

Freedom Acquisition Holdings, Inc.

Form DEFA14A

October 24, 2007

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
SCHEDULE 14A  
(Rule 14a-101)  
INFORMATION REQUIRED IN PROXY STATEMENT  
SCHEDULE 14A INFORMATION  
Proxy Statement Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to § 240.14a-12

**Freedom Acquisition Holdings, Inc.**

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

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(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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FREEDOM ACQUISITION HOLDINGS, INC. ( FREEDOM ) HAS MAILED A DEFINITIVE PROXY STATEMENT IN CONNECTION WITH THE PROPOSED ACQUISITION OF GLG PARTNERS LP AND ITS AFFILIATED ENTITIES (COLLECTIVELY, GLG ) TO FREEDOM STOCKHOLDERS. THE DEFINITIVE PROXY STATEMENT WAS FILED WITH THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE SEC ) ON OCTOBER 11, 2007. **STOCKHOLDERS OF FREEDOM AND OTHER INTERESTED PERSONS ARE ADVISED TO READ THE DEFINITIVE PROXY STATEMENT AND ANY OTHER RELEVANT DOCUMENTS IN CONNECTION WITH FREEDOM S SOLICITATION OF PROXIES FOR THE SPECIAL MEETING TO BE HELD TO APPROVE THE PROPOSED ACQUISITION BECAUSE THESE DOCUMENTS CONTAIN IMPORTANT INFORMATION ABOUT GLG, FREEDOM AND THE PROPOSED ACQUISITION.** STOCKHOLDERS MAY OBTAIN A COPY OF THE DEFINITIVE PROXY STATEMENT, WITHOUT CHARGE, AT THE SEC S INTERNET SITE AT [HTTP://WWW.SEC.GOV](http://www.sec.gov) OR BY DIRECTING A REQUEST TO: FREEDOM ACQUISITION HOLDINGS, INC., 1114 AVENUE OF THE AMERICAS, 41ST FLOOR, NEW YORK, NEW YORK 10036, TELEPHONE (212) 380-2230.

FREEDOM AND ITS DIRECTORS AND OFFICERS MAY BE DEEMED PARTICIPANTS IN THE SOLICITATION OF PROXIES FROM FREEDOM S STOCKHOLDERS. A LIST OF THE NAMES OF THOSE DIRECTORS AND OFFICERS AND DESCRIPTIONS OF THEIR INTERESTS IN FREEDOM IS CONTAINED IN THE DEFINITIVE PROXY STATEMENT. FREEDOM S STOCKHOLDERS MAY OBTAIN ADDITIONAL INFORMATION ABOUT THE INTERESTS OF ITS DIRECTORS AND OFFICERS IN THE PROPOSED ACQUISITION BY READING THE DEFINITIVE PROXY STATEMENT.

NOTHING IN THIS SCHEDULE 14A SHOULD BE CONSTRUED AS, OR IS INTENDED TO BE, A SOLICITATION FOR OR AN OFFER TO PROVIDE INVESTMENT ADVISORY SERVICES.

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### **Earnings Release**

On October 24, 2007, GLG Partners ( GLG ) released its earnings for the third fiscal quarter of 2007, and Freedom Acquisition Holdings, Inc. ( Freedom ) is furnishing to the Securities and Exchange Commission a copy of the earnings release issued by GLG as Exhibit A to this Schedule 14A, which is incorporated herein by reference.

GLG presents certain financial measures, such as adjusted net income and comprehensive limited partner profit share, compensation and benefits, that are not prepared in accordance with U.S. generally accepted accounting principles, or GAAP, in addition to financial results prepared in accordance with GAAP. See the discussion in the earnings release under Non-GAAP Financial Measures . GLG s management uses these non- GAAP financial measures in its evaluation of GLG s core results of operations and trends between fiscal periods and believes these measures are an important component of its internal performance measurement process. GLG s management also prepares forecasts for future periods on a basis consistent with these non-GAAP financial measures. Under the credit facility expected to be entered into in connection with the acquisition, Freedom and its subsidiaries will be required to maintain compliance with certain financial covenants based on adjusted earnings before interest expense, provision for income taxes, depreciation and amortization, or adjusted EBITDA, which is calculated based on the non-GAAP adjusted net income measure, further adjusted to add back interest expense, provision for income taxes, depreciation and amortization. Non-GAAP adjusted net income has certain limitations in that it may overcompensate for certain costs and expenditures related to GLG s business and may not be indicative of the cash flows from operations as determined in accordance with GAAP.

### **Updated Presentation**

Attached as Exhibit B to this Schedule 14A and incorporated herein by reference is the form of updated presentation to be used by GLG and Freedom, which updates the transaction presentation previously filed by Freedom.

