

POLAR CAPITAL HOLDINGS PLC

Results Presentation

For Year Ending

31 March 2010

Tim Woolley (CEO)
John Mansell (COO)
June 2010



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BUSINESS REVIEW



Polar Capital Overview

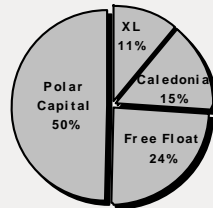
As at 31 March 2010

Polar Capital was established in 2001 and has \$2.5bn AUM, with 53 employees.

The Firm was listed on the London Stock Exchange (AIM) in February 2007.

The firm offers managers a level of infrastructure and corporate governance normally found in much larger organisations

Ownership



Management

Tim Woolley
CEO/ Co- Founder

Tom Bartlam
Non Executive Chairman

Charles Hale
Non Executive Director

John Mansell
Chief Operating Officer

Total Assets Under Management
\$2.53bn

Platform Infrastructure

Sales and Marketing

Operational Support

Risk Management

Compliance

Technology

Finance

Funds

Technology

Ben Rogoff
Nick Evans

2 funds
USD815m

Japan

James Salter
Gerard Cawley

USD682m

UK

Philip Hardy
Nick Shenton

2 funds
USD206m

European

Robert Gurner

2 funds
USD504m

Macro

Paul Lambert

USD245m

Healthcare

Dan Mahony
Gareth Powell

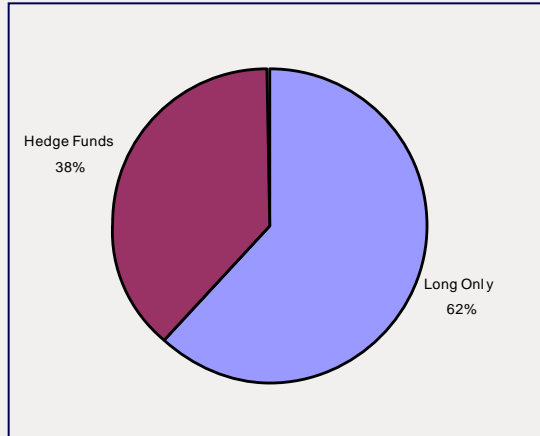
USD78m

Analysis of Assets Under Management

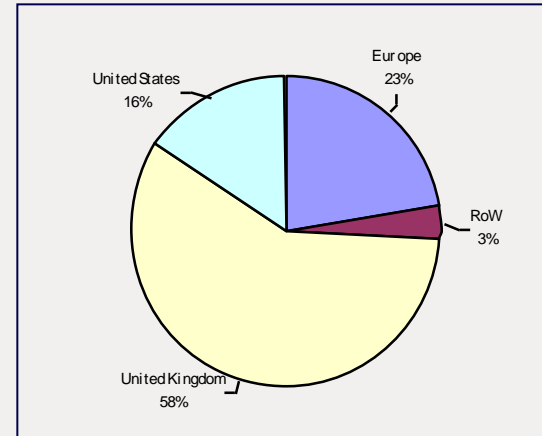
As at 31 March 2010



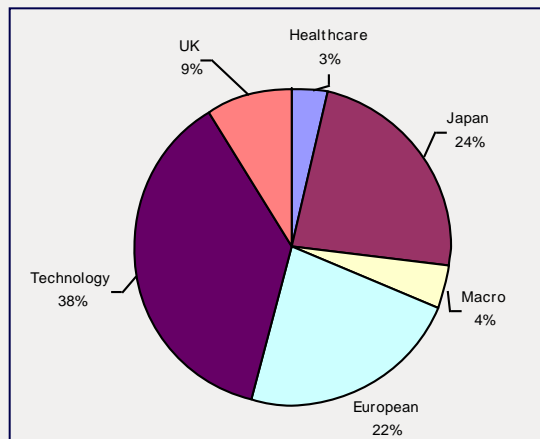
AuM split by strategy



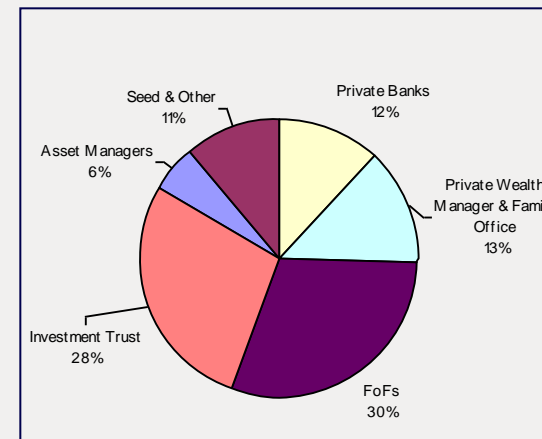
Investor Mix (by Geography)



