

Fourth Quarter and  
FY 2012 Review  
May 1, 2012

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# Forward-Looking Statements

This presentation may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995.

These forward-looking statements are not statements of facts or guarantees of future performance, and are subject to risks, uncertainties and other factors that may cause actual results to differ materially from those discussed in the statements.

For a discussion of these risks and uncertainties, please see “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in the Company’s Annual Report on Form 10-K for the fiscal year ended March 31, 2011 and in the Company’s quarterly reports on Form 10-Q.

# Achievements Against Strategy

## Outstanding independent investment managers

- 80% of marketed composite AUM performance is beating benchmark for the critical three year time period
- Managers received numerous recognitions for performance
- Launched new specialized mandates

## A corporate center that delivers strategic value

- Flattened global distribution organization to have more “feet on the street”
- Launched two closed-end funds managed by Brandywine and ClearBridge during the fiscal year
- Growing internationally - new distribution office in Geneva

## Allocating capital for diversified growth and returning capital to shareholders as appropriate

- Strong cash position of \$1.4B
- Repurchased 13.6M shares in FY12
- Seed capital of \$387M invested in products with AUM of \$27B
- Increased dividend 38% to \$0.11 per share
- Financial flexibility for bolt-on and targeted acquisitions

# Acknowledgement for Investment Performance in FY 2012



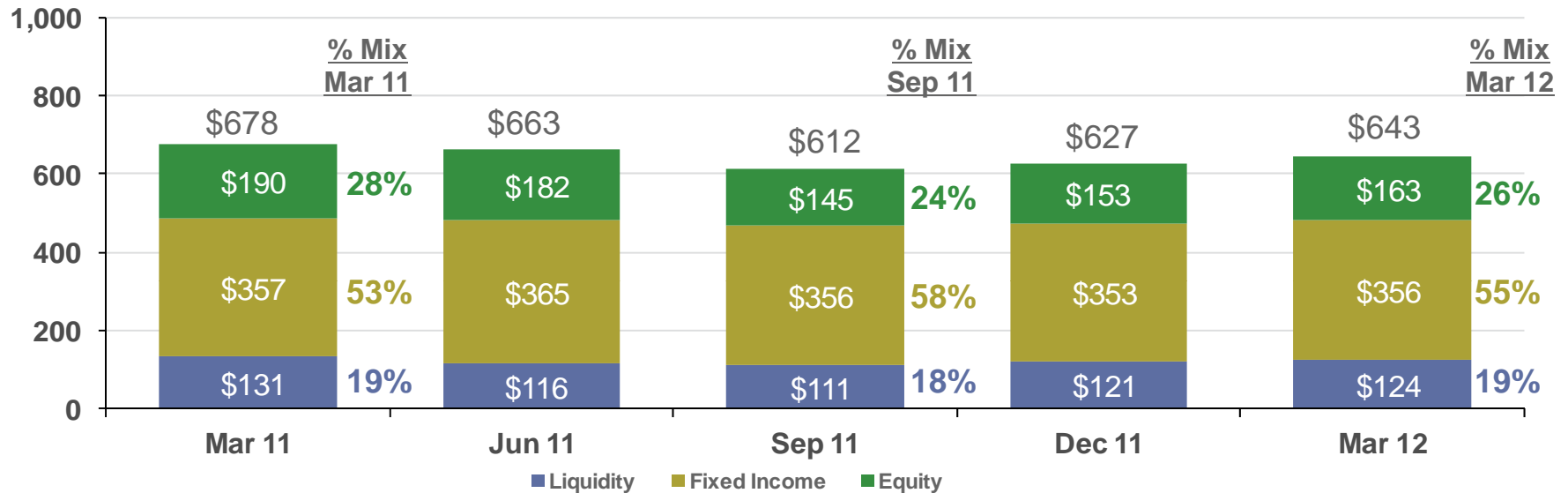
- Legg Mason was ranked sixth in InvestmentNews' list of Top Actively Managed Fund Firms in 2011
- Institutional Investor named Brandywine the Global Fixed Income Manager of the Year for 2011 and Western Asset the US Fixed Income Municipal Manager of the Year for 2011
- Permal won three awards at the Hedge Fund Review's European Fund of Hedge Fund Awards: Best Performing Specialist FoHF over 10 years, Best Performing Emerging Markets FoHF, and Long Term Achievement in Hedge Funds
- A Royce managed fund won the Benchmark<sup>1</sup> Fund of the Year Award for 2011 under the US Small Cap category based upon data provided by Morningstar Asia
- Western Asset, Brandywine, ClearBridge and Royce had a total of eight funds that were named "Category Kings" by the Wall Street Journal for 2011
- Two Brandywine funds won "Best of the Best" awards in the Global Bond category from Asia Asset Management
- Legg Mason's Global Asset Allocation team won two Lipper awards for "Best Fund over 3 Years" in the Mixed Asset USD Balanced-Global and Mixed Asset EUR Balanced-Global categories for the Dublin and Luxembourg fund ranges

# Fourth Quarter Highlights

- Net Income \$76.1M or \$0.54 per diluted share
- Adjusted Income \$123.6M or \$0.88 per diluted share
- Realized remaining savings related to our completed streamlining initiatives
- Successful Legg Mason BW Global Income Opportunities closed-end fund launch
  - Raised approximately \$459M assuming full exercise of the underwriters' overallotment option
  - Financial results include \$9.4M in closed-end fund launch costs or \$0.04 per diluted share
- Cash position of \$1.4B
- Long-term outflows improved 35% from the prior quarter

# Assets Under Management by Asset Class

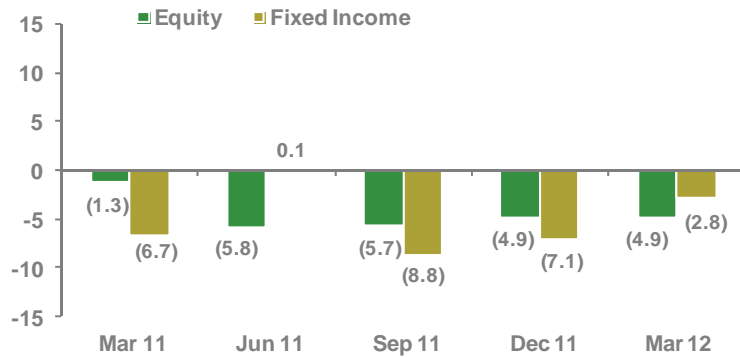
(\$ billions)



- Market appreciation \$24.4B, net of negative FX impact of \$2.0B
  - Equity and Fixed Income market appreciation \$16.8B and \$7.3B, respectively
- Average AUM of \$635B up \$13B or 2% from prior quarter

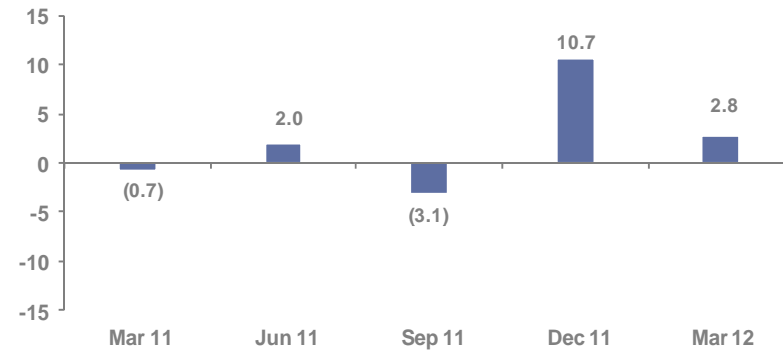
# Net Flows

### Long-Term Net Flows (\$B)



Organic Growth Rate -5.9% -4.2% -10.5% -9.5% -6.1%

### Liquidity Net Flows (\$B)



- Long-term outflows improved each of the past two quarters
- Equity outflows remained flat while Fixed Income outflows decreased 60%

