash equivalents	-2.6	0.8	-
Cash and cash equivalents at the end of the period	**466.1**	**445.7**	**504.0**

Cash flow from financing activities includes the following:

	H1 2013 CHF M	H1 2012 CHF M	H2 2012 CHF M
Dividends paid	-83.4	-87.8	-
Purchase of treasury shares	-100.7	-66.9	-85.2
Cash flow from financing activities	**-184.1**	**-154.7**	**-85.2**

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

GAM Holding AG (the Company) is a Swiss corporation domiciled in Zurich and listed on the SIX Swiss Exchange. The Condensed Interim Consolidated Financial Statements as at and for the six months ended 30 June 2013 comprise those of GAM Holding AG and all its subsidiaries (together referred to as the Group) including structured entities under control and the Group's investments in associates.

2. BASIS OF PREPARATION

These unaudited Condensed Interim Consolidated Financial Statements were prepared in accordance with IAS 34 *Interim Financial Reporting*. They do not include all the information required for full annual financial statements and should be read in conjunction with the Consolidated Financial Statements as at and for the year ended 31 December 2012, which were prepared in accordance with International Financial Reporting Standards (IFRS).

Except as otherwise indicated in these Condensed Interim Consolidated Financial Statements, all financial information is presented in millions of Swiss francs.

The following exchange rates were used for the major currencies:

	PERIOD-END EXCHANGE RATES		AVERAGE EXCHANGE RATES FOR THE PERIOD		
	30.06.2013	31.12.2012	**H1 2013**	H1 2012	H2 2012
USD/CHF	0.9462	0.9154	0.9376	0.9250	0.9401
EUR/CHF	1.2299	1.2068	1.2284	1.2028	1.2049
GBP/CHF	1.4350	1.4879	1.4389	1.4647	1.5053

3. SIGNIFICANT ACCOUNTING POLICIES

3.1. NEW ACCOUNTING POLICIES

These Condensed Interim Consolidated Financial Statements of the Group were prepared on the basis of accounting policies and valuation principles consistent with those used in the Consolidated Financial Statements of the Group as at 31 December 2012, with the exception of the following significant accounting pronouncements, which were adopted by the Group for the first time in 2013:

- Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32 and IFRS 7)
- IAS 1 – Presentation of Items of Other Comprehensive Income
- IAS 19 – Employee Benefits
- IFRS 10 and 12 as well as IAS 27 and 28 – consolidation standards
- IFRS 13 – Fair Value Measurement

3.2. IMPACT OF NEW ACCOUNTING POLICIES

The most significant changes and their impact on the Consolidated Financial Statements of GAM Holding AG are described below:

OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES (AMENDMENTS TO IAS 32 AND IFRS 7)

The amendments to IAS 32 clarify the meaning of ‘currently has a legally enforceable right of set-off’ and that some gross settlement systems may be considered equivalent to net settlement.

The amendments to IFRS 7 contain new disclosure requirements for financial assets and liabilities that are offset in the balance sheet or are subject to master netting arrangements or similar agreements.

The amendments to IFRS 7 are applicable for annual periods beginning on or after 1 January 2013 and the amendments to IAS 32 will be applicable for annual periods beginning on or after 1 January 2014. The required disclosures of IFRS 7 should be provided retrospectively.

Based on the information available as at 30 June 2013, we expect these standards to have no impact apart from additional disclosures that are required in the annual report.

IAS 1 — PRESENTATION OF ITEMS OF OTHER COMPREHENSIVE INCOME

The amendments to IAS 1 retain the ‘one or two statement’ approach at the option of the entity and only revise the way other comprehensive income is presented, by requiring separate subtotals for those elements that may be ‘recycled’ (eg gains or losses on financial assets available-for-sale, cash-flow hedging, foreign currency translation), and those elements that will not (see condensed consolidated statement of comprehensive income).

IAS 19 — EMPLOYEE BENEFITS

THESE AMENDMENTS INTRODUCE THE FOLLOWING KEY CHANGES:

The ‘corridor mechanism’ used for accounting of pension obligations to defer actuarial gains and losses has been removed, ie there will no longer be unrecognised actuarial gains and losses that arise in respect of a company’s plan assets or when the company changes its estimate of a defined benefit obligation. These movements in pension assets and liabilities are recognised immediately through other comprehensive income, resulting in future volatility of equity. Therefore, the pension assets and liabilities presented in the balance sheet are now equal to the surplus or deficit of the defined benefit pension plans.

