

Results Presentation

June 2012

Tim Woolley (CEO)

John Mansell (COO)



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Introduction To Polar Capital

- Polar Capital Holdings plc is a specialist investment management company offering professional and institutional investors a range of geographical and sector funds. The Company's investment strategies have a fundamental research driven approach. The Company has long-only and absolute return funds in its product range
- Polar Capital was founded by fund managers Brian Ashford-Russell and Tim Woolley together with corporate partner Caledonia Investments. It received FSA approval in January 2001
- Polar Capital currently has 84 employees of whom 42 are investment professionals managing 18 funds and 5 managed accounts
- These funds have combined assets under management of \$5.1bn as at 31 March 2012
- The Company was listed in London on the Alternative Investment Market in February 2007 and trades under the ticker Polr.LN

Source: Polar Capital, 11 June 2012.

- Primacy of investment performance
- Institutional robustness across operational, compliance, risk and relationship management
- Diversified yet complementary set of funds with a focus on fundamental research driven strategies
- Culture which is flexible, entrepreneurial and transparent
- Environment for employees in which talent can flourish and be well rewarded
- To have high equity ownership amongst staff

Source: Polar Capital.

Management

Tim Woolley
CEO/Co-Founder

Tom Bartlam
Non-Executive Chairman

John Mansell
Chief Operating Officer

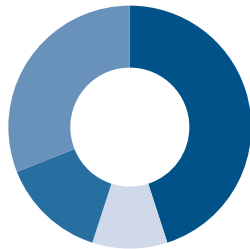
Ownership

Polar Capital
■ 45%

XL
■ 10%

Caledonia
■ 14%

Free Float
■ 31%



Board

Non-Executive Directors

Hugh Aldous

Brian Ashford-Russell

Jamie Cayzer-Colvin

Michael Thomas

George Bumededer

Office locations

London, UK

Tokyo, Japan

Connecticut, USA

Jersey, Channel Islands

Business infrastructure

- Distribution and Marketing
- Operational Support
- Risk Management
- Compliance
- Technology
- Finance

Investment teams

- Technology
- Japan
- UK
- European
- Healthcare
- Financials
- Emerging Markets
- Convertibles
- North American
- European M/N
- Global Equity

Source: Polar Capital, 31 March 2012.

Business Review

Goals

- To be a leading global investment management boutique
- To be a strong dependable partner to our clients offering them a range of interesting and differentiated investment products
- To maintain a robust operational infrastructure
- To maintain high levels of client service and support
- To maintain a strong balance sheet
- To maintain high levels of corporate governance and transparency

Strategy for further growth

- Attract further inflows into existing products
- Launch new products with current teams
- Attract more top quality managers
- Consider opportunistic corporate activity
- Continue to invest further in client servicing and support

Source: Polar Capital.

AUM at start of period: 31 March 2011 **\$3.87bn**

Gross inflows	quarter 1 [long 711 hedge 62]	\$773m	
	quarter 2 [long 456 hedge 28]	\$484m	
	quarter 3 [long 551 hedge 21]	\$572m	
	quarter 4 [long 448 hedge 16]	\$464m	
			\$2,293m

Gross outflows	quarter 1 [long 167 hedge 133]	\$(300)m	
	quarter 2 [long 294 hedge 30]	\$(324)m	
	quarter 3 [long 368 hedge 11]	\$(379)m	
	quarter 4 [long 226 hedge 20]	\$(246)m	
			\$(1,249)m

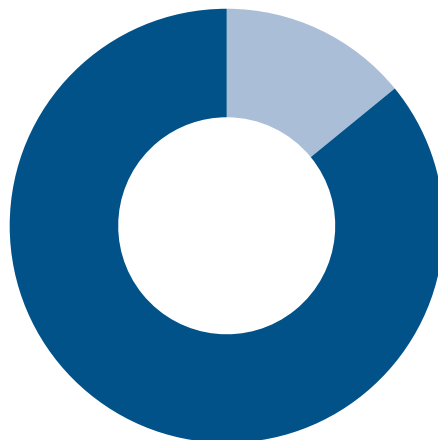
Performance and currency movements \$164m

AUM at end of period: 31 March 2012 **\$5.08bn**

Source: Polar Capital.

