

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

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) **January 29, 2013**

Affiliated Managers Group, Inc.
(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of Incorporation)

001-13459
(Commission File Number)

04-3218510
(IRS Employer Identification No.)

600 Hale Street
Prides Crossing, Massachusetts
(Address of Principal Executive Offices)

01965
(Zip Code)

(617) 747-3300
(Registrant's Telephone Number, Including Area Code)

N/A
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 2.02 Results of Operations and Financial Condition.

On January 29, 2013, Affiliated Managers Group, Inc. (the "Company") issued a press release setting forth its financial and operating results for the quarter and year ended December 31, 2012. A copy of this press release is furnished as Exhibit 99.1 hereto.

ITEM 8.01 Other Events.

The financial statement tables set forth in the press release issued by the Company on January 29, 2013 are also filed as Exhibit 99.2 hereto and are incorporated by reference herein.

ITEM 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1*	Earnings Press Release issued by the Company on January 29, 2013.
99.2	Earnings Press Release Financial Statement Tables.

* This exhibit shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liability of that section, nor shall it be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934.

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.

Date: January 29, 2013

By: /s/ John Kingston, III
Name: John Kingston, III
Title: Vice Chairman, General Counsel and Secretary

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EXHIBIT INDEX

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Affiliated Managers Group, Inc.

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**AMG Reports Financial and Operating Results
for the Fourth Quarter and Full Year 2012**

*Company Reports Economic EPS of \$2.55; EPS of \$1.40 for Fourth Quarter,
Economic EPS of \$7.71; EPS of \$3.28 for Full Year 2012*

BOSTON, January 29, 2013 — Affiliated Managers Group, Inc. (NYSE: AMG) today reported its financial and operating results for the fourth quarter and full year 2012.

For the fourth quarter of 2012, Economic earnings per share (“Economic EPS”) were \$2.55, compared to \$1.76 for the same period of 2011, while diluted earnings per share for the fourth quarter of 2012 were \$1.40, compared to \$0.77 for the same period of 2011. For the fourth quarter of 2012, Economic net income was \$136.5 million, compared to \$92.5 million for the same period of 2011. For the fourth quarter of 2012, Net income was \$75.0 million, compared to \$40.3 million for the same period of 2011. For the fourth quarter of 2012, EBITDA was \$182.1 million, compared to \$116.3 million for the same period of 2011. (Economic EPS, Economic net income, and EBITDA are defined in the attached tables, along with comparisons to the appropriate GAAP measure.)

For the year ended December 31, 2012, Economic net income was \$408.8 million, while EBITDA was \$543.4 million, and Net income was \$174.0 million. For the year ended December 31, 2011, Economic net income was \$351.0 million, while EBITDA was \$471.3 million, and Net income was \$164.9 million.

Net client cash flows for the fourth quarter of 2012 were \$5.1 billion, and flows for the year ended December 31, 2012 were \$30.1 billion. The aggregate assets under management of AMG’s affiliated investment management firms were approximately \$432 billion at December 31, 2012.

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“AMG’s results for the fourth quarter and full year 2012 reflected strong performance across all areas of our business and the excellent execution of our growth strategy, including continued outstanding growth from net client cash flows, the ongoing expansion of our global distribution platform, and the significant deployment of capital through our new investments strategy,” stated Sean M. Healey, Chairman and Chief Executive Officer of AMG. “Our Economic earnings per share were a record \$7.71 for the year, an increase of 16% over 2011, and going forward, we see excellent opportunities to generate further growth in earnings and shareholder value through both the organic growth of our Affiliates as well as the addition of outstanding new Affiliates.”

“Our Affiliates produced strong investment performance in the areas which are most attractive to global clients for the alpha-generating portions of their portfolios, including global and emerging markets equities and alternatives, which collectively generate over 70% of our EBITDA,” Mr. Healey added. “With industry-leading long-term track records in these product areas at Affiliates such as Tweedy, Browne, Harding Loevner, and Genesis in equities, and ValueAct, AQR, and BlueMountain in alternatives, we are well-positioned for continued strong organic growth. In addition, our alternative products delivered excellent absolute returns and meaningful performance fees during the year.”

Mr. Healey continued, “Our global distribution strategy, which complements Affiliate-level marketing efforts with the centralized platform of AMG’s global franchise, has now generated exceptional organic growth from net client cash flows for eleven consecutive quarters — including over \$30 billion of net client cash flows in 2012, a period in which investor risk appetite remained broadly muted. The strategic investment we have made over the past five years in extending the breadth and depth of our Affiliates’ marketing reach around the globe has generated substantial incremental new business in every coverage region, and with new offices in Dubai and Zurich and additional resources in Germany and Switzerland within the past year, we expect continued momentum going forward. Given the increasing client demand for differentiated, alpha-generating strategies from specialist firms, and the significant opportunities we see to win new business and market share around the world, we will continue to add capabilities in key markets and channels globally in 2013.”

“Finally, we were very pleased with the successful execution of our new investments strategy in 2012, with the addition of Veritable, Yacktman, and our significant additional investment in BlueMountain,” Mr. Healey concluded. “Our forward new investment pipeline is strong and diverse, and includes traditional, alternative, and wealth management firms globally. We are making excellent progress in this area as we actively evaluate an array of prospective Affiliates, and we will continue to benefit from our reputation as the partner of choice to the best boutique firms around the world. Given AMG’s unique competitive position and our outstanding track record of Affiliate investments, we are confident in our ability to add materially to our earnings growth through accretive Affiliate investments going forward.”

AMG is a global asset management company with equity investments in leading boutique investment management firms. AMG's innovative partnership approach allows each Affiliate's management team to own significant equity in their firm while maintaining operational autonomy. AMG's strategy is to generate growth through the internal growth of existing Affiliates, as well as through investments in new Affiliates. In addition, AMG provides centralized assistance to its Affiliates in strategic matters, marketing, distribution, product development and operations. As of December 31, 2012, the aggregate assets under management of AMG's Affiliates were approximately \$432 billion in more than 350 investment products across a broad range of investment styles, asset classes and distribution channels. For more information, please visit the Company's website at www.amg.com.

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 interests in investment management firms, the ability to close pending investments, 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 "Risk Factors" set forth in the Company's Form 10-K for the year ended December 31, 2011.

AMG routinely posts information that may be significant for investors in the Investor Relations section of its website, and encourages investors to consult that section regularly. For additional information, please visit www.amg.com.

