

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 2, 2000

AFFILIATED MANAGERS GROUP, INC.

(Exact name of Registrant as specified in charter)

Delaware

0001-13459

043218510

(State or other jurisdiction
of incorporation)

(Commission file number)

(IRS employer
identification no.)

Two International Place, 23rd Floor, Boston, MA 02110

(Address of principal executive offices) (Zip code)

(617) 747-3300

(Registrant's telephone number, including area code)

Item 5. Other Events

Registrant is filing this Form 8-K in order to file a current earnings press release. By this filing, Registrant is not establishing the practice of filing all earnings press releases in the future and may discontinue such filings at any time.

Item 7. Financial Statements and Exhibits

(c) Exhibits

Exhibit 99.1 -- Press Release issued on January 26, 2000 by Affiliated Managers Group, Inc.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AFFILIATED MANAGERS GROUP, INC.

(Registrant)

Date: February 2, 2000

/s/ Darrell W. Crate

DARRELL W. CRATE
Senior Vice President
Chief Financial Officer and Treasurer
(and also as Principal Financial and
Accounting Officer)

Exhibits

A. Press Release issued on January 26, 2000 by Affiliated Managers Group, Inc.

Affiliated Managers Group Reports Fourth Quarter and Full Year 1999 Results
January 26, 2000
Page 1 of 6

Contact: Darrell W. Crate
Affiliated Managers Group, Inc.
(617) 747-3300

AMG REPORTS FINANCIAL AND OPERATING RESULTS
FOR FOURTH QUARTER AND FULL YEAR 1999

COMPANY REPORTS 4Q99 EPS INCREASE OF 300% OVER 4Q98
FULL YEAR CASH EPS OF \$4.33 AND EPS OF \$3.18

BOSTON, MA, JANUARY 26, 2000 -- Affiliated Managers Group, Inc. (NYSE:AMG), an asset management holding company, today reported its financial and operating results for the fourth quarter and full year 1999.

Diluted earnings per share for the fourth quarter of 1999 were \$1.92, a 300% increase over diluted earnings per share of \$0.48 for the fourth quarter of 1998. Cash net income ("EBITDA as adjusted," as defined in Note B to the attached Summary Financial Data) for the fourth quarter of 1999 grew 192% to \$2.22 per share, as compared to \$0.76 per share for the fourth quarter of 1998. Aggregate net income for the fourth quarter of 1999 was \$44.7 million, an increase of 381% compared to \$9.3 million for the fourth quarter of 1998. "EBITDA" (as defined in Note A to the attached Summary Financial Data) for the fourth quarter of 1999 was \$92.0 million, a 283% increase versus \$24.0 million for the fourth quarter of 1998, and revenues for the fourth quarter of 1999 were \$286.6 million, a 257% increase versus \$80.3 million for the fourth quarter of 1998. The revenues, EBITDA and net income for the fourth quarter of 1999 include substantial performance fees earned by several Affiliates, principally Essex Investment Management Company, LLC. These performance fees are inherently dependent upon investment results and therefore may not recur to the same magnitude in future years.

For the year ended December 31, 1999, net income was \$72.2 million and cash net income was \$98.3 million, or \$3.18 and \$4.33 per share on a diluted basis, respectively, on revenues of \$518.7 million. EBITDA for the same period was \$166.8 million. For the year ended December 31, 1998, net income was \$25.6 million and cash net income was \$45.7 million, or \$1.33 and \$2.38 per share on a diluted basis, respectively, on revenues of \$238.5 million. EBITDA was \$76.3 million for the year ended December 31, 1998.

(MORE)

Affiliated Managers Group Reports Fourth Quarter and Full Year 1999 Results

January 26, 2000

Page 2 of 6

Assets under management among AMG's Affiliates at December 31, 1999 were \$87.0 billion (pro forma for Frontier Capital Management Company, LLC ("Frontier"), which closed on January 18, 2000), compared to \$69.9 billion at September 30, 1999. Aggregate net client cash flows from directly managed assets were positive \$494 million for the year, although those for the fourth quarter were negative \$981 million. Overlay assets (which generally carry lower fees than directly managed assets) increased by \$447 million for the quarter and declined by \$1.1 billion for the year.