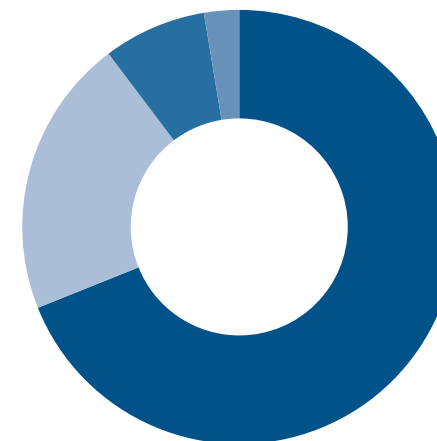
AUM split by strategy

■ Hedge Funds	14.1%
■ Long Only	85.9%



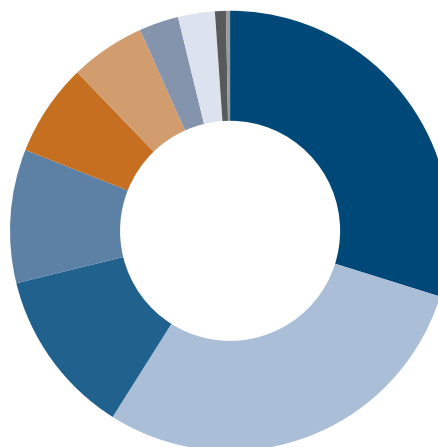
Investor mix by geography

■ UK	68.9%
■ Europe	20.8%
■ USA	7.7%
■ Other	2.6%



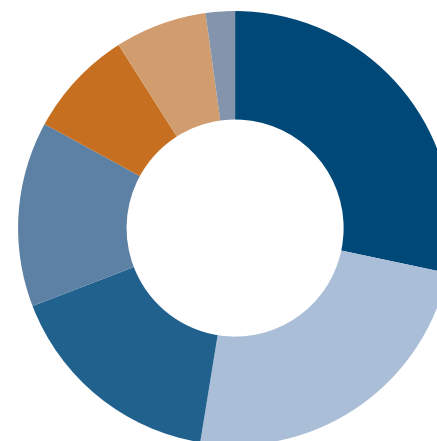
AUM split by business unit

■ Japan	29.8%
■ Technology	29.1%
■ European	12.2%
■ Financials	9.8%
■ Healthcare	6.8%
■ UK	5.5%
■ Emerging Markets	2.9%
■ North America	2.7%
■ Convertibles	0.8%
■ European Market Neutral	0.3%



Investor mix by holdings

■ Private Bank	28.3%
■ Fund of funds	24.3%
■ Asset manager	16.6%
■ Private Wealth	13.8%
■ Other	8.0%
■ Family Office	6.8%
■ Insurance Company	2.2%



Source: Polar Capital, 31 March 2012.

Long only

UCITS

Global Technology

Japan

Healthcare Opportunities

Asian Financials

Financial Opportunities – May 2011

Financials Income

Global Insurance

Emerging Markets Growth

Emerging Markets Income

North American – November 2011

Global Equity – to be launched 2012

Investment trusts

Technology

Global Healthcare Growth and Income

Managed accounts

Japan

UK

Emerging Markets

Hedge and absolute return

Cayman

European Market Neutral – April 2012

European Forager

European Conviction

ALVA Global Convertible

UCITS

UK Absolute Return

European Market Neutral – March 2012

Source: Polar Capital, 31 March 2012 unless otherwise stated.

