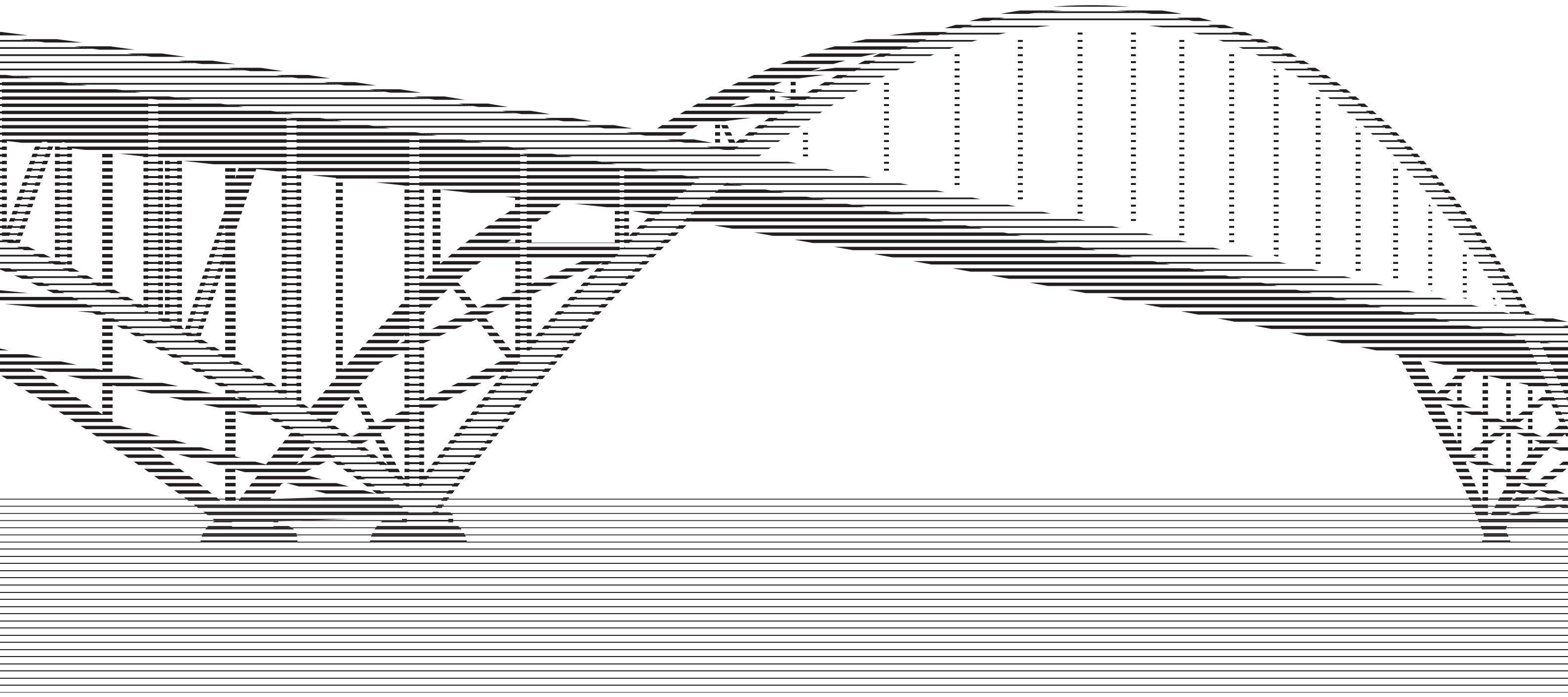
HALF-YEAR 2016 REPORT



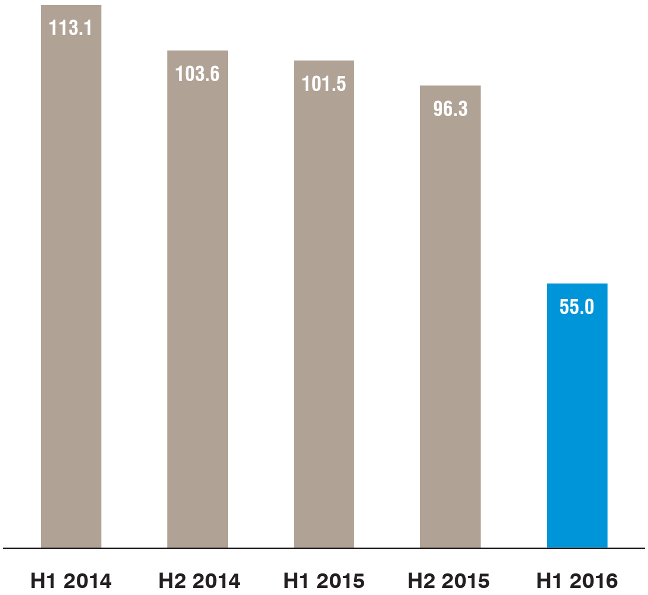
GAM Advancing potential

CONTENTS

KEY FIGURES

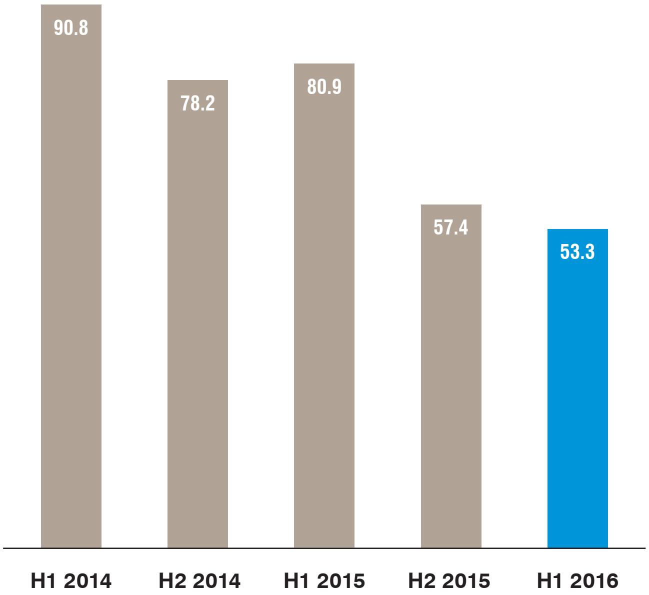
Underlying profit before taxes (CHF m)

CHF 55.0 m



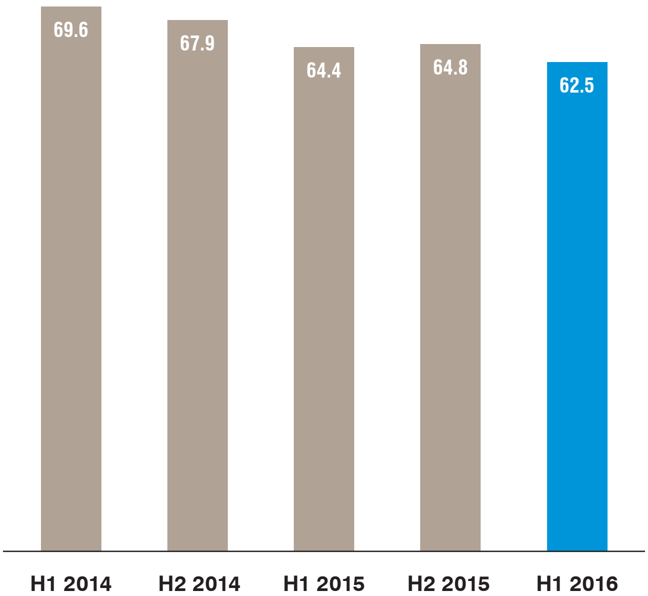
IFRS net profit (CHF m)

CHF 53.3 m



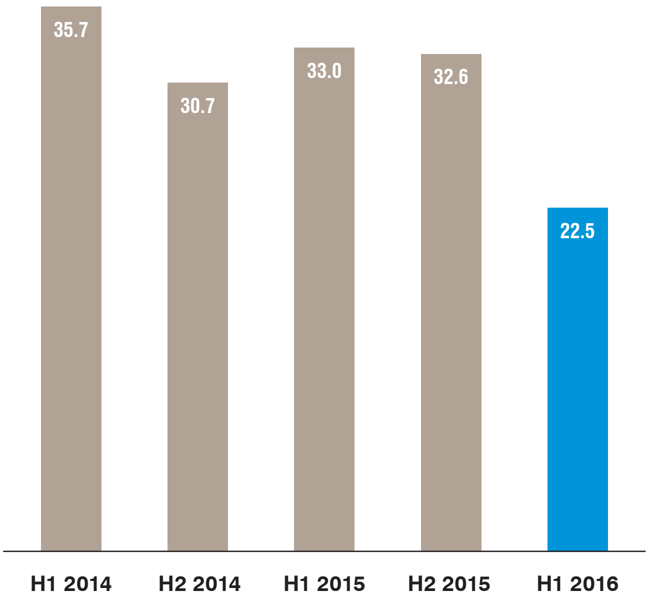
Management fee margin – investment management (bps)

62.5 bps



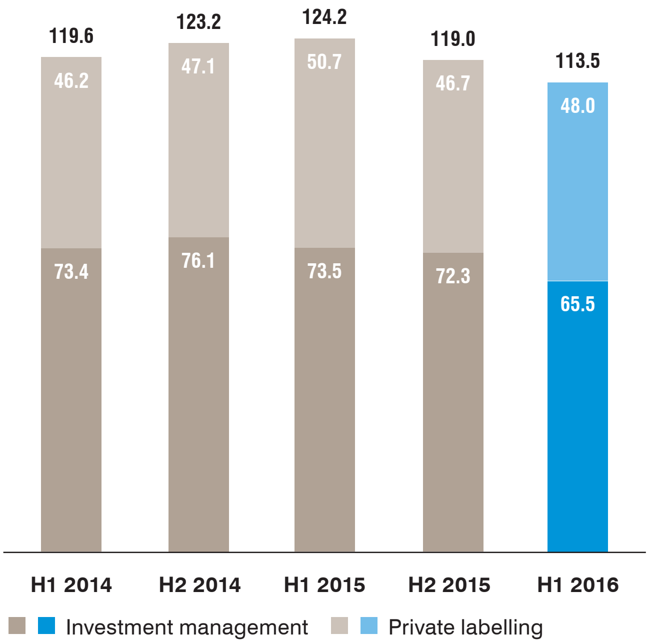
Operating margin (%)

22.5 %



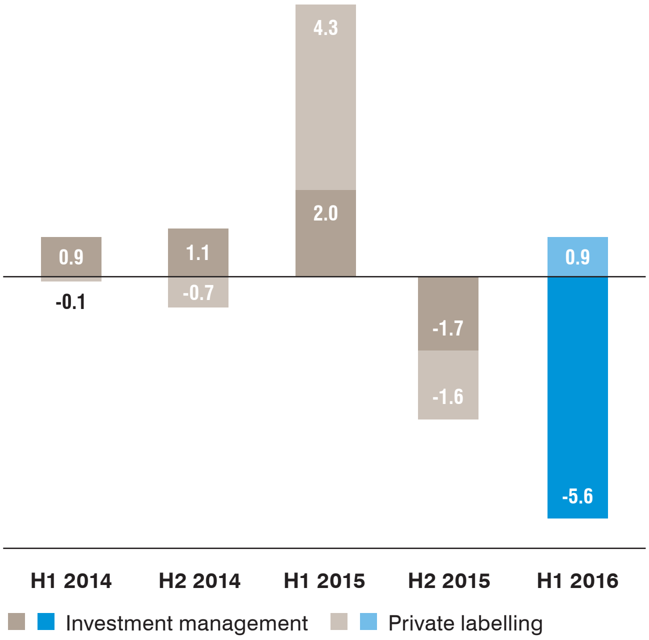
Assets under management (CHF bn)

CHF 113.5 bn



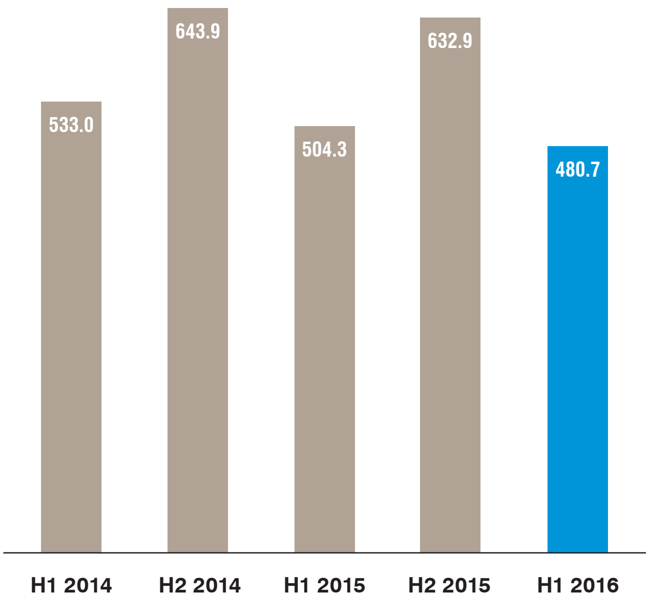
Net flows (CHF bn)

