

Ashmore Group plc

Acquisition of Emerging Markets Management, L.L.C.



24 February 2011

Ashmore

Highlights

- Acquisition of majority stake in Emerging Markets Management, L.L.C. ("EMM") by Ashmore
 - Dedicated emerging markets equity manager with approximately US\$10.4bn in AuM⁽¹⁾
 - Established investment platform with proven investment process
- In line with Ashmore's strategy
 - Specialist emerging markets equities business
 - High quality investment talent and capabilities
 - Potential for attractive distribution upside
- Increased ongoing employee equity ownership
- Transaction structure provides risk sharing through deferred consideration and earn-out
- Expected to be immediately earnings accretive
- Target completion by end of May 2011

...consistent with our strategy to grow the equity investment theme

Note:

(1) EMM AuM prepared on the basis of reconciled assets under management as at 31 January 2011, adjusted to illustrate the effect of all notified asset flows since such date until and up to 23 February 2011.

Overview of EMM

- Established in 1987
- Dedicated to emerging markets equities
- Approximately US\$10.4bn of AuM (at 31 Jan 2011)
 - Global EM active (85%): separate, commingled
 - Regional and Small Cap Strategies (15%): Africa, Middle East, South Asian, Latin Small Cap, Frontier, Latin
 - Quantitative (<1%)
- Long investment track record based on a fundamental and value-oriented investment process
- Institutional client base, primarily in Europe and the United States
- 71 employees including 31 investment professionals
- Headquartered in Arlington, Virginia (Washington) with local presence in Istanbul, Mumbai and Hong Kong

AuM: US\$10.4bn

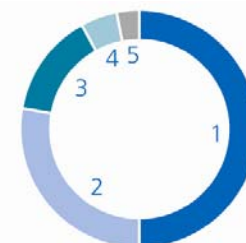
AuM by asset class (%)

1 Equity	100
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AuM by client type (%)

1 Pension	50
2 Commingled	28
3 Sub-advisory	14
4 Government	5
5 Other	3



AuM by client geography⁽¹⁾ (%)

1 Europe	38
2 UK	1
3 Americas	33
4 Asia Pacific	4
5 Middle East	4
6 Other	20



...pioneering emerging markets equities specialist

Note:

(1) Other includes commingled funds where underlying investors are located across geographies.

Strategic rationale

In line with Ashmore's strategy to grow its equity investment theme

- 1 Diversifies Ashmore's product offering and revenue streams
- 2 Provides pure emerging markets equities investment capability
- 3 Expands and diversifies client base by geography and client type
- 4 Delivers value and immediately EPS accretive (excluding synergies)
- 5 Potential for further value upside, particularly through distribution

...attractive and logical step to grow and develop the Ashmore business

Pro forma AuM

Ashmore AuM: US\$46.7bn

AuM by asset class
(%)

1 External debt	44
2 Local currency	17
3 Multi-strategy	17
4 Special situations	7
5 Corporate debt	2
6 Equity	1
7 Other	12



AuM by client type
(%)

1 Government	34
2 Pension	27
3 HNWI/retail	18
4 Sub-advisory	5
5 Banks	7
6 Other	9



AuM by client geography
(%)

1 Asia Pacific	35
2 Europe	21
3 Middle East	17
4 Americas	16
5 UK	11



Total Pro Forma AuM: US\$57.1bn⁽¹⁾

Pro Forma AuM by asset class
(%)

1 External debt	36
2 Local currency	14
3 Multi-strategy	14
4 Special situations	6
5 Corporate debt	2
6 Equity	19
7 Other	9



Pro Forma AuM by client type⁽²⁾
(%)

1 Government	29
2 Pension	31
3 HNWI/retail	15
4 Sub-advisory	6
5 Banks	6
6 Other	13



Pro Forma AuM by client geography⁽²⁾
(%)

1 Asia Pacific	29
2 Europe	24
4 Middle East	15
3 Americas	19
5 UK	9
6 Other	4



...enhances overall balance of Ashmore's business

Notes:

(1) Based on US\$10.4bn pro forma AuM for EMM as at 31-Jan-11 and US\$46.7bn AuM for Ashmore as at 31-Dec-10.

(2) Other includes commingled funds where underlying investors are located across client type and geographies.

Transaction structure

Structured to align interests

- Ashmore to acquire a 62.9% stake in EMM, with the remaining shares owned by key employees and founders
- Restructured shareholder structure: increase in employee ownership and reduction in ownership of founders and exit of Amundi
 - Existing arrangements with Amundi in relation to the distribution of EMM products to remain in place

Consideration

- Upfront consideration of US\$125.9m, consisting of:
 - US\$96.0m in cash
 - US\$29.9m in Ashmore shares
- Additional earn-out of up to US\$120.1m dependent upon the achievement of certain financial targets over the 3 year period following completion
 - Payable in a combination of cash and new Ashmore ordinary shares at the prevailing market price, such combination to be determined at Ashmore's discretion
- Cash consideration funded from existing cash resources
- Strong pro forma balance sheet and surplus capital

Conditions

- EMM selling shareholders have agreed to invest US\$9.0 million into EMM managed funds for a minimum period of three years
- Equity consideration released from lock-up: 20% 1 year post completion, 30% 2 years post completion, 50% 3 years post completion⁽¹⁾
- Completion targeted end of May 2011, subject to various conditions, including client consents

...structured to align interests

Note:

(1) Share component from earn-out released from lock-up 50% after 1 year, 50% after 2 years.

Key EMM financials

- AuM of US\$10.4bn as at 31 January 2011
- Net management fee margin of c. 65bps
- Majority of revenues currently derived from management fees
- Low fixed cost base, comparable operating margins
- 2010 PBT of US\$48.1m¹
- Variable compensation structure to be aligned with Ashmore

...consistent business model to Ashmore

Note:

(1) Audited and prepared on a US GAAP basis. Figure as stated and not pro forma for proposed Ashmore adjustments.

Operational structure

Governance

- EMM Board to be majority Ashmore
- EMM CEO Felicia Morrow to be responsible for day to day operational management and will become Co-CIO with founder and Chairman Antoine van Agtmael
- Ashmore to provide on-the-ground operational input

Investment process

- No change to EMM investment process
- Complementary with existing Ashmore investment philosophy
- Enhanced access to macro/local research

Marketing/Branding

- Ashmore EMM dual branding
- Joint approach to clients

Integration process

- Detailed integration planning underway
- Some potential efficiency benefits

...operational planning underway

Conclusion

- Clear strategic fit
- Scarce opportunity to add specialist EM equities business of scale
- Interests aligned through attractive transaction structure
- Good cultural fit
- Enhances diversification
- Potential for distribution upside
- Financially compelling, creates shareholder value

Disclaimer

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