

2007 Second Quarter Results

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August 2, 2007

Forward Looking Statements

This presentation may include statements that constitute “forward-looking statements” under the United States securities laws. Forward-looking statements include information concerning possible or assumed future results of our operations, earnings, liquidity, cash flow and capital expenditures, industry or market conditions, assets under management, acquisition activities and the effect of completed acquisitions, debt levels and the ability to obtain additional financing or make payments on our debt, regulatory developments, demand for and pricing of our products and other aspects of our business or general economic conditions. In addition, when used in this presentation, words such as “believes,” “expects,” “anticipates,” “intends,” “plans,” “estimates,” “projects,” and future or conditional verbs such as “will,” “may,” “could,” “should,” and “would,” and any other statement that necessarily depends on future events, are intended to identify forward-looking statements.

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Discussion Topics

- 1 Our Business Today
- 2 Financial Results
- 3 Questions and Answers
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Summary of Second Quarter 2007 Results

AUM

- June 30 AUM of \$491.6 billion, up \$20.4 billion since the end of 1Q07
- 2Q07 average AUM was \$484.3 billion, up \$17.4 billion since 1Q07

Quarterly Flows

- Long-term net flows were positive during the quarter at \$0.7 billion
- Long-term gross sales continued at a strong pace relative to 2006 levels
- Redemption rate of long-term assets declined to 25.7% from 29.3%

Overall Operating Results

- Diluted EPS for the quarter was \$0.21, compared to \$0.19 in 1Q07 and \$0.15 in 2Q06, driven by strong operating profit growth.
- Net operating margins were 37.6% in the quarter versus 35.4% in 1Q07 and 32.6% in 2Q06*