CHF -4.7 bn



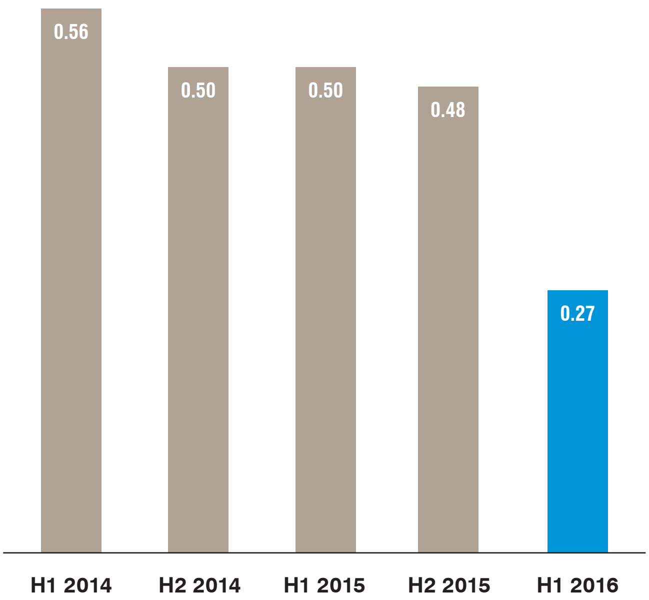
Net cash (CHF m)

CHF 480.7 m



Diluted underlying EPS (CHF)

CHF 0.27



CHAIRMAN CEO LETTER

Dear Reader

The first half of this year has been challenging for our industry and for our company. But, we have stayed focused on our plans and have made significant progress with the implementation of the three key parts of our strategy: re-orienting our external positioning, improving our internal efficiency and expanding our business.

Overall, the three key elements to our strategic plan are on track. Our external positioning and brand recognition are improving significantly. The implementation of our new operating model is on schedule and will deliver material annual cost savings from 2017 onwards. In investment management, we continued to refine our product range by closing or merging sub-optimal funds and at the same time launching promising strategies designed for today's volatile and low-yield market environment. And we recently announced two acquisitions and the launch of a major new offering focused on systematic quantitative investing.

Despite this broad and tangible progress, our half-year earnings are disappointing as a result of very low performance fees. Over the past five years, performance fees on average contributed about 12% of our total net fee and commission income. The mix of multiple and diverse products eligible for performance fees has generally provided a good offset between strategies surpassing their high-water mark performance levels and those underperforming. However, in the first half of 2016 the significant contributors to performance fees all struggled. But, the upside potential from these and other performance fee-eligible strategies, which in total make up around a third of our asset base in investment management, is still intact. We have confidence that performance fees will be a meaningful contributor to our earnings in the future.

Although we cannot rely on a quick improvement in market conditions, we have undertaken a number of important steps to better position our business to succeed.

In March, our multi asset team launched two new factor-based target return products to capture the growing investor demand for objective-oriented holistic solutions that protect capital on the downside. To bolster our successful range of absolute return funds we launched a merger arbitrage strategy in July under the leadership of a newly hired portfolio manager, Roberto Bottoli, a very experienced and highly regarded investor in this category. The real estate debt team, which we acquired from Renshaw Bay in 2015, is in the process of marketing a new strategy, which will be focused on European real estate debt and provides an attractive risk-return profile compared with traditional fixed income. The recent acquisition of Taube Hodson Stonex (THS), a company we have worked with closely for many years, will help deepen our global equity capability. At the end of July, we launched our trade finance investment offering, which provides an innovative investment solution optimised for the current low-yield environment. And we appointed Tim Rainsford, previously Global Co-Head of Sales and Marketing at Man Group, as the new Group Head of Distribution to further strengthen our sales, marketing and product development efforts.

Perhaps most importantly, we launched a major new business offering – GAM Systematic – through the acquisition of Cantab Capital Partners (Cantab). For the past 18 months we had been evaluating how best to enter the systematic space, and Cantab represents the ideal partner to enable this move.

Systematic strategies, which utilise computer models and predefined rules to guide investment decisions, generally offer lower correlations to traditional markets due to their absence of human bias. This dynamic will help provide our Group with an earnings engine that in many ways adds diversification to our discretionary investment business. And importantly, there is a growing desire among investors to allocate part of their traditional portfolios to quantitative investment solutions, so the tailwind for raising assets looks promising.

Indeed, stellar performance of quantitative strategies amid the market turmoil in the first half of the year has underlined the attractive dynamics of this kind of investment competence in volatile markets divorced from fundamentals.

The acquisition of Cantab, which is expected to close in the late third or early fourth quarter, will be highly accretive to our earnings from the first year of ownership.

However, we are not just buying the existing successful Cantab business. Cantab's strong infrastructure and proprietary technology as well as the multi-decade expertise of its employees will allow us to launch new products based on their existing investment processes for GAM Systematic. Future strategies will span traditional and alternative asset classes in different product vehicles including UCITS, onshore and offshore funds. GAM Systematic products will be distributed through our existing global sales channels, improving our overall operating leverage.

"The acquisition of Cantab will be highly accretive to our earnings from the first year of ownership."

H1 2016 results

Violent market swings heightened risk aversion among investors in the first half of this year, impacting flows across our industry. Our investment management business reported outflows of CHF 5.6 billion. The weakening of the British pound and the US dollar against our Swiss franc reporting currency had a further negative impact on assets under management, reducing them by CHF 1.2 billion. Therefore total assets in investment management declined to CHF 65.5 billion from CHF 72.3 billion at the end of 2015. The decrease was partly offset by an increase in assets of our private labelling business, which rose to CHF 48.0 billion from CHF 46.7 billion as a result of inflows of CHF 0.9 billion and a net positive impact from market and foreign exchange movements. Group assets under management ended the first half at CHF 113.5 billion. On a pro forma basis, including the acquisition of THS and Cantab as at 30 June 2016, assets under management would be CHF 71.8 billion in investment management and CHF 119.8 billion for the Group as a whole.

Net management fees and commissions declined 10% in the first half of 2016 compared with the same period a year earlier. This was driven by lower average assets under management and a slight decline in management fee margins as a result of fluctuations in the asset mix between products and client segments caused by flows and market movements. In private labelling, the margin on new assets was lower than for those redeemed, while the Cayman business we sold at the end of 2015 operated above the average margin. Performance fees fell to CHF 1.2 million from CHF 44.1 million.

We have managed costs tightly and variable compensation declined in line with business performance, helping partially mitigate the reduction in fee income. Our **underlying pre-tax profit of CHF 55.0 million** was down 46% from the previous year and our operating margin declined to 22.5% from 33.0%. The increase in the compensation ratio, which tracks our ability to manage our largest expense category (personnel expenses) in line with net fee and commission income, was less pronounced as this indicator rose to 53.7% from 48.1%.

Diluted underlying earnings per share fell to CHF 0.27 from CHF 0.50, as the benefit of our share buy-back programme through the reduction in the number of shares outstanding could only partly offset the decline in underlying net profit.

Under IFRS, our net profit was CHF 53.3 million, 34% lower than in the first half of 2015. The IFRS figure includes two items that are not reflected in the underlying results – non-recurring items that resulted in a gain of CHF 4.4 million and acquisition-related items that resulted in a gain of CHF 6.7 million (all net of taxes). The former include a gain from changes to the Swiss pension plan to ensure its long-term financial stability, partly offset by deal and integration costs stemming from the acquisitions of THS and Cantab. Acquisition-related items include a reduction in our estimate of the deferred consideration liability for the acquisition of Arkos (now GAM Lugano), partly offset by the amortisation of customer relationships from businesses we acquired.

Summary and outlook

We are steadfastly progressing with the business restructuring we started in 2015. Despite the current trough in earnings, we are committed to investing in the future and managing the company for the long run.

We expect the market environment will continue to be difficult for the remainder of 2016. Politics will be a key source of risk for markets, with a second presidential election in Austria and Italy's referendum on constitutional reform in October, the US elections in early November and the UK's negotiations to leave the European Union all having the potential to unsettle investors. Concerns over the outlook for global growth are also unlikely to dissipate soon, and the US Federal Reserve may choose to raise rates later in the year, which could further destabilise markets.

> "Despite the current trough in earnings, we are committed to investing in the future and managing the company for the long run."

Nevertheless, we are confident that our company will effectively navigate this challenging market environment. We are committed to our financial targets of increasing diluted underlying earnings per share in excess of 10% on an annualised basis and achieving an operating margin of 35–40% over the five to eight-year business cycle. Also, our policy of progressive, predictable and sustainable dividends remains unchanged.

The environment for our industry is expected to remain challenging. Passively managed, low-cost products are adding pressure on active managers to deliver on their promise. However, specialist investors with the skill to extract value and protect clients' capital when market returns are depressed and risks elevated will prove their worth. Our broad set of capabilities, including those newly acquired, should put us in a strong position to capture client demand at the specialised, active end of the investment spectrum.

We would like to thank our employees, clients and shareholders for their support, patience and loyalty during these challenging times.

With best regards,

Johannes A. de Gier
Chairman

Alexander S. Friedman
Group Chief Executive Officer

Zurich, 3 August 2016

THE BUSINESS REVIEW

STRATEGY OVERVIEW

Our financial targets

Annualised growth in **diluted underlying earnings per share**

in excess of 10%

Operating margin of

35–40%

Both to be achieved over a business cycle, which we define as five to eight years

Progress on strategic initiatives

- Implementation of **new operating model** on track for completion end-2016
- Launch of two **multi asset target return funds** in March 2016
- **Responsible investment** framework rolled out in April 2016
- Acquisition of **Taube Hodson Stonex** announced in May 2016
- Acquisition of **Cantab Capital Partners** and launch of **GAM Systematic** announced in June 2016
- Launch of **merger arbitrage strategy** in July 2016
- Launch of **trade finance offering** in July 2016
- Appointment of Tim Rainsford as new **Group Head of Distribution** as of 1 January 2017
- **Real estate debt** team is in the process of marketing a new strategy
- Strong pipeline of **new products** for second-half 2016 launch, including systematic strategies

Taube Hodson Stonex

- Global equity investment firm based in London, UK
- Renowned for successful thematic bottom-up and benchmark-agnostic investment approach
- Acquisition expected to close in Q3 2016, pending customary regulatory approvals

CHF 2.3 billion
in assets under management as at 30 June 2016

20+
years of investment track record

8
investment team members

19
years of average investment experience

3
funds marketed to intermediaries, institutional and private investors

~7%
annualised returns net of fees for the International Growth & Value fund since launch in 1999

Cantab Capital Partners

- Industry-leading multi strategy systematic manager based in Cambridge, UK
- Cantab will form the cornerstone of GAM Systematic, a new investment platform dedicated to systematic products
- Acquisition expected to close in late Q3 or early Q4 2016, pending customary regulatory approvals

CHF 4.0 billion
in assets under management as at 30 June 2016

10
years of investment track record

56
employees, with the majority dedicated to investment and technology research

2
flagship strategies

~8%
annualised returns net of fees from the CCP Quantitative strategy since launch in 2007

7%+
annualised returns net of fees from the CCP Core Macro strategy since launch in 2013

STRATEGY UPDATE

Progress on strategic initiatives

We continued to press ahead with our strategic initiatives in the first half of 2016 even as the market and industry environment remained challenging. Our brand recognition is strengthening, while we work on making our operations more efficient and expanding our product offering through fund launches and acquisitions.

Brand

The feedback from clients and employees on the redesigned and simplified GAM brand, which was launched in November 2015, has been extremely positive. GAM's investment thought leadership, expressed in op-eds, TV appearances and various other non-paid formats in top-tier international financial media is up around 50% in the first half of this year compared with the prior-year period.

We also recorded higher visitor rates to our redesigned website, which is now partially available in German, Italian, French and Spanish. The number of unique visitors to the website rose by more than 15% in the first half of 2016 compared with the second half of 2015. At the same time unique visitors to the Insights section, which showcases GAM's thought leadership articles, more than doubled.