Financial Tables Follow

A teleconference will be held with AMG's management at 11:00 a.m. Eastern time today. Parties interested in listening to the teleconference should dial 1-877-407-9210 (domestic calls) or 1-201-689-8049 (international calls) starting at 10:45 a.m. Eastern time. Those wishing to listen to the teleconference should dial the appropriate number at least ten minutes before the call begins.

The teleconference will also be available for replay beginning approximately one hour after the conclusion of the call. To hear a replay of the call, please dial 1-877-660-6853 (domestic calls) or 1-201-612-7415 (international calls) and provide conference ID 407209. The live call and replay of the session, and additional financial information referenced during the teleconference, can also be accessed via the Web at <http://www.amg.com/InvestorRelations/>.

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Affiliated Managers Group, Inc.

Financial Highlights

(in millions, except per share data)

	Three Months Ended 12/31/11	Three Months Ended 12/31/12
Revenue	\$ 402.4	\$ 491.0
Net income (controlling interest)	\$ 40.3	\$ 75.0
Economic net income (A)	\$ 92.5	\$ 136.5
EBITDA (B)	\$ 116.3	\$ 182.1
Average shares outstanding - diluted	52.6	55.5
Earnings per share - diluted	\$ 0.77	\$ 1.40
Average shares outstanding - adjusted diluted (C)	52.6	53.6
Economic earnings per share (C)	\$ 1.76	\$ 2.55
	December 31, 2011	December 31, 2012
Cash and cash equivalents	\$ 449.5	\$ 430.4
Senior bank debt	\$ 250.0	\$ 325.0
Senior notes (D)	\$ —	\$ 340.0
Senior convertible securities (E)	\$ 435.6	\$ 450.1
Junior convertible trust preferred securities (E)	\$ 512.6	\$ 515.5
Stockholders' equity	\$ 1,866.0	\$ 2,067.8

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**Affiliated Managers Group, Inc.
Financial Highlights**

(in millions, except per share data)

	<u>Year Ended 12/31/11</u>	<u>Year Ended 12/31/12</u>
Revenue	\$ 1,704.8	\$ 1,805.5
Net income (controlling interest)	\$ 164.9	\$ 174.0
Economic net income (A)	\$ 351.0	\$ 408.8
EBITDA (B)	\$ 471.3	\$ 543.4
Average shares outstanding - diluted	53.0	53.0
Earnings per share - diluted	\$ 3.11	\$ 3.28
Average shares outstanding - adjusted diluted (C)	53.0	53.0
Economic earnings per share (C)	\$ 6.62	\$ 7.71

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**Affiliated Managers Group, Inc.
Reconciliations of Earnings Per Share Calculation**

(in millions, except per share data)

	<u>Three Months Ended 12/31/11</u>	<u>Three Months Ended 12/31/12</u>
Net income (controlling interest)	\$ 40.3	\$ 75.0
Convertible securities interest expense, net (F)	—	2.7
Net income (controlling interest), as adjusted	\$ 40.3	\$ 77.7
Average shares outstanding - diluted	52.6	55.5
Earnings per share - diluted	\$ 0.77	\$ 1.40
	<u>Year Ended 12/31/11</u>	<u>Year Ended 12/31/12</u>
Net income (controlling interest)	\$ 164.9	\$ 174.0
Convertible securities interest expense, net (F)	—	—
Net income (controlling interest), as adjusted	\$ 164.9	\$ 174.0
Average shares outstanding - diluted	53.0	53.0
Earnings per share - diluted	\$ 3.11	\$ 3.28

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**Affiliated Managers Group, Inc.
Reconciliations of Average Shares Outstanding**

(in millions)

	<u>Three Months Ended 12/31/11</u>	<u>Three Months Ended 12/31/12</u>
Average shares outstanding - diluted	52.6	55.5

Assumed issuance of 2008 Senior Convertible Notes shares	—	—
Assumed issuance of Trust Preferred shares	—	(2.0)
Dilutive impact of 2008 Senior Convertible Notes shares	—	0.1
Dilutive impact of Trust Preferred shares	—	—
Average shares outstanding - adjusted diluted (C)	<u>52.6</u>	<u>53.6</u>
	Year Ended	Year Ended
	12/31/11	12/31/12
Average shares outstanding - diluted	53.0	53.0
Assumed issuance of 2008 Senior Convertible Notes shares	—	—
Assumed issuance of Trust Preferred shares	—	—
Dilutive impact of 2008 Senior Convertible Notes shares	—	—
Dilutive impact of Trust Preferred shares	—	—
Average shares outstanding - adjusted diluted (C)	<u>53.0</u>	<u>53.0</u>

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Affiliated Managers Group, Inc.

Operating Results

(in millions)

Assets Under Management

Statement of Changes - Quarter to Date

	<u>Mutual Fund</u>	<u>Institutional</u>	<u>High Net Worth</u>	<u>Total</u>
Assets under management, September 30, 2012	\$ 117,852	\$ 243,756	\$ 54,506	\$ 416,114
Client cash inflows	9,542	10,238	2,752	22,532
Client cash outflows	(7,686)	(7,055)	(2,721)	(17,462)
Net client cash flows	1,856	3,183	31	5,070
Investment performance	2,166	7,398	1,019	10,583
Assets under management, December 31, 2012	<u>\$ 121,874</u>	<u>\$ 254,337</u>	<u>\$ 55,556</u>	<u>\$ 431,767</u>

Statement of Changes - Year to Date

	<u>Mutual Fund</u>	<u>Institutional</u>	<u>High Net Worth</u>	<u>Total</u>
Assets under management, December 31, 2011	\$ 85,222	\$ 205,658	\$ 36,582	\$ 327,462
New investments (G)	14,773	13	13,219	28,005
Client cash inflows	35,027	43,541	10,928	89,496
Client cash outflows	(25,282)	(24,918)	(9,154)	(59,354)
Net client cash flows	9,745	18,623	1,774	30,142
Investment performance	12,308	30,796	4,359	47,463
Other (H)	(174)	(753)	(378)	(1,305)
Assets under management, December 31, 2012	<u>\$ 121,874</u>	<u>\$ 254,337</u>	<u>\$ 55,556</u>	<u>\$ 431,767</u>

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Affiliated Managers Group, Inc.

