

MAM FUNDS PLC

PRE-CLOSE UPDATE

MAM Funds plc, the AIM quoted fund management group, announces an update for the six months ended 30 June 2011.

A number of new initiatives have been undertaken since the appointment of new members to the board and the successful recapitalisation of MAM Funds plc (“MAM or the “Group”) in February 2011.

Following the announcement of the retirement of Simon Edwards in April 2011, Simon Callow and Mark Wright have been promoted to Lead Manager and Deputy Manager respectively to the Midas Balanced Growth Fund. Simon Callow joined the Group in 2005, becoming Co-Fund Manager to the Midas Balanced Growth Fund in June 2010. Mark has been providing research and analysis support to the investment team since joining in 2006.

Additionally, £50 million was raised for the Diverse Income Trust plc at launch on 28 April 2011 and Martin Turner joined in May 2011 to co-manage the trust with Gervais Williams.

Two further key appointments were made in May 2011 with Neil Bridge and Mark Harper joining as head of Business Development and Marketing respectively.

Currently the majority of our funds are defensively positioned and we expect them to sell well in periods following adverse market conditions. Whilst we expect our reinvigorated sales initiatives to accelerate the growth in scale of our funds in due course, our overall funds under management ended the period at £1.68 billion. New sales of the Miton branded funds and the successful launch of the Diverse Income Trust have largely been matched by the expected redemptions from our Midas branded funds.

Even with some incremental growth in costs as outlined above, the Group’s interim Adjusted Profit* will be in line with market expectations.

The Group incurred some exceptional charges in the period, including a £200,000 restructuring provision and a non cash IFRS based charge arising on the SOP executive share scheme, which was implemented in May 2011. The last of the interest payments, on the redeemed bank debt, were made in the first six weeks of the period prior to the conclusions of the fund raising in February 2011.

The Group remains cash generative with cash balances of £9 million at 30 June 2011.

The board intends to release the Group’s Interim Statement on 28 September 2011.

** Adjusted Profit is stated before net finance cost, tax, exceptional items, share based payments charge, amortisation, and impairment and depreciation. The directors believe the term adjusted profit allows shareholders to better understand the financial performance of the company and is calculated on the same basis as that used to calculate Adjusted Profit in the Annual Report and Accounts.*

- Further information on MAM can be found at: www.mamfundsplc.com
- For further information, please contact:

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Note to editors:

The Group manages eight OEICs, of which two are in the top decile, one is in the top quartile and a further two are in the top half of their sectors over the periods since launch. CF Miton Special Situations Portfolio and CF Miton Strategic Portfolio are also ranked in the top quartile of their sectors over the three and five year periods. The CF Midas Balanced Growth Fund is top decile over one and three months and top quartile over one year. The Group also manages three Investment Trusts.

The Group's fund management business has a very strong presence in the 'managed' fund sectors, which we believe are at the heart of investors' long term needs.