Operating model

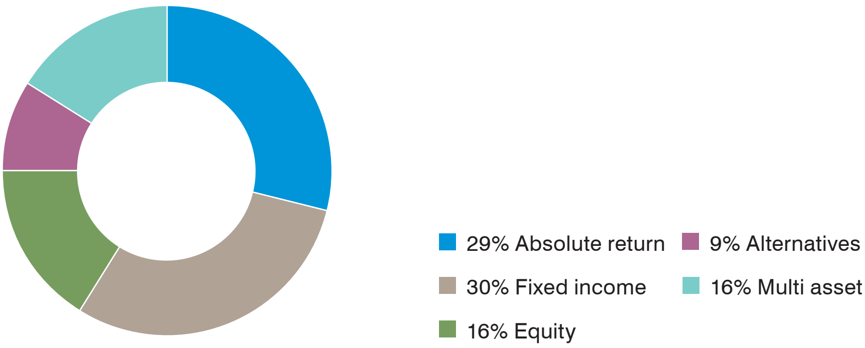
The implementation of our new operating model, which started in 2015, is proceeding as planned. As part of this restructuring, we are outsourcing our full middle and back office activities to State Street. We have been successfully working with State Street since 2013 as a provider of fund accounting services for our Julius Baer-branded funds and the private labelling funds we operate for third parties. As part of our new operating model State Street will provide fund accounting and middle office services for our entire product range from the end of 2016 onwards. The largest back office migration step within the overall project, involving the transfer of the entire GAM Star range to State Street, was completed in March. Middle office for a first set of Dublin and offshore funds was successfully transferred to State Street in July. As part of the project, we will also align reporting and front office systems, creating a consistent and more efficient platform, process and IT landscape.

These measures will reduce our cost base compared with 2014 by more than CHF 20 million, with annual savings realised upon completion of the project from 2017 onwards. The reorganisation will also result in a reduction of about 15% in jobs over the course of 2016, with the company offering appropriate compensation for any associated redundancies. The new operating model will provide for future potential to increase operational efficiency, allowing us to continue to invest in the growth and resilience of our business.

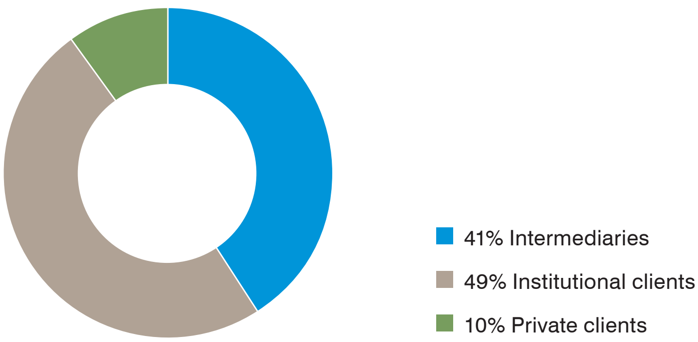
Calibrating our product range

We continued calibrating our product range within investment management to make sure we concentrate our resources on the most promising strategies. In the first half of 2016 we merged or closed 15 funds in addition to 41 funds in 2015, all with a de minimis loss of assets under management. Such reviews of our product shelf will be performed regularly, ensuring our offering remains relevant and lean across different market cycles.

Investment management assets by capability



Investment management assets by client segment



Product launches

The Multi Asset Portfolio Solutions (MAPS) group, formed in November 2015, launched two new target return products to complement existing offerings in the areas of relative return and risk rated solutions. The new strategies seek to capture the growing demand for objective-oriented holistic solutions that generate returns across all asset classes while catering to different risk profiles and providing the required level of downside protection.

The GAM Star Target Return funds offer an attractive alternative to traditional bond investments while minimising equity, duration and credit risk. These dynamic multi asset, target return strategies seek to generate consistent and un-correlated returns of Libor +3% per annum in the case of GAM Star Target Return and Libor +5% per annum for GAM Star Target Return Plus.

To expand our successful UCITS range of absolute return products we launched a merger arbitrage strategy in July. The fund will aim to take advantage of market price inefficiencies arising from announcements of corporate transactions. The strategy is managed by Roberto Bottoli who has more than a decade experience in managing merger arbitrage funds and joined GAM from Allianz Global Investors. The product offers investor diversification through returns that are not correlated with traditional asset classes.

The same month we launched our trade finance investment offering, which provides an innovative investment solution optimised for the current low-yield environment. The real estate debt team, which we acquired from Renshaw Bay in October 2015, recently won a new separate account mandate focused on senior loans in the UK and is in the process of marketing a new strategy, which will be focused on European real estate debt, denominated in euros.

Acquisition of Taube Hodson Stonex

In May 2016 we entered into an agreement to acquire the investment management business of Taube Hodson Stonex (THS), a UK-based global equity investment firm, to deepen our equity capability. THS had CHF 2.3 billion of assets in funds and segregated mandates as at 30 June 2016 and is renowned for its successful thematic bottom-up and benchmark-agnostic investment approach. It has also been the sub-advisor to one of GAM's oldest global equity strategies.

The acquisition is expected to close in the third quarter of 2016, pending customary regulatory approvals. The investment team, led by the four principals Cato Stonex, Mark Evans, Robert Smithson and Ali Miremadi, will relocate to GAM's London offices and their strategies will be marketed under the GAM brand.

The team, with an average investment experience of 19 years, currently has three funds marketed to intermediaries, institutional and private investors. Their International Growth & Value fund achieved annualised returns net of fees of around 7% from launch in 1999 through 30 June 2016.

Acquisition of Cantab Capital Partners and launch of GAM Systematic

In June 2016 we entered into an agreement to acquire Cantab Capital Partners (Cantab), an industry-leading multi strategy systematic manager based in Cambridge, UK. The acquisition accelerates our strategy to diversify active management capabilities and enables the launch of GAM Systematic, a platform focused on quantitative investing across long-only and alternative strategies.

Cantab, with 56 employees, had CHF 4.0 billion in assets under management as at 30 June 2016. Its strong infrastructure and proprietary technology allow Cantab to run multiple unique models in its investment programmes across more than 130 markets, creating effective diversification through different asset classes and market regimes.

The company, founded in 2006, manages two flagship programmes that have delivered strong performance track records and uncorrelated returns with traditional asset classes. The annualised returns net of fees as at

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Spotlight on systematic investing

Unlike discretionary investing, which relies on the analysis, conviction and decision-making of the fund manager, systematic funds utilise computer models and predefined rules for their trades and investment decisions. Increased computing power and the resulting developments in statistical analysis, financial mathematics and research have spurred the development of systematic investing in recent decades. Successful systematic strategies generally offer lower correlations to traditional markets due to their absence of human bias. In the current persistently low-yield environment, surveys point to a growing trend among investors to allocate part of their traditional portfolios to quantitative investment solutions. Systematic offerings also have the advantage of being highly scalable, and hence allow the investment manager to be competitive on fees, which is another plus point in winning inflows particularly when returns are compressed by overall market conditions. Leading-edge technology, intellectual capital and robust risk management are essential barriers to entry in the systematic space – all qualities GAM has acquired with Cantab Capital Partners. Their unrivalled software and systematic methodology will form the cornerstone of GAM Systematic. We already have plans to launch a host of new systematic products and, over time, GAM Systematic will offer strategies spanning liquid alternatives, equities, bonds and credit.

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30 June 2016 of the CCP Quantitative programme are around 8% since inception in 2007, and the annualised returns net of fees of the CCP Core Macro programme are over 7% since inception in 2013. Both programmes and our alternative risk premia capability will form GAM Systematic from the onset.

Shortly after the transaction is completed, a UCITS version of the existing core macro product and a new non-directional global equity strategy are planned to be launched as part of GAM Systematic. Future strategies will span traditional and alternative asset classes in different product vehicles including UCITS, onshore and offshore funds. GAM Systematic products will be distributed through our existing global sales capabilities.

The acquisition, which includes 100% of Cantab's investment management business, except for 40% of future performance fees, is expected to close in the late third quarter or early fourth quarter of 2016, subject to customary regulatory approvals. The purchase price consists of an upfront cash payment of USD 217 million and deferred consideration, which will be based on management fee revenues from the strategies managed by the Cantab team for 2018, 2019 and 2020, payable after each period end.

New head of distribution

Tim Rainsford, previously Global Co-Head of Sales and Marketing at Man Group, was appointed as our new Group Head of Distribution. He will join GAM on 1 January 2017 and will be responsible for global sales and marketing as well as product development.

Responsible investment framework

As part of our continuing commitment to responsible investing, in April we rolled out our responsible investment framework to help us meet the evolving environmental, social and governance (ESG) concerns of existing and potential clients. This puts us on the right path toward alignment with the principles set out in the United Nations-supported Principles for Responsible Investment, to which we are a signatory.

Following due diligence on a number of ESG specialist data providers, we appointed Sustainalytics, a top-rated independent research house, to support us. Our framework is flexible, robust and scalable, allowing to integrate ESG factors into our investment processes without compromising the diversity of our investment strategies and manager styles.

Group Management Board changes

Larry Hatheway, Group Chief Economist and Group Head of Multi Asset Portfolio Solutions, and Tim Dana, Group Head of Corporate Development, joined the Group Management Board on 1 May 2016. Larry Hatheway and Tim Dana both joined GAM in late 2015 and have been instrumental to our growth strategy.

Andrew Hanges, Region Head UK, stepped down from the Group Management Board on the same date to focus on his role as a board member of various investment funds and regulated entities within the Group. Craig Wallis, Group Head of Distribution and Operations, will step down from his day-to-day responsibilities and the Group Management Board on 31 December 2016.

Implications of the UK's vote to leave the EU

The recent vote in the UK to leave the European Union has created a lot of uncertainty and volatility in financial markets. While it is worth keeping in mind that the process of exiting the EU is unlikely to be a quick one, in our daily operations we expect to be less affected by Brexit compared with some of our more UK-focused competitors. The majority of the funds we manage have the EU as their legal domicile (Luxembourg and Dublin). We also have offices in several EU countries as well as in the UK and Switzerland, with staff in a diverse set of roles – from investment to distribution and support – in most of the locations.

It is reasonable to assume that the UK's future path will not significantly diverge from that of the EU with respect to the provision of investment management products and services. Access to the EU and the UK markets for fund products can depend on the regulation for the investment manager as well as for the product itself. The EU and wider continental Europe are a key distribution market for the UK and in that context we would be surprised if the UK shaped its regulatory regime in a way that would restrict the access of UK-based investment managers to the EU market. As reciprocity forms the basis for all trade negotiations, this should in turn ensure access to the UK market for fund managers based in the EU and Switzerland.

Therefore, we expect more of a continuation rather than a disruption in terms of market access and regulatory framework for the asset management industry. And while some changes can never be ruled out, they will not happen overnight, hence giving any affected party time to adjust. We will implement strategic responses to potential fundamental changes in the regulatory or operating environment if they arise.

OUR BUSINESSES

Investment management

Markets, flows and investment performance

The start to 2016 saw highly turbulent financial markets. Stocks and oil prices dropped in the first six weeks of the year on concerns over the outlook for global growth amid disappointing economic data and policy uncertainty in China.

However, as expectations for interest rate hikes by the US Federal Reserve declined, risk assets rebounded, supported by further easing measures from the European Central Bank, the Bank of Japan and the Chinese authorities. Modest gains in emerging markets at the beginning of the year accelerated in March as a weaker US dollar bolstered commodity prices and under-owned risk assets (see Spotlight on emerging markets).

Following the recovery of risk assets since mid-February, consolidation ensued in early June. The UK's vote to leave the European Union on 23 June resulted in a sharp sell-off in stocks around the world while bonds and gold prices rallied.

While market developments in aggregate didn't affect our assets under management for the first half of 2016, currency movements (primarily reflecting the weakening of the British pound and the US dollar against our Swiss franc reporting currency) had a negative impact, reducing them by CHF 1.2 billion.

First-half net outflows in investment management totalled CHF 5.6 billion. We saw a slight deceleration in redemptions in the second quarter of 2016 compared with the first, as outflows from both institutional investors and financial intermediaries slowed.

Net outflows from institutional investors amounted to CHF 1.5 billion in the first six months of 2016, while redemptions from the more volatile channels of financial intermediaries and private clients amounted to net CHF 3.3 billion and CHF 0.8 billion, respectively.

We generally measure the success of our active strategies by their ability to meaningfully outperform an appropriate benchmark over a rolling three-year period. Over this time period, 58% our assets under management in funds outperformed their respective benchmark compared with 61% as of year-end 2015. This reflects mainly the challenges faced by the CHF 10.2 billion unconstrained/

Spotlight on emerging markets

Emerging market assets had an impressive rally in 2016. The recovery has been supported by the far advanced adjustment in the balance of payments and rising commodity prices. Despite some volatility, the next leg of the rally may be just around the corner as the EM growth cycle turns. After the global financial crisis EM central banks cut rates just as fast as their counterparts in the developed markets did, but because commercial banks in emerging economies were much better capitalised, they were able to expand lending. The sharp increase in credit led to a surge in growth, which caused euphoria about EM prospects. This seems like a very long time ago now, as since 2010 EM credit growth has been slowing, the credit impulse – or the change in credit growth – has been negative, and EM assets have suffered. Now credit growth should be beginning to stabilise, leading to an economic rebound. Despite the rally that's already occurred, investor positioning remains supportive and a pick-up in growth should provide another boost to the asset class as a whole. For the first time in six or seven years, we might have emerging markets displaying both growth and yield in a world that has very little of either.