AuM split by business unit



Investor Mix



Overview of Polar Capital

AUM flows



AUM at start of period: 31 March 2009			\$1.48bn
Gross outflows	quarter 1 [long 119 hedge 96]	\$(215)m	
	quarter 2 [long 17 hedge 31]	\$(48)m	
	quarter 3 [long 28 hedge 27]	\$(55)m	
	quarter 4 [long 61 hedge 41]	<u>\$(102)m</u>	
			\$(420)m
Gross inflows	quarter 1 [long 43 hedge 35]	\$78m	
	quarter 2 [long 150 hedge 146]	\$296m	
	quarter 3 [long 162 hedge 160]	\$322m	
	quarter 4 [long 280 hedge 107]	<u>\$387m</u>	
			\$1,083m
Fund closures			\$(92)m
Performance and currency movements			<u>\$479m</u>
AUM at end of period: 31 March 2010			\$2.53bn
Deduced AUM at 31 May 2010 (from published factsheets)			\$2.50bn

Fund Performance

at 31 May 2010



	Fund Size 31 May 2010	Launch Date	Performance 2009	Performance YTD*	Index	2009	YTD*
\$m							
Hedge Fund Strategies							
UK**	213	Nov 2001	9.21%	-1.11%			
European Conviction	107	Mar 2006	8.88%	-1.66%	Credit Suisse Tremont Long-Short	19.47%	-1.17%
European Forager	379	Aug 2003	24.90%	1.39%	Credit Suisse Global Macro	11.55%	3.61%
Discovery **	239	May 2006	-10.43%	-3.70%			
Long Only Strategies							
Technology Trust***	563	Feb 2001	51.92%	8.60%	Dow Jones World Technology (£)	44.6%	6.0%
Japan UCITS**	700	Oct 2001	10.30%	2.24%	Tokyo Stock Price (TOPIX)	3.6%	-3.0%
Global Technology UCITS	228	Oct 2001	71.56%	0.74%	Dow Jones World Technology (\$)	60.2%	-4.6%
Healthcare Opportunities UCITS	69	Dec 2007	13.71%	-5.75%	MSCI Healthcare	17.0%	-10.5%

* Figures to the 31 May 2010

** Fund sizes include mandates run off the same strategy

*** Based on GBP returns

Performance – Long Only Funds

at 31 May 2010



UCITS FUNDS – LIPPER PEER GROUP QUARTILE RANKINGS

	3 months	6 months	1 year	3 years	5 years
Healthcare Opportunities	2	2	2	N/A	N/A
Japan	1	1	1	1	1
Global Technology	1	1	1	2	2

POLAR CAPITAL TECHNOLOGY TRUST Cumulative Performance (%) to 28/05/2010

	1 month	3 months	6 months	1 year	5 years
Share Price	-5.51	14.81	28.56	64.48	60.17
NAV per Share	-2.32	6.60	18.48	45.74	49.18*
Benchmark	-3.75	4.20	15.28	39.65	47.68

* Not adjusted for warrant exercise in September 2005. NAV per share performance is calculated on the basis of diluted NAV for the entire period

Capacity of Funds



	Fund Size 31 Mar 10	Fund Size 31 May 10	Total Capacity in Current Funds
Hedge Fund Strategies			
UK*	\$206m	\$213m	\$1.00bn
European Conviction	\$118m	\$107m	\$1.00bn
European Forager	\$386m	\$379m	\$0.50bn
Discovery	\$245m	\$239m	\$2.00bn
Long Only Strategies			
Technology Trust	\$597m	\$563m	\$0.75bn
Global Technology UCITS	\$217m	\$228m	\$0.50bn
Japan UCITS*	\$682m	\$700m	\$1.00bn
Healthcare Opportunities UCITS	\$78m	\$69m	\$0.50bn
Total	\$2.53bn	\$2.50bn	\$7.25bn