The original vision still holds true

Ten to twelve world class investment teams

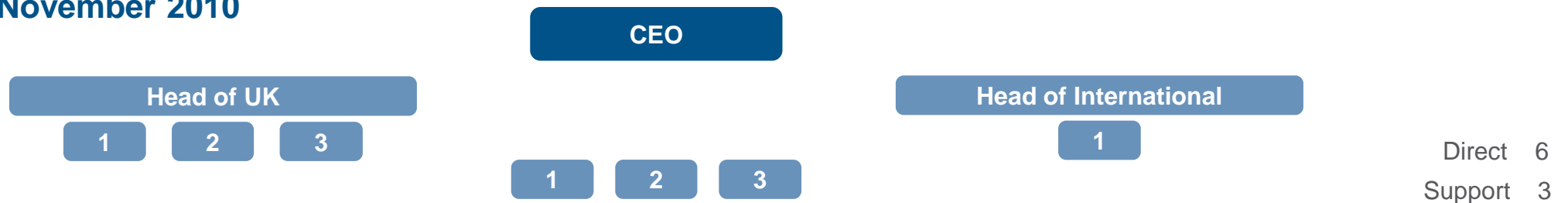
Pre 2010	2010	2011	2012
Technology	Technology	Technology	Technology
Japan	Japan	Japan	Japan
UK	UK	UK	UK
Europe	Europe	Europe	Europe
Healthcare	Healthcare	Healthcare	Healthcare
	Financials	Financials	Financials
	Convertibles	Convertibles	Convertibles
	Emerging Markets	Emerging Markets	Emerging Markets
		North American	North American
		European M/N	European M/N
			Global Equity
			Other 2

Source: Polar Capital, 31 March 2012.

November 2009



November 2010



June 2012



Source: Polar Capital, June 2012.

Lipper Figures For UCITS Strategies



31 March 2012

Strategies	3 months		6 months		1 year		3 years		5 years	
	% Growth to universe position/ universe total	Quartile	% Growth to universe position/ universe total	Quartile	% Growth to universe position/ universe total	Quartile	% Growth to universe position/ universe total	Quartile	% Growth to universe position/ universe total	Quartile
Japan (YEN)	52/370	1	139/ 368	2	30/362	1	28/331	1	5/307	1
Healthcare Opportunities (USD)	26/112	1	21/111	1	14/111	1	31/100	2	n/a	n/a
Emerging Markets Growth (USD Retail)	225/575	2	286/559	3	61/523	1	n/a	n/a	n/a	n/a
Emerging Markets Income (USD Institutional Acc)	106/575	1	41/559	1	19/523	1	n/a	n/a	n/a	n/a
Asian Financial (USD)	76/96	4	50/95	3	18/93	1	10/89	1	4/72	1
Financial Opportunities (USD Retail Inc)	56/96	3	33/95	2	n/a	n/a	n/a	n/a	n/a	n/a
Financials Income (GBP Retail Acc)	85/96	4	60/95	3	15/93	1	n/a	n/a	n/a	n/a
Global Insurance (GBP Retail Inc)	92/96	4	38/95	2	4/93	1	38/89	2	7/72	1
Global Technology (USD)	24/54	2	8/54	1	43/53	4	5/46	1	12/45	2
North America (USD Inc)	278/771	2	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Source: Lipper. **Basis:** Net of fees. Currency as stated.
Past performance is not indicative or a guarantee of future results.

