

Schroders

2009 Interim Results

Chief Executive
Michael Dobson

6 August 2009



Schroders

Priorities for 2009

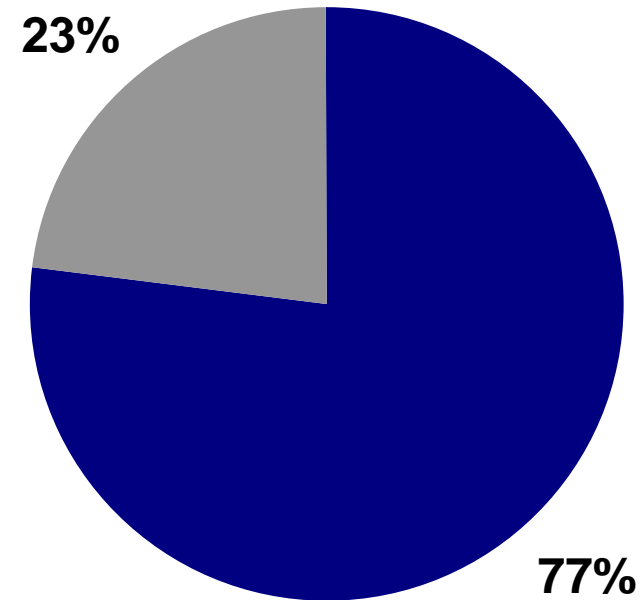
- **Aligning the business to the environment**
 - **Capitalising on investment performance**
 - **Growing assets under management**
 - **Leveraging our financial strength**
- **Costs down £49.8m**
 - **80% of funds outperforming**
 - **Q2 inflows £3.9bn**
 - **Balancing cost reductions vs. growth opportunities**

Investment performance

- **Competitive performance across equities, fixed income and alternatives**

Quartile rankings SISF range	1 year	3 year
Euro Corporate Bond	1	1
Euro Short-term Bond	1	1
Euro Short-term Bond	1	2
Global Corporate Bond	1	2
Emerging Market Debt Ab. Rt.	1	1
Euro Liquidity	1	1
European Equity	2	2
European Special Situations	1	1
US Small & Mid	1	1
Emerging Market Equity	2	1
Commodities	2	1

3 year investment performance



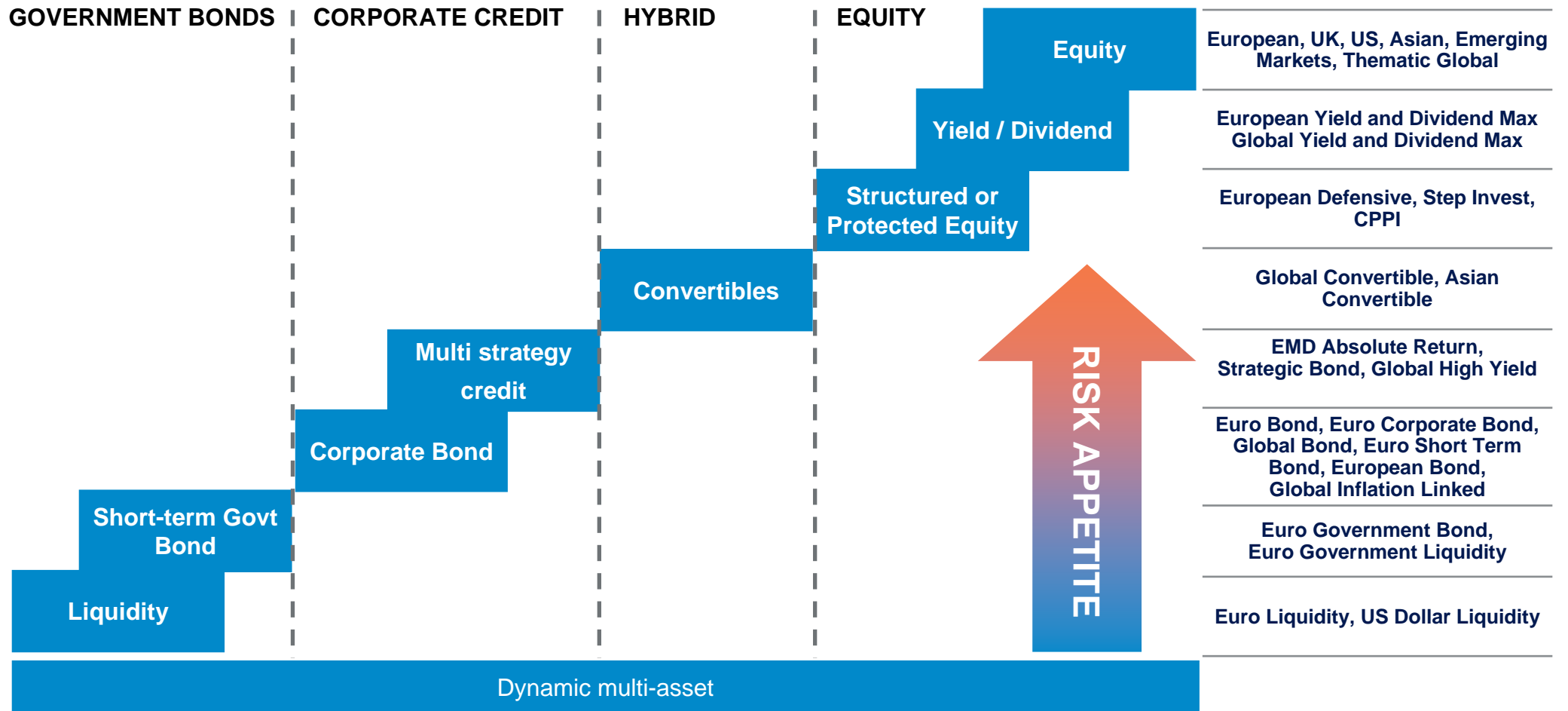
- Above benchmark or peer group
- Below benchmark or peer group