Operating Results

(in millions)

Financial Results

	<u>Three Months Ended</u>	<u>Percent of Total</u>	<u>Three Months Ended</u>	<u>Percent of Total</u>
	<u>12/31/11</u>		<u>12/31/12</u>	
Revenue				
Mutual Fund	\$ 168.0	42%	\$ 217.1	44%
Institutional	200.8	50%	224.3	46%
High Net Worth	33.6	8%	49.6	10%
	<u>\$ 402.4</u>	<u>100%</u>	<u>\$ 491.0</u>	<u>100%</u>

EBITDA (B)					
Mutual Fund	\$	30.2	26%	\$ 49.7	27%
Institutional		75.2	65%	116.3	64%
High Net Worth		10.9	9%	16.1	9%
	\$	<u>116.3</u>	<u>100%</u>	\$ <u>182.1</u>	<u>100%</u>

		Year Ended 12/31/11	Percent of Total	Year Ended 12/31/12	Percent of Total
Revenue					
Mutual Fund	\$	723.7	43%	\$ 774.4	43%
Institutional		841.4	49%	861.3	48%
High Net Worth		139.7	8%	169.8	9%
	\$	<u>1,704.8</u>	<u>100%</u>	\$ <u>1,805.5</u>	<u>100%</u>

EBITDA (B)					
Mutual Fund	\$	151.2	32%	\$ 169.5	31%
Institutional		288.3	61%	323.5	60%
High Net Worth		31.8	7%	50.4	9%
	\$	<u>471.3</u>	<u>100%</u>	\$ <u>543.4</u>	<u>100%</u>

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Affiliated Managers Group, Inc.
Reconciliations of Performance and Liquidity Measures
(in millions)

	Three Months Ended 12/31/11	Three Months Ended 12/31/12
Net income (controlling interest)	\$ 40.3	\$ 75.0
Intangible amortization and impairments	36.1	36.9
Intangible-related deferred taxes	7.0	17.5
Imputed interest and contingent payment arrangements	1.6	5.9
Affiliate equity expense	7.5	1.2
Economic net income (A)	<u>\$ 92.5</u>	<u>\$ 136.5</u>
Cash flow from operations	\$ 158.6	\$ 186.2
Interest expense, net of non-cash items	16.4	21.7
Current tax provision	13.1	29.9
Income from equity method investments, net of distributions	22.9	67.5
Changes in assets and liabilities and other adjustments	(94.7)	(123.2)
EBITDA (B)	<u>\$ 116.3</u>	<u>\$ 182.1</u>
Holding company expenses	21.0	28.8
EBITDA Contribution	<u>\$ 137.3</u>	<u>\$ 210.9</u>

	Year Ended 12/31/11	Year Ended 12/31/12
Net income (controlling interest)	\$ 164.9	\$ 174.0
Intangible amortization and impairments	117.0	220.9
Intangible-related deferred taxes	43.2	17.6
Imputed interest and contingent payment arrangements	14.7	(6.8)
Affiliate equity expense	11.2	3.1
Economic net income (A)	<u>\$ 351.0</u>	<u>\$ 408.8</u>
Cash flow from operations	\$ 708.5	\$ 633.2
Interest expense, net of non-cash items	65.7	74.8
Current tax provision	45.0	61.0
Income from equity method investments, net of distributions	(22.7)	61.9
Changes in assets and liabilities and other adjustments	(325.2)	(287.5)
EBITDA (B)	<u>\$ 471.3</u>	<u>\$ 543.4</u>
Holding company expenses	82.1	94.7
EBITDA Contribution	<u>\$ 553.4</u>	<u>\$ 638.1</u>

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Affiliated Managers Group, Inc.
Consolidated Statements of Income
(in millions, except per share data)

	Three Months Ended December 31,		Year Ended December 31,	
	2011	2012	2011	2012
Revenue	\$ 402.4	\$ 491.0	\$ 1,704.8	\$ 1,805.5
Operating expenses:				
Compensation and related expenses	173.9	218.7	718.8	784.7
Selling, general and administrative	89.2	99.2	350.8	366.9
Intangible amortization and impairments (I)	31.3	31.0	97.7	200.0
Depreciation and other amortization	3.4	3.5	15.0	14.1
Other operating expenses	9.4	11.7	36.4	39.4
	<u>307.2</u>	<u>364.1</u>	<u>1,218.7</u>	<u>1,405.1</u>
Operating income	<u>95.2</u>	<u>126.9</u>	<u>486.1</u>	<u>400.4</u>
Non-operating (income) and expenses:				
Investment and other (income) loss	(1.8)	(1.8)	5.0	(22.0)
Income from equity method investments	(32.6)	(82.3)	(72.7)	(129.7)
Interest expense	18.2	24.2	73.8	83.0
Imputed interest expense and contingent payment arrangements (J)	2.4	9.7	27.3	(26.1)
	<u>(13.8)</u>	<u>(50.2)</u>	<u>33.4</u>	<u>(94.8)</u>
Income before income taxes	109.0	177.1	452.7	495.2
Income taxes (K)	<u>19.9</u>	<u>37.8</u>	<u>93.1</u>	<u>83.8</u>
Net income	<u>89.1</u>	<u>139.3</u>	<u>359.6</u>	<u>411.4</u>
Net income (non-controlling interests)	(48.8)	(64.3)	(194.7)	(237.4)
Net income (controlling interest)	<u>\$ 40.3</u>	<u>\$ 75.0</u>	<u>\$ 164.9</u>	<u>\$ 174.0</u>
Average shares outstanding - basic	51.5	52.1	51.8	51.7
Average shares outstanding - diluted	52.6	55.5	53.0	53.0
Earnings per share - basic	\$ 0.78	\$ 1.44	\$ 3.18	\$ 3.36
Earnings per share - diluted	\$ 0.77	\$ 1.40	\$ 3.11	\$ 3.28

(more)

Affiliated Managers Group, Inc.
Consolidated Balance Sheets
(in millions)

	December 31, 2011	December 31, 2012
Assets		
Current assets:		
Cash and cash equivalents	\$ 449.5	\$ 430.4
Investment advisory fees receivable	214.9	255.5
Investments in marketable securities	100.4	128.9
Unsettled fund share receivables	34.5	40.1
Prepaid expenses and other current assets	<u>77.1</u>	<u>57.4</u>
Total current assets	876.4	912.3
Fixed assets, net	69.1	81.5
Equity investments in Affiliates	615.8	1,031.3
Acquired client relationships, net	1,321.1	1,585.5
Goodwill	2,117.3	2,355.2
Other assets	219.2	221.3
Total assets	<u>\$ 5,218.9</u>	<u>\$ 6,187.1</u>
Liabilities and Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 343.6	\$ 324.7
Unsettled fund share payables	40.8	39.8