The expected return on the plan assets has been replaced by a ‘net interest’ calculation, equalling the discount rate of the defined benefit obligation, with a direct impact on expenses and profit or loss. Service cost (including past service cost) and net interest are recognised in profit or loss, whereas remeasurements of the net defined benefit liability are recognised in other comprehensive income within equity.

IMPACT OF THE ADOPTION OF IAS 19 REVISED:

Given the unrecognised actuarial losses and unrecognised past service cost as at 31 December 2012, the removal of the ‘corridor mechanism’ led to a reduction of current pension assets and an increase in current pension liabilities with a corresponding reduction in equity, as unrecognised actuarial gains and losses are recognised in other comprehensive income under the revised standard. Based on the actuarial valuations, the overall impact of the first-time application of the amendment led to a reduction in equity of CHF 63.4 million before taxes as at 31 December 2012. Considering the positive impact on deferred taxes of CHF 12.9 million, a net reduction in equity of CHF 50.5 million resulted (CHF 41.3 million as at 1 January 2012). The replacement of the expected return on plan assets by a net interest expense on the net defined benefit obligation and no further required amortisation of actuarial losses represent the main impact on profit or loss. The application of the amended IAS 19 resulted in an additional expense of CHF 0.7 million in personnel expenses for the financial year 2012. After taxes, the impact on net profit amounts to a decrease of CHF 0.4 million. In addition, the amendment introduces new presentation and disclosure requirements in the annual report.

IFRS 10 AND 12 AS WELL AS IAS 27 AND 28 — CONSOLIDATION STANDARDS

THESE AMENDMENTS INTRODUCE THE FOLLOWING KEY CHANGES:

IFRS 10 *Consolidated Financial Statements* replaces the consolidation guidance in IAS 27 *Consolidated and Separate Financial Statements* and SIC-12 *Consolidation - Special Purpose Entitie*s. The most significant changes under IFRS 10 are:

- Introduction of a single control model to assess whether to consolidate an investee.
- Substantive potential voting rights held by the investor and other parties taken into account when assessing control.
- Explicitly included are 'de facto control' in a new control model as well as an 'agent vs principal concept'.

The standard has to be applied retrospectively and comparative amounts have been restated.

IFRS 12 *Disclosure of Interests in Other Entities* – which accompanies IFRS 10 and IAS 28 – is a new comprehensive disclosure standard for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other unconsolidated structured entities (off-balance-sheet vehicles). The objective of IFRS 12 is to require disclosure that helps users of financial statements to evaluate:

- the nature of, and risks associated with, an entity's interests in other entities; and
- the effects of those interests on the entity's financial position, financial performance and cash flows.

Expanded and new disclosures are required under the new IFRS. The standard is applied prospectively and comparative amounts are not required to be restated.

IMPACT OF THE ADOPTION OF IFRS 10 AND 12:

From time to time, the Group makes seed capital investments in certain fund products in order to establish track records for new products, to test new investment strategies or to launch a new product at a viable minimum size. Such investments had previously been presented in the balance sheet line item 'financial investments'.

As a result of the adoption of IFRS 10, the Group has changed its accounting policy with respect to determining whether it has control over and consequently whether it consolidates such investments. In accordance with the transitional provisions of IFRS 10, the Group re-assessed the control conclusion for these investments as at 31 December 2012. As a consequence, the Group has changed its control conclusion in respect of certain investments and consolidates these where the Group is deemed to have control under the new control model. Additional disclosures will be required in the annual report.

Disposal groups in respect of those financial investments under control, which are available for immediate sale and for which management expects to complete the sale within one year, are presented in the balance sheet line items 'financial assets held for sale' and 'financial liabilities held for sale' in accordance with IFRS 5 *Non-current Assets Held for Sale*.

The adoption of these accounting pronouncements led to a restatement of certain prior-year figures:

- Financial investments under control of CHF 68.2 million as at 31 December 2012 were reclassified from the line item ‘financial investments’ to the line item ‘financial assets held for sale’ in the balance sheet. In addition, the total balance sheet sum as at 31 December 2012 increased by CHF 5.9 million due to the gross presentation of these now consolidated financial investments as disposal groups in the line items ‘financial assets held for sale’ and ‘financial liabilities held for sale’.
- In 2012, some of the financial investments under control were accounted for as financial investments available-for-sale with fair value changes recognised in other comprehensive income until sold or impaired. As the underlying investments, which are now consolidated, are accounted for as ‘financial assets designated at fair value through profit or loss’, unrealised gains of CHF 0.8 million previously recognised in other comprehensive income were restated and reclassified to the income statement, thereby increasing net profit for the financial period 2012 (H1 2012: none / H2 2012: CHF 0.8 million), and other comprehensive income was reduced by the same amount. As a result, there was no impact on total equity as at 31 December 2012.
- There was no impact as at 1 January 2012 as control of the financial investments concerned was obtained after 1 January 2012.

