



## PRESS RELEASE

For immediate release

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### **Man announces strategic partnership with Nephila Capital in the insurance-linked securities sector**

Man Group plc, a leading global alternative investment management firm, today announced it has agreed to acquire a 25 percent interest in Nephila Capital Ltd.

Nephila Capital is a leading alternative investment manager specializing in insurance-based instruments such as insurance linked securities, catastrophe bonds, insurance swaps and weather derivatives. Through its proprietary investment strategies, Nephila provides access to uncorrelated sources of returns.

Established in 1998, Nephila is headquartered in Bermuda, employs 25 staff members and has approximately \$2.4 billion under management. Combining Nephila's experience with Man's depth of resources and market reach will create significant value for both investors and shareholders.

This development is part of Man's strategy to broaden its offering of alternative investment strategies and sources of uncorrelated returns offered to institutional investors.

The minority stake in Nephila Capital will be part of Man ECO, a multi-strategy private equity manager which seeks to capitalize on investment opportunities arising from environmental strategies. Nephila's three managing principals, Frank Majors and Greg Hagood, who are co-founders of the firm, and Barney Schauble, will continue to manage the business and the underlying fund investments.

The CEO of Man Group plc, Peter Clarke, said: "This transaction further develops Man's strategy to expand the range of opportunities for our investors. The natural catastrophe and weather derivative markets offer significant opportunities for uncorrelated alternative investment returns. We are excited at the prospects of this strategic partnership and what it means for our and Nephila's investors."

Frank Majors said: "We are delighted to join Man in a partnership that will open up international markets and allows us to focus on evaluating investment opportunities and portfolio management."

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**About Man Group plc**

Man is a world-leading alternative investment management business. With a broad range of funds for institutional and private investors globally, it is known for its performance, innovative product design and investor service. Man manages over \$78 billion<sup>1</sup> and employs 1,600 people in 13 countries worldwide.

The original business was founded in 1783. Today, the parent company, Man Group plc is listed on the London Stock Exchange and ranked in the top 40 companies of the FTSE 100 Index, with a market capitalization of about \$20 billion<sup>1</sup>.

Man supports many awards, charities and initiatives around the world, including sponsorship of the Man Booker literary prizes and the Man Group International Climate Change Award. Further information can be found at [www.mangroupplc.com](http://www.mangroupplc.com).

**About Man Environmental Capital Opportunities**

Man Environmental Capital Opportunities (Man ECO) is a multi-strategy private equity manager within Man Investments which seeks to capitalize on investment opportunities arising from environmental concerns. It seeds and manages funds specializing in environmental investment projects and other areas where investment returns are driven by the natural environment. It began operations in 2006 and was established as a single-manager of Man Investments in 2008. Man ECO has funds under management of about \$600 million<sup>1</sup>.

**About Nephila Capital Ltd.**

Nephila Capital Ltd., a Bermuda-based hedge fund manager, was founded in 1998. The firm invests in a wide range of insurance-based instruments and weather derivatives. Nephila is managed by a highly experienced team of investment professionals and comprises 25 staff, all based in Bermuda. Nephila is a thought leader and an active participant in the transformation of the reinsurance industry. Further information can be found at [www.nephilacapital.com](http://www.nephilacapital.com).

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<sup>1</sup> As of May 28, 2008

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Certain statements in this press release, such as those related to Man Group and Nephila Capital's expansion of its product line constitute forward-looking statements, which involve known and unknown risks, uncertainties and other factors that may cause the actual results, levels of activity, performance or achievements of Man, or industry results, to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. Among other risks and uncertainties is the ability of Man to successfully expand its product line.

Many of these factors may be impacted by the ongoing threat of terrorism. As a result, no assurance can be given as to future results, levels of activity, performance or achievements, and neither Man nor any other person assumes responsibility for the accuracy and completeness of such statements.

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