Payables to related party	33.2	11.3
Total current liabilities	417.6	375.8
Senior bank debt	250.0	325.0
Senior notes (D)	—	340.0
Senior convertible securities (E)	435.6	450.1
Junior convertible trust preferred securities (E)	512.6	515.5
Deferred income taxes	506.0	513.7
Other long-term liabilities	145.7	164.7
Total liabilities	2,267.5	2,684.8
Redeemable non-controlling interests	451.8	477.5
Equity:		
Common stock	0.5	0.5
Additional paid-in capital	927.5	852.1
Accumulated other comprehensive income	50.0	79.1
Retained earnings	1,176.7	1,350.7
	2,154.7	2,282.4
Less treasury stock, at cost	(288.7)	(214.6)
Total stockholders' equity	1,866.0	2,067.8
Non-controlling interests	633.6	957.0
Total equity	2,499.6	3,024.8
Total liabilities and equity	\$ 5,218.9	\$ 6,187.1

(more)

Affiliated Managers Group, Inc.
Consolidated Statements of Cash Flow
(in millions)

	Three Months Ended December 31,		Year Ended December 31,	
	2011	2012	2011	2012
Cash flow from operating activities:				
Net income	\$ 89.1	\$ 139.3	\$ 359.6	\$ 411.4
Adjustments to reconcile Net income to net cash flow from operating activities:				
Intangible amortization and impairments	31.3	31.0	97.7	200.0
Amortization of issuance costs	1.8	2.5	8.1	8.2
Depreciation and other amortization	3.4	3.5	15.0	14.1
Deferred income tax provision	3.5	5.3	35.2	11.1
Imputed interest expense and contingent payment arrangements	2.4	9.7	27.3	(26.1)
Income from equity method investments, net of amortization	(32.6)	(82.3)	(72.7)	(129.7)
Distributions received from equity method investments	17.9	25.2	128.3	104.7
Tax benefit from exercise of stock options	0.2	2.1	1.1	3.5
Share-based compensation	11.1	23.5	30.3	47.6
Affiliate equity expense	13.1	12.3	22.1	21.7
Other adjustments	1.9	11.3	21.3	12.6
Changes in assets and liabilities:				
(Increase) decrease in investment advisory fees receivable	4.3	(13.5)	22.5	(34.8)
(Increase) decrease in prepaids and other current assets	6.3	8.7	(2.8)	(4.2)
(Increase) decrease in other assets	0.2	(0.3)	(1.5)	(2.8)
(Increase) decrease in unsettled fund shares receivable	22.6	10.7	5.9	(4.5)
Increase (decrease) in unsettled fund shares payable	(5.0)	(13.0)	2.0	(2.3)
Increase (decrease) in accounts payable, accrued liabilities and other long-term liabilities	(12.9)	10.2	9.1	2.7
Cash flow from operating activities	158.6	186.2	708.5	633.2
Cash flow used in investing activities:				
Investments in Affiliates	—	(42.1)	(13.3)	(797.4)
Purchase of fixed assets	(7.7)	(10.1)	(16.1)	(20.0)
Purchase of investment securities	(0.8)	(5.3)	(49.2)	(19.1)
Sale of investment securities	—	3.1	10.9	34.2
Cash flow used in investing activities	(8.5)	(54.4)	(67.7)	(802.3)
Cash flow from (used in) financing activities:				
Borrowings of senior bank debt	250.0	75.0	360.0	630.0
Repayments of senior bank debt	(210.0)	(195.0)	(570.0)	(555.0)
Issuance of senior notes	—	140.0	—	340.0
Issuance of common stock	6.8	27.7	28.0	73.4

Repurchase of common stock	(13.0)	—	(61.0)	(60.9)
Issuance costs	(5.1)	(4.4)	(13.6)	(10.4)
Excess tax benefit from exercise of stock options	2.2	10.4	7.1	22.0
Settlement of treasury lock	(4.7)	—	(0.8)	—
Note payments	8.3	(1.5)	(72.5)	(3.6)
Distributions to non-controlling interests	(52.1)	(43.7)	(167.6)	(181.4)
Affiliate equity issuances and repurchases	(6.6)	(82.8)	(13.4)	(107.9)
Cash flow from (used in) financing activities	<u>(24.2)</u>	<u>(74.3)</u>	<u>(503.8)</u>	<u>146.2</u>
Effect of foreign exchange rate changes on cash and cash equivalents	0.3	0.3	(0.8)	3.8
Net increase (decrease) in cash and cash equivalents	126.2	57.8	136.2	(19.1)
Cash and cash equivalents at beginning of period	323.3	372.6	313.3	449.5
Cash and cash equivalents at end of period	<u>\$ 449.5</u>	<u>\$ 430.4</u>	<u>\$ 449.5</u>	<u>\$ 430.4</u>

(more)

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Affiliated Managers Group, Inc.

Notes

(in millions, except per share data)

- (A) Under our Economic net income definition, we add to Net income (controlling interest) amortization (including equity method amortization) and impairments, deferred taxes related to intangible assets, non-cash imputed interest expense (principally related to the accounting for convertible securities and contingent payment arrangements) and certain Affiliate equity expenses. We consider Economic net income an important measure of our financial performance, as we believe it best represents operating performance before non-cash expenses relating to the acquisition of interests in our affiliated investment management firms, and it is therefore employed as our principal performance benchmark. This non-GAAP performance measure is provided in addition to, but not as a substitute for, Net income; Economic net income is not a liquidity measure, and should not be used in place of liquidity measures calculated under GAAP.

We add back amortization and impairments attributable to acquired client relationships because these expenses do not correspond to the changes in the value of these assets, which do not diminish predictably over time. The portion of deferred taxes generally attributable to intangible assets (including goodwill) is added back because we believe it is unlikely these accruals will be used to settle material tax obligations. We add back non-cash expenses relating to certain transfers of equity between Affiliate management partners when these transfers have no dilutive effect to shareholders.