IFRS 13 – FAIR VALUE MEASUREMENT

This amendment aligns the fair value definitions contained within various standards in order to reduce complexity and improve consistency in the application of fair value measurement principles by having a single set of requirements for all fair value measurements. The most significant changes under IFRS 13 are:

- The definition of fair value (eg exit price, price is not adjusted for transaction costs).
- The provision of a clear framework for measuring fair value.
- More detailed disclosures about fair value measurements and for ‘level 3’ financial instruments, providing a measurement uncertainty analysis disclosure about fair value measurements categorised within level 3 of the fair value hierarchy. That disclosure would require an entity to take into account the correlation between unobservable inputs when performing the measurement uncertainty analysis, if such correlation is relevant in the analysis.

The standard has to be applied prospectively and comparative amounts are not required to be restated.

Based on the information available as at 30 June 2013, we expect this standard to have no impact apart from additional disclosures that are required in the annual report.

3.3. RESTATEMENT DUE TO NEW ACCOUNTING POLICIES

The adoption of the new accounting policies led to a restatement of certain prior-year figures:

IMPACT ON THE CONSOLIDATED BALANCE SHEET

	01.01.2012 PUBLISHED CHF M	RESTATEMENT IAS 19 REVISED CHF M	RESTATEMENT IFRS 10 CHF M	**01.01.2012 RESTATED CHF M**
Pension assets	5.6	-5.6	-	**-**
Deferred tax assets	9.1	10.2	-	**19.3**
Pension liabilities	8.6	47.1	-	**55.7**
Deferred tax liabilities	1.3	-1.2	-	**0.1**
Retained earnings	452.6	-41.3	-	**411.3**

	31.12.2012 PUBLISHED CHF M	RESTATEMENT IAS 19 REVISED CHF M	RESTATEMENT IFRS 10 CHF M	**31.12.2012 RESTATED CHF M**
Pension assets	6.5	-6.5	-	**-**
Deferred tax assets	12.1	11.6	-	**23.7**
Pension liabilities	14.0	56.9	-	**70.9**
Deferred tax liabilities	1.3	-1.3	-	**-**
Financial investments	150.8	-	-68.2	**82.6**
Financial assets held for sale	27.6	-	74.1	**101.7**
Financial liabilities held for sale	-	-	5.9	**5.9**
Retained earnings	529.8	-49.9	0.8	**480.7**
Other components of equity	-81.8	-0.6	-0.8	**-83.2**

IMPACT ON THE CONSOLIDATED INCOME STATEMENT AND OTHER COMPREHENSIVE INCOME

	H1 2012 PUBLISHED CHF M	RESTATEMENT IAS 19 REVISED CHF M	RESTATEMENT IFRS 10 CHF M	**H1 2012 RESTATED CHF M**
Personnel expenses	145.4	-0.7	-	**144.7**
Net profit	35.9	0.7	-	**36.6**
Remeasurements of defined benefit pension plans, net of taxes	-	-1.6	-	**-1.6**
Translation differences	3.0	-0.5	-	**2.5**
Other comprehensive income, net of taxes	5.4	-2.1	-	**3.3**
Total comprehensive income	41.3	-1.4	-	**39.9**

	H2 2012 PUBLISHED CHF M	RESTATEMENT IAS 19 REVISED CHF M	RESTATEMENT IFRS 10 CHF M	**H2 2012 RESTATED CHF M**
Other operating income	9.0	-	0.8	**9.8**
Personnel expenses	146.9	1.4	-	**148.3**
Income taxes	16.6	-0.3	-	**16.3**
Net profit	52.1	-1.1	0.8	**51.8**
Remeasurements of defined benefit pension plans, net of taxes	-	-6.6	-	**-6.6**
Net gains/(losses) on financial investments available-for-sale	6.5	-	-0.8	**5.7**
Translation differences	-0.2	-0.1	-	**-0.3**
Other comprehensive income, net of taxes	9.4	-6.7	-0.8	**1.9**
Total comprehensive income	61.5	-7.8	-	**53.7**

4. NOTES TO SELECTED INCOME STATEMENT ITEMS

EARNINGS VOLATILITY

Management fees are recognised throughout the period and can vary, among other things, due to fluctuations in the levels of assets under management. Performance fees, however, are only recognised if performance hurdles have been achieved at certain defined dates. As a result, our earnings can be volatile and the income generated in the second half of the year may vary from that generated in the first half. Performance fees in H1 2013 amounted to CHF 70.9 million (H1 2012: CHF 29.4 million).