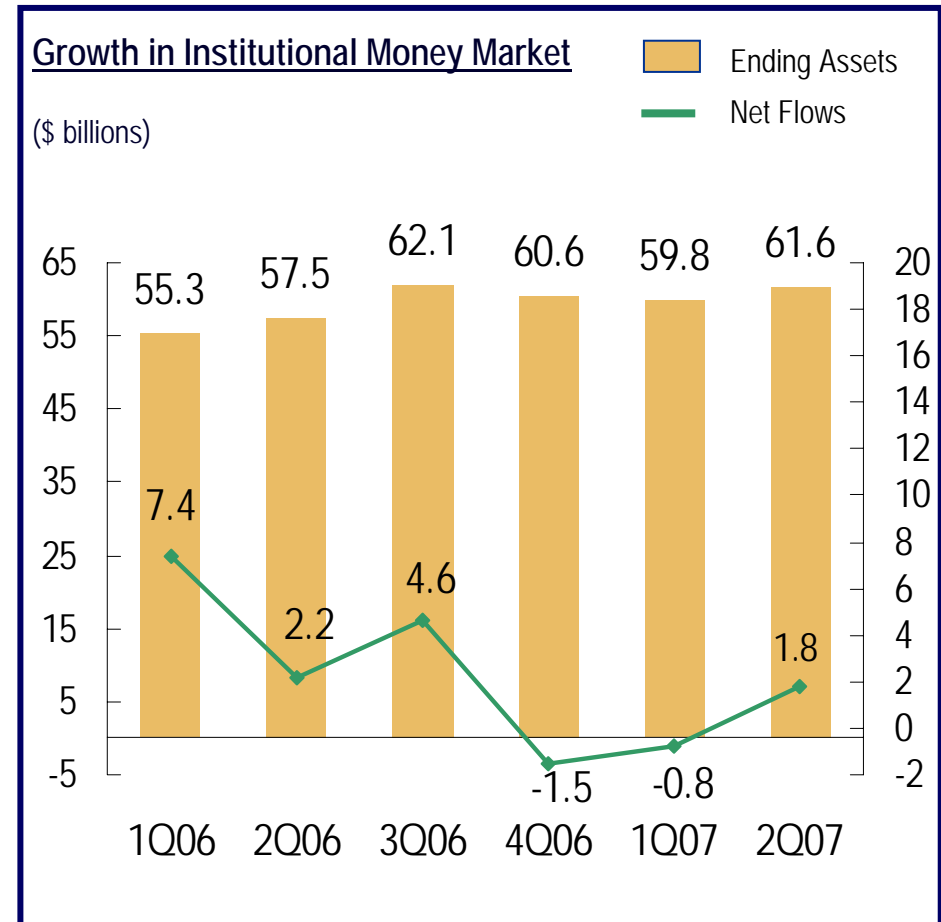
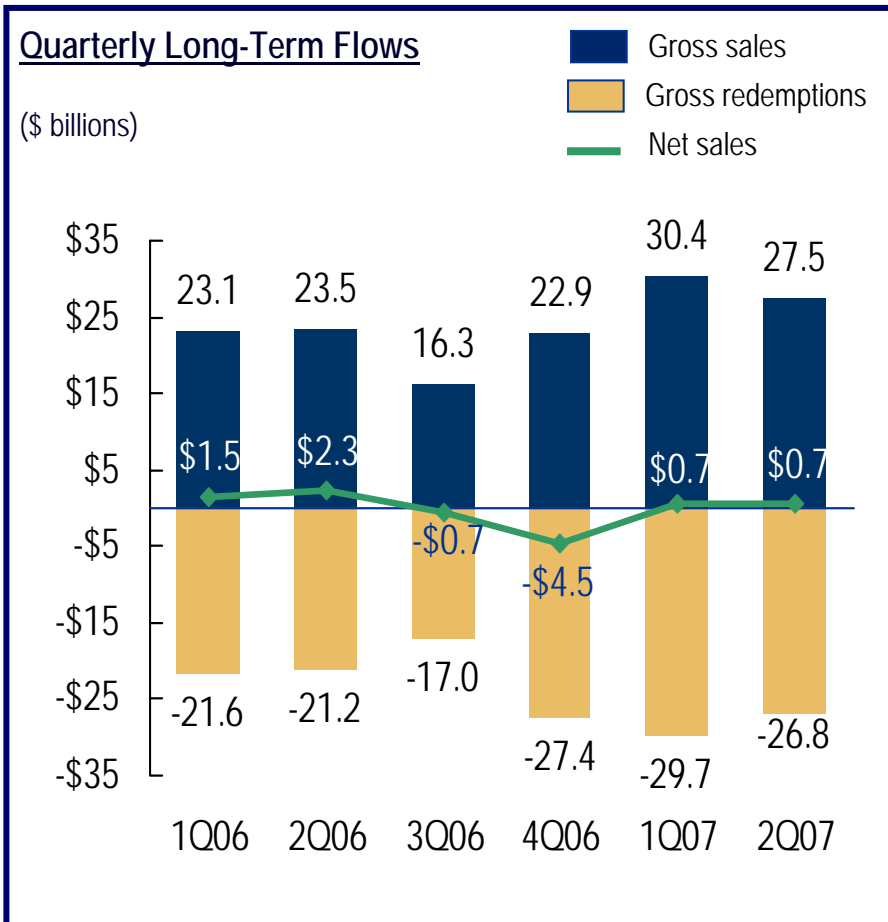
Capital Management

- Granted authorization to repurchase up to \$500 million of stock to be held as treasury shares – bought back \$36.8 million worth of stock (2.8 million shares) since announcement through July 20, 2007
- S&P affirmed debt rating (BBB+) and removed negative outlook