- (B) EBITDA is defined as earnings before interest expense, income taxes, depreciation and amortization. This supplemental non-GAAP liquidity measure is provided in addition to, but not as a substitute for, cash flow from operations. As a measure of liquidity, we believe EBITDA is useful as an indicator of our ability to service debt, make new investments and meet working capital requirements. EBITDA, as calculated by us, may not be consistent with computations of EBITDA by other companies. In reporting EBITDA by segment, Affiliate expenses are allocated to a particular segment on a pro rata basis with respect to the revenue generated by that Affiliate in such segment.
- (C) Economic earnings per share represents Economic net income divided by the adjusted diluted average shares outstanding. In this calculation, the potential share issuance in connection with our convertible securities is measured using a “treasury stock” method. Under this method, only the net number of shares of common stock equal to the value of the contingently convertible securities and the junior convertible trust preferred securities in excess of par, if any, are deemed to be outstanding. We believe the inclusion of net shares under a treasury stock method best reflects the benefit of the increase in available capital resources (which could be used to repurchase shares of common stock) that occurs when these securities are converted and we are relieved of our debt obligation. This method does not take into account any increase or decrease in our cost of capital in an assumed conversion. Economic earnings per share is not a liquidity measure, and should not be used in place of liquidity measures calculated under GAAP.
- (D) In the third and fourth quarters of 2012, we sold \$200.0 aggregate principal amount of 6.375% Senior Notes due 2042 and \$140.0 aggregate principal amount of 5.25% Senior Notes due 2022, respectively.

(more)

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- (E) We have bifurcated our convertible debt securities into their debt and equity components on our balance sheet. The principal amount at maturity of the senior convertible notes due 2038 was \$460.0 at December 31, 2011 and December 31, 2012. The principal amount at maturity of the junior convertible trust preferred securities was \$730.8 at December 31, 2011 and December 31, 2012, comprised of \$300.0 due 2036 and \$430.8 due 2037.
- (F) Convertible securities interest expense, net includes the interest expense, net of tax, associated with our dilutive convertible securities.
- (G) In the second quarter of 2012, we completed investments in Yacktman Asset Management Co. and Veritable, LP.
- (H) Other includes assets under management attributable to Affiliate product transitions, new investment client transitions and transfers of our interests in certain Affiliated investment management firms, the financial effects of which are not material to our ongoing results.
- (I) In the first and second quarters of 2012, we reduced the carrying value of certain of our indefinite-lived intangible assets and, accordingly, recorded pre-tax expenses of \$8.7 and \$93.5, respectively.

(J) In the first and second quarters of 2012, we adjusted our estimate of our contingent payment obligations and, accordingly, recorded pre-tax gains attributable to the controlling interest of \$5.0 and \$34.6, respectively. In the fourth quarter of 2012, we adjusted our estimate of our contingent payment obligations and, accordingly, recorded a pre-tax expense attributable to the controlling interest of \$3.8.

(K) Our consolidated income tax provision includes taxes attributable to the controlling interest, and to a lesser extent, taxes attributable to non-controlling interests, as follows:

	Three Months Ended December 31,		Year Ended December 31,	
	2011	2012	2011	2012
Current income taxes	\$ 13.1	\$ 29.9	\$ 45.0	\$ 61.0
Intangible-related deferred taxes (1)	7.0	22.6	43.2	22.7
Other deferred taxes	(2.3)	(17.0)	(4.0)	(12.1)
Taxes attributable to controlling interest	17.8	35.5	84.2	71.6
Taxes attributable to non-controlling interests	2.1	2.3	8.9	12.2
Total income taxes	\$ 19.9	\$ 37.8	\$ 93.1	\$ 83.8
Income before taxes (controlling interest)	\$ 58.1	\$ 110.5	\$ 249.1	\$ 245.6
Effective tax rate (2)	30.6%	32.1%	33.8%	29.2%

(1) Intangible-related deferred taxes for the three months and year ended December 31, 2012 include \$5.1 related to a one-time item not added back for the calculation of Economic net income.

(2) Taxes attributable to controlling interests divided by controlling interest share of the consolidated income before taxes.

Affiliated Managers Group, Inc.
Financial Highlights
(in millions, except per share data)

	<u>Three Months Ended 12/31/11</u>	<u>Three Months Ended 12/31/12</u>
Revenue	\$ 402.4	\$ 491.0
Net income (controlling interest)	\$ 40.3	\$ 75.0
Economic net income (A)	\$ 92.5	\$ 136.5
EBITDA (B)	\$ 116.3	\$ 182.1
Average shares outstanding - diluted	52.6	55.5
Earnings per share - diluted	\$ 0.77	\$ 1.40
Average shares outstanding - adjusted diluted (C)	52.6	53.6
Economic earnings per share (C)	\$ 1.76	\$ 2.55
	<u>December 31, 2011</u>	<u>December 31, 2012</u>
Cash and cash equivalents	\$ 449.5	\$ 430.4
Senior bank debt	\$ 250.0	\$ 325.0
Senior notes (D)	\$ —	\$ 340.0
Senior convertible securities (E)	\$ 435.6	\$ 450.1
Junior convertible trust preferred securities (E)	\$ 512.6	\$ 515.5
Stockholders' equity	\$ 1,866.0	\$ 2,067.8

(more)

1

Affiliated Managers Group, Inc.
Financial Highlights
(in millions, except per share data)

	<u>Year Ended 12/31/11</u>	<u>Year Ended 12/31/12</u>
Revenue	\$ 1,704.8	\$ 1,805.5
Net income (controlling interest)	\$ 164.9	\$ 174.0
Economic net income (A)	\$ 351.0	\$ 408.8
EBITDA (B)	\$ 471.3	\$ 543.4
Average shares outstanding - diluted	53.0	53.0
Earnings per share - diluted	\$ 3.11	\$ 3.28
Average shares outstanding - adjusted diluted (C)	53.0	53.0
Economic earnings per share (C)	\$ 6.62	\$ 7.71

(more)

2

Affiliated Managers Group, Inc.
Reconciliations of Earnings Per Share Calculation
(in millions, except per share data)

	<u>Three Months Ended 12/31/11</u>	<u>Three Months Ended 12/31/12</u>
Net income (controlling interest)	\$ 40.3	\$ 75.0
Convertible securities interest expense, net (F)	—	2.7
Net income (controlling interest), as adjusted	<u>\$ 40.3</u>	<u>\$ 77.7</u>
Average shares outstanding - diluted	52.6	55.5
Earnings per share - diluted	\$ 0.77	\$ 1.40
	<u>Year Ended 12/31/11</u>	<u>Year Ended 12/31/12</u>
Net income (controlling interest)	\$ 164.9	\$ 174.0
Convertible securities interest expense, net (F)	—	—
Net income (controlling interest), as adjusted	<u>\$ 164.9</u>	<u>\$ 174.0</u>
Average shares outstanding - diluted	53.0	53.0
Earnings per share - diluted	\$ 3.11	\$ 3.28

(more)

3

Affiliated Managers Group, Inc.
Reconciliations of Average Shares Outstanding
(in millions)