Investment management assets (CHF bn)

Capability	Opening AuM 1 Jan 2016	Net flows 2016	Market/FX 2016	Transfer[1]	Closing AuM 30 Jun 2016
Absolute return	23.1	(2.6)	(0.9)	(0.4)	19.2
Fixed income	18.6	(0.2)	0.5	0.4	19.3
Equity	13.4	(1.6)	(1.1)	-	10.7
Alternatives	5.3	(0.2)	0.5	-	5.6
Multi asset	11.9	(1.0)	(0.2)	-	10.7
Total	**72.3**	**(5.6)**	**(1.2)**	**-**	**65.5**
Client segment					
Intermediaries	31.4	(3.3)	(0.9)	-	27.2
Institutional clients	33.7	(1.5)	(0.2)	-	32.0
Private clients	7.2	(0.8)	(0.1)	-	6.3
Total	**72.3**	**(5.6)**	**(1.2)**	**-**	**65.5**

[1] This represents a reclassification of one mandate from absolute return to fixed income.

Investment performance

Capability	Investment performance[1] 3 years	Investment performance[1] 5 years
Absolute return	25–49%	50–74%
Fixed income	75–100%	75–100%
Equity	50–74%	50–74%
Alternatives[2]	25–49%	75–100%
Total	50–74%	75–100%

[1] % of AuM in funds outperforming their benchmark over relevant period (as of 30 June 2016).
[2] Reflects performance of products in alternative investments solutions

0–24% 25–49% 50–74% 75–100%

absolute return bond strategy. Excluding this strategy, 65% of our assets under management in funds outperformed their respective benchmark over the three years and 84% over the five years through June 2016.

Our range of absolute return strategies saw total net outflows of CHF 2.6 billion in the first half of 2016, driven primarily by redemptions from the unconstrained/ absolute return bond strategy following weak performance in the second half of 2014 and 2015. JB Absolute Return Europe Equity Fund and Global Rates strategies also recorded net outflows, while GAM Star Keynes Quantitative Strategies and GAM Star European Alpha funds posted modest inflows for the period.

In fixed income, net outflows amounted to CHF 0.2 billion, as redemptions from developed market strategies such as the European JB ABS Fund were largely offset by robust demand elsewhere. The improved sentiment toward emerging market assets resulted in solid net inflows into our JB Local Emerging Bond Fund, which invests in debt of emerging countries denominated or pegged to the respective local currency. Our GAM Star Credit Opportunities fund, which predominantly invests in investment grade debt or high quality issuers, as well as specialised products, such as GAM Star MBS Total Return, continued to be popular with investors.

The biggest net inflows into our equity strategies came from GAM Star Continental European Equity and GAM UK Diversified funds. However, risk aversion and negative investor sentiment led to broad outflows from equity funds in the first half of 2016 in line with industry trends and totalled net CHF 1.6 billion, with GAM Star China Equity, JB Japan Equity and GAM Star Technology funds affected the most.

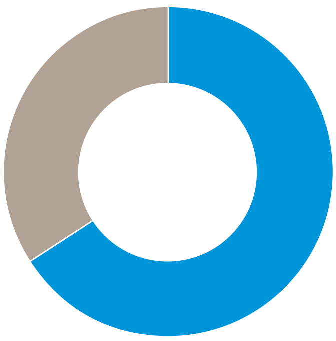
Multi asset class solutions posted net outflows of CHF 1.0 billion for the period. Net inflows into our successful risk rated solutions for financial advisers in the UK and an important institutional mandate win in Europe were more than offset by redemptions in flexible allocation mandates for private clients and Swiss institutions.

Total net outflows from our alternative capabilities amounted to CHF 0.2 billion, as inflows into commodity funds, and especially the JB Physical Gold Fund, helped offset redemptions in traditional fund of hedge funds products.

Private labelling

Assets under management in private labelling, which provides fund solutions for third parties, rose to CHF 48.0 billion as at 30 June 2016 from 46.7 billion at the end of 2015. Net inflows amounted to CHF 0.9 billion in the first six months of 2016, mainly into Luxembourg-domiciled funds of existing clients, while market and foreign exchange movements had a net positive impact of CHF 0.4 billion.

Private labelling assets by fund domicile



66% Switzerland
34% Rest of Europe

FINANCIAL REVIEW

How we report results

Our key performance indicators (KPIs) and business metrics reflect our internal approach to analysing our results. They guide us in managing the Group, making investment decisions and help us gauge how successful we have been in the implementation of our strategy. The same KPIs and business metrics are disclosed externally and form the basis for the review of our financial results.

Our results are reported in accordance with International Financial Reporting Standards (IFRS), but as in previous years our internal analysis and external disclosure of our financial performance focuses on underlying profitability. The adjustments we make from IFRS to an underlying profit before taxes are always related to specific non-recurring events or items related to acquisition activities that are neither indicative of the underlying performance of our business nor of its future growth potential. Where applicable, our KPIs are disclosed and discussed on the same adjusted basis.

Our Group KPIs:
Diluted underlying earnings per share (EPS) is calculated as the underlying net profit or loss attributable to ordinary equity holders, divided by the weighted average number of ordinary shares outstanding and adjusted for the potential dilution impact from any outstanding share or option plans.

Operating margin is calculated as net fee and commission income less expenses divided by net fee and commission income. It excludes the impact of net other income – such as gains and losses from foreign exchange movements, seed capital investments and hedging, or net interest income and expenses – and therefore gives a good representation of the operating performance of our business.

Compensation ratio is calculated as total personnel expenses divided by net fee and commission income. It tracks our ability to manage our largest expense category – personnel expenses – in line with net fee and commission income, the source of revenues that drives compensation.

Underlying profit before taxes and the **underlying effective tax rate** give emphasis to our pre-tax profitability and transparency on the bottom-line impact of the underlying effective tax rate, which is driven by a number of factors that are not immediately tied to our business performance.

Net cash is defined as cash and cash equivalents minus interest-bearing liabilities.

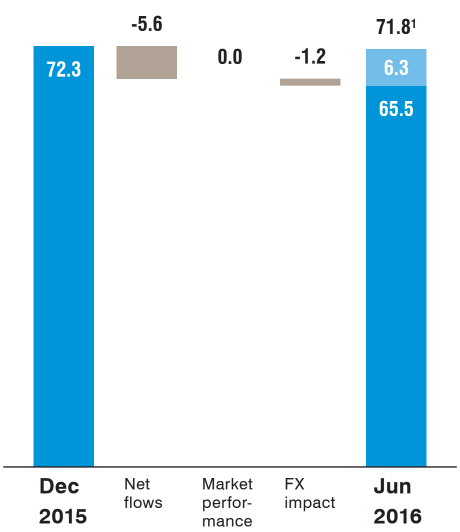
Tangible equity is defined as equity excluding non-controlling interests, goodwill and other intangible assets.

Business metrics:
Net fee and commission income is defined as fee and commission income minus distribution, fee and commission expenses. It includes performance fees, but not net other income.

Management fee margin is calculated as net management fees and commissions divided by average assets under management. For investment management, we additionally report a total fee margin that includes performance fees (i.e. net fee and commission income divided by average assets under management).

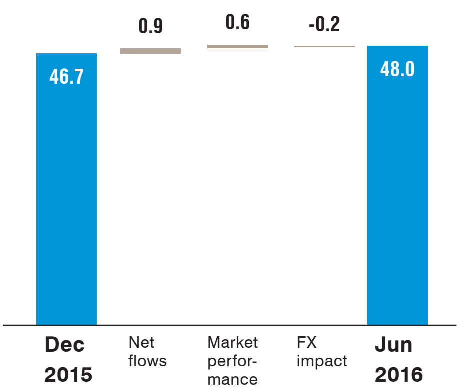
Assets under management analyses: in investment management we break down assets under management by capability, client segment and currency, while in private labelling, assets are broken down by fund domicile.

Investment management AuM movements (CHF bn)



[1] Pro forma assets under management, including assets related to the acquisitions of Taube Hodson Stonex (CHF 2.3 billion) and Cantab Capital Partners (CHF 4.0 billion)

Private labelling AuM movements (CHF bn)



Net flows represent the net asset additions or redemptions by clients. Additional disclosure of the breakdown of net flows in investment management by capability and client segment is provided. These developments are discussed in the 'Our Businesses' section, in addition to the section below.

Assets under management and net flows

Group assets under management as at 30 June 2016 amounted to CHF 113.5 billion, compared with CHF 119.0 billion as at 31 December 2015.

In investment management assets declined by CHF 6.8 billion to CHF 65.5 billion driven by net outflows of CHF 5.6 billion as well as a negative impact from foreign exchange movements (CHF 1.2 billion).

Total assets under management in investment management include all assets that generate a management fee for the Group. As at 30 June 2016, CHF 3.5 billion of assets were double-counted. They represent assets reinvested in our own funds, where we perform an additional level of investment management services for our clients, including advisory or discretionary management, and for which we earn an additional management fee.

Private labelling assets were CHF 48.0 billion, CHF 1.3 billion higher than at the end of 2015, driven by net inflows of CHF 0.9 billion and a net positive impact from foreign exchange and market movements totalling CHF 0.4 billion.

H1 2016 vs H1 2015

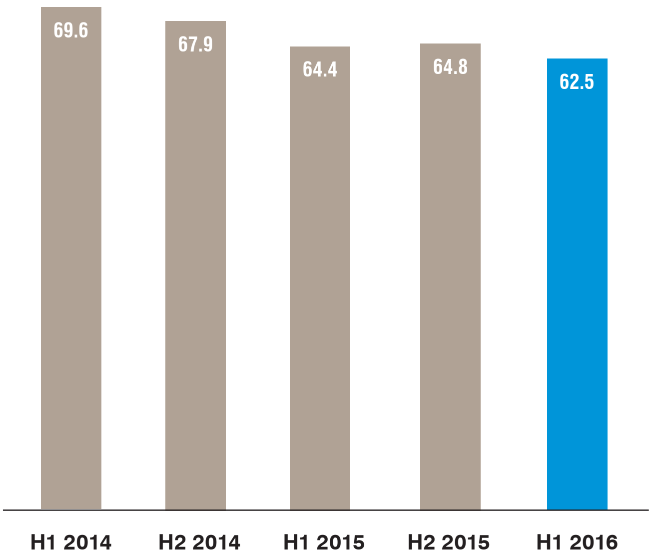
Income drivers and developments

Management fee margins

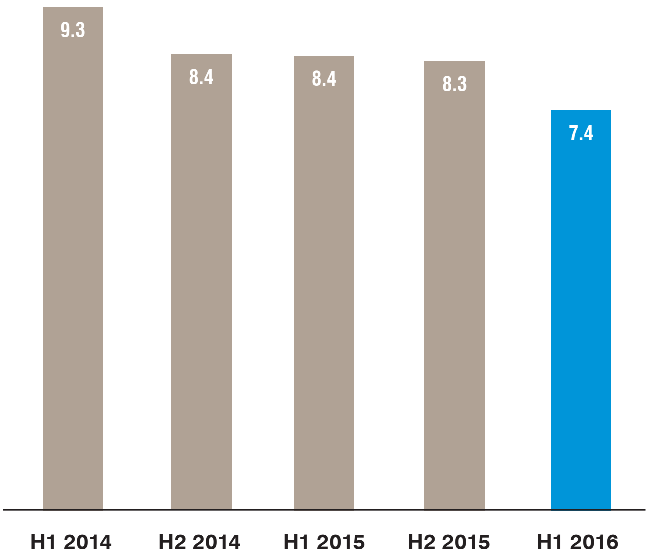
The management fee margin earned on investment management assets during the first half of 2016 was 62.5 basis points, compared with 64.4 basis points in the first half of 2015. The decrease was driven by the fluctuations in the asset mix between products and client segments caused by flows and market movements. The key contributor was the net outflow from the unconstrained/absolute return bond strategy compared with other capabilities.

In private labelling, the management fee margin was 7.4 basis points, representing a decrease from 8.4 basis points in the first half of 2015 as the Cayman business, sold in 2015, operated above the average margin and the margin on new assets was lower than for those redeemed.

Management fee margin – investment management (bps)



Management fee margin – private labelling (bps)



Management fees

Net management fees and commissions in the first half of 2016 totalled CHF 231.6 million, down 10% from the same period a year earlier, driven by lower average assets under management and the slight decline in management fee margins as explained above.

Performance fees

Performance fees fell to CHF 1.2 million from CHF 44.1 million as the difficult markets in the first half of 2016 reduced the funds' ability to exceed their high-water mark performance levels.