"We are pleased with our financial and operating results for the fourth quarter and full year 1999," stated William J. Nutt, Chairman and Chief Executive Officer of AMG. "This year's performance is another example of how the breadth and diversity of our Affiliates continue to help drive earnings growth." Mr. Nutt continued, "In particular, we benefited from our exposure to the growth equity sector of the market in 1999, although we are also pleased with the performance of our value-oriented and other Affiliates for the year."

"In addition to the outstanding performance of our existing Affiliates, we continued to successfully execute our strategy of generating growth through investments in new Affiliates," added Sean M. Healey, AMG's President and Chief Operating Officer. "We completed investments in AMG's 14th and 15th Affiliates, The Managers Funds LLC in April 1999 and Frontier in January 2000. Since the closing of our investment in The Managers Funds LLC, assets under management in its pre-existing business have grown 50%. Together with AMG during the fourth quarter, the firm launched the first series of Managers AMG Funds, a no-load mutual fund family managed and distributed by The Managers Funds LLC and sub-advised by AMG's other Affiliates. Similarly, Frontier's growth in assets under management has been impressive. Since the date of the announcement of our investment in October 1999, the firm's assets have grown from \$4.0 billion to \$5.0 billion." Mr. Healey continued, "We also assisted one of our Affiliates, First Quadrant, L.P., in acquiring an excellent London-based firm, Objective Asset Management Ltd., during the fourth quarter."

AMG addresses the succession and transition issues facing the principals of growing mid-sized investment management firms. The Company's strategy is to generate growth through investments in new Affiliates, as well as through the internal growth of its existing Affiliates. AMG's innovative transaction structure allows individual members of each Affiliate's management to retain or receive significant direct ownership in their firm while maintaining operating autonomy. In addition, AMG provides centralized assistance to its Affiliates in strategic matters, marketing, distribution, product development, and operations.

(MORE)

CERTAIN MATTERS DISCUSSED IN THIS PRESS RELEASE MAY CONSTITUTE FORWARD-LOOKING STATEMENTS WITHIN THE MEANING OF THE FEDERAL SECURITIES LAWS. ACTUAL RESULTS AND THE TIMING OF CERTAIN EVENTS COULD DIFFER MATERIALLY FROM THOSE PROJECTED IN OR CONTEMPLATED BY THE FORWARD-LOOKING STATEMENTS DUE TO A NUMBER OF FACTORS, INCLUDING CHANGES IN THE SECURITIES OR FINANCIAL MARKETS OR IN GENERAL ECONOMIC CONDITIONS, THE AVAILABILITY OF EQUITY AND DEBT FINANCING, COMPETITION FOR ACQUISITIONS OF INTEREST IN INVESTMENT MANAGEMENT FIRMS, THE INVESTMENT PERFORMANCE OF OUR AFFILIATES AND THEIR ABILITY TO EFFECTIVELY MARKET THEIR INVESTMENT STRATEGIES, AND OTHER RISKS DETAILED FROM TIME TO TIME IN AMG'S FILINGS WITH THE SECURITIES AND EXCHANGE COMMISSION. REFERENCE IS HEREBY MADE TO THE "CAUTIONARY STATEMENTS" SET FORTH IN THE COMPANY'S FORM 10-K FOR THE YEAR ENDED DECEMBER 31, 1998.

FINANCIAL TABLES FOLLOW

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FOR MORE INFORMATION ON AFFILIATED MANAGERS GROUP,
PLEASE VISIT AMG'S WEB SITE AT WWW.AMG.COM

Affiliated Managers Group Reports Fourth Quarter and Full Year 1999 Results

January 26, 2000

Page 4 of 6

Affiliated Managers Group, Inc.