* Net operating margin is equal to operating profit divided by net revenues

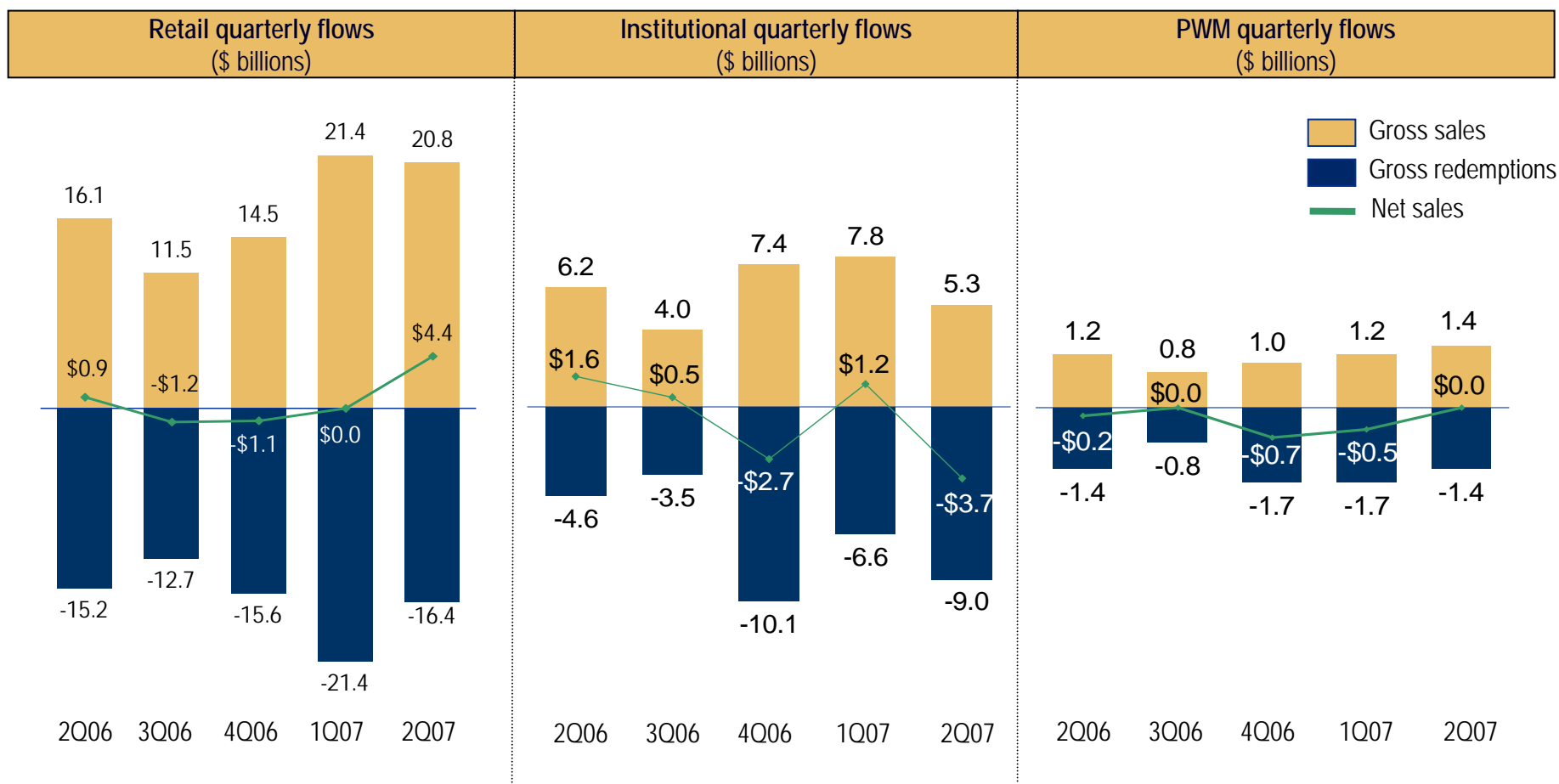
Quarterly Flows

- Continuing trend of higher gross sales versus 2006 levels
- Gross redemptions in 2Q07 improved despite \$2.4 billion in stable value outflows
- Institutional money market assets increased \$1.8 billion to \$61.6 billion.



Distribution Channels – Quarterly Flows

- Retail net flows at the highest level since 2nd quarter of 2000
- Institutional net flows were down, primarily due to stable value and a single large account loss
- Private Wealth flows were flat on improvements in both gross sales and gross redemptions



Retail quarterly flows include retail products in the U.S., Canada, UK, Europe, Asia and our offshore product line.
 Institutional quarterly flows include our institutional business in the U.S., Continental Europe and Asia and exclude institutional money market.
 PWM quarterly flows include our high net worth business in the U.S.

Focusing On Investment Excellence

% of AUM in Top Half of Peer Group

Retail Results

	<u>1yr</u>			<u>3yr</u>			<u>5yr</u>		
	Jun-07	Mar-07	Jun-06	Jun-07	Mar-07	Jun-06	Jun-07	Mar-07	Jun-06
US (Lipper)*	62%	61%	69%	67%	66%	60%	70%	70%	44%
US (Morningstar)	66%	60%	69%	72%	74%	67%	80%	74%	60%
Canada	79%	96%	6%	34%	53%	24%	32%	82%	87%
UK	93%	95%	77%	89%	97%	97%	96%	97%	83%
Cont. Europe & Asia	56%	38%	79%	78%	80%	86%	77%	78%	80%

Institutional Results

% of AUM Ahead of Benchmark

Equity	27%	55%	56%	53%	59%	58%	54%	54%	98%
Fixed Income	74%	67%	95%	96%	96%	92%	99%	99%	94%
Money Market**	97%	97%	97%	97%	97%	97%	97%	97%	97%
Alternative	73%	74%	100%	100%	100%	100%	94%	100%	100%

*For some funds (less than 10%), Morningstar rankings are used instead of Lipper rankings.