31 March 2012

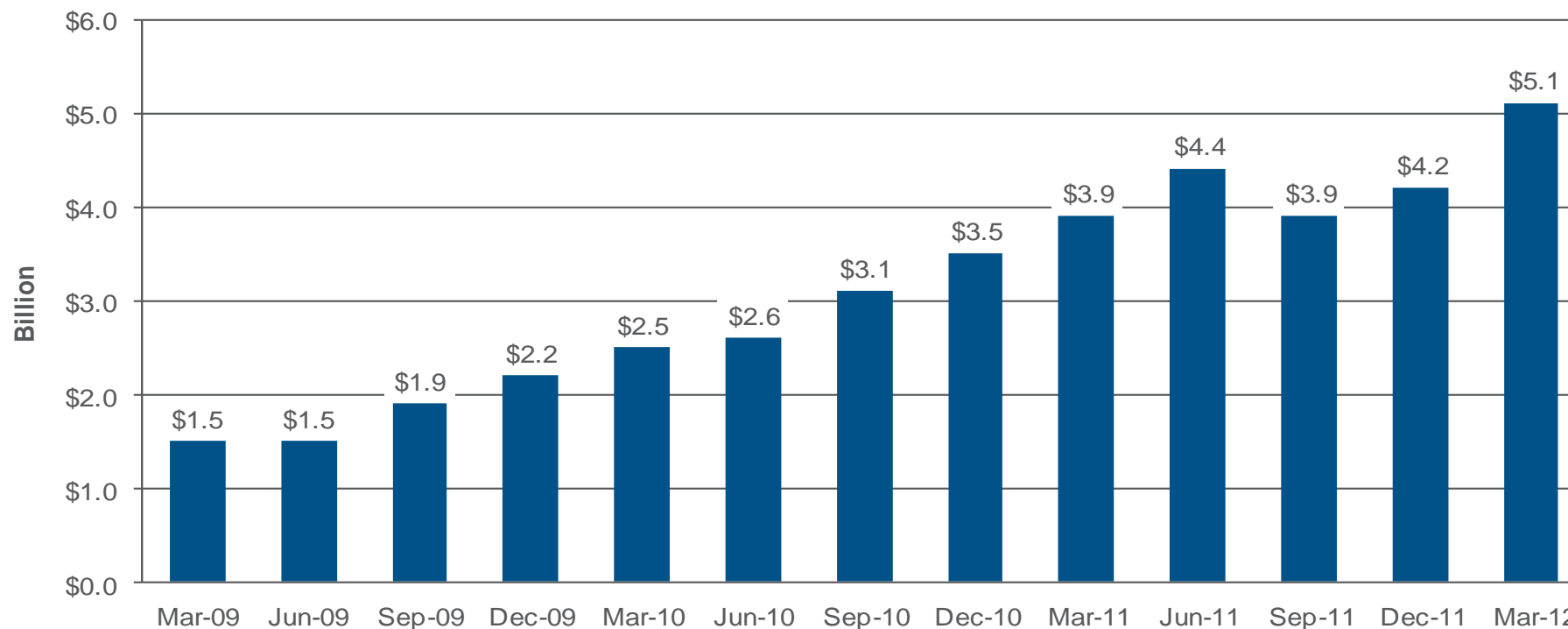
Fund	Inception date	YTD	Annualised returns		
			3 years	5 years	Inception
UK Absolute Return (Class I GBP) ¹	3 June 2008	5.68%	1.68%	n/a	0.81%
European Market Neutral (EUR) ²	4 May 2010	2.33%	n/a	n/a	2.59%
Forager (EUR)	1 August 2003	6.37%	15.10%	6.64%	11.79%
Conviction (EUR)	1 April 2006	2.63%	5.68%	7.71%	6.89%
ALVA (USD)	1 November 2010	2.59%	n/a	n/a	8.27%

Source: Polar Capital. **Basis:** Net of fees. Currency as stated. Past performance is not indicative or a guarantee of future results.

1. The UK Absolute Return Fund is a sub fund of the Polar Capital Funds Plc.

2. Prior to 16 April 2012, this Fund was called the Ratio European Opportunities Fund.

Good recovery since crisis



Source: Polar Capital, 31 March 2012.

Financial Review

Highlights

- AUM
 - AUM at 31 March 2012 increased 31% to \$5.08bn from \$3.86bn at March 2011
- Profitability
 - Pre-tax (pre SBP) profits up to £9.6m (2011: £9.2m)
 - Core operating profit excluding performance fees £7.1m (2011: £3.6m)
- EPS and Dividend
 - Adjusted diluted EPS up to 10.06p (2011: 9.5p)¹
 - Dividends for the year 9.0p (2011: 7.5p)
- Balance Sheet
 - Strong balance sheet comprising cash and investments of £49.0m (2011: £48.6m)

Source: Polar Capital.

1: Adjustment excludes cost of share based payments and amortisation of intangibles.
Past performance is not indicative or a guarantee of future results.

Profitability

	Year to March 10	Year to March 11	Year to March 12
Average AUM	\$1.9bn	\$3.2bn	\$4.5bn
Core operating profit	£0.0m	£3.6m	£7.1m
Performance fee profit	£2.5m	£5.7m	£4.1m
Interest and similar income	£1.2m	£0.9m	£0.1m
PBT pre S.B.P. & Pre Goodwill	£3.7m	£10.2m	£11.3m

Source: Polar Capital.