# Assets Under Management (\$ billions)

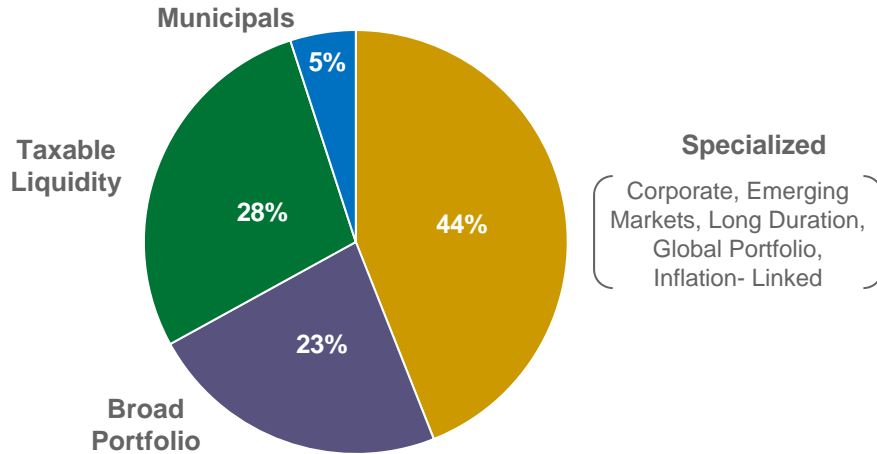
AUM by Affiliate <sup>1</sup>	Mar 12 AUM	Dec 11 AUM	Mar 11 AUM	% Change vs.	
				Dec 11	Mar 11
Western Asset	\$ 446.2	\$ 442.0	\$ 455.2	1 %	(2) %
Royce & Associates	39.7	35.9	43.9	11 %	(10) %
Permal Group	18.3	17.8	20.8	3 %	(12) %
ClearBridge	55.8	51.4	57.8	9 %	(3) %
Batterymarch	18.4	17.6	23.6	5 %	(22) %
Brandywine	37.2	33.1	31.8	12 %	17 %
LM Capital Mgmt	8.5	8.4	15.2	1 %	(44) %

<sup>1</sup> Primary affiliates ordered by contribution to fiscal year 2012 pre-tax earnings

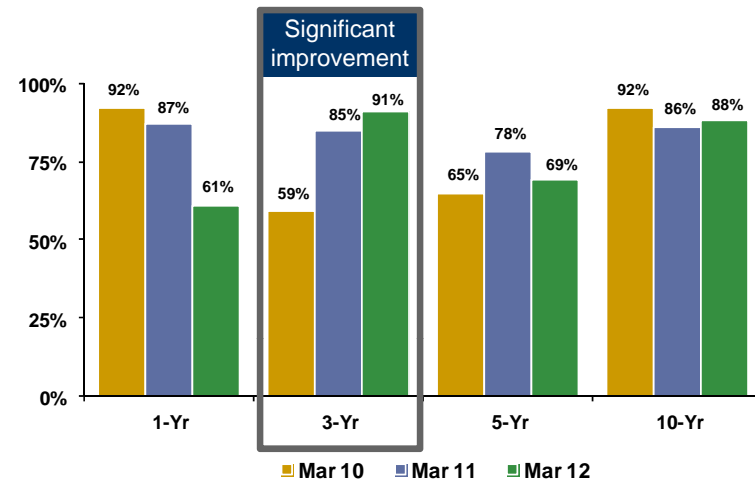


# Western Update

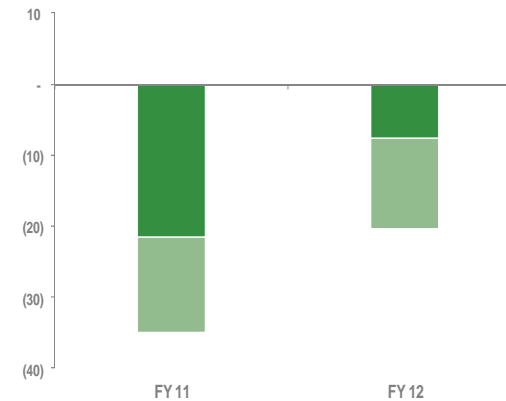
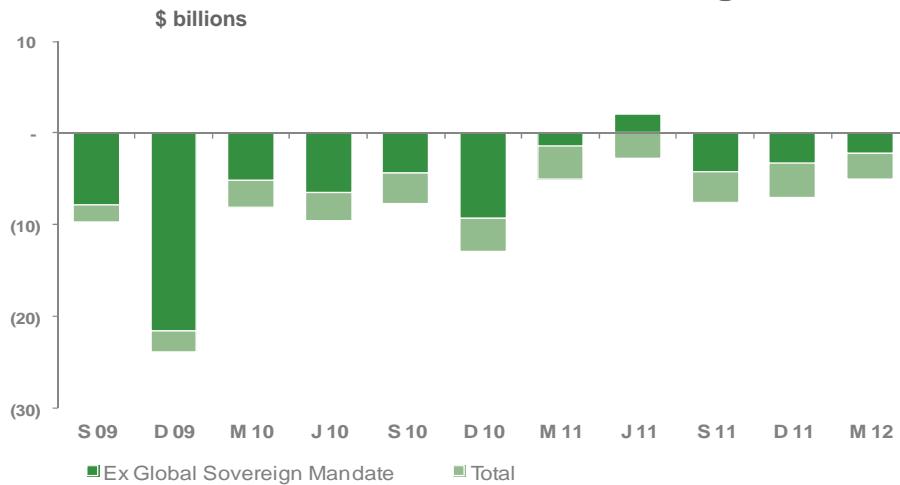
**Total AUM by Mandate: \$446B**



