

Schroders plc

TRADING UPDATE

14 November 2006

Schroders plc is today issuing a trading update for the three months to 30 September 2006.

Third quarter pre-tax profit was £64.0 million compared to £63.6 million for the same period in 2005. Pre-tax profit for the nine months to end September was £196.3 million, 17.8 % ahead of underlying pre-tax profit for the same period in 2005 of £166.7 million.

Asset Management

Asset Management revenues for the quarter were £157.2 million (Q3 2005: £141.2million), costs were £108.9 million (Q3 2005: £95.1 million) and profit was £48.3 million (Q3 2005: £46.1 million). For the nine months, Asset Management profit was £145.1 million (first nine months 2005: £125.8 million[†]).

Private Banking

Private Banking revenues for the quarter were £23.4 million (Q3 2005: £17.0 million), costs were £16.5 million (Q3 2005: £15.5 million) and profit was £6.9 million (Q3 2005: £1.5 million). For the nine months, Private Banking profit was £18.1 million (first nine months 2005: £3.4 million[†]).

Private Equity and Group

Profit from Private Equity was £6.2 million (Q3 2005: £5.5 million) and from Group Net Income/(Costs) was £2.6 million (Q3 2005: £10.5 million). For the nine months, profit from Private Equity was £23.9 million (first nine months 2005: £23.5 million), and profit from Group Net Income/(Costs) was £9.2 million (first nine months 2005: £14.0 million).

Funds under Management

We continue to focus on growing higher margin products with annualised revenues from business won in the first nine months exceeding those from business lost. Funds under management at the end of September were £122.8 billion (end June 2006: £122.3 billion) with net outflows in Institutional of £1.8 billion in the quarter, net outflows in Retail of £0.1 billion and net inflows in Private Banking of £0.1 billion. Retail inflows have picked up sharply since the end of the quarter and we have a good pipeline of new specialist products in fixed income, equities and alternatives for both institutional and retail markets.

For further information please contact

Nik Ekholm
Estelle Bibby

+44 207 658 7938
+44 207 658 2589

† The term 'underlying' denotes that the relevant 2005 comparative has been adjusted to remove the impact of the one-off gain recorded in the first half of 2005 on the discontinuation of a project to outsource UK custody and portfolio accounting services. The effect of this adjustment is to reduce profit before tax in the first nine months of 2005 by £20.4 million (split £20.1 million in the Asset Management segment and £0.3 million in Private Banking).

Forward-looking statements

This trading update contains certain forward-looking statements with respect to the financial condition, results, operations and businesses of Schroders plc. These statements and forecasts involve risk and uncertainty because they relate to events and depend upon circumstances that will occur 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 these forward-looking statements and forecasts. Nothing in this trading update should be construed as a profit forecast.