Costs

	Year to March 10	Year to March 11	Year to March 12	Comments
Salaries and bonuses	£8.1m	£8.9m	£11.0m	Increase in staff numbers
Core distributions	£1.6m	£3.5m	£3.3m	
Core compensation costs	£9.7m	£12.4m	£14.3m	
Other operating costs	£4.6m	£6.1m	£6.9m	See next page
Core operating costs	£14.3m	£18.5m	£21.2m	
Performance fee interests	£3.7m	£9.0m	£5.2m	Reduced performance fees
Total operating costs	£18.0m	£27.5m	£26.4m	

Source: Polar Capital.

Other operating costs

	Year to March 10	Year to March 11	Year to March 12	Comments
IT	£1.5m	£2.0m	£2.1m	
Rent and rates	£0.8m	£1.1m	£1.2m	
Professional fees	£0.5m	£0.7m	£0.9m	
Insurance	£0.4m	£0.4m	£0.4m	
Travel and entertainment	£0.5m	£0.7m	£0.8m	
Other	£0.5m	£1.2m	£1.5m	£0.6m of recruitment costs
Other operating costs	£4.2m	£6.1m	£6.9m	

Source: Polar Capital.

Dividend

- Total dividend for the year 9.0p (2011: 7.5p)
- Dividend reflects:
 - Improved profitability of the company
 - Health and strength of the company's balance sheet
 - Quiet optimism regarding the company's prospects

Source: Polar Capital.
Past performance is not indicative or a guarantee of future results.

Cash and investments

	March 2011 £m	March 2012 £m
Cash	£19.2m	£22.6m
Available for sale investments		
Hedge fund investments	£ 4.2m	£ 1.1m
Hedge fund seed	£15.2m	£15.2m
Long only seed	£ 7.1m	£ 9.1m
	£26.5m	£25.4m
Long only protection and cash collateral	£ 2.9m	£ 1.0m
	£29.4m	£26.4m
Total cash and investments	£48.6m	£49.0m

Source: Polar Capital.

Shareholder analysis at 31 March 2012

	Holding	Percentage	
Directors, founders and staff	33.9m	43%	
Caledonia	10.7m	13%	
XL	8.0m	10%	
EBT	2.0m	3%	
Blackrock	5.7m	7%	} Free Float = 31%
Artemis	2.9m	4%	
Legal & General	2.7m	3%	
Cazenove	2.5m	3%	
Others	10.9m	14%	
Total shares in issue	79.3m	100%	

		At Share Price of	
		£2.50	£3.00
Dilutive effect of share appreciation rights	4.1m	5.5m	6.5m
Conventional options	3.2m	3.2m	3.2m
Issuance satisfied by EBT	<u>-2.0m</u>	<u>-2.0m</u>	<u>-2.0m</u>
Net dilutive effect of options	5.3m	6.7m	7.7m
Vesting of Forager crystallisation	4.9m	4.9m	4.9m
Diluted share capital	89.5m	90.9m	91.9m

Source: Polar Capital.

Well positioned in challenging times

Strong performance

- Consistent and impressive bull and bear market performance
- Across long and hedge strategies

Fund capacity

- Significant potential for further growth
- Total current capacity in the funds of > \$10 billion of which only \$5.1 billion currently utilised

Impressive asset gathering

- Reorganised, reformed and reinvigorated sales team
- Good asset inflows across a wide range of products

Operational robustness

- High quality, robust and scalable institutional style operational platform
- To support expansion through arrival of new teams and/or corporate activity

Strong balance sheet

- Strong cash position and public company status gives flexibility to pursue further opportunities

Establishment of new businesses

- Successful integration in 2010 of Financials, Convertibles and Emerging Market teams and in 2011 of the North American and European Market Neutral teams. Establishment of new Global Equity team in 2012

Source: Polar Capital.

House View

This document has been produced based on Polar Capital research and analysis and represents our house view. All sources are Polar Capital unless otherwise stated.

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