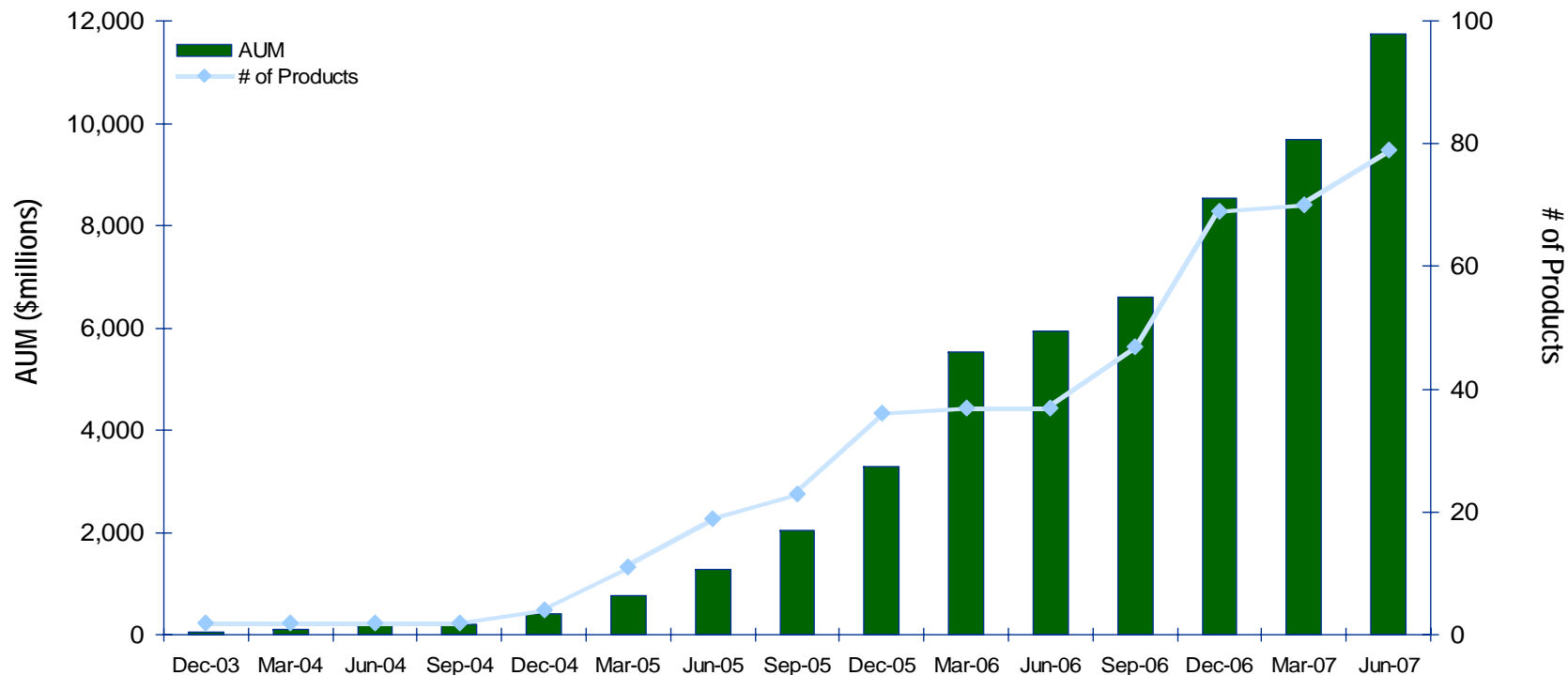
**Money Market figures refer to the percentage of AuM in the top half of their peer group.

Retail: Note that the following AUM figures are assets measured on a one-year-basis. June 07 figures are based on peer rankings and AuM as of June 30, 2007. Figures include the representative retail products of each region and refer to AuM of: US (Lipper): \$71.8bn, US (Morningstar): \$73.5bn, Canada (AIM Trimark): \$43.6bn, UK (Invesco Perpetual): \$55.5bn, CE and Asia: \$17.4bn. US (AIM Retail) assets exclude APAM, closed-end, offshore, sub-advised and variable insurance assets because the majority of these funds do not have third party rankings. Information has been sourced from Lipper and Morningstar via internal IVZ groups. Institutional: June 07 figures are based on performance and AuM as of June 30, 2007. Figures include the representative products managed in Atlanta, Frankfurt, London, Louisville, New York and Asia Pacific and refer to AuM of: Equity: \$43.3bn. Fixed Income: \$38.6bn. Money Market: \$45.7bn. Alternative: \$19.8bn. Alternative AuM include alternative retail products and exclude AuM of CDOs and Direct Real Estate. Money Market AuM exclude non-USD money market funds. Fixed Income excludes Stable Value. Performance results are preliminary and subject to revision.