**% of Composite AUM Beating Benchmark<sup>1</sup>**



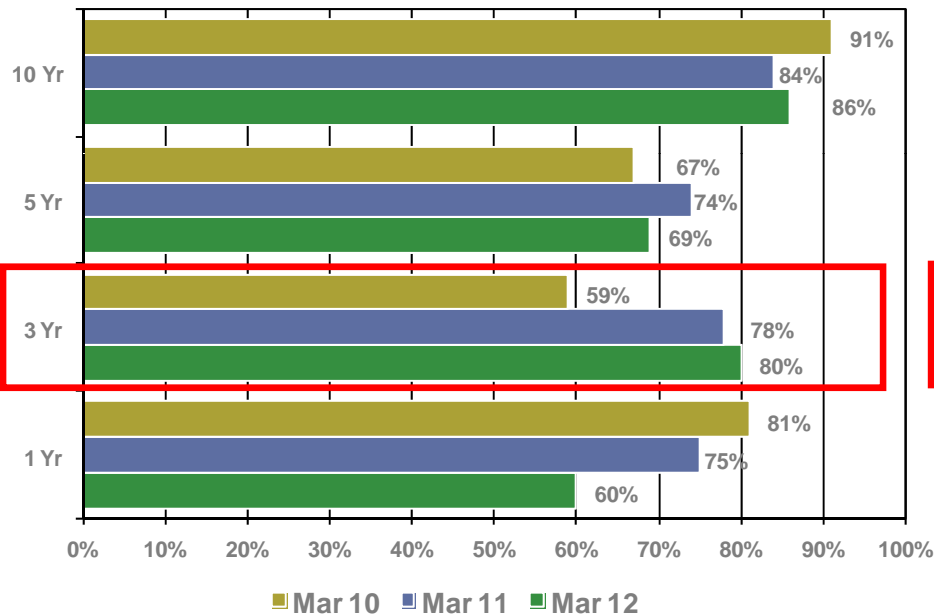
**Long-Term Net Flows**



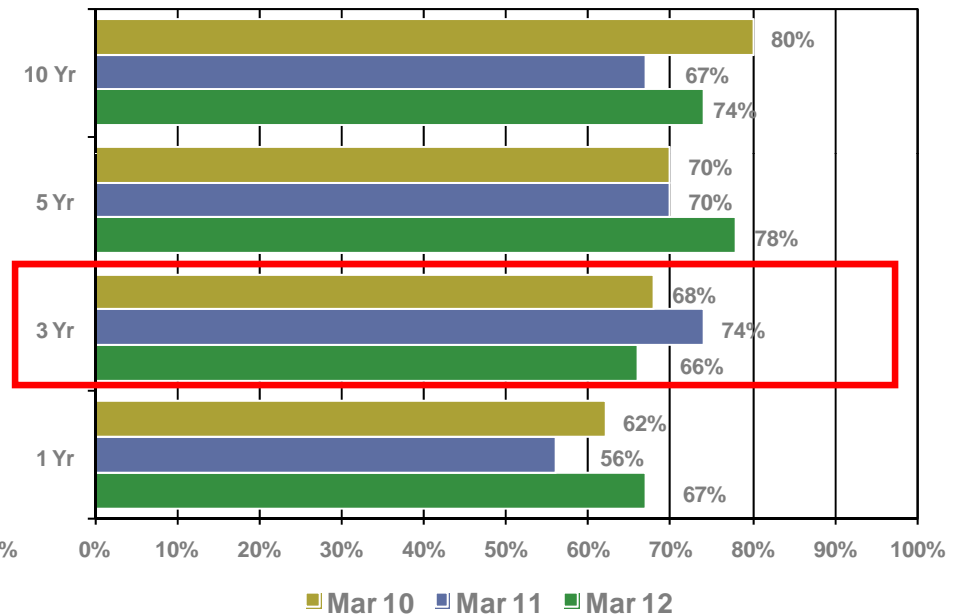
Year over year decline in net outflows 42% (excluding Global Sovereign Mandate 64%)

# Investment Performance

Marketed Composite Performance<sup>1</sup>  
% of AUM beating Benchmark



% of Long-Term U.S. Fund Assets  
beating Lipper Category Average<sup>2</sup>



<sup>1</sup> Represents 91% of total AUM as of March 31, 2012. Includes liquidity.

<sup>2</sup> Includes open-end, closed-end, and variable annuity funds. Source: Lipper Inc. and Morningstar

Past performance is no guarantee of future results. The information shown above does not reflect the performance of any specific fund. Individual fund performance will differ

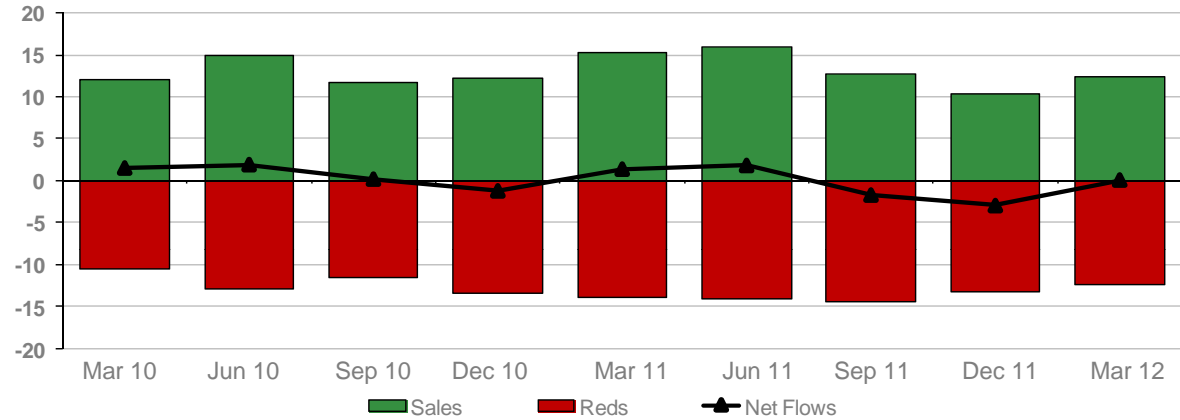
# Global Distribution

**Overview:** Centralized Global Distribution Platform for Retail, Individual and Selected International Institutional Markets

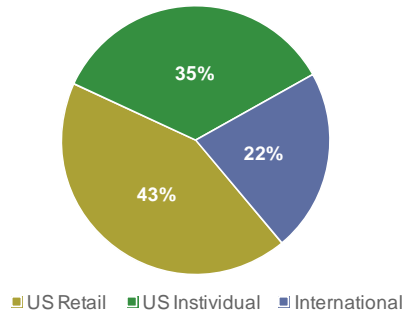
**Total AUM:** \$220 Billion

**Locations:** Offices in the US, Asia, Europe, Australia, Japan and Canada

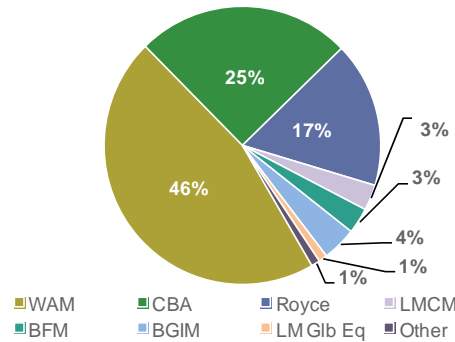
Quarterly Net Flows (\$B)<sup>1</sup>



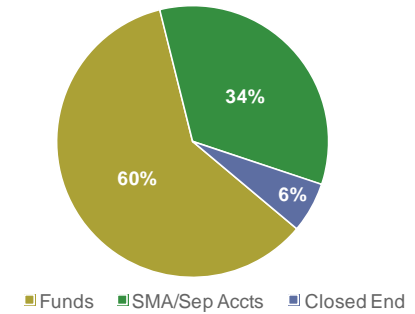
AUM by Channel



AUM by Affiliate



AUM by Product



<sup>1</sup> Represents long-term sales, redemptions and net flows by Legg Mason's centralized global distribution platform

# Operating Results FY 2012

(\$ millions, except per share amounts)	FY 12	FY 11	Variance	
			\$	%
<b>Operating Revenues</b>	\$ 2,662.6	\$ 2,784.3	\$ (121.7)	(4)%
<b>Operating Expenses</b>	2,323.8	2,397.5	(73.7)	(3)%
<b>Operating Income</b>	338.8	386.8	(48.0)	(12)%
<b>Net Income</b>	220.8	253.9	(33.1)	(13)%
<b>Diluted EPS</b>	1.54	1.63	(0.09)	(6)%
<b>Adjusted Income<sup>1</sup></b>	397.0	439.2	(42.2)	(10)%
<b>Adjusted Income per diluted share<sup>1</sup></b>	2.77	2.83	(0.06)	(2)%
<b>Operating Margin, as adjusted<sup>1</sup></b>	21.3%	23.2%		
<b>Effective Tax rate GAAP</b>	23.8%	32.7%		
<b>Effective Tax Rate ex CIVs</b>	24.6%	32.0%		

<sup>1</sup> See Appendix for GAAP reconciliation

# Financial Highlights Fourth Quarter FY 2012

- Net Income \$76M, \$0.54 per diluted share
- Average AUM of \$635B, up \$13B from prior quarter
- Operating revenues \$649M, up \$22M or 3% from prior quarter
  - Increase in average AUM and performance fees
- Operating expenses of \$576M increased \$9M or 2% from prior quarter
  - Increase primarily driven by:
    - Higher incentive compensation due to increased revenues
    - Closed-end fund launch costs
    - Increase in mark to market on deferred comp and seed investments
  - Partially offset by:
    - Lower transition-related costs
- Operating income \$72M, operating margin improved to 11.1%
- Adjusted income<sup>1</sup> increased to \$124M or \$0.88 per diluted share, compared to \$77M or \$0.55 per diluted share in prior quarter
- Operating income, as adjusted<sup>1</sup>, \$104M
- Operating margin, as adjusted<sup>1</sup>, 21.2%