### **Webcast and Conference Call**

Attached as Exhibit C to this Schedule 14A and incorporated by reference herein is the script of a webcast and telephone conference call with analysts and others held by GLG on October 24, 2007.

**GLG PARTNERS REPORTS THIRD QUARTER 2007 EARNINGS**

*Net income of \$46 million; Adjusted net income of \$29 million, up 160% from Q3 2006*

*Net assets under management of \$20.5 billion, up 49% from Q3 2006*

*Total inflows of \$1.8 billion during Q3 2007, including managed account inflows and gross fund-based inflows*

**London, October 24, 2007** GLG Partners (GLG), a leading alternative asset manager, today reported net income of \$46 million for the quarter ended September 30, 2007 and \$375 million for the first nine months of 2007. Adjusted net income (net income less limited partner profit share) was \$29 million, up 160% year-over-year, for the quarter ended September 30, 2007 and \$168 million, up 99% year-over-year, for the first nine months of 2007.

GLG's net assets under management as of September 30, 2007 reached \$20.5 billion (net of assets invested from other GLG managed funds), up 10% from June 30, 2007 and 49% from September 30, 2006. GLG's gross assets under management (including assets invested from other GLG managed funds) were \$23.6 billion at September 30, 2007, up 10% from June 30, 2007 and 48% from September 30, 2006. A combination of performance and healthy inflows drove the growth in assets under management (AUM) as set forth below in Table 1.

Our diversified model continued to work in the volatile markets of the summer, showing particular strength in Emerging Markets, led by Greg Coffey, and in the European strategies, led by GLG Co-Founder, Pierre Lagrange, as well as substantial net inflows broadly in our alternative strategies, said Noam Gottesman, Co-Founder, Managing Director and Co-CEO of GLG. We are looking forward to the upcoming completion of the reverse acquisition transaction with Freedom Acquisition Holdings in the coming weeks and remain excited about the prospects for the future expansion and growth of our business.

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**Table 1: Assets Under Management  
(USD in millions)**

	<b>As of September 30,</b>			
	<b>2007</b>	<b>2006</b>		
Gross Fund-Based AUM	\$ 21,524	\$ 14,519		
Managed Accounts AUM	1,905	1,042		
Cash and Other Securities	164	372		
<b>Gross AUM</b>	<b>\$ 23,593</b>	<b>\$ 15,932</b>		
YoY % Change	48%			
<b>Net AUM</b>	<b>\$ 20,466</b>	<b>\$ 13,718</b>		
YoY % Change	49%			
	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
<b>Opening Gross Fund-Based AUM</b>	<b>\$ 19,485</b>	<b>\$ 14,351</b>	<b>\$ 16,053</b>	<b>\$ 11,484</b>
Fund-based inflows (net of redemptions)	1,798	(72)	3,350	1,541
Fund-based net performance (gains net of losses)	241	240	2,121	1,494
<b>Closing Gross Fund-Based AUM</b>	<b>\$ 21,524</b>	<b>\$ 14,519</b>	<b>\$ 21,524</b>	<b>\$ 14,519</b>
<b>% of Opening Gross Fund-Based AUM</b>				
Gross Fund-based inflows (net of redemptions)	9.2%	(0.5%)	20.9%	13.4%
Gross Fund-based net performance (gains net of losses)	1.2%	1.7%	13.2%	13.0%
<b>Opening Managed Accounts AUM</b>	<b>\$ 1,843</b>	<b>\$ 937</b>	<b>\$ 1,233</b>	<b>\$ 335</b>
Inflows (net of redemptions)	38	96	457	766
Net performance (gains net of losses)	24	8	215	(60)
<b>Closing Managed Accounts AUM</b>	<b>\$ 1,905</b>	<b>\$ 1,042</b>	<b>\$ 1,905</b>	<b>\$ 1,042</b>
<b>% of Opening Managed Accounts AUM</b>				
Inflows (net of redemptions)	2.1%	10.3%	37.1%	228.8%
Net Performance (gains net of losses)	1.3%	0.9%	17.5%	(17.9%)

Note: Net performance is based on both opening AUM and inflows during the period and can be influenced by heavy inflows and fluctuations in currencies.

**Financial Summary**

For Q3 2007, total net revenues and other income was up 79% to \$103 million compared to \$57 million in the same quarter last year, primarily due to increased management fees as a result of performance and strong inflows across the GLG managed funds. For the first nine months of 2007, total net revenues and other income increased 78% over the first nine months of 2006 to \$594 million.





Performance fees were immaterial in Q3 2007 as it is our practice to recognize performance fees when they crystallize, generally on June 30 and December 31 of each year. Accordingly, when Q4's performance fees are reported they will reflect crystallized second half performance.

