

For Immediate Release

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FOR THE FIRST TIME IN TWO YEARS WE CAN ENVISAGE AN END TO MISERY, SAYS LEGG MASON'S CLEARBRIDGE ADVISORS

London – 20 May, 2009 – Legg Mason affiliate ClearBridge Advisors believe that markets are beginning to show an end to the gloom of the past two years.

Scott Glasser, portfolio manager at Legg Mason affiliate ClearBridge Advisors, explains:

“Recently, in the midst of chaos, two positive developments have occurred that have given us the first reasons to be optimistic that this terrible recession might begin to decelerate, with the possibility of stability by the latter part of this year. First, Chairman Bernanke of the Federal Reserve announced a programme to inject massive liquidity into the mortgage market by making huge open market purchases of mortgage-backed securities, as well as direct purchases of longer-term Treasury notes and bonds. Mortgage rates have plummeted, opening the way for refinancings and possibly tempting previously reluctant homebuyers. Second, Treasury Secretary Geithner finally announced a plan that offers the hope of clearing toxic assets from the banks. This creates incentives for the private sector to be part of the solution to this damaging overhang.

“Nor do we believe that the current economic pain will turn into a replay of the 1930s. Not only are there social and economic safety nets that didn't exist then, but the government is taking aggressive steps to avoid the mistakes that led to more than a decade of hard times. However, on a related note, over the past 15 years there has been a huge disparity in the compensation between workers and high-level executives. We believe that a return to certain values that existed after WWII up until the 1990s would be a good thing. We are looking forward to higher savings rates, less conspicuous consumption and a reduction in some of the disparities that have afflicted the economy and country.”

The ClearBridge U.S. Appreciation Fund follows a bottom-up stock selection process and looks to invest in established quality growth companies. Within the strategy there is an emphasis on downside risk management and as a result the fund has demonstrated better than market performance with lower volatility than the market and its peer group over long-term periods.

Scott continues, “We believe that we have seen a normalisation in stock prices. The market has readjusted and stocks that were beaten down too far have returned to realistic valuations. We will continue to go through a period of uncertainty with regards to the duration and depth of this downturn as markets remain cautious about getting hit by another unexpected decline. But we are becoming more and more confident that the worst is behind us and the recent Stress Tests in the US show that the government is committed to raising confidence.

“We continue to go through a bottoming process as people are trying to get their hands around both the duration and the depth of the recession. We have started to do that, which is part of the reason

we have had a good rally recently, but there are still a lot of unknowns. During the declines in the market we have been reducing some of our more defensive holdings and have added around 10% of the portfolio to more offensive-oriented holdings such as Celanese, which sources a third of its revenues from China. We thought emerging markets would lead us out of the downturn and they have so far.”

According to MorningStar¹, the ClearBridge U.S. Appreciation Fund has been ranked in the first quartile amongst its peers for performance over one year, two years, three years and since inception. In addition, the Strategy has generated consistent outperformance of the US market (S&P 500) over the last 15 years. With a 39-year history², the US domiciled Legg Mason Partners Appreciation Fund has delivered long-term results through all kinds of markets.

¹ Source: Copyright © Morningstar, mid to mid with net income reinvested net of annual management fees to 30 September 2008. Past performance is not a guide to future performance and may not be repeated. Please refer to the prospectus of Legg Mason Global Funds plc for a description of risk factors relating to the ClearBridge U.S. Appreciation Fund.

² The Investment Manager’s US domiciled Fund has a 38-year history. Hersh Cohen took over management of the Fund in January 1979. The Fund was launched on 1 March 1970.

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Notes to editors

About ClearBridge

ClearBridge Advisors is a U.S.-based equity manager that was established by Legg Mason in 2006 after Legg Mason acquired the former Citigroup Asset Management. ClearBridge is the largest equity manager within the Legg Mason family and is a leading provider of mutual funds and separately managed accounts for both individual and institutional investors.

About Legg Mason

Legg Mason, Inc., headquartered in Baltimore, USA, is a global investment management firm with assets under management totaling US\$632 billion as of March 31, 2009. Serving clients in 180 countries, Legg Mason is the 10th largest asset manager in the world¹. Legg Mason’s wholly-owned, independently operated investment subsidiaries manage equity and fixed income assets across the world’s major markets. Collectively they offer a broad spectrum of asset management styles.

¹ Legg Mason is the 10th largest asset manager in the world based on worldwide assets under management as of 31 December 2008. Source: Pensions & Investments May 2009 ranking

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