<sup>1</sup> See Appendix for GAAP reconciliation

# Operating Results Fourth Quarter FY 2012

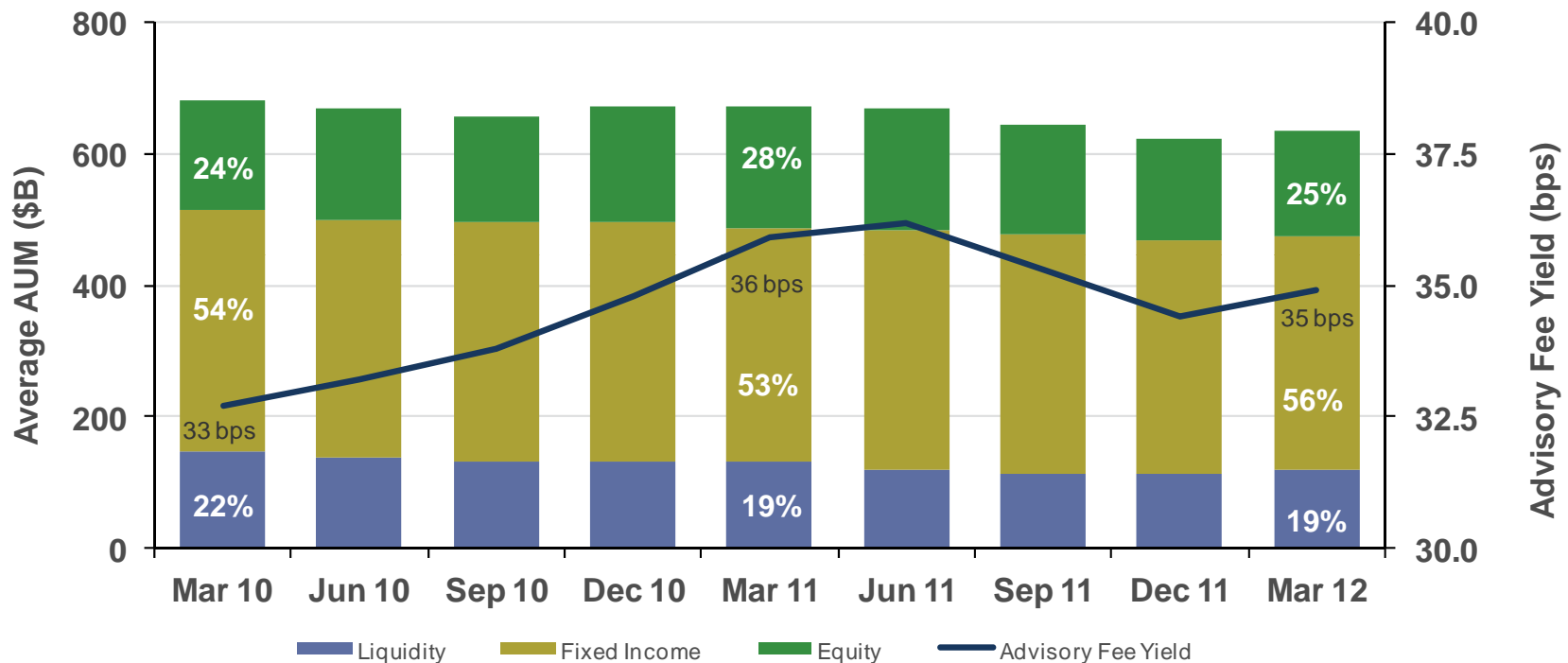
(\$ millions, except per share amounts)	Mar 12 Qtr	Dec 11 Qtr	Mar 11 Qtr	\$ Change vs.	
				Dec 11	Mar 11
<b>Operating Revenues</b>	\$ 648.6	\$ 627.0	\$ 713.4	\$ 21.6	\$ (64.8)
<b>Operating Expenses</b>	576.4	567.7	614.3	8.7	(37.9)
<b>Operating Income</b>	72.2	59.3	99.1	12.9	(26.9)
<b>Net Income</b>	76.1	28.1	69.0	47.9	7.0
<b>Diluted EPS</b>	0.54	0.20	0.45	0.34	0.09
<b>Adjusted Income<sup>1</sup></b>	123.6	76.8	117.7	46.9	5.9
<b>Adjusted Income per diluted share<sup>1</sup></b>	0.88	0.55	0.77	0.33	0.11
<b>Operating Margin, as adjusted<sup>1</sup></b>	21.2%	21.7%	23.4%		
<b>Effective Tax Rate GAAP</b>	30.2%	26.4%	31.0%		
<b>Effective Tax Rate ex CIVs</b>	30.3%	30.9%	31.6%		

<sup>1</sup> See Appendix for GAAP reconciliation

# Fourth Quarter Earnings Per Share Rollforward



# Advisory Fee Yield / Average AUM



- Improvement in the advisory fee yield during the Mar 12 quarter driven by the increase in average equity AUM



# Operating Expenses

(\$ millions)	Mar 12	Dec 11	% Chg	Mar 11	% Chg
Compensation and benefits	\$ 299.3	\$ 263.2	14%	\$ 311.5	(4%)
Distribution and servicing	160.3	148.3	8%	174.9	(8%)
Communications and technology	39.2	43.5	(10%)	43.3	(10%)
Occupancy	29.5	56.4	(48%)	33.4	(12%)
Amortization of intangible assets	3.6	4.9	(26%)	5.7	(36%)
Other	44.5	51.4	(14%)	45.5	(2%)
Total Operating Expenses	<u>\$ 576.4</u>	<u>\$ 567.7</u>	2%	<u>\$ 614.3</u>	(6%)

- Distribution and servicing increase largely driven by closed-end fund launch and higher average AUM
- Decline in communications, technology, and occupancy driven by decrease in transition-related costs, net of prior quarter lease reserve credit
- Other expenses decreased due to an assessment fee refund and lower fund related costs, professional fees and advertising