Management and administration fees totaled \$95 million or 1.9% of average net AUM for Q3 2007, increases of 69% and 29 basis points (bps), respectively, from the same quarter in 2006. For the first nine months of 2007, management and administration fees totaled \$242 million, or 1.8% of average net AUM, increases of 56% and 16 bps, respectively, over the first nine months of 2006. Other income of \$7 million reflects primarily currency related gains on cash held on our balance sheet during Q3 2007.

The total level of comprehensive limited partner profit share, compensation and benefits (PSCB) rose by 60% for Q3 to \$46 million. This is down by 539 bps to 45% when expressed as a percentage of revenues, versus the same period last year. PSCB is a financial measure not prepared under U.S. generally accepted accounting principles, or GAAP, and includes limited partner profit share as described below under Non-GAAP Financial Measures. Employee compensation and benefits for Q3 2007 increased \$25 million over the same quarter last year to \$29 million primarily due to the reversal in Q3 2006 of selected employee compensation and benefits accruals as certain key personnel ceased to be employees and became participants in the limited partner profit share arrangement.

Please note that compensation expense and limited partner profit share tied to fund performance is only recognized when the related performance fees crystallize, generally on June 30 and December 31 of each year. When Q4 is ultimately reported, the portion of compensation expense and limited partner profit share tied to performance will reflect crystallized second half performance as well as any adjustments to amounts accrued in the first half.

PSCB for the first nine months of 2007 increased by 63% to \$318 million but fell by roughly 471 bps to 54% when expressed as a percentage of revenues when compared with the same period a year ago. Employee compensation and benefits for the first nine months of 2007 fell by 6% year-over-year to \$111 million as a result of certain key personnel ceasing to be employees when GLG established its limited partner profit share arrangement in 2006.

General, administrative, and other expenses for Q3 2007 increased 56% to \$26 million year-over-year, but fell 372 bps as a percentage of revenues to 25%. For the first nine months of 2007, these expenses rose 82% year-over-year to \$80 million or by 29 bps to 13% when expressed as a percentage of revenues, reflecting increases in operating costs due to significant growth in the business as well as certain one-time costs recognized in the first half of 2007.

Our risk management and controls infrastructure performed well in what proved to be a turbulent period for capital markets globally, said Emmanuel Roman, Co-CEO and Managing Director of GLG. Furthermore, our operations continue to scale and we are encouraged by the initial momentum with our new strategic partners, Istithmar and Sal. Oppenheim.

**Investor/Analyst Conference Call and Webcast**

GLG will be hosting a conference call for investors and analysts today at 11:00 AM EDT (New York City) / 4:00 PM BST (Guernsey/London). The dial-in number for the live conference call is +1 866 238 1665 in the US or +44 (0)207 15 32 010 in the UK. To access a webcast of the conference call, please register via GLG's website [www.glgpartners.com](http://www.glgpartners.com).

The conference call replay can be accessed by dialing +1 888 266 2081 in the US or +1 703 925 2533 in the UK and entering access code #1156360. The webcast replay of the conference call will also be available on the Company's website at [www.glgpartners.com](http://www.glgpartners.com). Both the dial-in and webcast replay of the call will be available beginning on October 24, 2007 at 2pm EST or 7pm BST until November 7, 2007.

**About GLG**

GLG, the largest independent alternative asset manager in Europe and one of the largest in the world, offers its base of long-standing prestigious clients a diverse range of investment products and account management services. GLG's focus is on preserving client's capital and achieving consistent, superior absolute returns with low volatility and low correlations to both the equity and fixed income markets. Since its inception in 1995, GLG has built on the roots of its founders in the private wealth management industry to develop into one of the world's largest and most recognized alternative investment managers, while maintaining its tradition of client-focused product development and customer service. As of September 30, 2007, GLG managed gross AUM of over \$23 billion.

**Forward-looking Statements**

This press release contains statements relating to future results that are forward-looking statements. Actual results may differ materially from those projected as a result of certain risks and uncertainties. These risks and uncertainties include, but are not limited to: market conditions for GLG managed investment funds; performance of GLG managed investment funds, the related performance fees and the associated impacts on revenues, net income, cash flows and fund inflows/outflows; the cost of retaining GLG's key investment and other personnel or the loss of such key personnel; risks associated with the expansion of GLG's business in size and geographically;

operational risk; litigation and regulatory enforcement risks, including the diversion of management time and attention and the additional costs and demands on GLG's resources; risks related to the use of leverage, the use of derivatives, interest rates and currency fluctuations; costs related to the proposed acquisition; failure to obtain the required approvals of stockholders of Freedom Acquisition Holdings, Inc. for the proposed acquisition transaction; and risks that the closing of the transaction is substantially delayed or that the transaction does not close, as well as other risks and uncertainties, including those set forth in the definitive proxy statement filed by Freedom with the Securities and Exchange Commission on October 11, 2007. These forward-looking statements are made only as of the date hereof, and GLG undertakes no obligation to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise.