REPORTING BY SEGMENT

On 16 January 2013, the Group announced a shift from its operating model as a pure financial holding company to a more integrated organisational structure, combining the management responsibility for its operating businesses at Group level.

IFRS 8 *Operating Segments* requires disclosures to reflect the information which the Group Management Board, being the body that is the Group's chief operating decision maker, uses to assess performance and to allocate resources. The Group is managed as a single business segment for reporting and control purposes, offering different investment management solutions and products across multiple asset classes and strategies that are managed across a range of products, distribution channels and geographic regions.

Discrete financial information is prepared to allow for an analysis at different levels, however, the Group Management Board reviews and uses for its decisions the aggregated financial information at Group level only.

INCOME TAXES AND TAX LIABILITIES

The effective tax rate was positively influenced by higher tax deductions, rising in line with our share price, for cumulative share-based expenses related to our 2009 long-term incentive plan.

5. NOTES TO SELECTED BALANCE SHEET ITEMS

INVESTMENT IN ARTIO GLOBAL INVESTORS INC. (ARTIO)

On 21 May 2013, the Group sold its investment in Artio and received a price of USD 2.75 per share, resulting in a gain for the Group of CHF 13.1 million which is presented in other operating income.

INVESTMENT IN QFS ASSET MANAGEMENT L.P.

On 6 February 2013, the Group acquired a minority interest in QFS Asset Management L.P., a US-based alternative asset manager. The investment is accounted for using the equity method and is presented as an investment in associates in the consolidated balance sheet.

TAX CHARGED OR CREDITED DIRECTLY TO EQUITY

Tax effects on share-based payments amounted to CHF 4.2 million (2012: none) and have effectively increased the impact of the share-based payment expenses included in the respective line item within equity (see condensed consolidated statement of changes in equity).

TREASURY SHARES

As at 30 June 2013, the Company held 9.9 million treasury shares. This includes 6.0 million treasury shares that relate to shares purchased under the ongoing share buy-back programme. These shares will be put forward for cancellation at the next Annual General Meeting. A further 3.8 million treasury shares were held as an economic hedge for the different share-based payment plans, which are expected to be net equity settled.

CAPITAL REDUCTION

On 27 June 2013, the Company executed the capital reduction resolved by its shareholders at the Company's Annual General Meeting on 17 April 2013 and cancelled 10,125,340 shares repurchased under its current share buy-back programme. The share capital of the Company now amounts to CHF 8,661,483 (173,229,660 registered shares at a par value of CHF 0.05 per share).

FINANCIAL INSTRUMENTS – FAIR VALUE DETERMINATION

For financial investments whose prices are quoted in an active market, the fair value is derived directly from the quoted market prices.

For financial instruments for which quoted market prices are not directly available, fair values are estimated using valuation techniques or models based wherever possible on assumptions supported by observable market prices or rates existing at the balance sheet date.

For a small portion of financial instruments, neither quoted market prices nor valuation techniques or models based on observable market prices are available for determining the fair value. In these cases, fair value is estimated indirectly using valuation techniques or models based on reasonable assumptions reflecting market conditions.

These valuation techniques remain unchanged to those disclosed in the annual report 2012.

The carrying amount of the financial assets and liabilities, including cash, accruals, trade and other receivables and payables, and other financial assets and liabilities, approximates their fair value.

The table below analyses financial instruments, measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised:

	LEVEL 1 CHF M	LEVEL 2 CHF M	LEVEL 3 CHF M	30.06.2013 TOTAL CHF M
Derivative financial instruments	-	0.1	-	**0.1**
Financial assets at fair value through profit or loss[1]	79.3	-	-	**79.3**
Financial assets available-for-sale	47.3	-	15.6	**62.9**
Financial investments measured at fair value	**126.6**	**0.1**	**15.6**	**142.3**
Derivative financial instruments	-	2.7	-	**2.7**
Financial liabilities at fair value through profit or loss[1]	7.2	-	21.7	**28.9**
Financial liabilities measured at fair value	**7.2**	**2.7**	**21.7**	**31.6**

[1] These categories include the balance sheet line items 'financial investments held for sale' and 'financial liabilities held for sale'. See Note 3 (paragraph regarding IFRS 10) for more information.

The Group's policy is to recognise transfers into and transfers out of the fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. There were no transfers between the levels during the period.

The valuation methods used to determine the fair value of level 3 financial instruments are as follows:

- Financial assets available-for-sale are measured based on the latest available financial information applying the adjusted net asset method. In case the Group is aware of other factors impacting the fair value, adjustments are made to best reflect the approximation of fair value.
- Financial liabilities at fair value through profit or loss are measured based on their contractual terms.