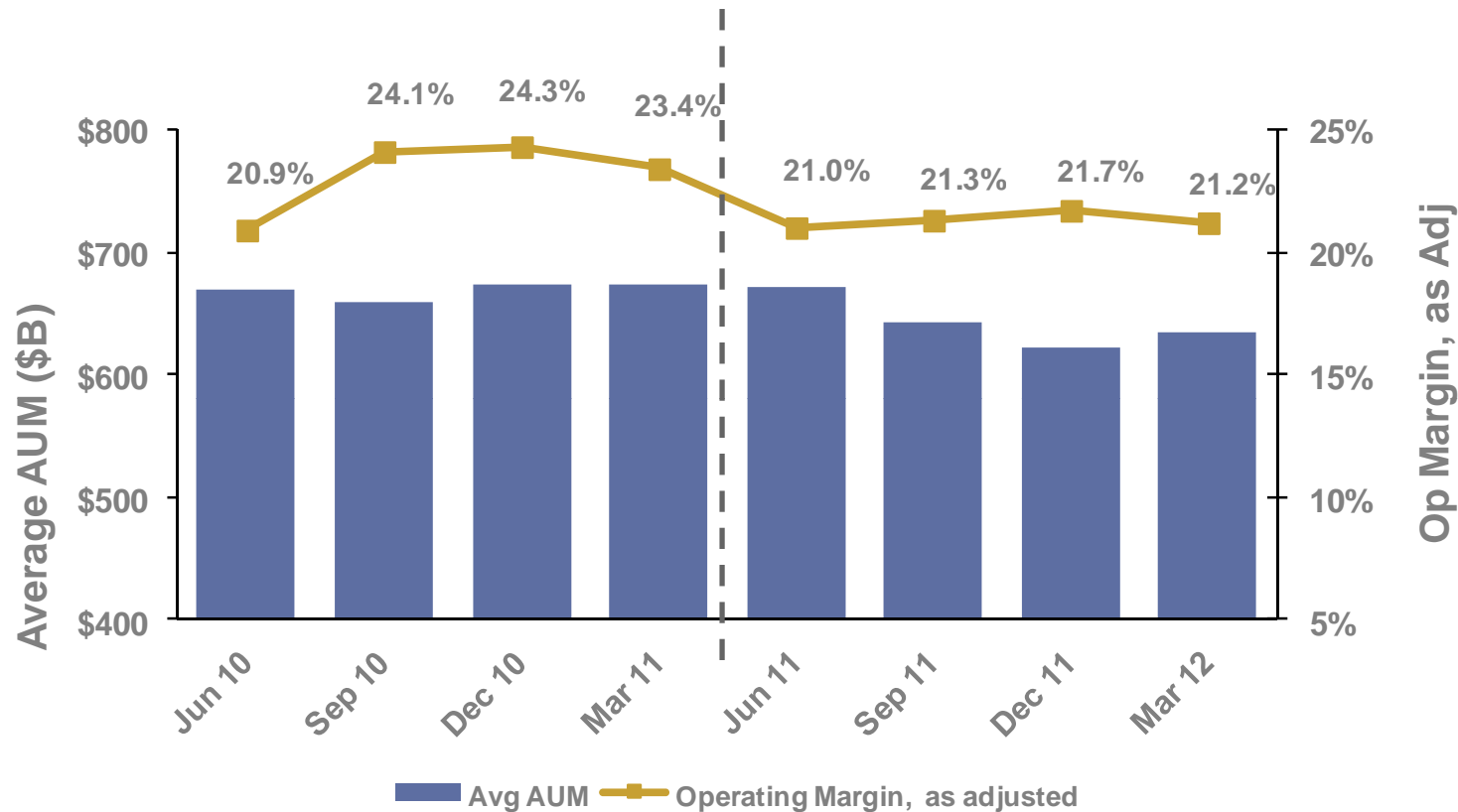
# Compensation and Benefits

(\$ millions)	Mar 12	% of Net Rev. <sup>1</sup>	Dec 11	% of Net Rev.	\$ Change
Salary and incentives	\$ 215.0	44%	\$ 206.6	43%	\$ 8.4
Benefits and payroll taxes	51.9	11%	44.0	9%	7.9
<b>Subtotal Compensation and benefits</b>	<b>266.9</b>	<b>55%</b>	<b>250.6</b>	<b>52%</b>	<b>16.3</b>
Transition-related costs and severance	3.7	1%	10.9	3%	(7.3)
MTM deferred comp. and seed investments	28.7	5%	1.7	0%	27.1
Total Compensation and Benefits	<u>\$ 299.3</u>	61%	<u>\$ 263.2</u>	55%	<u>36.1</u>

- Compensation and benefits increase related to higher operating revenues, seasonal benefit costs, and increased commissions on higher sales, partially offset by streamlining-related savings
- Closed-end fund launch in March quarter had a 1% impact on the comp ratio
- Prior quarter compensation ratio reduced by approximately 1% due to higher non-compensation-related expenses in revenue share affiliates that are offset in compensation

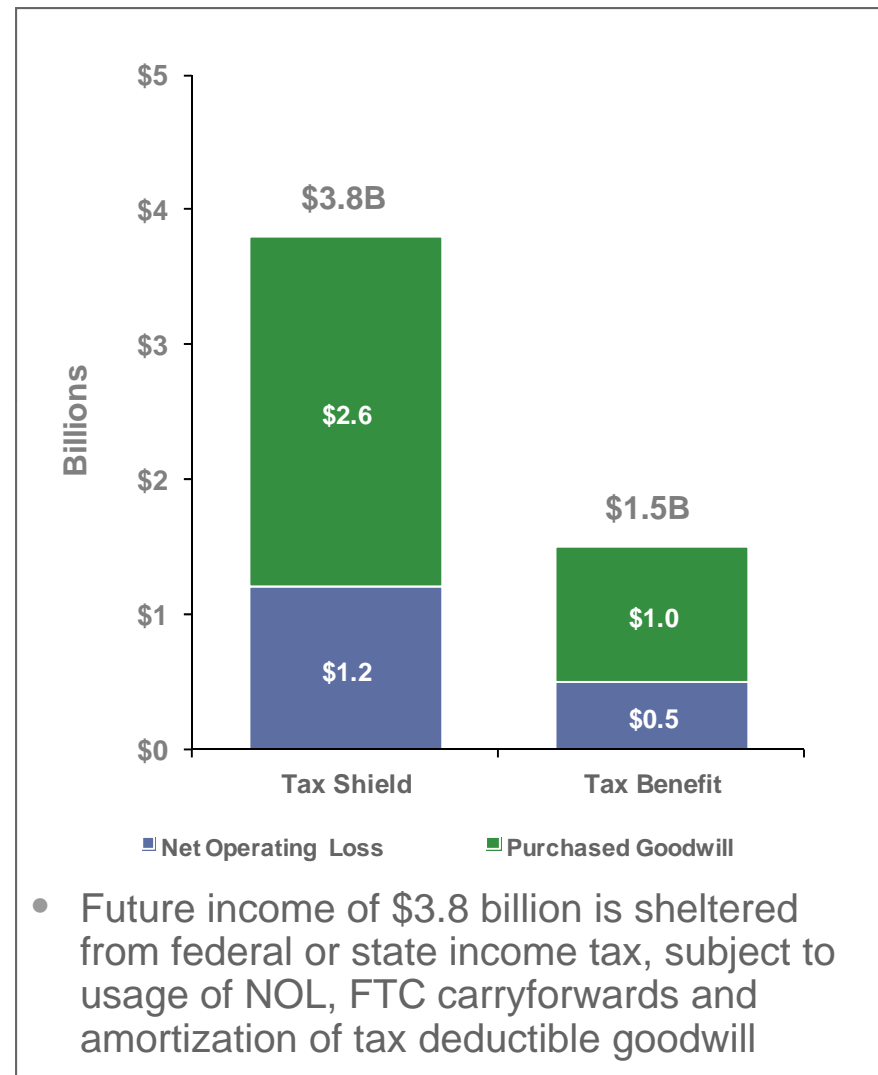
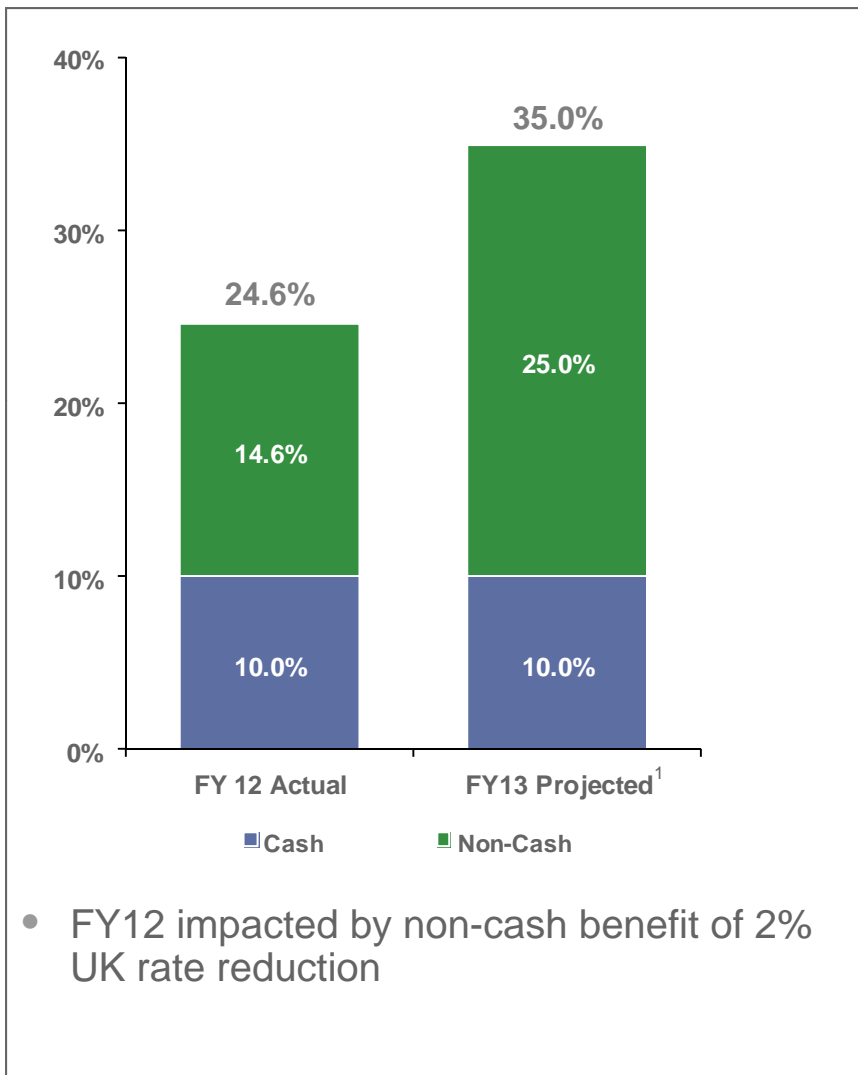
<sup>1</sup> Net revenue is equal to operating revenues, as adjusted