PowerShares' ETFs

- ETFs are one of the fastest growing financial products with \$700bn AUM globally
- Industry factors are driving strong demand for future growth
- ETFs thrive in advice channel environment due to flexibility, transparency, and efficiency in meeting client investment objectives
- PowerShares is positioned as the leader in value added ETFs with \$33.25bn* in total franchise assets
- Continue to see increasing opportunities for growth of the PowerShares franchise

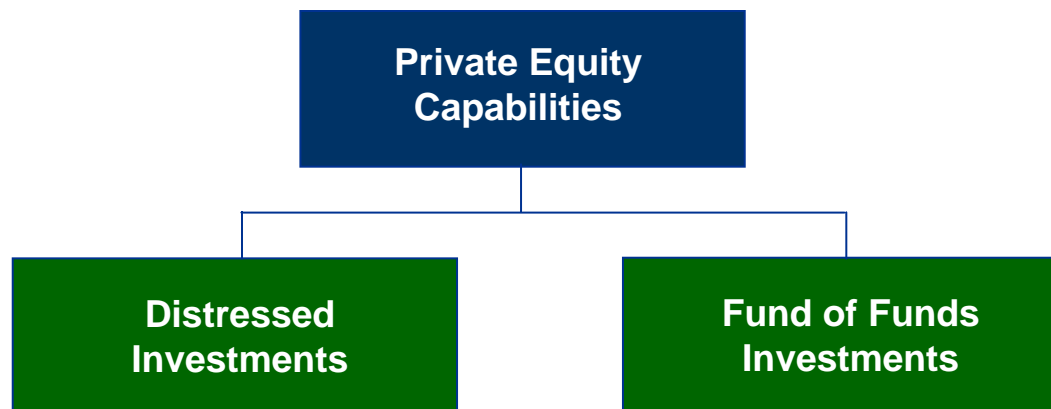
06/30/07 AUM	\$11.7b
Jun YTD Net Flows	\$2.3b
2Q07 Net Flows	\$1.3b
Mgmt fee (bps) range	45-50bps



* \$33.25 bn includes \$21.5bn of PowerShares QQQ and other assets not included in INVESTCO AUM

Private Equity

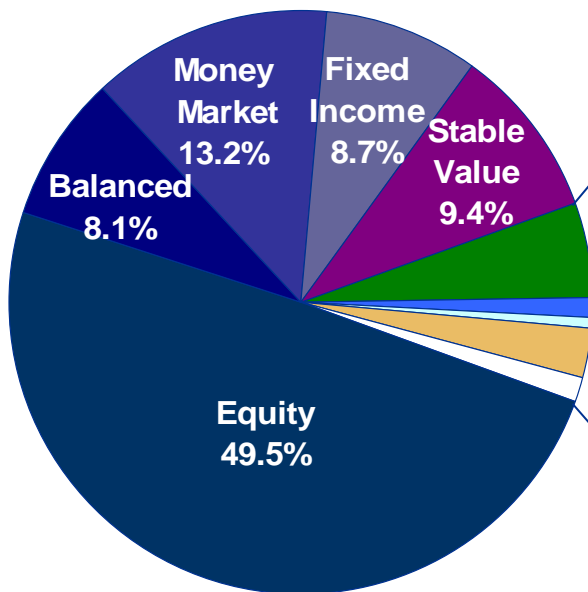
- In the process of creating a premier private capital capability
- Ongoing product training and support between WLR team and Worldwide Institutional Sales team in preparation for launch of new products in 2007
- Significant collaboration between WLR and the Asia Pacific business to develop new capability
- Key indicators suggest distressed activity set to rise



Providing Alpha in Alternatives



Total INVESTCO AUM (\$491.6b)