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**GLG**  
**Unaudited Combined Statement of Operations**  
(USD in thousands)

	<b>Three Months Ended September 30,</b>		<b>% Change</b>
	<b>2007</b>	<b>2006</b>	
<b>Net revenues and other income</b>			
Management fees	\$ 78,558	\$ 47,010	67%
Performance fees	803	1,102	NM
Administration fees	16,306	9,128	79%
Other	6,905		NM
<b>Total net revenues and other income</b>	<b>102,572</b>	<b>57,240</b>	<b>79%</b>
<b>Expenses</b>			
Employee compensation and benefits	(28,959)	(3,735)	NM
General, administrative and other	(25,891)	(16,576)	56%
	<b>(54,850)</b>	<b>(20,311)</b>	<b>170%</b>
<b>Income from operations</b>	<b>47,722</b>	<b>36,929</b>	<b>29%</b>
Interest income, net	3,048	1,029	196%
<b>Income before income taxes</b>	<b>50,770</b>	<b>37,958</b>	<b>34%</b>
Income taxes	(4,735)	(1,803)	163%
<b>GAAP Net income</b>	<b>\$ 46,035</b>	<b>\$ 36,155</b>	<b>27%</b>
	<b>Nine Months Ended September 30,</b>		
	<b>2007</b>	<b>2006</b>	<b>% Change</b>
<b>Net revenues and other income</b>			
Management fees	\$ 198,892	\$ 129,981	53%
Performance fees	343,835	177,047	94%
Administration fees	42,986	25,050	72%
Other	7,875	1,883	318%

<b>Total net revenues and other income</b>	<b>593,588</b>	<b>333,961</b>	<b>78%</b>
<b>Expenses</b>			
Employee compensation and benefits	(110,526)	(118,194)	NM
General, administrative and other	(79,634)	(43,721)	82%
	<b>(190,160)</b>	<b>(161,915)</b>	NM
<b>Income from operations</b>	<b>403,428</b>	<b>172,046</b>	<b>134%</b>
Interest income, net	4,694	3,603	30%
<b>Income before income taxes</b>	<b>408,122</b>	<b>175,649</b>	<b>132%</b>
Income taxes	(33,020)	(14,803)	123%
<b>GAAP Net income</b>	<b>\$ 375,102</b>	<b>\$ 160,846</b>	<b>133%</b>

**GLG**  
**Combined Balance Sheet**  
**(USD in thousands)**

	As of September 30, 2007 (unaudited)	As of December 31, 2006
<b>Assets</b>		
Cash and cash equivalents	\$ 391,732	\$ 273,148
Investments	163	201
Fees receivable	40,687	251,963
Prepaid expenses and other assets	32,647	25,944
Property and equipment (net of accumulated depreciation and amortization of \$11,669 and \$10,117 respectively)	8,966	6,121
<b>Total Assets</b>	<b>\$ 474,195</b>	<b>\$ 557,377</b>
<b>Liabilities and Members Equity</b>		
<b>Current Liabilities</b>		
Rebates and sub-administration fees payable	\$ 19,473	\$ 19,146
Accrued compensation and benefits	63,199	102,507
Income taxes payable	19,038	25,094
Distributions payable	71,311	9,310
Accounts payable and other accruals	14,753	19,716
Other liabilities	3,654	5,100
<b>Total Current Liabilities</b>	<b>191,428</b>	<b>180,873</b>
<b>Non-Current Liabilities</b>		
Loan payable	13,000	13,000
Minority Interest	2,031	1,552
<b>Total Non-Current Liabilities</b>	<b>15,031</b>	<b>14,552</b>
<b>Commitments and Contingencies</b>		
<b>Total Liabilities</b>	<b>206,459</b>	<b>195,425</b>
<b>Members Equity</b>		
Members equity	6,843	6,356
Retained Earnings	257,238	352,690
Accumulated other comprehensive income	3,655	2,906

<b>Total Members Equity</b>		<b>267,736</b>		<b>361,952</b>
<b>Total Liabilities and Members Equity</b>	<b>\$</b>	<b>474,195</b>	<b>\$</b>	<b>557,377</b>

**GLG**  
**Non-GAAP Adjusted Net Income for the Three and Nine Months Ended September 30, 2007 and**  
**September 30, 2006**  
(USD in thousands)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2007	2006	% Change	2007	2006	% Change
<b>Derivation of non-GAAP adjusted net income</b>						
GAAP Net income	\$ 46,035	\$ 36,155	27%	\$ 375,102	\$ 160,846	133%
Deduct: limited partner profit share	(17,000)	(25,000)	(32%)	(207,500)	(76,530)	171%
<b>Non-GAAP adjusted net income</b>	<b>\$ 29,035</b>	<b>\$ 11,155</b>	<b>160%</b>	<b>\$ 167,602</b>	<b>\$ 84,316</b>	<b>99%</b>