# Operating Margin, as Adjusted



- Change in operating margin from prior quarter reflects improvement from streamlining initiatives and increased revenue, offset by closed-end fund and seasonal comp costs
- Impact of closed-end fund launch on operating margin, as adjusted approximately 1.6%

# Significant Tax Benefit

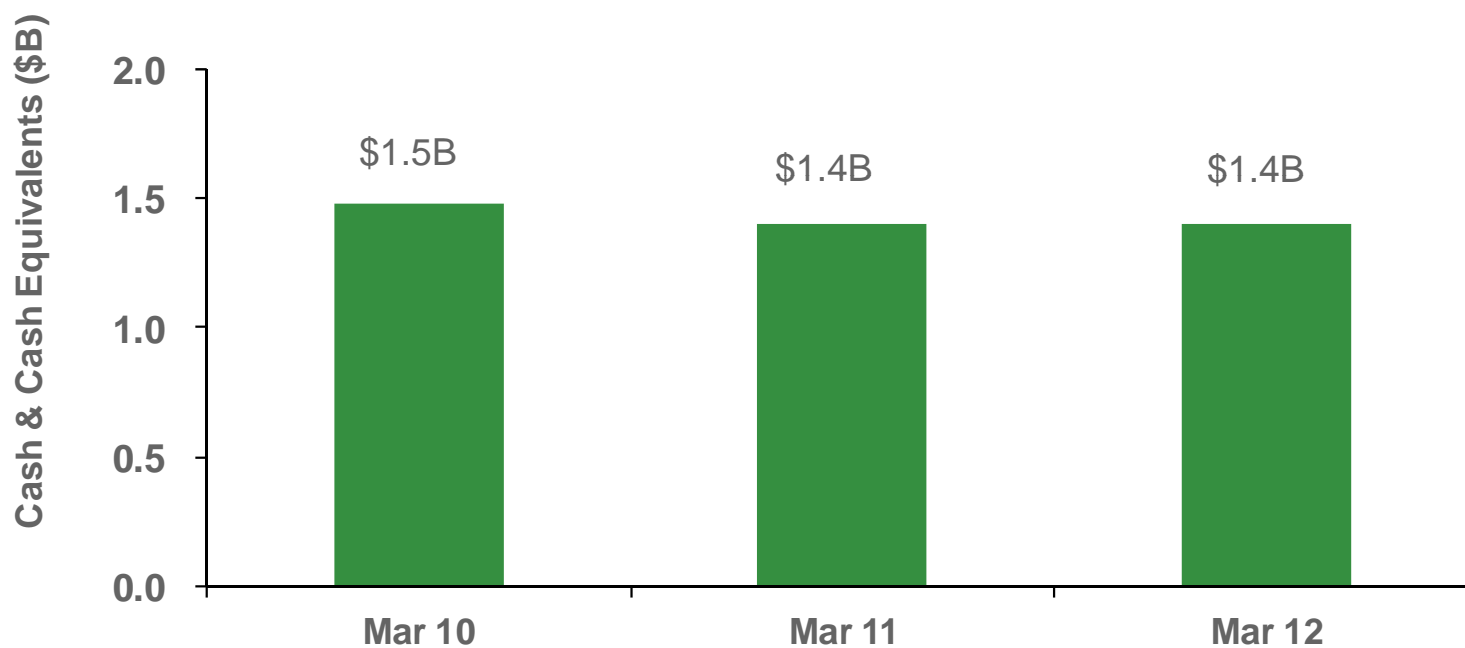


Data as of March 31, 2012

<sup>1</sup> FY13 projection prior to potential UK tax rate reduction

# Maintaining Strong Cash Balance

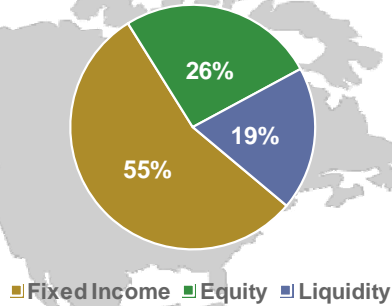
Over the past 2 fiscal years, we have returned over \$900M in capital to shareholders in the form of buybacks and dividends, yet our cash balance has remained flat