<u>Alternative Capabilities</u>	<u>AUM</u>	<u>%</u>
Real Estate: ▶ Direct ▶ REITs	\$25.7	5.2%
Private Equity: ▶ Distressed ▶ Fund of Private Equity Funds ▶ Private Equity ETF	\$5.1	1.0%
Absolute Return - Equity: ▶ Market Neutral ▶ 130/30	\$2.9	0.6%
Absolute Return – Fixed Income: ▶ CDO/CLO/CSO ▶ Other Absolute Return Products	\$14.5	3.0%
Absolute Return - Multi Asset: ▶ GTAA ▶ Multi-Strategy ▶ Fund of Hedge Funds	\$6.5	1.3%

June 30, 2007

Total: \$54.7 11.1%

Listing Update

Rationale for Review

- Shareholder base has exceeded 50% US ownership – loss of Foreign Private Issuer status
- Two primary regulators – FSA and SEC
- Two accounting standards – IFRS and US GAAP

Next Steps

- Evaluating whether a change in primary listing is merited / beneficial
- Evaluating complex regulatory, legal and tax implications including the impact on shareholders
- We will provide further update upon completion of review

Discussion Topics

1 Our Business Today

2 Financial Results

3 Questions and Answers

4 Appendix

Assets Under Management - Quarterly

(\$ billions)	2Q07	1Q07	% Change	4Q06	3Q06	2Q06
Beginning Assets	\$471.2	\$462.6	1.9%	\$440.6	\$413.8	\$410.9
Inflows	27.5	30.4	(9.5)%	22.9	16.3	23.5
Outflows	(26.8)	(29.7)	(9.8)%	(27.4)	(17.0)	(21.2)
Net flows	0.7	0.7	n/a	(4.5)	(0.7)	2.3
Net flows in Money Market Funds and Other	1.8	(0.8)	n/a	(1.5)	4.6	2.2
Market Gains/Reinvestment	12.8	8.0	60.0%	24.0	13.4	(6.2)
Acquisitions	--	--	n/a	2.6	6.3	--
Foreign currency	5.1	0.7	628.6%	1.4	3.2	4.6
Ending Assets	\$491.6	\$471.2	4.3%	\$462.6	\$440.6	\$413.8
Average long-term AUM	422.8	405.7	4.2%	391.2	366.1	357.8
Average institutional money market AUM	61.5	61.2	0.5%	61.5	60.3	56.8
Average AUM	\$484.3	\$466.9	3.7%	\$452.7	\$426.4	\$414.6
Net Revenue Yield (annualized)*	59.7bps	57.5bps		57.9bps	55.1bps	56.7bps
Net Revenue Yield less performance fees (annualized)**	56.8bps	55.8bps		55.6bps	54.1bps	55.5bps

*Net Revenue Yield = Net Revenues/Average AUM

**Net Revenue Yield less performance fees = (Net Revenues – Performance Fees)/Average AUM

Operating Results - Quarterly

	2Q07	1Q07	% Change*	4Q06	3Q06	2Q06
Management Fees	810	737	9.9%	722	642	626
Service and Distribution	148	143	3.4%	136	130	133
Other	28	24	16.9%	21	19	29
Total Revenues	987	905	9.1%	879	791	788
Third-party distribution, service and advisory fees	(264)	(234)	12.9%	(224)	(204)	(200)
Net Revenues	723	671	7.7%	655	587	588
Compensation	273	284	(3.9)%	268	288	251
Marketing	36	37	(2.7)%	37	32	36
Property and Office	29	29	(1.0)%	29	27	27
Technology/Telecommunications	29	28	3.9%	30	30	30
General and Administrative	84	55	52.3%	40	53	52
Total Operating Expenses	451	434	4.0%	405	430	396
Net Operating Profit	272	237	14.5%	250	157	192
Net Operating Profit Margin	37.6%	35.4%		38.2%	26.7%	32.6%
Interest Income	12	10	20.4%	10	7	5
Other Realized Gains	6	9	(34.1)%	14	11	6
Other Realized Losses	(6)	(1)	n/a	(2)	(4)	--
Interest Expense	(23)	(23)	0.4%	(25)	(20)	(19)
Profit Before Taxes	262	233	12.4%	248	151	184
Effective Tax Rate	34.5%	34.5%		34.4%	32.1%	36.2%
Net Profit	171	152	12.6%	164	102	117
EPS Diluted	0.21	0.19	12.5%	0.20	0.13	0.15
Average AUM (\$ billions)	484.3	466.9	3.7%	452.7	426.4	414.6
Headcount	5,392	5,432	(.7)%	5,574	5,499	5,485