	<u>Three Months Ended 12/31/11</u>	<u>Three Months Ended 12/31/12</u>
Average shares outstanding - diluted	52.6	55.5
Assumed issuance of 2008 Senior Convertible Notes shares	—	—
Assumed issuance of Trust Preferred shares	—	(2.0)
Dilutive impact of 2008 Senior Convertible Notes shares	—	0.1
Dilutive impact of Trust Preferred shares	—	—
Average shares outstanding - adjusted diluted (C)	<u>52.6</u>	<u>53.6</u>
	<u>Year Ended 12/31/11</u>	<u>Year Ended 12/31/12</u>
Average shares outstanding - diluted	53.0	53.0
Assumed issuance of 2008 Senior Convertible Notes shares	—	—
Assumed issuance of Trust Preferred shares	—	—
Dilutive impact of 2008 Senior Convertible Notes shares	—	—
Dilutive impact of Trust Preferred shares	—	—
Average shares outstanding - adjusted diluted (C)	<u>53.0</u>	<u>53.0</u>

(more)

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Affiliated Managers Group, Inc.
Operating Results
(in millions)

Assets Under Management

Statement of Changes - Quarter to Date

<u>Mutual Fund</u>	<u>Institutional</u>	<u>High Net Worth</u>	<u>Total</u>
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Assets under management, September 30, 2012	\$ 117,852	\$ 243,756	\$ 54,506	\$ 416,114
Client cash inflows	9,542	10,238	2,752	22,532
Client cash outflows	(7,686)	(7,055)	(2,721)	(17,462)
Net client cash flows	1,856	3,183	31	5,070
Investment performance	2,166	7,398	1,019	10,583
Assets under management, December 31, 2012	<u>\$ 121,874</u>	<u>\$ 254,337</u>	<u>\$ 55,556</u>	<u>\$ 431,767</u>

Statement of Changes - Year to Date

	<u>Mutual Fund</u>	<u>Institutional</u>	<u>High Net Worth</u>	<u>Total</u>
Assets under management, December 31, 2011	\$ 85,222	\$ 205,658	\$ 36,582	\$ 327,462
New investments (G)	14,773	13	13,219	28,005
Client cash inflows	35,027	43,541	10,928	89,496
Client cash outflows	(25,282)	(24,918)	(9,154)	(59,354)
Net client cash flows	9,745	18,623	1,774	30,142
Investment performance	12,308	30,796	4,359	47,463
Other (H)	(174)	(753)	(378)	(1,305)
Assets under management, December 31, 2012	<u>\$ 121,874</u>	<u>\$ 254,337</u>	<u>\$ 55,556</u>	<u>\$ 431,767</u>

(more)

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Affiliated Managers Group, Inc.

Operating Results

(in millions)

Financial Results

	<u>Three Months Ended 12/31/11</u>	<u>Percent of Total</u>	<u>Three Months Ended 12/31/12</u>	<u>Percent of Total</u>
Revenue				
Mutual Fund	\$ 168.0	42%	\$ 217.1	44%
Institutional	200.8	50%	224.3	46%
High Net Worth	33.6	8%	49.6	10%
	<u>\$ 402.4</u>	<u>100%</u>	<u>\$ 491.0</u>	<u>100%</u>

EBITDA (B)				
Mutual Fund	\$ 30.2	26%	\$ 49.7	27%
Institutional	75.2	65%	116.3	64%
High Net Worth	10.9	9%	16.1	9%
	<u>\$ 116.3</u>	<u>100%</u>	<u>\$ 182.1</u>	<u>100%</u>

	<u>Year Ended 12/31/11</u>	<u>Percent of Total</u>	<u>Year Ended 12/31/12</u>	<u>Percent of Total</u>
Revenue				
Mutual Fund	\$ 723.7	43%	\$ 774.4	43%
Institutional	841.4	49%	861.3	48%
High Net Worth	139.7	8%	169.8	9%
	<u>\$ 1,704.8</u>	<u>100%</u>	<u>\$ 1,805.5</u>	<u>100%</u>

EBITDA (B)				
Mutual Fund	\$ 151.2	32%	\$ 169.5	31%
Institutional	288.3	61%	323.5	60%
High Net Worth	31.8	7%	50.4	9%
	<u>\$ 471.3</u>	<u>100%</u>	<u>\$ 543.4</u>	<u>100%</u>

(more)

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Affiliated Managers Group, Inc.

Reconciliations of Performance and Liquidity Measures

(in millions)

Three Months Ended 12/31/11

Three Months Ended 12/31/12

Net income (controlling interest)	\$	40.3	\$	75.0
Intangible amortization and impairments		36.1		36.9
Intangible-related deferred taxes		7.0		17.5
Imputed interest and contingent payment arrangements		1.6		5.9
Affiliate equity expense		7.5		1.2
Economic net income (A)	\$	<u>92.5</u>	\$	<u>136.5</u>
Cash flow from operations	\$	158.6	\$	186.2
Interest expense, net of non-cash items		16.4		21.7
Current tax provision		13.1		29.9
Income from equity method investments, net of distributions		22.9		67.5
Changes in assets and liabilities and other adjustments		(94.7)		(123.2)
EBITDA (B)	\$	<u>116.3</u>	\$	<u>182.1</u>
Holding company expenses		21.0		28.8
EBITDA Contribution	\$	<u>137.3</u>	\$	<u>210.9</u>
		<u>Year Ended 12/31/11</u>		<u>Year Ended 12/31/12</u>
Net income (controlling interest)	\$	164.9	\$	174.0
Intangible amortization and impairments		117.0		220.9
Intangible-related deferred taxes		43.2		17.6
Imputed interest and contingent payment arrangements		14.7		(6.8)
Affiliate equity expense		11.2		3.1
Economic net income (A)	\$	<u>351.0</u>	\$	<u>408.8</u>
Cash flow from operations	\$	708.5	\$	633.2
Interest expense, net of non-cash items		65.7		74.8
Current tax provision		45.0		61.0
Income from equity method investments, net of distributions		(22.7)		61.9
Changes in assets and liabilities and other adjustments		(325.2)		(287.5)
EBITDA (B)	\$	<u>471.3</u>	\$	<u>543.4</u>
Holding company expenses		82.1		94.7
EBITDA Contribution	\$	<u>553.4</u>	\$	<u>638.1</u>

(more)

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Affiliated Managers Group, Inc.
Consolidated Statements of Income
(in millions, except per share data)