Over the past five years, performance fees on average contributed approximately 12% of our total net fee and commission income. Performance fees have normally been generated from multiple and diverse strategies, representing about a third of investment management assets. This diversification has generally provided a good offset between strategies surpassing their high-water marks and those underperforming. However, in the first half of 2016 the significant contributors to performance fees all struggled to exceed their high-water marks.

Net other income

Net other income includes net interest income, the impact of foreign exchange movements, gains and losses on seed capital investments and hedging as well as fund-related fees and service charges. The increase of CHF 0.9 million to CHF 2.7 million was mainly driven by a gain from the revaluation of assets and liabilities in foreign currencies held by the Group's local entities.

Expense drivers and developments

Personnel expenses

Personnel expenses decreased 14% to CHF 125.1 million. Fixed personnel costs were lower as a result of a reduction in headcount. Variable compensation was 28% lower as both discretionary bonus accruals as well as contractual bonuses linked to performance and management fees declined in line with business results. Share-based payments declined as a credit for social security costs (versus expense in the first half of 2015), driven by the Group's lower share price, more than offset the expenses tied to the new share plans granted in the second half of 2015.

Compensation ratio

Our compensation ratio increased to 53.7% from 48.1% as the reduction in net fee and commission income was only partly offset by the decrease in personnel expenses.

General expenses

General expenses fell 4% to CHF 50.6 million despite the inclusion of CHF 1.7 million of administration expenses reflecting the fees paid to State Street for the outsourced fund and middle office services for the Group. Occupancy expenses were slightly lower, and IT expenses declined as well, reflecting lower charges for consultancy and maintenance costs. Communication and marketing expenses were largely stable. Other general expenses this year include a one-time credit of CHF 0.8 million.

Operating margin

The operating margin declined to 22.5% from 33.0%. The reduction in net fee and commission income was only partly offset by the decrease in expenses.

Underlying profitability and earnings per share

Underlying profit before taxes

The underlying pre-tax profit of CHF 55.0 million was down 46%. Although costs were managed tightly and variable compensation reduced, that did not fully offset the decrease in net fee and commission income.

Effective tax rate

The underlying tax expense for the first half of 2016 was CHF 12.8 million, representing an underlying effective tax rate of 23.3%. This compares with 20.0% for the first half of 2015, reflecting the impact of non-deductible share scheme costs and higher proportion of non-taxable holding company costs.

Earnings per share

Diluted underlying earnings per share of CHF 0.27 were down from CHF 0.50 in the first half of 2015. The reduction in the number of shares outstanding from our share buy-back activity could only partly offset the decline in underlying net profit.

IFRS net profit

Our net profit according to IFRS was CHF 53.3 million, all attributable to the shareholders of GAM Holding AG, compared with CHF 80.9 million in the first half of 2015.

H1 2016 vs H2 2015

Income drivers and developments

Management fee margins

The management fee margin earned on investment management assets during the first half of 2016 was 62.5 basis points, compared with 64.8 basis points in the second half of 2015. The decrease was driven by the fluctuations in the asset mix between products and client segments caused by flows and market movements. The key contributor was the net outflow from the unconstrained/absolute return bond strategy compared with other capabilities.

In private labelling, the management fee margin was 7.4 basis points, representing a decrease from 8.3 basis points in the second half of 2015 as the Cayman business, sold in 2015, operated above the average margin and the margin on new assets was lower than for those redeemed.

Management fees

Net management fees and commissions in the first half of 2016 totalled CHF 231.6 million, down 11% from the second half of 2015, driven by lower average assets under management and the slight decline in management fee margins as explained above.

Performance fees

Performance fees fell to CHF 1.2 million from CHF 38.7 million as the difficult markets in the first half of 2016 reduced the funds' ability to exceed their high-water mark performance levels.

Over the past five years, performance fees on average contributed approximately 12% of our total net fee and commission income. Performance fees have normally been generated from multiple and diverse strategies, representing about a third of investment management assets. This diversification has generally provided a good offset between strategies surpassing their high-water marks and those underperforming. However, in the first half of 2016 the significant contributors to performance fees all struggled to exceed their high-water marks.

Net other income

Net other income amounted to CHF 2.7 million compared with an expense of CHF 1.1 million in the second half of 2015. This was primarily driven by a gain on the revaluation of assets and liabilities in foreign currencies held by the Group's local entities compared with a loss in the second half of 2015 as well as higher cost recharges to funds.

Expense drivers and developments

Personnel expenses

Personnel expenses decreased 14% to CHF 125.1 million. Fixed personnel costs were down 4% as lower headcount and a positive impact from the weakening of the British pound against the Swiss franc helped reduce costs. Variable compensation was 27% lower as both the discretionary bonus accruals as well as contractual bonuses linked to performance and management fees declined in line with business results. Share-based payments rose due to new share plans granted mid-way through in the second half of 2015.

Compensation ratio

The compensation ratio increased to 53.7% from 48.5% as the reduction in net fee and commission income was only partly offset by the decrease in personnel expenses.

General expenses

General expenses of CHF 50.6 million were 3% lower despite the inclusion of CHF 1.7 million of administration expenses reflecting the fees paid to State Street for the outsourced fund and middle office services for the Group. Occupancy expenses benefited from the weaker British pound and other savings in the Cayman Islands and Zurich. Communication and marketing expenses decreased mainly due to seasonally lower event and public relations spending. Other general expenses this year include a one-time credit of CHF 0.8 million.

Operating margin

The operating margin decreased to 22.5% from 32.6% in the second half of 2015. The reduction in net fee and commission income was only partly offset by the decrease in expenses.

Underlying profitability and earnings per share

Underlying profit before taxes

The underlying profit before taxes decreased 43% to CHF 55.0 million. Although costs were managed tightly and variable compensation reduced, that did not fully offset the decrease in net fee and commission income.

Effective tax rate

The underlying tax expense for the first half of 2016 was CHF 12.8 million, representing an underlying effective tax rate of 23.3%. This compares with 19.8% for the second half of 2015, reflecting the impact of non-deductible share scheme costs and higher proportion of non-taxable holding company costs.

Earnings per share

Diluted underlying earnings per share of CHF 0.27 were down from CHF 0.48 in the second half of 2015. The reduction in the number of shares outstanding from our share buy-back activity could only partly offset the decline in underlying net profit.

IFRS net profit

Our net profit according to IFRS was CHF 53.3 million, all attributable to the shareholders of GAM Holding AG, compared with CHF 57.4 million in the second half of 2015.

Items excluded from underlying profits

In the first half of 2016 the following items, all net of taxes, reflected in our results according to IFRS, were excluded from our underlying profits:

Non-recurring items, resulting in a net gain of CHF 4.4 million. These include a gain of CHF 6.5 million resulting from changes to the Swiss pension plan to ensure its long-term financial stability, partly offset by CHF 2.1 million in deal and integration costs stemming from our acquisitions of Taube Hodson Stonex and Cantab Capital Partners.

Acquisition-related items, resulting in a net gain of CHF 6.7 million. These include a CHF 7.3 million reduction in our estimate of the deferred consideration liability for the acquisition of Arkos (now GAM Lugano), partly offset by the amortisation of customer relationships from businesses we acquired.

Balance sheet and capital management

Assets and net cash

Total assets at 30 June 2016 were CHF 2,140.4 million, compared with CHF 2,296.9 million at 31 December 2015. This includes goodwill and other intangible assets of CHF 1,389.4 million.

Net cash amounted to CHF 480.7 million, down from CHF 632.9 million at the end of 2015, reflecting the dividend payment for the 2015 financial year (CHF 102.4 million), the bonus payments for 2015 and deferred consideration payments, all in the first half of 2016.

Liabilities and tangible equity

Total liabilities at 30 June 2016 were CHF 366.7 million, CHF 53.8 million lower than on 31 December 2015. This mainly reflects a decrease in accrued expenses as a result of bonus payments for 2015 and a decrease in financial liabilities as deferred consideration payments for the acquisitions of Arkos and Singleterry Mansley Asset Management were made.

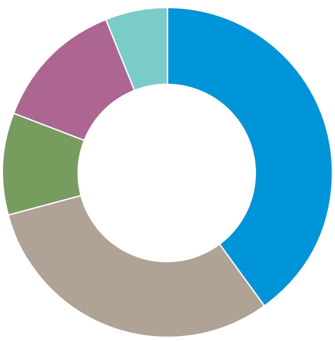
The pension liabilities recognised rose to CHF 114.4 million from CHF 80.4 million, driven by interest rate decreases in the UK and Switzerland only partly offset by the return on plan assets, the weakening of the British pound and the Swiss pension plan adjustment.

Tangible equity amounted to CHF 384.3 million, compared with CHF 487.0 million at the end of 2015. The IFRS net profit was more than offset by the dividend payment to shareholders for 2015, the remeasurement of pension liabilities and a negative impact from foreign exchange movements.

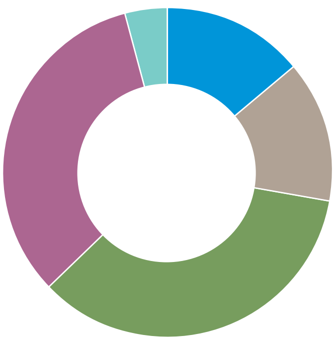
Treasury shares

IFRS requires a company that holds its own shares for trading and non-trading purposes to record those shares as treasury shares and deduct them from shareholders' equity. As of 30 June 2016, treasury shares amounted to 5.8 million and were equivalent to 3.6% of shares in issue. Of these shares, 2.1 million were bought back over the regular trading line at the SIX Swiss

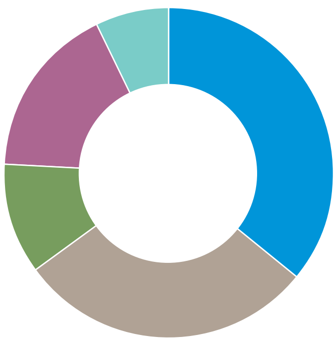
Group income



Group expenses



Investment management AuM



Exchange (first trading line) and held to cover the Group's obligations under share-based compensation plans. This position remained largely unchanged from 31 December 2015. The remaining 3.7 million shares were purchased as part of the Group's current share buy-back programme, with 3.1 million cancelled on 7 July 2016 and 0.6 million earmarked for cancellation following our Annual General Meeting on 27 April 2017.

Current share buy-back programme 2014-2017

The current share buy-back programme for the purpose of capital reduction started on 28 April 2014. It allows for the purchase of up to 16.7 million shares over a maximum period of three years. The share buy-backs are executed over a second trading line at the SIX Swiss Exchange, where GAM acts as sole buyer, and are funded from the Group's cash resources.

Over the course of the first half of 2016, the 612,200 shares bought back under this programme were purchased at an average share price of CHF 14.19, representing a total value of CHF 8.7 million. On 29 June 2016 we announced the decision to temporarily suspend the purchase of shares under the programme to maintain appropriate levels of capital following the acquisition of Cantab Capital Partners.

Recent corporate actions

After receiving shareholder approval at the Annual General Meeting on 27 April 2016, the annual dividend for the 2015 financial year of CHF 0.65 per share was paid, resulting in a total distribution to shareholders of CHF 102.4 million. The distribution was made from the capital contribution reserves, making it exempt from Swiss withholding tax of 35% and income tax free for private investors resident in Switzerland.

At the same AGM, shareholders approved the cancellation of 3,100,000 shares repurchased under the Group's share buy-back programme during 2015. These shares were cancelled on 7 July 2016.