* Percent change based on unrounded figures

Questions & Answers

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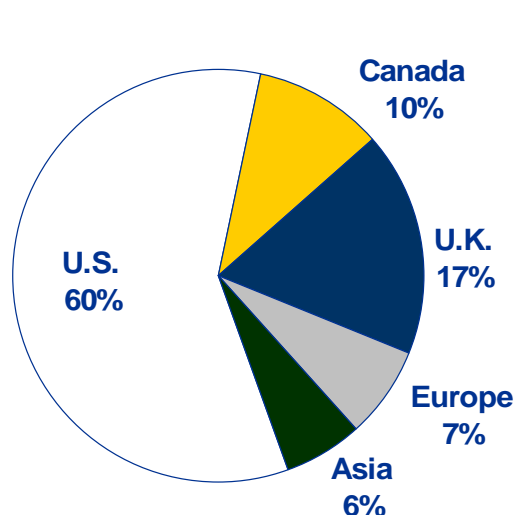
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We Are Diversified As A Firm

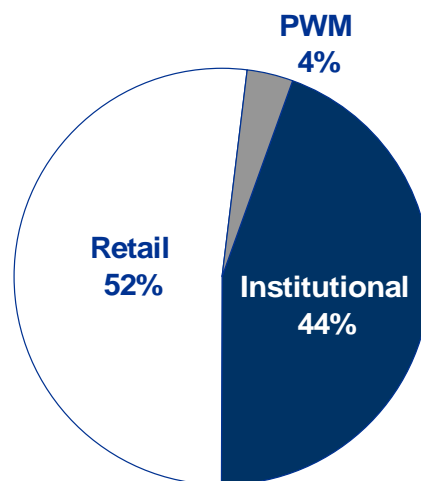
Delivering a diverse set of solutions to meet a broad set of global investment needs

By Client Domicile



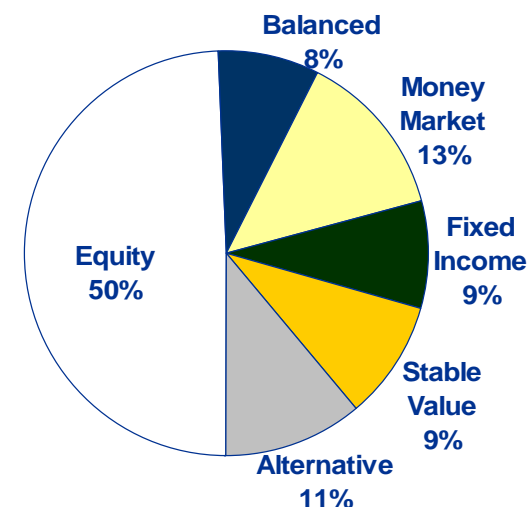
(\$ billions)		1-Yr Change
U.S.	\$291.3	11.7%
Canada	\$48.9	22.9%
U.K.	\$85.5	45.9%
Europe	\$36.1	4.3%
Asia	<u>\$29.8</u>	<u>49.7%</u>
Total	\$491.6	18.8%

By Channel



(\$ billions)		1-Yr Change
Institutional	\$218.2	11.9%
Retail	\$256.1	26.5%
PWM	<u>\$17.3</u>	<u>5.5%</u>
Total	\$491.6	18.8%

By Asset Class



(\$ billions)		1-Yr Change
Equity	\$243.3	31.6%
Balanced	\$39.9	12.4%
Money Market	\$64.8	5.9%
Fixed Income	\$42.8	9.2%
Stable Value	\$46.1	(2.3)%
Alternative	<u>\$54.7</u>	<u>19.2%</u>
Total	\$491.6	18.8%

Assets Under Management – by Channel

(\$ billions)	Total	Retail	Institutional	PWM
December 31, 2006	\$462.6	\$234.0	\$211.8	\$16.8
Inflows	30.4	21.4	7.8	1.2
Outflows	(29.7)	(21.4)	(6.6)	(1.7)
Net flows	0.7	--	1.2	(0.5)
Net flows in Money Market Funds and Other	(0.8)	(0.1)	(0.7)	--
Market Gains/Reinvestment	8.0	4.3	3.4	0.3
Acquisitions	--	--	--	--
Foreign currency	0.7	0.2	0.5	--
March 31, 2007	\$471.2	\$238.4	\$216.1	\$16.7
Inflows	27.5	20.8	5.3	1.4
Outflows	(26.8)	(16.4)	(9.0)	(1.4)
Net flows	0.7	4.4	(3.7)	0.0
Net flows in Money Market Funds and Other	1.8	(0.1)	1.9	0.0
Market Gains/Reinvestment	12.8	8.7	3.5	0.6
Foreign currency	5.1	4.7	0.4	0.0
June 30, 2007	\$491.6	\$256.1	\$218.2	\$17.3