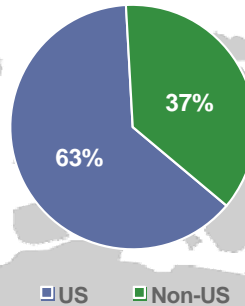
# Diversity & Scale

**Total AUM \$643B**

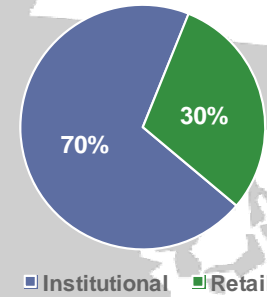
AUM by Asset Class



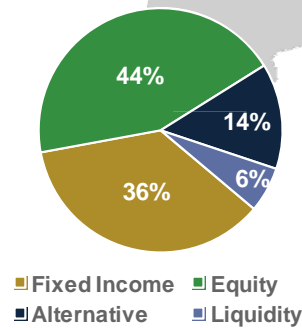
AUM by Client Domicile



AUM by Client



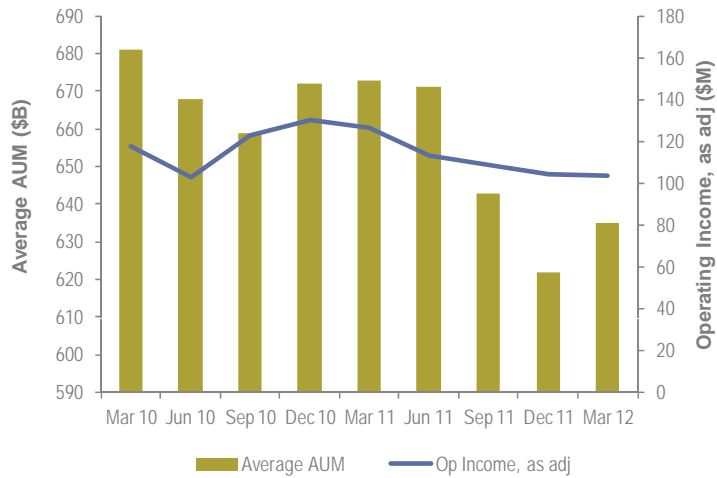
**FY2012 Gross Revenues \$2.7B**



Data as of March 31, 2012

# Significant Progress in Volatile Markets

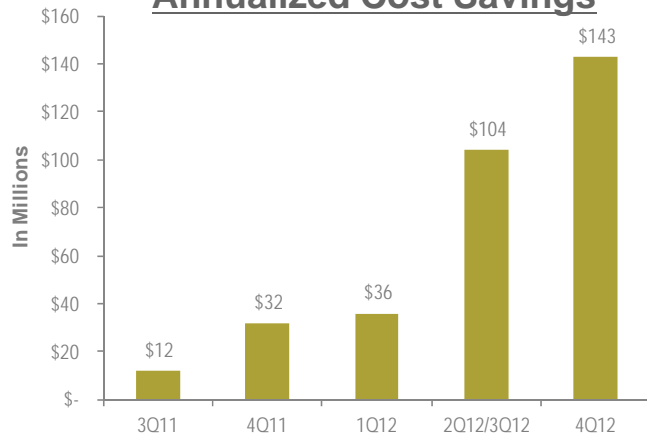
## Operating Income, as adjusted<sup>1</sup>



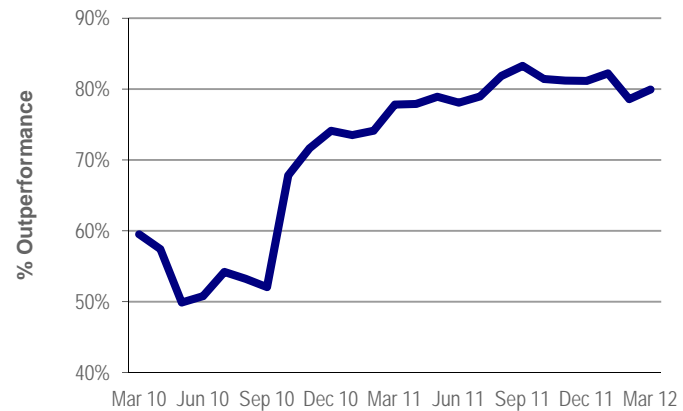
## Capital Allocation



## Annualized Cost Savings



## 3 Year Composite Outperformance<sup>2</sup>



<sup>1</sup>See Appendix for GAAP reconciliation

<sup>2</sup>Includes liquidity

Benchmark source: Lipper and Morningstar

# Revenue & EPS Growth

## Competitive Positioning

Respected Brands

Scale

Diversity

Global Distribution

## Drives Significant Financial Flexibility

Over \$900M operating income, as adjusted generated in last eight quarters

## Three Priorities for Improving Shareholder Value

### Growing Organically

- Strong performance
- Institutional expansion
- Global retail momentum
- Customized solutions

### Filling Product Gaps

- Select bolt-ons and lift-outs
- International equities
- Alternatives

### Returning Capital

- Over \$440M returned to shareholders in FY12
- Increased quarterly dividend 38% to \$0.11 per share
- Over past two years the quarterly dividend has increased from \$0.04 to \$0.11



# Appendix

# Streamlined Legg Mason Business Model



# New Products Target Long-Term AUM Growth

## Top product launches

Product	Launch Date	Assets at Mar-12
Legg Mason Foreign Investment Grade Credit Bond Fund	Feb 09	\$6.2B
Legg Mason Brazilian Government Bond Fund	Oct 08	\$4.2B
Legg Mason Australian Bond Fund	May 08	\$2.4B
ClearBridge Energy MLP Fund	Jun10	\$1.9B
RLJ Western Asset Public/Private Master Fund	Nov 09	\$1.5B
Legg Mason BW Global Opportunities Bond Fund	Nov 06	\$1.4B
Legg Mason Global Plus	Aug 07	\$1.2B
Legg Mason Global Multi Strategy Bond Fund	May 08	\$984M
ClearBridge Energy MLP Opportunity Fund	Jun 11	\$787M
Legg Mason Western Asset Asian Opportunities Bond Fund	Jun 08	\$773M

# Appendix - GAAP Reconciliation

## Consolidated Statements of Income excluding Investment Vehicles<sup>1</sup>

(\$ millions)	Quarter Ended March 31, 2012			Quarter Ended December 31, 2011			Quarter Ended March 31, 2011		
	GAAP Basis	Consolidated Investment Vehicles	Non-GAAP Basis - Excluding Investment Vehicles	GAAP Basis	Consolidated Investment Vehicles	Non-GAAP Basis - Excluding Investment Vehicles	GAAP Basis	Consolidated Investment Vehicles	Non-GAAP Basis - Excluding Investment Vehicles
<b>Operating Revenues:</b>									
Investment advisory fees	\$ 564.7	\$ 0.6	\$ 565.4	\$ 545.2	\$ 0.7	\$ 546.0	\$ 616.1	\$ 1.2	\$ 617.4
Distribution and service fees	82.4	0.0	82.4	80.7	0.0	80.7	95.0	0.0	95.0
Other	1.5	-	1.5	1.0	-	1.0	2.3	-	2.3
Total operating revenues	648.6	0.7	649.3	627.0	0.8	627.7	713.4	1.2	714.7
<b>Operating Expenses:</b>									
Compensation and benefits	299.3	-	299.3	263.2	-	263.2	311.5	-	311.5
Distribution and servicing	160.3	(0.0)	160.3	148.3	(0.0)	148.3	174.9	(0.1)	174.8
Other	116.7	(0.1)	116.6	156.2	(0.1)	156.1	127.9	(0.1)	127.8
Total operating expenses	576.4	(0.1)	576.2	567.7	(0.1)	567.6	614.3	(0.1)	614.2
<b>Operating Income</b>	<b>72.2</b>	0.8	73.0	<b>59.3</b>	0.9	60.2	<b>99.1</b>	1.4	100.5
<b>Other Non-Operating Income (Expense)</b>									
Net interest income (expense)	(18.9)	-	(18.9)	(19.3)	-	(19.3)	(19.5)	-	(19.5)
Other income (expense)	56.7	(1.4)	55.2	7.7	(7.8)	(0.1)	23.0	(3.0)	19.9
Other non-operating income (expense)	37.8	(1.4)	36.3	(11.6)	(7.8)	(19.4)	3.5	(3.0)	0.5
<b>Income Before Income Tax Provision</b>	<b>110.0</b>	(0.6)	109.4	<b>47.7</b>	(6.9)	40.8	<b>102.6</b>	(1.7)	101.0
Income tax (benefit) provision	33.2	-	33.2	12.6	-	12.6	31.9	-	31.9
<b>Net Income</b>	<b>76.8</b>	(0.6)	76.2	<b>35.1</b>	(6.9)	28.2	<b>70.8</b>	(1.7)	69.1
Less: Net income (loss) attributable to noncontrolling interests	0.7	(0.6)	0.1	7.0	(6.9)	0.1	1.7	(1.7)	0.1
<b>Net Income Attributable to Legg Mason, Inc.</b>	<b>\$ 76.1</b>	\$ -	\$ 76.1	<b>\$ 28.1</b>	\$ -	\$ 28.1	<b>\$ 69.0</b>	\$ -	\$ 69.0
<b>Effective Income Tax Rate</b>	30.2%			26.4%			31.0%		
<b>Effective Income Tax Rate Excluding Consolidated Investment Vehicles</b>			30.3%			30.9%			31.6%

<sup>1</sup> See explanations for Use of Supplemental Data as Non-GAAP Performance Measures in earnings release.