	Three Months Ended December 31,		Year Ended December 31,					
	2011	2012	2011	2012				
Revenue	\$	402.4	\$	491.0	\$	1,704.8	\$	1,805.5
Operating expenses:								
Compensation and related expenses		173.9		218.7		718.8		784.7
Selling, general and administrative		89.2		99.2		350.8		366.9
Intangible amortization and impairments (I)		31.3		31.0		97.7		200.0
Depreciation and other amortization		3.4		3.5		15.0		14.1
Other operating expenses		9.4		11.7		36.4		39.4
		<u>307.2</u>		<u>364.1</u>		<u>1,218.7</u>		<u>1,405.1</u>
Operating income		<u>95.2</u>		<u>126.9</u>		<u>486.1</u>		<u>400.4</u>
Non-operating (income) and expenses:								
Investment and other (income) loss		(1.8)		(1.8)		5.0		(22.0)
Income from equity method investments		(32.6)		(82.3)		(72.7)		(129.7)
Interest expense		18.2		24.2		73.8		83.0
Imputed interest expense and contingent payment arrangements (J)		2.4		9.7		27.3		(26.1)
		<u>(13.8)</u>		<u>(50.2)</u>		<u>33.4</u>		<u>(94.8)</u>
Income before income taxes		109.0		177.1		452.7		495.2
Income taxes (K)		19.9		37.8		93.1		83.8
Net income		<u>89.1</u>		<u>139.3</u>		<u>359.6</u>		<u>411.4</u>

Net income (non-controlling interests)	(48.8)	(64.3)	(194.7)	(237.4)
Net income (controlling interest)	<u>\$ 40.3</u>	<u>\$ 75.0</u>	<u>\$ 164.9</u>	<u>\$ 174.0</u>
Average shares outstanding - basic	51.5	52.1	51.8	51.7
Average shares outstanding - diluted	52.6	55.5	53.0	53.0
Earnings per share - basic	\$ 0.78	\$ 1.44	\$ 3.18	\$ 3.36
Earnings per share - diluted	\$ 0.77	\$ 1.40	\$ 3.11	\$ 3.28

(more)

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Affiliated Managers Group, Inc.
Consolidated Balance Sheets
(in millions)

	December 31, 2011	December 31, 2012
Assets		
Current assets:		
Cash and cash equivalents	\$ 449.5	\$ 430.4
Investment advisory fees receivable	214.9	255.5
Investments in marketable securities	100.4	128.9
Unsettled fund share receivables	34.5	40.1
Prepaid expenses and other current assets	77.1	57.4
Total current assets	<u>876.4</u>	<u>912.3</u>
Fixed assets, net	69.1	81.5
Equity investments in Affiliates	615.8	1,031.3
Acquired client relationships, net	1,321.1	1,585.5
Goodwill	2,117.3	2,355.2
Other assets	219.2	221.3
Total assets	<u>\$ 5,218.9</u>	<u>\$ 6,187.1</u>
Liabilities and Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 343.6	\$ 324.7
Unsettled fund share payables	40.8	39.8
Payables to related party	33.2	11.3
Total current liabilities	<u>417.6</u>	<u>375.8</u>
Senior bank debt	250.0	325.0
Senior notes (D)	—	340.0
Senior convertible securities (E)	435.6	450.1
Junior convertible trust preferred securities (E)	512.6	515.5
Deferred income taxes	506.0	513.7
Other long-term liabilities	145.7	164.7
Total liabilities	<u>2,267.5</u>	<u>2,684.8</u>
Redeemable non-controlling interests	451.8	477.5
Equity:		
Common stock	0.5	0.5
Additional paid-in capital	927.5	852.1
Accumulated other comprehensive income	50.0	79.1
Retained earnings	1,176.7	1,350.7
	<u>2,154.7</u>	<u>2,282.4</u>
Less treasury stock, at cost	(288.7)	(214.6)
Total stockholders' equity	<u>1,866.0</u>	<u>2,067.8</u>
Non-controlling interests	633.6	957.0
Total equity	<u>2,499.6</u>	<u>3,024.8</u>
Total liabilities and equity	<u>\$ 5,218.9</u>	<u>\$ 6,187.1</u>

(more)

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Consolidated Statements of Cash Flow
(in millions)

	Three Months Ended December 31,		Year Ended December 31,	
	2011	2012	2011	2012
Cash flow from operating activities:				
Net income	\$ 89.1	\$ 139.3	\$ 359.6	\$ 411.4
Adjustments to reconcile Net income to net cash flow from operating activities:				
Intangible amortization and impairments	31.3	31.0	97.7	200.0
Amortization of issuance costs	1.8	2.5	8.1	8.2
Depreciation and other amortization	3.4	3.5	15.0	14.1
Deferred income tax provision	3.5	5.3	35.2	11.1
Imputed interest expense and contingent payment arrangements	2.4	9.7	27.3	(26.1)
Income from equity method investments, net of amortization	(32.6)	(82.3)	(72.7)	(129.7)
Distributions received from equity method investments	17.9	25.2	128.3	104.7
Tax benefit from exercise of stock options	0.2	2.1	1.1	3.5
Share-based compensation	11.1	23.5	30.3	47.6
Affiliate equity expense	13.1	12.3	22.1	21.7
Other adjustments	1.9	11.3	21.3	12.6
Changes in assets and liabilities:				
(Increase) decrease in investment advisory fees receivable	4.3	(13.5)	22.5	(34.8)
(Increase) decrease in prepaids and other current assets	6.3	8.7	(2.8)	(4.2)
(Increase) decrease in other assets	0.2	(0.3)	(1.5)	(2.8)
(Increase) decrease in unsettled fund shares receivable	22.6	10.7	5.9	(4.5)
Increase (decrease) in unsettled fund shares payable	(5.0)	(13.0)	2.0	(2.3)
Increase (decrease) in accounts payable, accrued liabilities and other long-term liabilities	(12.9)	10.2	9.1	2.7
Cash flow from operating activities	<u>158.6</u>	<u>186.2</u>	<u>708.5</u>	<u>633.2</u>
Cash flow used in investing activities:				
Investments in Affiliates	—	(42.1)	(13.3)	(797.4)
Purchase of fixed assets	(7.7)	(10.1)	(16.1)	(20.0)
Purchase of investment securities	(0.8)	(5.3)	(49.2)	(19.1)
Sale of investment securities	—	3.1	10.9	34.2
Cash flow used in investing activities	<u>(8.5)</u>	<u>(54.4)</u>	<u>(67.7)</u>	<u>(802.3)</u>
Cash flow from (used in) financing activities:				
Borrowings of senior bank debt	250.0	75.0	360.0	630.0
Repayments of senior bank debt	(210.0)	(195.0)	(570.0)	(555.0)
Issuance of senior notes	—	140.0	—	340.0
Issuance of common stock	6.8	27.7	28.0	73.4
Repurchase of common stock	(13.0)	—	(61.0)	(60.9)
Issuance costs	(5.1)	(4.4)	(13.6)	(10.4)
Excess tax benefit from exercise of stock options	2.2	10.4	7.1	22.0
Settlement of treasury lock	(4.7)	—	(0.8)	—
Note payments	8.3	(1.5)	(72.5)	(3.6)
Distributions to non-controlling interests	(52.1)	(43.7)	(167.6)	(181.4)
Affiliate equity issuances and repurchases	(6.6)	(82.8)	(13.4)	(107.9)
Cash flow from (used in) financing activities	<u>(24.2)</u>	<u>(74.3)</u>	<u>(503.8)</u>	<u>146.2</u>
Effect of foreign exchange rate changes on cash and cash equivalents	0.3	0.3	(0.8)	3.8
Net increase (decrease) in cash and cash equivalents	126.2	57.8	136.2	(19.1)
Cash and cash equivalents at beginning of period	323.3	372.6	313.3	449.5
Cash and cash equivalents at end of period	<u>\$ 449.5</u>	<u>\$ 430.4</u>	<u>\$ 449.5</u>	<u>\$ 430.4</u>