**GLG**  
**Non-GAAP Expenses for the Three and Nine Months Ended September 30, 2007 and September 30, 2006**  
(USD in thousands)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2007	2006	% Change	2007	2006	% Change
<b>Non-GAAP expenses</b>						
GAAP employee compensation and benefits	\$ (28,959)	\$ (3,735)		\$ (110,526)	\$ (118,194)	
Limited partner profit share	(17,000)	(25,000)		(207,500)	(76,530)	
<b>Non-GAAP Comprehensive limited partner profit share, compensation and benefits</b>	<b>\$ (45,959)</b>	<b>\$ (28,735)</b>	<b>60%</b>	<b>\$ (318,026)</b>	<b>\$ (194,724)</b>	<b>63%</b>
<b>GAAP General, administrative and other</b>	<b>(25,891)</b>	<b>(16,576)</b>	<b>56%</b>	<b>(79,634)</b>	<b>(43,721)</b>	<b>82%</b>



<b>Non-GAAP total expenses</b>	<b>\$ (71,850)</b>	<b>\$ (45,311)</b>	<b>59%</b>	<b>\$ (397,660)</b>	<b>\$ (238,445)</b>	<b>67%</b>
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### Non-GAAP Financial Measures

GLG presents certain financial measures that are not prepared in accordance with U.S. generally accepted accounting principals, or GAAP, in addition to financial results prepared in accordance with GAAP.

**Comprehensive Limited Partner Profit Share, Compensation and Benefits ( PSCB ):** GLG's management assesses its personnel-related expenses based on the measure non-GAAP comprehensive limited partner profit share, compensation and benefits, or non-GAAP PSCB. This non-GAAP financial measure reflects GAAP employee compensation and benefits, adjusted to include the limited partner profit shares.

Beginning in mid-2006, GLG entered into partnerships with a number of its key personnel who ceased to be employees and instead became holders of direct or indirect limited partnership interests in certain GLG entities. These individuals continue to provide services to GLG, either directly or through two limited liability partnerships. Through their partnership interests, these key individuals are entitled to profit shares in the form of priority distributions paid as partnership draws. In addition they may be entitled to an additional discretionary limited partner profit share. The key personnel that are participants in the limited partner profit share arrangement described above do not receive salaries or discretionary bonuses from GLG.

Under GAAP, limited partner profit share cannot be presented as employee compensation expense. However, management believes that it is more appropriate to treat limited partner profit share as expense when considering business performance because it reflects the cost of the services provided to GLG by these participants in the limited partner profit share arrangement. As a result, GLG presents the measure non-GAAP PSCB to show the total cost of the services provided to GLG by both participants in the limited partner profit share arrangement and employees. For purposes of this non-GAAP financial measure, GLG recognizes the limited partner profit share in the period in which the revenues related to the limited partner profit share are recognized, rather than the period in which the limited partner profit share distributions are made.

Non-GAAP PSCB is not a measure of financial performance under GAAP and should not be considered as an alternative to GAAP employee compensation and benefits.

**Adjusted Net Income:** GLG's management assesses the underlying performance of its business based on the measure adjusted net income, which adjusts for the difference between GAAP employee compensation and benefits and non-GAAP PSCB as discussed above. Adjusted net income is not a measure of financial performance under GAAP and should not be considered as an alternative to GAAP net income as an indicator of GLG's operating performance or any other measures of performance derived in accordance with GAAP.

GLG is providing these non-GAAP financial measures to enable investors, securities analysts and other interested parties to perform additional financial analysis of GLG's personnel-related costs and its earnings from operations and because it believes that they will be helpful to investors in understanding all components of the personnel-related costs of GLG's business. GLG's management believes that the non-GAAP financial measures also enhance comparisons of GLG's core results of operations with historical periods. In particular, GLG believes that the non-GAAP adjusted net income measure better represents profits available for distribution to stockholders than does GAAP net income.

Investors should consider these non-GAAP financial measures in addition to, and not as a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP. The non-GAAP financial measures presented by GLG may be different from non-GAAP financial measures used by other companies.