*Fund sizes include mandates run off the same strategy

Strategy



Positioning

- Highly differentiated performance of funds
- Balance of long and hedge fund product
- Impressive asset gathering from invigorated sales force
- Strong operating infrastructure positions the business well for changes in the operating and regulatory environment
- Strong balance sheet
- Good internal morale

Strategy

- Continue to invest further in sales and marketing
- Attract AUM into current products
- Launch new products with current teams
- Attract top quality managers to join Polar Capital
- Consider opportunistic corporate activity

Strategy

Some Signs of Success



Continue to Invest Further In Sales and Marketing

- Added experienced sales person for London market
- Added additional sales support person
- Adding another experienced sales person for UK regions – joining in August

Attract AUM into Current Products

- Net inflows for last three quarters

Launch New Products With Current Teams

- Successful launch of Global Healthcare Growth and Income Trust in June
- £89m raised despite challenging markets



FINANCIAL REVIEW

Financial Review

Highlights



❑ AUM

- AUM at 31 March 2010 up 71% to \$2.5bn (2009: \$1.5bn)

❑ Profitability

- Pre-tax (pre SBP) profitability £3.7m (2009: £11.1m)
- Pre-tax (post SBP) profitability £3.1m (2009: £12.1m)

❑ EPS and Dividend

- Adjusted diluted EPS down to 3.8p (2009: 10p)
Adjustment excludes cost of share based payments
- Dividends for the year 4.5p (2009: 4.5p)

❑ Balance Sheet

- £16m of net cash (£19m gross cash) and £20m of liquid investments in own funds totalling £36m of liquid net assets

Financial Review

Costs



	2008 £m	2009 £m	2010 £m
Salaries and bonuses	8.1	7.7	8.1
Core distributions	2.2	2.2	1.6
Other staff costs	0.9	0.8	0.4
Core compensation costs	11.2	10.7	10.1
Other operating costs	7.6	7.9	4.2
Core operating costs	18.8	18.6	14.3
Performance fee interests	13.0	21.4	3.7
Total operating costs	£31.8m	£40.0m	£18.0m

- ❑ £4.3m **decrease** in core operating costs
- ❑ £0.6m **decrease** in pre-performance fee compensation.
- ❑ £3.7m **reduction** In other operating costs is a function of:
 - a) No 2009 investment losses
 - b) Rent free period in 2010
 - c) Costs of closing offices / funds/ franchises in 2009
- ❑ £17.7m **decrease** in performance fee interests product of Paragon fee in 2009.

Financial Review

Profitability



	2008 £m	2009 £m	2010 £m
Average AUM	\$3.65bn	\$2.67bn	\$1.93bn
Core operating profit	6.0	1.3	0.0
Performance fee profit	8.0	8.9	2.5
Interest and similar income	1.7	0.9	1.2
PBT pre IFRS S.B.P.	£15.7m	£11.1m	£3.7m
Share based payments ("S.B.P")	(1.2)	1.0	(0.6)
Statutory PBT	£14.5m	£12.1m	£3.1m

Financial Review

Dividend



- ❑ Dividends paid in the year 4.5p (2009: 4.5p).
- ❑ Dividend not fully covered but offset by cautious approach in 2009.
- ❑ Progressive dividend policy.
- ❑ Quantum of future dividends will take account of both current and anticipated profits as well as the strength of the balance sheet.

Summary

Well positioned in challenging times



Strong Performance		<ul style="list-style-type: none">❑ Consistent and impressive bull and bear market performance.❑ Across long and hedge strategies.
Fund Capacity		<ul style="list-style-type: none">❑ Significant potential for further growth.❑ Total current capacity in the funds of c.\$7.25 billion of which only \$2.5 billion currently utilised.
Impressive Asset Gathering		<ul style="list-style-type: none">❑ Good asset flows across all product types in the period.❑ Recent £90m raised into new Healthcare Investment Trust is evidence of asset raising capabilities.
Operational Robustness		<ul style="list-style-type: none">❑ High quality, robust and scalable institutional style operational platform.❑ To support expansion through arrival of new teams and / or corporate activity.
Strong Balance Sheet		<ul style="list-style-type: none">❑ Cash position and public company status gives flexibility to pursue potential opportunities at distressed stage of cycle.

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House View

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