Assets Under Management – by Asset Class*

(\$ billions)	Total	Equity	Fixed Income	Balanced	Money Market	Stable Value	Alternative
December 31, 2006	\$462.6	\$217.6	\$42.9	\$38.2	\$64.1	\$46.9	\$52.9
Inflows	30.4	16.9	4.0	2.3	0.4	1.8	5.0
Outflows	(29.7)	(15.0)	(5.4)	(2.3)	(0.5)	(1.8)	(4.7)
Net flows	0.7	1.9	(1.4)	--	(0.1)	--	0.3
Net flows in Money Market Funds and Other	(0.8)	(0.1)	0.7	(0.6)	(0.8)	--	--
Market Gains/Reinvestment	8.0	5.1	0.4	0.5	--	0.5	1.5
Acquisitions	--	--	--	--	--	--	--
Foreign currency	0.7	0.3	0.2	0.1	--	--	0.1
March 31, 2007	\$471.2	\$224.8	\$42.8	\$38.2	\$63.2	\$47.4	\$54.8
Inflows	27.5	19.0	2.4	2.7	0.2	0.6	2.6
Outflows	(26.8)	(14.9)	(3.1)	(3.0)	(0.6)	(2.4)	(2.8)
Net flows	0.7	4.1	(0.7)	(0.3)	(0.4)	(1.8)	(0.2)
Net flows in Money Market Funds and Other	1.8	(0.1)	0.1	(0.1)	1.9	--	--
Market Gains/Reinvestment	12.8	11.1	0.2	1.0	--	0.5	--
Foreign currency	5.1	3.4	0.4	1.1	0.1	--	0.1
June 30, 2007	\$491.6	\$243.3	\$42.8	\$39.9	\$64.8	\$46.1	\$54.7

* Assets have been restated beginning December 31, 2006 to reflect a comprehensive definition of the alternative asset class. The Alternative asset class includes real estate, private equity, and absolute return strategies.

Assets Under Management – by Client Domicile

(\$ billions)	Total	U.S.	Canada	U.K.	Europe	Asia
December 31, 2006 (a)	\$462.6	\$280.5	\$43.2	\$74.6	\$38.1	\$26.2
Inflows	30.4	12.5	2.3	5.0	6.2	4.4
Outflows	(29.7)	(12.2)	(1.6)	(2.0)	(9.7)	(4.2)
Net flows	0.7	0.3	0.7	3.0	(3.5)	0.2
Net flows in Money Market Funds and Other	(0.8)	(0.8)	0.1	--	--	(0.1)
Market Gains/Reinvestment	8.0	5.3	1.4	0.3	0.2	0.8
Acquisitions	--	--	--	--	--	--
Foreign currency	0.7	--	--	0.2	0.2	0.3
March 31, 2007	\$471.2	\$285.3	\$45.4	\$78.1	\$35.0	\$27.4
March 31, 2007 (a)	\$471.2	\$285.4	\$45.3	\$78.0	\$35.6	\$26.9
Inflows	27.5	10.1	1.8	6.1	4.6	4.9
Outflows	(26.8)	(14.3)	(1.5)	(2.2)	(5.4)	(3.4)
Net flows	0.7	(4.2)	0.3	3.9	(0.8)	1.5
Net flows in Money Market Funds and Other	1.8	1.8	--	0.5	(0.2)	(0.3)
Market Gains/Reinvestment	12.8	8.3	(0.5)	2.1	1.3	1.6
Foreign currency	5.1	--	3.8	1.0	0.2	0.1
June 30, 2007	\$491.6	\$291.3	\$48.9	\$85.5	\$36.1	\$29.8

(a) The beginning balances were adjusted to reflect certain asset reclassifications

Additional Income and Expense Information

(\$ millions)	2Q07	1Q07	2Q06
Operating items:			
Management revenues:			
- Performance fees	34.4	18.8	12.6
General and administration:			
- WL Ross intangible asset amortization	(15.0)	--	--