As in the prior year, no reasonably possible change in the inputs used in determining the fair value would cause the fair value of level 3 financial instruments to change significantly.

The following table presents the changes in level 3 financial instruments:

	FINANCIAL ASSETS AVAILABLE-FOR-SALE CHF M	FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS CHF M
Balance at 31 December 2012	14.7	19.5
Additions	0.4	-
Total gains/losses:		
- in profit or loss	0.3	2.2
- in other comprehensive income	0.2	-
Balance at 30 June 2013	**15.6**	**21.7**

In H1 2013, net losses of CHF 1.9 million included in profit or loss relate to financial instruments held at the end of the reporting period.

6. ADDITIONAL NOTES

2009 LONG-TERM INCENTIVE PLAN

In the first half of 2013, 17.8 million share options from the 2009 long-term incentive plan were exercised or forfeited. The number of outstanding options as at 30 June 2013 was 7.3 million.

2013 DEFERRED COMPENSATION SCHEME

On 25 June 2013, members of senior management received share-based grants as a variable deferred element of their total compensation. Subject to recipients continuing to be employed with the Group on the vesting date of 15 August 2016 they will receive a number of shares based linearly on any increase in the price of the shares between the closing price on 24 June 2013 (CHF 14.00) and the average daily closing price on the 124 trading days prior to vesting.

As of the date of grant, the aggregate fair value of the share-based grants amounts to CHF 6.2 million. Expenses are allocated over the relevant vesting period. In H1 2013, no significant expense was recognised.

SHARE PLAN FOR MEMBERS OF THE BOARD OF DIRECTORS

On 25 June 2013, members of the Board of Directors were granted the right to receive an aggregate total of 71,429 shares (with a value of CHF 14.00 based on the closing price of each share on 24 June 2013). These rights will vest on 14 April 2014, the day before the Company's 2014 Annual General Meeting, subject to certain conditions being met. Expenses are allocated over the relevant vesting period. In H1 2013, no significant expense was recognised.

EVENTS AFTER THE REPORTING PERIOD

The Board of Directors approved these Condensed Interim Consolidated Financial Statements on 12 August 2013.

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MEDIA RELATIONS

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CORPORATE CALENDAR

22 October 2013	Interim management statement for Q3 2013
4 March 2014	Full-year results 2013
15 April 2014	Ordinary Annual General Meeting, Zurich; Interim management statement for Q1 2014
12 August 2014	Half-year results 2014

FURTHER INFORMATION

Our website provides further information on GAM Holding AG, including share price data, details of our share buy-back programme, media releases, historic annual reports and an events calendar.

www.gamholding.com

Detailed information on our products and services can be found on:

www.gam.com
www.swissglobal-am.com

'FORWARD-LOOKING STATEMENTS'

This Half-Year Report contains statements that constitute 'forward-looking statements', including statements of the future financial performance of the Company, its plans and objectives and their anticipated effect on the Company's future business and development, as well as other projections and statements that are forward-looking or contain subjective assessments, regarding the intent, belief or current expectations of the Company. 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', 'predict' and similar expressions. Such statements are made on the basis of assumptions, estimates and expectations which, although the Company believes them to be reasonable at this time, may prove to be erroneous or unfounded in the future, as forward-looking statements are subject to risks and uncertainties that could cause the actual development, results and financial position of the Company to differ materially from the information presented herein. These risks and uncertainties facing the Company, which could affect the future accuracy of these forward-looking statements include, but are not limited to, the effects of, and changes in, fiscal, monetary and tax policies; currency fluctuations; the effect of the current economic environment on the financial position or creditworthiness of the Company's clients and counterparties; the Company's ability to retain and attract the employees that are necessary to generate revenues and to manage its businesses effectively; possible political, legal and regulatory developments, including the effect of more stringent capital and liquidity requirements; changes in accounting standards or policies; limitations on the effectiveness of the Company's internal risk management processes, including the occurrence of operational failures; political and social developments, including war, civil unrest or terrorist activity; the adverse resolution of litigation and other contingencies; and changes in the size, capabilities and effectiveness of the Company's competitors. If one of these risks or uncertainties materialises or if underlying assumptions prove to be incorrect, actual outcomes may vary materially from those indicated in the forward-looking statements. Other than in accordance with the ad-hoc publicity rules of the SIX Swiss Exchange, the Company undertakes no obligation to release publicly any revisions or updates to any forward-looking statements herein to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events or to reflect any change in the Company's expectations.