Group income statement

	H1 2016 CHF m	H2 2015 CHF m	H1 2015 CHF m	Change from H2 2015 in %	Change from H1 2015 in %
Net management fees and commissions	231.6	260.1	257.7	(11)	(10)
Net performance fees	1.2	38.7	44.1	(97)	(97)
Net fee and commission income	**232.8**	**298.8**	**301.8**	**(22)**	**(23)**
Net other income/(expenses)	2.7	(1.1)	1.8	-	50
Income	**235.5**	**297.7**	**303.6**	**(21)**	**(22)**
Personnel expenses	125.1	144.8	145.2	(14)	(14)
Fixed personnel expenses	79.8	82.9	82.2	(4)	(3)
Variable personnel expenses	45.3	61.9	63.0	(27)	(28)
General expenses	50.6	52.3	52.6	(3)	(4)
Occupancy expenses	13.6	14.6	14.0	(7)	(3)
IT expenses	8.0	7.8	10.5	3	(24)
Communication and marketing expenses	14.3	15.3	14.1	(7)	1
Professional services, other fees and charges	6.8	7.2	7.2	(6)	(6)
Administration expenses	1.7	-	-	-	-
Other general expenses	6.2	7.4	6.8	(16)	(9)
Depreciation and amortisation	4.8	4.3	4.3	12	12
Expenses	**180.5**	**201.4**	**202.1**	**(10)**	**(11)**
Underlying profit before taxes	**55.0**	**96.3**	**101.5**	**(43)**	**(46)**
Underlying income tax expense	12.8	19.1	20.3	(33)	(37)
Underlying net profit	**42.2**	**77.2**	**81.2**	**(45)**	**(48)**
Acquisition-related items	6.4	(13.1)	(0.3)	-	-
Non-recurring items	6.0	(8.5)	-	-	-
Tax on acquisition-related items	0.3	(0.5)	-	-	-
Tax on non-recurring items	(1.6)	2.3	-	-	-
IFRS net profit	**53.3**	**57.4**	**80.9**	**(7)**	**(34)**

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	H1 2016 CHF m	H2 2015 CHF m	H1 2015 CHF m	Change from H2 2015 in %	Change from H1 2015 in %
Net management fees and commissions	5	231.6	260.1	257.7	(11)	(10)
Net performance fees	5	1.2	38.7	44.1	(97)	(97)
Net fee and commission income	5	**232.8**	**298.8**	**301.8**	**(22)**	**(23)**
Net other income/(expenses)		6.0	(3.6)	1.8	-	233
Income		**238.8**	**295.2**	**303.6**	**(19)**	**(21)**
Personnel expenses	6	113.1	158.0	145.2	(28)	(22)
General expenses	7	52.7	55.0	52.6	(4)	0
Depreciation and amortisation		5.6	4.9	4.6	14	22
Impairment losses		-	2.6	-	(100)	-
Expenses		**171.4**	**220.5**	**202.4**	**(22)**	**(15)**
Profit before taxes		**67.4**	**74.7**	**101.2**	**(10)**	**(33)**
Income tax expense		14.1	17.3	20.3	(18)	(31)
Net profit attributable to the shareholders of the Company		**53.3**	**57.4**	**80.9**	**(7)**	**(34)**
Earnings per share						
Basic earnings per share (CHF)	9	0.34	0.36	0.50	(6)	(33)
Diluted earnings per share (CHF)	9	0.34	0.36	0.50	(6)	(32)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	H1 2016 CHF m	H2 2015 [1] CHF m represented	H1 2015 [1] CHF m represented	Change from H2 2015 in %	Change from H1 2015 in %
Net profit	**53.3**	**57.4**	**80.9**	**(7)**	**(34)**
Remeasurements of pension liabilities	(48.3)	7.5	(12.7)	-	-
Income tax charges/(credits) relating to remeasurements of pension liabilities	9.9	(2.6)	2.5	-	-
Items that will not be reclassified subsequently to the income statement, net of taxes	**(38.4)**	**4.9**	**(10.2)**	**-**	**-**
Net gains/(losses) on financial assets available-for-sale	1.2	-	-	-	-
Income tax charges/(credits) relating to net gains/(losses) on financial assets available-for-sale	-	-	-	-	-
Net realised (gains)/losses on financial assets available-for-sale reclassified to the income statement	1.3	0.1	(0.6)	-	-
Income tax charges/(credits) relating to net realised (gains)/losses on financial assets available-for-sale reclassified to the income statement	-	-	-	-	-
Translation differences	(12.9)	5.1	(15.7)	-	-
Net realised (gains)/losses on translation differences reclassified to the income statement	-	0.8	-	-	-
Items that may be reclassified subsequently to the income statement, net of taxes	**(10.4)**	**6.0**	**(16.3)**	**-**	**-**
Other comprehensive income, net of taxes	**(48.8)**	**10.9**	**(26.5)**	**-**	**-**
Total comprehensive income attributable to the shareholders of the Company	**4.5**	**68.3**	**54.4**	**(93)**	**(92)**

[1] The presentation has been enhanced to include the related income tax effects for each line item (see Note 3).

CONDENSED CONSOLIDATED BALANCE SHEET

	30.06.2016 CHF m	31.12.2015 [1] CHF m represented	Change from 31.12.2015 in %
Cash and cash equivalents	480.7	632.9	(24)
Trade and other receivables	43.7	27.5	59
Accrued income and prepaid expenses	105.4	135.0	(22)
Financial investments	64.6	49.3	31
Assets held for sale	10.7	18.8	(43)
Current assets	**705.1**	**863.5**	**(18)**
Financial investments and other financial assets	3.4	3.8	(11)
Deferred tax assets	30.1	26.1	15
Property and equipment	12.4	14.1	(12)
Goodwill and other intangible assets	1,389.4	1,389.4	0
Non-current assets	**1,435.3**	**1,433.4**	**0**
Assets	**2,140.4**	**2,296.9**	**(7)**
Trade and other payables	21.3	21.9	(3)
Other financial liabilities	7.7	19.4	(60)
Accrued expenses and deferred income	170.4	224.9	(24)
Current tax liabilities	10.2	16.1	(37)
Provisions	10.0	13.5	(26)
Liabilities held for sale	1.4	1.4	0
Current liabilities	**221.0**	**297.2**	**(26)**
Financial liabilities	27.6	38.8	(29)
Provisions	2.9	3.1	(6)
Pension liabilities	114.4	80.4	42
Deferred tax liabilities	0.8	1.0	(20)
Non-current liabilities	**145.7**	**123.3**	**18**
Liabilities	**366.7**	**420.5**	**(13)**
Share capital	8.2	8.2	0
Capital reserves	1,097.2	1,199.6	(9)
Retained earnings	865.2	847.0	2
Revaluation reserve	2.0	(0.5)	-
Foreign currency translation reserve	(104.2)	(91.3)	14
Treasury shares	(94.7)	(86.6)	9
Equity attributable to the shareholders of the Company	**1,773.7**	**1,876.4**	**(5)**
Liabilities and equity	**2,140.4**	**2,296.9**	**(7)**

[1] Comparative figures within current liabilities have been reclassified. For further information see Note 3.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital CHF m	Capital reserves CHF m
Balance at 1 January 2015	**8.3**	**1,323.0**
Net profit	-	-
Other comprehensive income, net of taxes[1]	-	-
Total comprehensive income	**-**	**-**
Dividends paid	-	(104.4)
Acquisition of non-controlling interests	-	-
Share-based payment expenses, net of taxes	-	-
Acquisitions of own shares and derivatives on own shares	-	-
Disposals of own shares and derivatives on own shares	-	-
Balance at 30 June 2015	**8.3**	**1,218.6**
Net profit	-	-
Other comprehensive income, net of taxes[1]	-	-
Total comprehensive income	**-**	**-**
Capital reduction	(0.1)	(19.0)
Share-based payment expenses, net of taxes	-	-
Acquisitions of own shares and derivatives on own shares	-	-
Balance at 31 December 2015	**8.2**	**1,199.6**
Net profit	-	-
Other comprehensive income, net of taxes[1]	-	-
Total comprehensive income	**-**	**-**
Dividends paid	-	(102.4)
Share-based payment expenses, net of taxes	-	-
Acquisitions of own shares and derivatives on own shares	-	-
Disposals of own shares and derivatives on own shares	-	-
Balance at 30 June 2016	**8.2**	**1,097.2**

[1] For details to the line item 'other comprehensive income, net of taxes' see condensed consolidated statement of comprehensive income.

Retained earnings CHF m	Revaluation reserve 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
	-	**(81.5)**	**(81.9)**	**1,912.2**	**3.7**	**1,915.9**
	-	-	-	**80.9**	-	**80.9**
	(0.6)	(15.7)	-	**(26.5)**	-	**(26.5)**
	(0.6)	**(15.7)**	**-**	**54.4**	**-**	**54.4**
	-	-	-	**(104.4)**	(3.3)	**(107.7)**
	-	-	-	**0.4**	(0.4)	**-**
	-	-	-	**5.0**	-	**5.0**
	-	-	(24.7)	**(24.7)**	-	**(24.7)**
	-	-	5.9	**-**	-	**-**
	(0.6)	**(97.2)**	**(100.7)**	**1,842.9**	**-**	**1,842.9**
	-	-	-	**57.4**	-	**57.4**
	0.1	5.9	-	**10.9**	-	**10.9**
	0.1	**5.9**	**-**	**68.3**	**-**	**68.3**
	-	-	51.3	**-**	-	**-**
	-	-	-	**2.4**	-	**2.4**
	-	-	(37.2)	**(37.2)**	-	**(37.2)**
	(0.5)	**(91.3)**	**(86.6)**	**1,876.4**	**-**	**1,876.4**
	-	-	-	**53.3**	-	**53.3**
	2.5	(12.9)	-	**(48.8)**	-	**(48.8)**
	2.5	**(12.9)**	**-**	**4.5**	**-**	**4.5**
	-	-	-	**(102.4)**	-	**(102.4)**
	-	-	-	**3.9**	-	**3.9**
	-	-	(8.7)	**(8.7)**	-	**(8.7)**
	-	-	0.6	**-**	-	**-**
	2.0	**(104.2)**	**(94.7)**	**1,773.7**	**-**	**1,773.7**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	H1 2016 CHF m	H2 2015 CHF m	H1 2015 CHF m
Net profit	**53.3**	**57.4**	**80.9**
Non-cash items included in net profit and other adjustments	4.6	6.1	6.1
Net increase/decrease in operating assets and liabilities:			
- Financial investments and other financial assets	(5.7)	35.0	30.3
- Net increase/decrease in other operating assets and liabilities	(55.7)	70.9	(85.1)
Cash flow from operating activities	**(3.5)**	**169.4**	**32.2**
Acquisition of business (net of cash)	(1.2)	(11.5)	(1.7)
Disposal of subsidiaries (net of cash)	-	4.7	-
Purchase of property, equipment and intangible assets	(7.7)	(4.3)	(4.7)
Disposal of property, equipment and intangible assets	0.1	-	-
Cash flow from investing activities	**(8.8)**	**(11.1)**	**(6.4)**
Purchase of treasury shares	(8.7)	(37.2)	(24.7)
Dividends paid to shareholders of the Company	(102.4)	-	(104.4)
Dividends paid to non-controlling interests	-	-	(3.3)
Deferred payment for the acquisition of non-controlling interests	(10.8)	-	(6.4)
Cash flow from financing activities	**(121.9)**	**(37.2)**	**(138.8)**
Effects of exchange rate changes on cash and cash equivalents	(18.0)	7.5	(26.6)
Net increase/(decrease) in cash and cash equivalents	**(152.2)**	**128.6**	**(139.6)**
Cash and cash equivalents at the beginning of the period	632.9	504.3	643.9
Cash and cash equivalents at the end of the period	**480.7**	**632.9**	**504.3**

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 2016 are unaudited and comprise those of the Company and all its subsidiaries (together referred to as the Group) including structured entities under the Group's control.

2. Basis of preparation

These 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 2015, 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.

3. Significant accounting policies

These condensed interim consolidated financial statements were prepared on the basis of accounting policies and valuation principles consistent with those used in the consolidated financial statements as at and for the year ended 31 December 2015.

There were no new accounting pronouncements with effective date 1 January 2016 that had a significant impact on the condensed interim consolidated financial statements of the Group.

Representation of condensed consolidated statement of comprehensive income

The presentation of the condensed consolidated statement of comprehensive income has been enhanced to include the related income tax effects for each line item within comprehensive income for the current and the comparative periods.

Representation within current liabilities

The presentation of financial liabilities at fair value through profit or loss within current liabilities in the balance sheet has been changed. In order to present the current portion of financial liabilities at fair value through profit or loss consistent with the non-current portion, which is presented in the line item 'financial liabilities', the short-term portion has been reclassified from the line item 'trade and other payables' to 'other financial liabilities'. Comparative figures have been represented to reflect these changes. Accordingly, the short-term portion as of 31 December 2015 amounting to CHF 18.3 million is now presented within the line item 'other financial liabilities'.

NOTES TO THE CONDENSED CONSOLIDATED INCOME STATEMENT

4. Volatility of earnings

Management fees are recognised throughout the period and can vary, among other things, due to fluctuations in the levels of assets under management. However, performance fees are only recognised if performance hurdles have been achieved at certain defined dates. As a result, the Group's earnings can be volatile and therefore the income and the related expenses generated in the second half of the year may vary from those generated in the first half.