(more)

Affiliated Managers Group, Inc.

Notes

(in millions, except per share data)

- (A) Under our Economic net income definition, we add to Net income (controlling interest) amortization (including equity method amortization) and impairments, deferred taxes related to intangible assets, non-cash imputed interest expense (principally related to the accounting for convertible securities and contingent payment arrangements) and certain Affiliate equity expenses. We consider Economic net income an important measure of our financial performance, as we believe it best represents operating performance before non-cash expenses relating to the acquisition of interests in our affiliated investment management firms, and it is therefore employed as our principal performance benchmark. This non-GAAP performance measure is provided in addition to, but not as a substitute for, Net income; Economic net income is not a liquidity measure, and should not be used in place of liquidity measures calculated under GAAP.

We add back amortization and impairments attributable to acquired client relationships because these expenses do not correspond to the changes in the value of these assets, which do not diminish predictably over time. The portion of deferred taxes generally attributable to intangible assets (including goodwill) is added back because we believe it is unlikely these accruals will be used to settle material tax obligations. We add back non-cash expenses relating to certain transfers of equity between Affiliate management partners when these transfers have no dilutive effect to shareholders.

- (B) EBITDA is defined as earnings before interest expense, income taxes, depreciation and amortization. This supplemental non-GAAP liquidity measure is provided in addition to, but not as a substitute for, cash flow from operations. As a measure of liquidity, we believe EBITDA is useful as an indicator of our ability to service debt, make new investments and meet working capital requirements. EBITDA, as calculated by us, may not be consistent with computations of EBITDA by other companies. In reporting EBITDA by segment, Affiliate expenses are allocated to a particular segment on a pro rata basis with respect to the revenue generated by that Affiliate in such segment.
- (C) Economic earnings per share represents Economic net income divided by the adjusted diluted average shares outstanding. In this calculation, the potential share issuance in connection with our convertible securities is measured using a “treasury stock” method. Under this method, only the net number of shares of common stock equal to the value of the contingently convertible securities and the junior convertible trust preferred securities in excess of par, if any, are deemed to be outstanding. We believe the inclusion of net shares under a treasury stock method best reflects the benefit of the increase in available capital resources (which could be used to repurchase shares of common stock) that occurs when these securities are converted and we are relieved of our debt obligation. This method does not take into account any increase or decrease in our cost of capital in an assumed conversion. Economic earnings per share is not a liquidity measure, and should not be used in place of liquidity measures calculated under GAAP.
- (D) In the third and fourth quarters of 2012, we sold \$200.0 aggregate principal amount of 6.375% Senior Notes due 2042 and \$140.0 aggregate principal amount of 5.25% Senior Notes due 2022, respectively.

(more)

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- (E) We have bifurcated our convertible debt securities into their debt and equity components on our balance sheet. The principal amount at maturity of the senior convertible notes due 2038 was \$460.0 at December 31, 2011 and December 31, 2012. The principal amount at maturity of the junior convertible trust preferred securities was \$730.8 at December 31, 2011 and December 31, 2012, comprised of \$300.0 due 2036 and \$430.8 due 2037.
- (F) Convertible securities interest expense, net includes the interest expense, net of tax, associated with our dilutive convertible securities.
- (G) In the second quarter of 2012, we completed investments in Yacktman Asset Management Co. and Veritable, LP.
- (H) Other includes assets under management attributable to Affiliate product transitions, new investment client transitions and transfers of our interests in certain Affiliated investment management firms, the financial effects of which are not material to our ongoing results.
- (I) In the first and second quarters of 2012, we reduced the carrying value of certain of our indefinite-lived intangible assets and, accordingly, recorded pre-tax expenses of \$8.7 and \$93.5, respectively.
- (J) In the first and second quarters of 2012, we adjusted our estimate of our contingent payment obligations and, accordingly, recorded pre-tax gains attributable to the controlling interest of \$5.0 and \$34.6, respectively. In the fourth quarter of 2012, we adjusted our estimate of our contingent payment obligations and, accordingly, recorded a pre-tax expense attributable to the controlling interest of \$3.8.
- (K) Our consolidated income tax provision includes taxes attributable to the controlling interest, and to a lesser extent, taxes attributable to non-controlling interests, as follows:

	Three Months Ended December 31,		Year Ended December 31,	
	2011	2012	2011	2012
Current income taxes	\$ 13.1	\$ 29.9	\$ 45.0	\$ 61.0
Intangible-related deferred taxes (1)	7.0	22.6	43.2	22.7
Other deferred taxes	(2.3)	(17.0)	(4.0)	(12.1)
Taxes attributable to controlling interest	17.8	35.5	84.2	71.6
Taxes attributable to non-controlling interests	2.1	2.3	8.9	12.2
Total income taxes	\$ 19.9	\$ 37.8	\$ 93.1	\$ 83.8
Income before taxes (controlling interest)	\$ 58.1	\$ 110.5	\$ 249.1	\$ 245.6
Effective tax rate (2)	30.6%	32.1%	33.8%	29.2%

(1) Intangible-related deferred taxes for the three months and year ended December 31, 2012 include \$5.1 related to a one-time item not added back for the calculation of Economic net income.

(2) Taxes attributable to controlling interests divided by controlling interest share of the consolidated income before taxes.

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