Summary Financial Data

(dollars in thousands, except as indicated and share and per share data)

	Three Months Ended 12/31/98	Three Months Ended 12/31/99
	-----	-----
STATEMENT OF INCOME DATA:		
Revenues	\$ 80,293	\$ 286,627
Other operating expenses	42,390	155,429
Depreciation and amortization	5,398	6,878
	-----	-----
Operating income	32,505	124,320
Investment and other income	(910)	(11,698)
Interest expense	3,036	2,809
	-----	-----
Income before minority interest and income taxes	30,379	133,209
Minority interest	(14,862)	(50,937)
	-----	-----
Income before income taxes	15,517	82,272
Income tax expense	6,207	37,599
	-----	-----
	\$ 9,310	\$ 44,673
	=====	=====
Average shares outstanding - basic	17,492,720	23,079,572
Average shares outstanding - diluted	19,360,481	23,226,904
Net income per share - basic	\$ 0.53	\$ 1.94
Net income per share - diluted	\$ 0.48	\$ 1.92
OTHER FINANCIAL DATA:		
EBITDA(A)	\$ 23,951	\$ 91,959
Cash net income ("EBITDA as adjusted")(B)	\$ 14,708	\$ 51,551
Cash net income ("EBITDA as adjusted") per share (under same method used to calculate diluted earnings per share)	\$ 0.76	2.22
	December 31, 1998	December 31, 1999
	-----	-----
BALANCE SHEET DATA:		
Senior debt	\$ 212,500	\$ 174,500
Subordinated debt	800	800
Stockholders' equity	\$ 313,655	\$ 477,986

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Affiliated Managers Group Reports Fourth Quarter and Full Year 1999 Results

January 26, 2000

Page 5 of 6

Affiliated Managers Group, Inc.

Summary Financial Data

(dollars in thousands, except as indicated and share and per share data)

	Year Ended 12/31/98	Year Ended 12/31/99
	-----	-----
STATEMENT OF INCOME DATA:		
Revenues	\$ 238,494	\$ 518,726
Other operating expenses	125,590	279,937
Depreciation and amortization	20,124	26,130
	-----	-----
Operating income	92,780	212,659
Investment and other income	(2,251)	(14,237)
Interest expense	13,603	11,764
	-----	-----
Income before minority interest and income taxes	81,428	215,132
Minority interest	(38,843)	(86,225)
	-----	-----
Income before income taxes	42,585	128,907
Income tax expense	17,034	56,719
	-----	-----
Net income	\$ 25,551	\$ 72,188
	=====	=====
Average shares outstanding - basic	17,582,900	22,180,112
Average shares outstanding - diluted	19,222,831	22,693,016
Net income per share - basic	\$ 1.45	\$ 3.25
Net income per share - diluted	\$ 1.33	\$ 3.18
OTHER FINANCIAL DATA;		
EDITDA (A)	\$ 76,312	\$ 166,801
Cash net income ("EDITDA as adjusted") (B)	\$ 45,675	\$ 98,318
Cash net income ("EDITDA as adjusted") per share (under same method used to calculate diluted earnings per share)	\$ 2.38	\$ 4.33

(more)

AFFILIATED MANAGERS GROUP, INC.

SUMMARY FINANCIAL DATA

(dollars in thousands)

SUPPLEMENTAL REPORTED INFORMATION:

	Three Months Ended 12/31/99 -----	Year Ended 12/31/99 -----
Assets under management (at period end, in millions) (C):	\$ 82,041	\$ 82,041
Revenue:	\$286,627	\$518,726
Owners' Allocation (D):	\$148,590	\$266,788
EBITDA Contribution (E):	\$101,117	\$184,454
RECONCILIATION OF EBITDA CONTRIBUTION TO EBITDA:		
Total EBITDA Contribution (as above)	\$101,117	\$184,454
Less, holding company expenses	(9,158)	(17,653)
	-----	-----
EBITDA	\$ 91,959 =====	\$166,801 =====

Notes:

- (A) EBITDA represents earnings before interest expense, income taxes, depreciation and amortization.
- (B) Cash net income ("EBITDA as adjusted") represents earnings after interest expense and income taxes but before depreciation and amortization.
- (C) Excludes assets managed by Frontier Capital Management Company, LLC, in which the Company invested on January 18, 2000.
- (D) Owners' Allocation represents the portion of an Affiliate's revenues which is allocated to the owners of that Affiliate, including AMG, generally in proportion to their ownership interest, pursuant to the revenue sharing agreement with such Affiliate.
- (E) EBITDA Contribution represents the portion of an Affiliate's revenues that is allocated to AMG after amounts retained by the Affiliate for compensation and day-to-day operating and overhead expenses, but before the interest, income taxes, depreciation and amortization expenses of the Affiliate.