5. Net fee and commission income

	H1 2016 CHF m	H1 2015 CHF m	Change in %
Investment management, advisory and other fees	450.9	491.2	(8)
Distribution, fee and commission expenses	(219.3)	(233.5)	(6)
Net management fees and commissions	**231.6**	**257.7**	**(10)**
Performance fees	5.8	52.0	(89)
Performance fees paid to external investment managers	(4.6)	(7.9)	(42)
Net performance fees	**1.2**	**44.1**	**(97)**
Net fee and commission income	**232.8**	**301.8**	**(23)**

6. Personnel expenses

	H1 2016 CHF m	H1 2015 CHF m	Change in %
Salaries and bonuses	94.1	114.4	(18)
Social security expenses	8.0	12.0	(33)
Defined benefit pension plan expenses	(2.2)	6.5	-
Defined contribution pension plan expenses	4.2	4.3	(2)
Share-based payment expenses	4.6	3.8	21
Other personnel expenses	4.4	4.2	5
Personnel expenses	**113.1**	**145.2**	**(22)**

Pension plan amendment

The Swiss defined benefit pension plan has introduced the following changes which are designed to ensure the long-term financial stability and sustainability of the scheme against the backdrop of rising life expectancy and the persistent low-yield environment:

- The conversion rate that converts old-age capital into life-long pension payments will be lowered
- In order to compensate for the reduced conversion rate, the joint annual savings contributions of both employer and employee will be increased

As a result of these changes, a gain of CHF 8.1 million before taxes was recognised in the income statement in the line item 'defined benefit pension plan expenses'.

7. General expenses

	H1 2016 CHF m	H1 2015 CHF m	Change in %
Occupancy expenses	13.6	14.0	(3)
IT expenses	8.0	10.5	(24)
Communication and marketing expenses	14.3	14.1	1
Professional services, other fees and charges	8.9	7.2	24
Administration expenses	1.7	-	-
Other general expenses	6.2	6.8	(9)
General expenses	**52.7**	**52.6**	**0**

8. Reconciliation between net profit (IFRS) and underlying net profit

			H1 2016			H1 2015
	IFRS CHF m	Reconciling items CHF m	Underlying CHF m	IFRS CHF m	Reconciling items CHF m	Underlying CHF m
Net management fees and commissions	231.6	-	231.6	257.7	-	257.7
Net performance fees	1.2	-	1.2	44.1	-	44.1
Net fee and commission income	**232.8**	**-**	**232.8**	**301.8**	**-**	**301.8**
Net other income/(expenses)	6.0	(3.3)	2.7	1.8	-	1.8
Income	**238.8**	**(3.3)**	**235.5**	**303.6**	**-**	**303.6**
Personnel expenses	113.1	12.0	125.1	145.2	-	145.2
General expenses	52.7	(2.1)	50.6	52.6	-	52.6
Depreciation and amortisation	5.6	(0.8)	4.8	4.6	(0.3)	4.3
Expenses	**171.4**	**9.1**	**180.5**	**202.4**	**(0.3)**	**202.1**
Profit before taxes	**67.4**	**(12.4)**	**55.0**	**101.2**	**0.3**	**101.5**
Income tax expense	14.1	(1.3)	12.8	20.3	-	20.3
Net profit	**53.3**	**(11.1)**	**42.2**	**80.9**	**0.3**	**81.2**
Earnings per share						
Basic earnings per share (CHF)	0.34		0.27	0.50		0.51
Diluted earnings per share (CHF)	0.34		0.27	0.50		0.50

Reconciling items

	H1 2016 Acquisition-related items CHF m	H1 2016 Non-recurring items CHF m	H1 2016 Total reconciling items CHF m	H1 2015 Acquisition-related items CHF m	H1 2015 Non-recurring items CHF m	H1 2015 Total reconciling items CHF m
Adjustments to deferred consideration liabilities	(3.4)	-	(3.4)	-	-	-
Finance charges on discounted liabilities	0.1	-	0.1	-	-	-
Net other income/(expenses)	**(3.3)**	**-**	**(3.3)**	**-**	**-**	**-**
Adjustments to deferred consideration liabilities	3.9	-	3.9	-	-	-
Pension plan amendment	-	8.1	8.1	-	-	-
Personnel expenses	**3.9**	**8.1**	**12.0**	**-**	**-**	**-**
Deal and integration costs	-	(2.1)	(2.1)	-	-	-
General expenses	**-**	**(2.1)**	**(2.1)**	**-**	**-**	**-**
Amortisation of customer relationships	(0.8)	-	(0.8)	(0.3)	-	(0.3)
Depreciation and amortisation	**(0.8)**	**-**	**(0.8)**	**(0.3)**	**-**	**(0.3)**
Total reconciling items before taxes	**(6.4)**	**(6.0)**	**(12.4)**	**0.3**	**-**	**0.3**
Income tax charges/(credits)	0.3	(1.6)	(1.3)	-	-	-
Total reconciling items after taxes	**(6.7)**	**(4.4)**	**(11.1)**	**0.3**	**-**	**0.3**

The Group has defined principles for reporting non-IFRS profit information – including labelling, transparency, prominence and presentation, comparability, consistency and materiality – which are considered to be appropriate to meet the needs of users of financial information. The Group discloses underlying profit before and after taxes as alternative performance measures representing a measure of earnings adjusted to exclude items which are not viewed as part of the Group’s underlying operating activities.

In H2 2015, the Group updated its policy to have two categories of excluded items, in adherence to the principles mentioned above, being acquisition-related items and non-recurring items.

Below items are stated before taxes.

Acquisition-related items

H1 2016

Adjustments to deferred consideration liabilities

The Group acquired Arkos Capital SA (subsequently renamed and now known as 'GAM Lugano') in 2012, the Singleterry Mansley business in 2014 and the Renshaw Bay real estate debt business in H2 2015, all with a deferred consideration element. In H1 2016, the consideration payable, compared to that recognised at acquisition or in subsequent periods, was reduced by CHF 7.3 million. Thereof, CHF 3.4 million were recognised in the line item 'net other income/(expenses)' and CHF 3.9 million in the line item 'personnel expenses'.

Finance charges on discounted liabilities

The CHF 0.1 million finance charges on discounted liabilities relate to the deferred consideration elements of the acquisitions of Arkos Capital SA (now 'GAM Lugano'), the Singleterry Mansley business and the Renshaw Bay real estate business.

Amortisation of customer relationships

The CHF 0.8 million amortisation of customer relationships relates to the acquisitions of the Renshaw Bay real estate business in H2 2015 and the Singleterry Mansley business in 2014.

H1 2015

Amortisation of customer relationships

The CHF 0.3 million amortisation of customer relationships relates to acquisition of the Singleterry Mansley business in 2014.

Non-recurring items

H1 2016

Pension plan amendment

As a result of changes introduced to the Swiss defined benefit pension plan, a one-off gain of CHF 8.1 million was recognised in the income statement. For further information see Note 6.

Deal and integration costs

The Group signed agreements to acquire the investment management businesses of Taube Hodson Stonex and Cantab Capital Partners. As part of these acquisitions, CHF 2.1 million of deal and integration costs have been incurred in the first half of 2016. For further information regarding acquisitions see Note 14.

H1 2015

None.

9. Earnings per share and shares outstanding

9.1. Earnings per share

	H1 2016	H1 2015
Basic earnings per share		
Net profit attributable to the shareholders of the Company (CHF m)	53.3	80.9
Weighted average number of shares outstanding (millions)	157.7	160.6
Basic earnings per share (CHF)	**0.34**	**0.50**
Diluted earnings per share		
Net profit attributable to the shareholders of the Company for diluted EPS (CHF m)	53.3	80.9
Weighted average number of shares outstanding (millions)	157.7	160.6
Dilution effect (millions)	0.1	1.2
Weighted average number of shares outstanding for diluted EPS (millions)	157.8	161.8
Diluted earnings per share (CHF)	**0.34**	**0.50**

9.2. Shares outstanding

	H1 2016	H1 2015
Shares issued at the end of the period	163,394,731	166,661,731
Treasury shares – share buy-back programme	(3,712,200)	(4,642,000)
Treasury shares – share-based payment plans	(2,120,387)	(1,791,772)
Shares outstanding at the end of the period	**157,562,144**	**160,227,959**

NOTES TO THE CONDENSED CONSOLIDATED BALANCE SHEET

10. Tax effects recognised directly in equity

A tax charge of CHF 0.7 million (H1 2015: tax credit of CHF 1.2 million) representing tax effects on share-based payments has been recognised directly in equity. Share-based payment expenses of CHF 4.6 million (H1 2015: CHF 3.8 million) and these related tax effects result in share-based payment expenses, net of taxes, of CHF 3.9 million (H1 2015: 5.0 million) as presented in the respective line item in the condensed consolidated statement of changes in equity.

11. Treasury shares

As at 30 June 2016, the Company held 5.8 million treasury shares. These consist of:

- 2.1 million treasury shares held to meet the Group's obligation to deliver shares for the various share-based payment plans, all of which are expected to be net equity settled; and
- 3.7 million treasury shares acquired under the Company's current share buy-back programme. Of these, 3.1 million shares were cancelled on 7 July 2016 (see Note 16). The remaining 0.6 million shares plus any further repurchases conducted under the current programme throughout the year will be proposed for cancellation at the next Annual General Meeting.

12. 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 where 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 values are estimated indirectly using valuation techniques or models based on reasonable assumptions reflecting market conditions.

These valuation techniques remained unchanged from those disclosed in the consolidated financial statements as at and for the year ended 31 December 2015.

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	30.06.2016 **TOTAL** CHF m
Financial assets at fair value through profit or loss	17.5	18.3	1.0	**36.8**
Financial assets available-for-sale	24.4	3.1	12.6	**40.1**
Financial assets measured at fair value	**41.9**	**21.4**	**13.6**	**76.9**
Derivative financial instruments	-	1.0	-	**1.0**
Financial liabilities at fair value through profit or loss	-	1.4	29.4	**30.8**
Financial liabilities measured at fair value	**-**	**2.4**	**29.4**	**31.8**

	Level 1 CHF m	Level 2 CHF m	Level 3 CHF m	31.12.2015 **TOTAL** CHF m
Derivative financial instruments	-	0.9	-	**0.9**
Financial assets at fair value through profit or loss	24.8	9.7	1.0	**35.5**
Financial assets available-for-sale	6.3	6.4	13.4	**26.1**
Financial assets measured at fair value	**31.1**	**17.0**	**14.4**	**62.5**
Derivative financial instruments	-	1.1	-	**1.1**
Financial liabilities at fair value through profit or loss	1.4	-	53.7	**55.1**
Financial liabilities measured at fair value	**1.4**	**1.1**	**53.7**	**56.2**

The categories ‘financial assets at fair value through profit or loss’ and ‘financial liabilities at fair value through profit or loss’ include the balance sheet line items ‘assets held for sale’ and ‘liabilities held for sale’ which contain the controlled funds’ direct investments in the amount of CHF 10.7 million (31 December 2015: CHF 18.8 million). Thereof, CHF 10.7 million (31 December 2015: CHF 11.3 million) are invested into financial instruments with none (31 December 2015: CHF 7.5 million) into physical commodities. All physical commodities were measured at fair value through profit or loss and categorised within level 1 of the fair value hierarchy.

Transfers into and transfers out of the fair value hierarchy levels are recognised as of the date of the event or change in circumstances that caused the transfer. On 30 June 2016, financial assets in the amount of CHF 4.9 million were transferred from level 2 to level 1 due to more regularly occurring market transactions which now meet the definition of an active market, and financial assets in the amount of CHF 2.2 million were transferred from level 1 to level 2 due to no longer meeting the definition of an active market. On 30 June 2015, financial assets in the amount of CHF 21.7 million were transferred from level 2 to level 1 due to more regularly occurring market transactions which met the definition of an active market.

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. If 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 a significant change in the fair value of level 3 financial instruments.

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

	Financial assets at fair value through profit or loss CHF m	Financial assets available-for-sale CHF m	**Total financial assets** CHF m	Financial liabilities at fair value through profit or loss CHF m
Balance at 1 January 2015	-	14.3	**14.3**	44.7
Disposals/settlements	-	(0.4)	**(0.4)**	(11.8)
Total gains/losses:				
- in profit or loss	-	(0.7)	**(0.7)**	2.3
- in other comprehensive income	-	(0.4)	**(0.4)**	-
Translation differences	-	-	**-**	(0.4)
Balance at 30 June 2015	**-**	**12.8**	**12.8**	**34.8**
Acquisition of business	-	-	**-**	4.7
Disposals/settlements	-	(0.4)	**(0.4)**	(0.5)
Total gains/losses:				
- in profit or loss	1.1	0.7	**1.8**	14.4
- in other comprehensive income	-	0.2	**0.2**	-
Translation differences	-	-	**-**	0.3
Balance at 31 December 2015	**1.1**	**13.3**	**14.4**	**53.7**
Disposals/settlements	-	(0.4)	**(0.4)**	(18.0)
Total gains/losses:				
- in profit or loss	(0.1)	(1.4)	**(1.5)**	(5.6)
- in other comprehensive income	-	1.1	**1.1**	-
Translation differences	-	-	**-**	(0.7)
Balance at 30 June 2016	**1.0**	**12.6**	**13.6**	**29.4**

In H1 2016, net gains of CHF 4.1 million (H1 2015: net losses of CHF 3.0 million) included in profit or loss relate to financial instruments held at the end of the reporting period.