# Appendix - GAAP Reconciliation

## Consolidated Statements of Income excluding Investment Vehicles<sup>1</sup>

	Year Ended March 31, 2012			Year Ended March 31, 2011		
	GAAP Basis	Consolidated Investment Vehicles	Non-GAAP Basis - Excluding Investment Vehicles	GAAP Basis	Consolidated Investment Vehicles	Non-GAAP Basis - Excluding Investment Vehicles
(\$ millions)						
<b>Operating Revenues:</b>						
Investment advisory fees	\$ 2,316.4	\$ 3.0	\$ 2,319.4	\$ 2,398.9	\$ 4.0	\$ 2,403.0
Distribution and service fees	341.0	0.1	341.0	379.2	0.1	379.3
Other	5.3	-	5.3	6.2	-	6.2
Total operating revenues	2,662.6	3.1	2,665.7	2,784.3	4.1	2,788.5
<b>Operating Expenses:</b>						
Compensation and benefits	1,144.3	-	1,144.3	1,185.4	-	1,185.4
Distribution and servicing	649.7	(0.1)	649.7	712.8	(0.1)	712.8
Other	529.8	(0.5)	529.2	499.3	(0.5)	498.8
Total operating expenses	2,323.8	(0.6)	2,323.2	2,397.5	(0.6)	2,396.9
<b>Operating Income</b>	<b>338.8</b>	3.7	342.5	<b>386.8</b>	4.7	391.5
<b>Other Non-Operating Income (Expense)</b>						
Net interest income (expense)	(76.1)	-	(76.1)	(82.9)	-	(82.9)
Other income (expense)	40.4	(13.6)	26.9	61.3	3.7	65.0
Other non-operating income (expense)	(35.7)	(13.6)	(49.2)	(21.6)	3.7	(17.9)
<b>Income Before Income Tax Provision</b>	<b>303.1</b>	(9.9)	293.2	<b>365.2</b>	8.4	373.6
Income tax (benefit) provision	72.1	-	72.1	119.4	-	119.4
<b>Net Income</b>	<b>231.0</b>	(9.9)	221.2	<b>245.8</b>	8.4	254.1
Less: Net income (loss) attributable to noncontrolling interests	10.2	(9.9)	0.4	(8.2)	8.4	0.2
<b>Net Income Attributable to Legg Mason, Inc.</b>	<b>\$ 220.8</b>	\$ -	\$ 220.8	<b>\$ 253.9</b>	\$ -	\$ 253.9
<b>Effective Income Tax Rate</b>	23.8%			32.7%		
<b>Effective Income Tax Rate Excluding Consolidated Investment Vehicles</b>			24.6%			32.0%

<sup>1</sup> See explanations for Use of Supplemental Data as Non-GAAP Performance Measures in earnings release.

# Appendix – GAAP Reconciliation Adjusted Income<sup>1</sup>

(\$ millions, except per share amounts)	Quarters Ended			Twelve Months Ended	
	Mar 12	Dec 11	Mar 11	Mar 12	Mar 11
<b>Net Income attributable to Legg Mason, Inc.</b>	\$ 76.1	\$ 28.1	\$ 69.0	\$ 220.8	\$ 253.9
Plus (Less):					
Amortization of intangible assets	3.6	4.9	5.7	19.6	22.9
Deferred income taxes on intangible assets:					
Tax amortization benefit	33.9	34.0	33.5	135.8	134.6
UK tax rate adjustment	-	-	-	(18.3)	(8.9)
Imputed interest on convertible debt	10.0	9.8	9.4	39.1	36.7
<b>Adjusted Income</b>	<b>\$ 123.6</b>	<b>\$ 76.8</b>	<b>\$ 117.7</b>	<b>\$ 397.0</b>	<b>\$ 439.2</b>
<b>Net Income per Diluted Share attributable to Legg Mason, Inc. common shareholders</b>	\$ 0.54	\$ 0.20	\$ 0.45	\$ 1.54	\$ 1.63
Plus (Less):					
Amortization of intangible assets	0.03	0.04	0.04	0.14	0.15
Deferred income taxes on intangible assets:					
Tax amortization benefit	0.24	0.24	0.22	0.95	0.87
UK tax rate adjustment	-	-	-	(0.13)	(0.06)
Imputed interest on convertible debt	0.07	0.07	0.06	0.27	0.24
<b>Adjusted Income per Diluted Share</b>	<b>\$ 0.88</b>	<b>\$ 0.55</b>	<b>\$ 0.77</b>	<b>\$ 2.77</b>	<b>\$ 2.83</b>

<sup>1</sup> See explanations for Use of Supplemental Data as Non-GAAP Performance Measures in earnings release.

# Appendix – GAAP Reconciliation

## Operating Margin, as adjusted<sup>1</sup>

(\$ millions)	Quarters Ended									Twelve Months Ended	
	Mar 10	Jun 10	Sep 10	Dec 10	Mar 11	Jun 11	Sep 11	Dec 11	Mar 12	Mar 11	Mar 12
<b>Operating Revenues, GAAP basis</b>	\$ 671.4	\$ 674.2	\$ 674.8	\$ 721.9	\$ 713.4	\$ 717.1	\$ 669.9	\$ 627.0	\$ 648.6	\$ 2,784.3	\$ 2,662.6
Plus (Less):											
Operating revenues eliminated upon consolidation of investment vehicles	0.5	0.8	1.0	1.2	1.2	1.1	0.6	0.8	0.7	4.1	3.1
Distribution and servicing expense excluding consolidated investment vehicles	<u>(167.4)</u>	<u>(184.7)</u>	<u>(165.8)</u>	<u>(187.4)</u>	<u>(174.8)</u>	<u>(180.7)</u>	<u>(160.4)</u>	<u>(148.3)</u>	<u>(160.3)</u>	<u>(712.8)</u>	<u>(649.7)</u>
<b>Operating Revenues, as adjusted</b>	<u>\$ 504.5</u>	<u>\$ 490.3</u>	<u>\$ 509.9</u>	<u>\$ 535.7</u>	<u>\$ 539.8</u>	<u>\$ 537.4</u>	<u>\$ 510.1</u>	<u>\$ 479.5</u>	<u>\$ 489.0</u>	<u>\$ 2,075.7</u>	<u>\$ 2,016.0</u>
<b>Operating Income, GAAP basis</b>	\$ 105.8	\$ 102.8	\$ 87.9	\$ 97.0	\$ 99.1	\$ 100.4	\$ 106.9	\$ 59.3	\$ 72.2	\$ 386.8	\$ 338.8
Plus (Less):											
Gains (losses) on deferred compensation and seed investments	11.2	(4.6)	22.1	8.6	10.2	(2.4)	(14.2)	1.7	28.7	36.3	13.8
Transition-related costs	-	3.2	11.6	24.0	15.7	13.7	15.1	42.3	1.9	54.4	73.1
Operating income and expenses of consolidated investment vehicles	<u>0.8</u>	<u>1.2</u>	<u>1.5</u>	<u>0.6</u>	<u>1.4</u>	<u>1.2</u>	<u>0.9</u>	<u>0.9</u>	<u>0.8</u>	<u>4.7</u>	<u>3.7</u>
<b>Operating Income, as adjusted</b>	<u>\$ 117.8</u>	<u>\$ 102.6</u>	<u>\$ 123.1</u>	<u>\$ 130.2</u>	<u>\$ 126.4</u>	<u>\$ 112.9</u>	<u>\$ 108.6</u>	<u>\$ 104.2</u>	<u>\$ 103.7</u>	<u>\$ 482.2</u>	<u>\$ 429.3</u>
Operating margin, GAAP basis	15.8%	15.2%	13.0%	13.4%	13.9%	14.0%	16.0%	9.5%	11.1%	13.9%	12.7%
Operating margin, as adjusted	23.3%	20.9%	24.1%	24.3%	23.4%	21.0%	21.3%	21.7%	21.2%	23.2%	21.3%

<sup>1</sup> See explanations for Use of Supplemental Data as Non-GAAP Performance Measures in earnings release.