**GLG  
Financial Supplement**

<i>(USD in millions)</i>	<b>Q32007</b>	<b>Q22007</b>	<b>Q32006</b>	<b>LTM<sup>(1)</sup></b>	<b>YTD<sup>(2)</sup></b>
<b>Gross AUM</b>	<b>23,593</b>	<b>21,522</b>	<b>15,932</b>	<b>23,593</b>	<b>23,593</b>
<b>Net AUM</b>	<b>20,466</b>	<b>18,585</b>	<b>13,718</b>	<b>20,466</b>	<b>20,466</b>
<b>Average net AUM</b>	<b>19,533</b>	<b>17,343</b>	<b>13,592</b>	<b>16,805</b>	<b>17,576</b>
 <i>(USD in thousands)</i>					
Management fees	78,558	62,991	47,010	255,184	198,892
Performance fees <sup>(3)</sup>	803	340,512	1,102	561,527	343,835
Administration fees	16,306	14,036	9,128	52,751	42,986
Other	6,905	472		10,891	7,875
<b>Total net revenues and other income</b>	<b>102,572</b>	<b>418,010</b>	<b>57,240</b>	<b>880,353</b>	<b>593,588</b>
Employee compensation and benefits	(28,959)	(56,518)	(3,735)	(160,717)	(110,526)
General, administrative and other	(25,891)	(27,979)	(16,576)	(104,177)	(79,634)
Net interest income	3,048	171	1,029	5,749	4,694
<b>GAAP net income before taxes</b>	<b>50,770</b>	<b>333,685</b>	<b>37,958</b>	<b>621,208</b>	<b>408,122</b>
Income tax expense	(4,735)	(25,031)	(1,803)	(47,443)	(33,020)
<b>GAAP net income after taxes</b>	<b>46,035</b>	<b>308,654</b>	<b>36,155</b>	<b>573,765</b>	<b>375,102</b>
Limited partner profit share	(17,000)	(184,047)	(25,000)	(332,420)	(207,500)
<b>Non-GAAP adjusted net income <sup>(4)</sup></b>	<b>29,035</b>	<b>124,607</b>	<b>11,155</b>	<b>241,345</b>	<b>167,602</b>

<i>Management fees and Administration fees/Avg. net AUM</i> <sup>(5)</sup>	1.9%	1.8%	1.7%	1.8%	1.8%
<i>Total net revenues and other income/Avg. net AUM</i> <sup>(5)</sup>	2.1%	9.6%	1.7%	5.2%	4.5%
<i>Employee compensation and benefits and limited partner profit share/Total net revenues and other income</i>	45%	58%	50%	56%	54%
<i>General, administrative and other expenses/Total net revenues and other income</i>	25%	7%	29%	12%	13%
<i>Non-GAAP adjusted net income/Total net revenues and other income</i>	28%	30%	19%	27%	28%
<i>Effective income tax rate</i>	14%	17%	14%	16%	16%

(1) LTM period is Oct 1, 2006 to Sept 30, 2007.

(2) YTD period is Jan 1, 2007 to Sept 30, 2007.

(3) Performance fees are recognised when they crystallize, generally on June 30 and December 31 each year.

As a result, the performance fee revenues do not reflect revenues from uncrystallised performance fees during Q1 and Q3.

(4)

See Non-GAAP  
Financial  
Measures for  
further detail.

- (5) Ratios  
annualized for  
Q3 2006 as well  
as Q2 and Q3  
2007.

**Composition of Assets Under Management Supplement**  
(USD in millions)

	As of June 30,		YOY % Change	As of September 30,		YOY % Change	Qtr on Qtr% Change	
	2007	2006		2007	2006		Q32007	Q32006
Alternative strategy	\$ 12,826	\$ 9,059	42%	\$ 14,713	\$ 9,184	60%	15%	1%
Long-only	4,432	3,730	19%	4,561	3,735	22%	3%	0%
Internal FoHF	1,627	1,086	50%	1,651	1,089	52%	1%	0%
External FoHF	599	477	26%	598	511	17%	0%	7%
<b>Gross Fund-Based AUM</b>	<b>19,485</b>	<b>14,351</b>	<b>36%</b>	<b>21,524</b>	<b>14,519</b>	<b>48%</b>	<b>10%</b>	<b>1%</b>
Managed accounts	1,843	937	97%	1,905	1,042	83%	3%	11%
Cash	194	339	(43%)	164	372	(56%)	(16%)	10%
<b>Total Gross AUM</b>	<b>21,522</b>	<b>15,627</b>	<b>38%</b>	<b>23,593</b>	<b>15,932</b>	<b>48%</b>	<b>10%</b>	<b>2%</b>
Less: internal FoHF investments in GLG funds	(1,642)	(1,020)	61%	(1,653)	(1,091)	52%	1%	7%
Less: external FoHF investments in GLG funds	(56)	(13)	343%	(55)	(48)	15%	(1%)	281%
Less: alternatives fund-in-fund investments	(1,239)	(1,127)	10%	(1,419)	(1,075)	32%	14%	(5%)
<b>Net AUM</b>	<b>\$ 18,585</b>	<b>\$ 13,467</b>	<b>38%</b>	<b>\$ 20,466</b>	<b>\$ 13,718</b>	<b>49%</b>	<b>10%</b>	<b>2%</b>
	<b>Three Months Ended June 30,</b>			<b>Three Months Ended September 30,</b>			<b>Nine Months Ended September 30,</b>	
	<b>2007</b>	<b>2006</b>		<b>2007</b>	<b>2006</b>		<b>2007</b>	<b>2006</b>
<b>Opening Gross Fund-Based AUM</b>	<b>\$ 17,060</b>	<b>\$ 12,934</b>		<b>\$ 19,485</b>	<b>\$ 14,351</b>		<b>\$ 16,053</b>	<b>\$ 11,484</b>
Fund-based inflows (net of redemptions)	1,393	1,407		1,798	(72)		3,350	1,541
Fund-based net performance (gains net of	1,032	10		241	240		2,121	1,494

