

## Schroders plc

### Trading Update

**1 May 2007**

Schroders plc is today issuing a trading update for the three months to 31 March 2007.

**First quarter pre-tax profit increased 30 per cent. to £93.2 million compared to £71.4 million for the same period in 2006.**

#### **Asset Management**

Asset Management revenues for the quarter were £177.3 million (Q1 2006: £152.8 million), costs were £114.8 million (Q1 2006: £102.9 million) and profit increased 25 per cent. to £62.5 million (Q1 2006: £49.9 million).

#### **Private Banking**

Private Banking revenues for the quarter were £23.1 million (Q1 2006: £20.4 million), costs were £15.6 million (Q1 2006: £16.7 million) and profit was £7.5 million (Q1 2006: £3.7 million).

#### **Private Equity and Group**

Profit from Private Equity was £19.9 million (Q1 2006: £7.2 million) and from Group was £3.3 million (Q1 2006: £10.6 million). Private Equity profits were driven by three successful exits in the period, while reduced Group profits reflected lower earnings from seed capital investments compared to Q1 2006.

#### **Funds under Management**

Funds under management at 31 March 2007 were £132.3 billion (31 December 2006: £128.5 billion) of which £1.3 billion were gained on the acquisition in February 2007 of Aareal Asset Management, the continental European property manager. Net inflows in Retail were £1.5 billion, net outflows in Institutional were £2.5 billion. Retail flows were positive in every region in the first quarter. Institutional outflows were concentrated in the UK and included the withdrawal of a £1.4 billion balanced mandate, already reported in the press last year.

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**Forward-looking statements**

This preliminary announcement contains certain forward-looking statements with respect to the financial condition, results of 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. The forward-looking statements and forecasts are based on the Directors' current view and information known to them at the date of this announcement. 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 announcement should be construed as a profit forecast.