

Schroders plc

Interim management statement

10 November 2009

Schroders plc is today issuing an interim management statement covering the three months to 30 September 2009.

- **Profit before tax and exceptional items £57.8 million (Q3 2008: £71.5 million)**
- **Profit before tax and after exceptional items £43.6 million (Q3 2008: £78.0 million)**
- **Third quarter net inflows £7.0 billion (Intermediary £3.7 billion; Institutional £3.3 billion)**
- **Funds under management £138.9 billion (30 June 2009: £113.3 billion)**

Asset Management

Asset Management income for the quarter was £177.5 million (Q3 2008: £188.1 million), costs before exceptional items were £122.2 million (Q3 2008: £127.4 million) and profit before tax and exceptional items was £55.3 million (Q3 2008: £60.7 million). Exceptional charges were £1.3 million (Q3 2008: £1.6 million) relating to redundancies. For the first nine months, Asset Management profit before tax and exceptional items was £121.6 million (2008: £198.8 million).

Private Banking

Private Banking income for the quarter was £23.6 million (Q3 2008: £29.0 million), costs were £17.3 million (Q3 2008: £17.4 million) and profit before tax was £6.3 million (Q3 2008: £11.6 million). For the first nine months, Private Banking profit before tax and exceptional items was £21.2 million (2008: £33.9 million).

Group

The result for the Group segment for the quarter was a loss before tax and exceptional items of £3.8 million (Q3 2008: loss £0.8 million). Exceptional charges of £12.9 million comprised £3.7 million of surplus space

provisions and unrealised impairments of financial assets of £9.2 million. For the first nine months, the result for the Group segment before tax and exceptional items was a loss of £8.1 million (2008: profit £12.1 million).

Funds under management

Funds under management at 30 September 2009 increased to £138.9 billion (30 June 2009: £113.3 billion) with £7.0 billion of net inflows in the quarter across a broad range of products. Net inflows in Intermediary in the third quarter were £3.7 billion and £3.3 billion in Institutional.

For the nine months, net inflows were £6.2 billion in Intermediary and £2.4 billion in Institutional. Net inflows for the nine months in Private Banking were £0.1 billion. Overall, net inflows for the nine months were £8.7 billion. Net inflows have continued to be good since the quarter end.

Michael Dobson, Chief Executive, and Kevin Parry, Chief Financial Officer, will host a conference call for the investment community, to discuss the third quarter interim management statement at 9 am GMT on Tuesday, 10 November 2009. The conference call telephone number is 0800 694 1515 (International: +44 (0)1452 584 053), conference ID 36443535. For individuals unable to participate in the conference call, a telephone replay will be available until Wednesday 18 November 2009. Please telephone 0800 953 1533 (International: +44(0) 1452 550 000), conference ID 36443535#.

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Forward-looking statements

This interim management statement may contain forward-looking statements with respect to the financial condition, results of operations and businesses of Schroders plc. Such statements and forecasts involve risk and uncertainty because they relate to events and depend upon circumstances in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by forward-looking statements and forecasts. The forward-looking statements and forecasts are based on the Directors' current view and information known to them at the date of this interim management statement. The Directors do not make any undertaking to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Nothing in this interim management statement should be construed as a profit forecast.

Appendix – Additional information

Funds under management

| £ billion | Institutional | Intermediary | Private Banking | Total |
|--------------------------|---------------|--------------|-----------------|--------------|
| 31 December 2008 | 59.6 | 38.9 | 11.7 | 110.2 |
| Net flows | 2.4 | 6.2 | 0.1 | 8.7 |
| Market movements & other | 10.8 | 8.9 | 0.3 | 20.0 |
| 30 September 2009 | 72.8 | 54.0 | 12.1 | 138.9 |

Group capital as at 30 September 2009

| £ million | 30 September 2009 | 30 June 2009 | 31 December 2008 |
|--|-------------------|--------------|------------------|
| Investment Capital: | | | |
| Cash and cash equivalents | 70 | 62 | 310 |
| Liquid debt securities | 533 | 442 | 118 |
| Fixed income: mortgage and asset backed securities | - | 1 | 105 |
| Third party hedge funds | 23 | 32 | 53 |
| Seed capital | 106 | 136 | 214 |
| Private equity | 79 | 68 | 58 |
| Property and other investments | 26 | 30 | 41 |
| Total Investment Capital | 837 | 771 | 899 |
| Private Banking: | | | |
| Cash and cash equivalents | 888 | 841 | 662 |
| Other net liabilities | (642) | (611) | (395) |
| Total Private Banking | 246 | 230 | 267 |
| Other Operational Capital: | | | |
| Cash and cash equivalents | 299 | 261 | 95 |
| Liquid debt securities | 115 | 75 | 235 |
| Other net assets | 60 | 160 | 136 |
| Total other Operational Capital | 474 | 496 | 466 |
| Total Group Capital | 1,557 | 1,497 | 1,632 |

Liquid debt securities include bank CDs and deposits.

Schroders plc
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31 Gresham Street, London EC2V 7QA
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