ADDITIONAL NOTES

13. Share Plan for members of the Board of Directors

On 28 April 2016, the members of the Board of Directors were granted the right to receive an aggregate total of 79,362 shares at a fair value of CHF 12.60 per share. These rights will vest and be delivered on the day before the Company's 2017 Annual General Meeting, subject to certain conditions being met. The fair value at grant date is recognised as an expense over the relevant vesting period. In H1 2016, an expense of CHF 0.2 million was recognised.

14. Acquisitions

14.1. Acquisition of Taube Hodson Stonex

On 14 May 2016, GAM (UK) Limited and GAM International Management Limited (together GAM), both wholly owned subsidiaries of GAM Holding AG, signed an agreement to acquire the investment management business of Taube Hodson Stonex (THS), a UK-based independent asset management firm. The acquisition is partly structured as an asset purchase and a share purchase. However, from an accounting point of view the transaction meets the definition of a business combination under IFRS 3. Upon closing of the transaction, the investment management team of Taube Hodson Stonex's global equity strategies together with the managed capital (CHF 2.3 billion of assets under management as at 30 June 2016), the related legal entity and contracts as well as all existing client relationships in the form of client agreements will be transferred to GAM. The transaction is expected to close in the third quarter of 2016, subject to customary regulatory approvals.

The fair value of the total consideration transferred consists of an upfront cash payment and deferred contingent payments which will be settled over a period of three years. As the fair value of the total consideration transferred could not yet be reliably quantified and as the allocation of net assets acquired and the resulting goodwill could not yet be finally determined, this information will be provided in the Group's consolidated financial statements as at 31 December 2016.

14.2. Acquisition of Cantab Capital Partners

On 28 June 2016, the Group signed an agreement to acquire the investment management business of Cantab Capital Partners (Cantab), a UK-based independent asset management firm. GAM will acquire 100% of Cantab's investment management business, except for 40% of future performance fees, which are retained by Cantab's partners. Upon closing of the transaction, all of Cantab's employees together with the managed capital (CHF 4.0 billion of assets under management as at 30 June 2016), the related legal entities and contracts as well as all existing client relationships in the form of client agreements will be transferred to GAM. The transaction is expected to close in the second half of 2016, subject to customary regulatory approvals.

The consideration consists of an upfront cash payment of USD 217 million at closing and deferred contingent payments in years three through five thereafter. The deferred consideration will be based on management fee revenues from the strategies managed by the Cantab team for 2018, 2019 and 2020, payable after each period end. As the fair value of the total consideration transferred could not yet be reliably quantified and as the allocation of net assets acquired and the resulting goodwill could not yet be finally determined, this information will be provided in the Group's consolidated financial statements as at 31 December 2016.

15. Contingent asset

In June 2016, the Group simplified its operating legal entity structure in Switzerland by merging GAM (Schweiz) AG and GAM Investment Management Lugano SA into GAM Anlagefonds AG which subsequently has been renamed GAM Capital Management (Switzerland) AG. As a result, a deferred tax asset relating to tax loss carry-forwards may arise, depending on the final determination of the tax amounts. As there are currently considerable uncertainties on the final outcome and the realisation of this contingent asset is not virtually certain, no deferred tax asset has been recognised as at 30 June 2016.

16. Events after the reporting period

The Board of Directors approved these condensed interim consolidated financial statements on 2 August 2016.

Capital reduction

On 7 July 2016, the Company executed the capital reduction resolved by its shareholders at the Company's Annual General Meeting on 27 April 2016 and cancelled 3,100,000 shares repurchased under its share buy-back programme during 2015. The share capital of the Company now amounts to CHF 8,014,737 (160,294,731 registered shares at a par value of CHF 0.05 per share).

FINANCIAL SUMMARY AND SHARE INFORMATION

FIVE-YEAR FINANCIAL SUMMARY

	H1 2016 CHF m	H2 2015 CHF m	H1 2015 CHF m	2015 CHF m	2014 CHF m	2013 CHF m	2012 CHF m
Net management fees and commissions	231.6	260.1	257.7	517.8	542.9	554.1	496.8
Net performance fees	1.2	38.7	44.1	82.8	65.9	100.7	82.1
Net fee and commission income	**232.8**	**298.8**	**301.8**	**600.6**	**608.8**	**654.8**	**578.9**
Net other income/(expenses)	2.7	(1.1)	1.8	0.7	14.7	15.4	16.0
Income	**235.5**	**297.7**	**303.6**	**601.3**	**623.5**	**670.2**	**594.9**
Personnel expenses	125.1	144.8	145.2	290.0	293.2	321.3	285.6
Fixed personnel expenses	79.8	82.9	82.2	165.1	166.0	165.7	166.2
Variable personnel expenses	45.3	61.9	63.0	124.9	127.2	155.6	119.4
General expenses	50.6	52.3	52.6	104.9	105.8	108.7	106.9
Occupancy expenses	13.6	14.6	14.0	28.6	28.8	27.9	27.6
IT expenses	8.0	7.8	10.5	18.3	22.7	21.3	22.1
Communication and marketing expenses	14.3	15.3	14.1	29.4	28.2	28.3	28.3
Professional services, other fees and charges	6.8	7.2	7.2	14.4	15.2	19.2	17.1
Administration expenses	1.7	-	-	-	-	-	-
Other general expenses	6.2	7.4	6.8	14.2	10.9	12.0	11.8
Depreciation and amortisation	4.8	4.3	4.3	8.6	7.8	7.1	7.2
Expenses	**180.5**	**201.4**	**202.1**	**403.5**	**406.8**	**437.1**	**399.7**
Underlying profit before taxes	**55.0**	**96.3**	**101.5**	**197.8**	**216.7**	**233.1**	**195.2**
Underlying income tax expense	12.8	19.1	20.3	39.4	39.5	22.9	33.2
Underlying net profit	**42.2**	**77.2**	**81.2**	**158.4**	**177.2**	**210.2**	**162.0**
Acquisition-related items	6.4	(13.1)	(0.3)	(13.4)	(5.9)	(11.6)	(11.7)
Non-recurring items	6.0	(8.5)	-	(8.5)	(2.3)	2.6	(63.7)
Tax on acquisition-related items	0.3	(0.5)	-	(0.5)	-	-	-
Tax on non-recurring items	(1.6)	2.3	-	2.3	-	0.2	1.8
IFRS net profit	**53.3**	**57.4**	**80.9**	**138.3**	**169.0**	**201.4**	**88.4**
IFRS net profit attributable to:							
The shareholders of the Company	53.3	57.4	80.9	138.3	165.8	196.8	87.1
Non-controlling interests	-	-	-	-	3.2	4.6	1.3
Operating margin (%)[1]	22.5	32.6	33.0	32.8	33.2	33.2	31.0
Compensation ratio (%)[2]	53.7	48.5	48.1	48.3	48.2	49.1	49.3
Average personnel (FTEs)	1,042	1,094	1,093	1,093	1,082	1,091	1,091

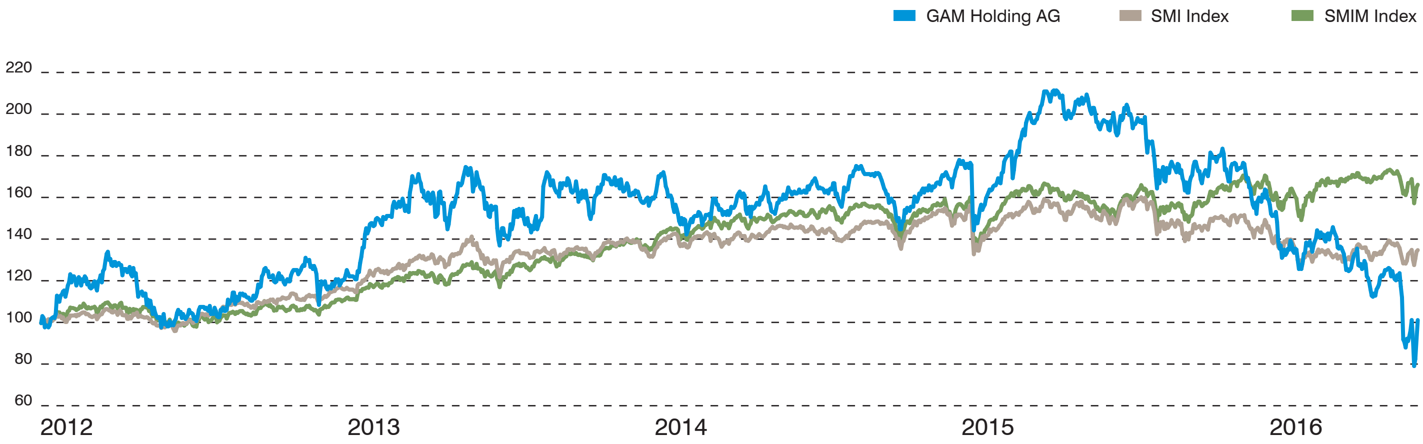
[1] (Net fee and commission income - expenses) / net fee and commission income.

[2] Personnel expenses / net fee and commission income.

	H1 2016	H2 2015	H1 2015	2015	2014	2013	2012
Assets under management at the end of the period (CHF bn)	**113.5**	**119.0**	**124.2**	**119.0**	**123.2**	**114.4**	**116.2**
in investment management	65.5	72.3	73.5	72.3	76.1	69.8	72.6
in private labelling	48.0	46.7	50.7	46.7	47.1	44.6	43.6
Average assets under management (CHF bn)	**115.7**	**123.7**	**123.1**	**123.3**	**119.6**	**117.6**	**112.6**
in investment management	68.5	73.8	73.6	73.7	72.9	73.1	70.4
in private labelling	47.2	49.9	49.5	49.6	46.7	44.5	42.2
Net flows (CHF bn)	**(4.7)**	**(3.3)**	**6.3**	**3.0**	**1.2**	**(3.7)**	**1.7**
in investment management	(5.6)	(1.7)	2.0	0.3	2.0	(2.6)	(0.8)
in private labelling	0.9	(1.6)	4.3	2.7	(0.8)	(1.1)	2.5
Total fee margin in investment management (bps)	62.9	75.3	76.4	75.8	77.8	84.3	75.8
Management fee margin in investment management (bps)	62.5	64.8	64.4	64.6	68.8	70.5	64.2
Management fee margin in private labelling (bps)	7.4	8.3	8.4	8.4	8.8	8.7	10.6
Weighted average number of shares outstanding for basic EPS (m)	157.7	159.1	160.6	159.9	162.3	163.4	171.2
Basic underlying EPS (CHF)	0.27	0.49	0.51	0.99	1.07	1.26	0.94
Basic IFRS EPS (CHF)	0.34	0.36	0.50	0.87	1.02	1.20	0.51
Weighted average number of shares outstanding for diluted EPS (m)	157.8	159.9	161.8	160.8	163.4	166.0	171.2
Diluted underlying EPS (CHF)	0.27	0.48	0.50	0.98	1.06	1.24	0.94
Diluted IFRS EPS (CHF)	0.34	0.36	0.50	0.86	1.01	1.19	0.51
Dividend per share for the financial year (CHF)				0.65	0.65	0.65	0.50

SHARE INFORMATION

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)

Share information CHF

	H1 2016	H2 2015	H1 2015	Change from H2 2015 in %	Change from H1 2015 in %
Closing price at the end of the period	10.35	16.70	19.65	(38)	(47)
Highest price	16.30	20.90	21.60	(22)	(25)
Lowest price	8.10	15.55	14.75	(48)	(45)
Market capitalisation at the end of the period (CHF m)[1]	1,691	2,729	3,275	(38)	(48)

Treasury shares

	30.06.2016	31.12.2015	30.06.2015	Change from 31.12.2015 in %	Change from 30.06.2015 in %
Shares issued	163,394,731	163,394,731	166,661,731	0	(2)
Treasury shares	(5,832,587)	(5,254,167)	(6,433,772)	11	(9)
Shares outstanding	157,562,144	158,140,564	160,227,959	0	(2)

[1] Based on shares issued.

'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.

CONTACTS

GAM Holding AG

Hardstrasse 201
P.O. Box
CH-8037 Zurich
Switzerland

T +41 (0) 58 426 30 30
F +41 (0) 58 426 30 31
gamholding@gam.com

Investor Relations

Patrick Zuppiger
Head of Investor Relations

T +41 (0) 58 426 31 36
patrick.zuppiger@gam.com

Media Relations

Larissa Alghisi Rubner
Group Head of Communications

T +41 (0) 58 426 62 15
larissa.alghisi@gam.com

Elena Logutenkova
Senior Communications Manager

T +41 (0) 58 426 63 41
elena.logutenkova@gam.com

Further information

Our website provides further information on GAM Holding AG, including share price data, details of our share buy-back programmes, media releases, historical financial information and an events calendar.

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