losses)

**Closing Gross  
Fund-Based  
AUM**

\$ 19,485	\$ 14,351	\$ 21,524	\$ 14,519	\$ 21,524	\$ 14,519
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**% of Opening  
Gross  
Fund-Based  
AUM**

Gross

Fund-based

inflows (net of  
redemptions)

8.2%	10.9%	9.2%	(0.5%)	20.9%	13.4%
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Gross

Fund-based net  
performance  
(gains net of  
losses)

6.0%	0.1%	1.2%	1.7%	13.2%	13.0%
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**Opening  
Managed**

**Accounts AUM** \$ 1,398 \$ 505 \$ 1,843 \$ 937 \$ 1,233 \$ 335

Inflows (net of  
redemptions)

351	536	38	96	457	766
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Net performance  
(gains net of  
losses)

94	(104)	24	8	215	(60)
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**Closing  
Managed**

**Accounts AUM** \$ 1,843 \$ 937 \$ 1,905 \$ 1,042 \$ 1,905 \$ 1,042

**% of Opening  
Managed  
Accounts AUM**

Inflows (net of  
redemptions)

25.1%	106.1%	2.1%	10.3%	37.1%	228.8%
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Net

Performance  
(gains net of  
losses)

6.7%	(20.6%)	1.3%	0.9%	17.5%	(17.9%)
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Note: Net performance is based on both opening AUM and inflows during the period and can be influenced by heavy inflows and fluctuations in currencies.











































































**GLG PARTNERS REPORTS Q3 2007 EARNINGS**

**[Speaker: Operator]**

Welcome to GLG Partners third quarter 2007 financial results conference call. I would now like to turn the call over to host Stephanie Linehan.

**[Speaker: Stephanie Linehan]**

Hello everyone and welcome to the GLG Partners investor and analyst conference call. On the call today, from GLG Partners, we have Noam Gottesman, Co-Founder, Managing Director and Co-CEO, Simon White, Chief Financial Officer, and Michael Hodes, Acting Director of Investor Relations. Before I hand over the call to the principals, I would like to read a forward-looking statement.

After our prepared remarks, we will be happy to take your questions.

Earlier this morning, we issued a press release announcing financial results for the third quarter and first nine months of 2007.

I also want to point out that during the course of this conference call, we may make a number of forward-looking statements. These forward-looking statements are subject to various risks and uncertainties, and there are important factors that could cause actual outcomes to differ materially from those indicated in these statements. Some of these factors are described in the Risk Factors section of the proxy statement filed by Freedom Acquisition Holdings, Inc. with the SEC with respect to the proposed acquisition transaction with Freedom. I want to remind you that GLG assumes no obligation to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise.

I would also like to remind everyone that GLG presents certain financial measures, such as adjusted net income and comprehensive limited partner profit share, compensation and benefits, that are not prepared in accordance with U.S. GAAP, in addition to financial results prepared in accordance with GAAP. GLG is providing these non-GAAP financial measures to enable investors, security analysts and other interested parties to perform additional financial analysis of GLG's personnel-related costs and its earnings from operations and because it believes that they will be helpful to investors in understanding all components of the personnel-related costs of GLG's business. A reconciliation of these non-GAAP financial measures to GAAP is included in our earnings release, a copy of which is available on our website and has also been filed with the Form 8-K of Freedom Acquisition Holdings filed this morning with the SEC.

I will now hand it over to Noam for an overview of the quarter and year-to-date.

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**[Speaker: Noam Gottesman]**

Good morning.

We are very pleased to report a solid third quarter with healthy net inflows of new capital. Though our dollar-weighted performance was just shy of flat on average for all our funds in the quarter, we saw particular strength in our Emerging Markets business, which is led by Greg Coffey, and our European strategies, led by GLG Co-Founder Pierre Lagrange.

Importantly, our risk control infrastructure stood up well in the turbulent capital markets of the summer, and we used the dislocations in the fixed income markets to further build out our team of investment professionals.

Net income for the quarter was \$46 million, up 27% from the same quarter in 2006, with adjusted net income of \$29 million, up 160%.

Our net assets under management reached \$20.5 billion at September 30, up 10% from the end of June and up 49% from the end of September 2006.

Net inflows were \$1.8 billion during the third quarter, which includes managed account inflows and gross fund-based inflows.

Though performance varied from fund to fund, our diversified model continues to work well for us, generating positive un-crystallized performance fees every month in the quarter and substantial net inflows.

For 2007, on a dollar-weighted basis, we generated a net return of 10.4% in the nine months, inclusive of a 47 basis point decline in the third quarter. Looking just at our alternative strategies, we generated a net return of 11.3% in the first nine months, which includes a 34 basis point decline in the third quarter. On a trailing 12-month basis, we were up 19.2 % overall and just shy of 21% in alternative strategies.

In terms of the Freedom transaction, we are making very good progress towards its completion, and we have the Freedom shareholder vote scheduled for October 31st and the closing anticipated on November 2nd. We expect to start trading on the NYSE on the November 5th. Importantly, after the closing, the existing GLG shareholders plan to make investments in GLG funds at full fees, and that should add approximately \$805 million to net assets under management.

Our strong year-to-date performance, together with the proposed transaction with Freedom and strategic investments by Istithmar and Sal. Oppenheim, positions us well for the future expansion and growth of our business. We are very excited about the opportunity in America and are on track to register with the SEC before year end.

I will pass you over to Simon White, our CFO, to cover the financial results in a little more depth.

**[Speaker: Simon White]**

Thank you, Noam. Good morning, everyone.

Net income was \$46 million for the quarter and \$375 million for the first nine months of 2007. That's up 27% and 133% over the same periods last year.

Adjusted net income was \$29 million for the quarter and \$168 million for the first nine months, up 160% and 99%, respectively, year-over-year. This is a non-GAAP financial measure we use internally to gauge the underlying performance of our business by deducting from GAAP net income, limited profit share.

Total net revenues and other income were \$103 million for the quarter and \$594 million for the nine months, up 79% and 78%, respectively, over the same period a year ago.

Performance fees were immaterial in the third quarter, as it is our practice to only recognize them when they crystallize, generally on June 30 and December 31. Any sustained positive performance in the third quarter at the fund level will be recognized when performance fees are crystallized at year end in the fourth quarter results.

Management and administration fees totaled \$95 million for the quarter, up 69% compared to the same quarter in 2006. For the first nine months of 2007, they were \$242 million, an increase of 56%.

This represents 1.9% of average net AUM, up 29 basis points on the same quarter last year and 16 basis points for the first nine months of 2007. Though there has been an upward trend in net management and administration fees relative to net assets under management, we note the timing of net flows can create some volatility, as the average net AUM is calculated on a 2-point average for the quarter.

On the expenses side:

Employee compensation and benefits increased \$25 million compared to \$4 million in the third quarter 2006 and fell by 6% for the first nine months. These levels were impacted by the limited partner profit share arrangements for key personnel that were put in place in June 2006.

We believe a more meaningful comparison is to look at the total of limited partner profit share and compensation and benefits, or PSCB, a non-GAAP financial measure which management utilizes to measure the total cost of services provided to GLG by employees and limited partners.

PSCB for the quarter rose 60% to \$48 million, and for the first nine months, it increased by 63% to \$318 million. However, this increase is attributable the significant increase in revenues, particularly our performance fees which crystallized at end of June 2007.

When measured as a percentage of net revenues, PSCB fell by 539 basis points to 45% for the quarter and fell by 471 basis points to 54% for the first nine months of 2007.

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General, administration and other expenses increased by 56% to \$26 million compared to third quarter 2006 and by 82% to \$80 million for the first nine months. This reflected both the increase in the scale of the business, as well as certain non-recurring one-time costs recognized in the first half of 2007.

Expressed as a percentage of revenues, general, administration and other expenses fell 372 basis points to 25% for the quarter. For the first nine months, these expenses as a percentage of revenues were essentially level at 13%.

The effective tax rate for the third quarter adjusted earnings was 14%. In the fourth quarter, we expect adjusted net income to be roughly 82% of pre-tax adjusted net income.

All in all a very strong first nine months.

Before we open the call up to questions, I want to highlight that we have updated our investor presentation, and it is available on our website at [www.glgpartners.com](http://www.glgpartners.com), and has also been filed today with the SEC on Freedom's Current Report on Form 8-K.

We are now available to answer any questions that you may have. Let me hand you over to Mike Hodes, who will manage the Q&A session.