Best Larger Fixed-Interest House

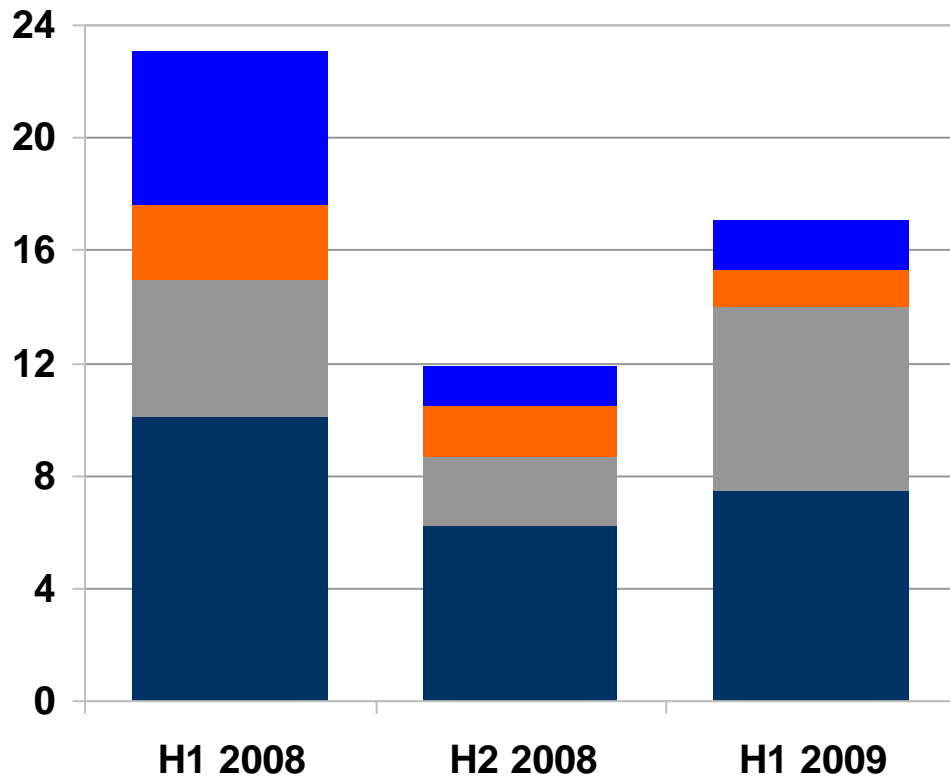


Anticipating investor demand



Asset Management gross sales

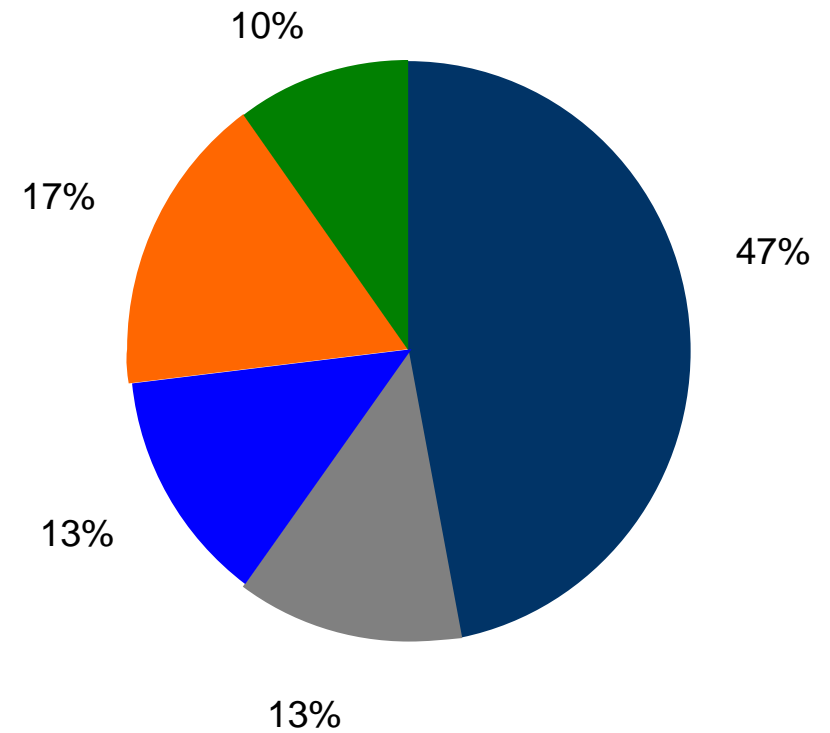
£bn



■ Equities
■ Alternatives

Funds under management £113.3bn

Not including China JV FUM £5.6bn



■ Fixed Income
■ Multi-asset
■ Private Banking



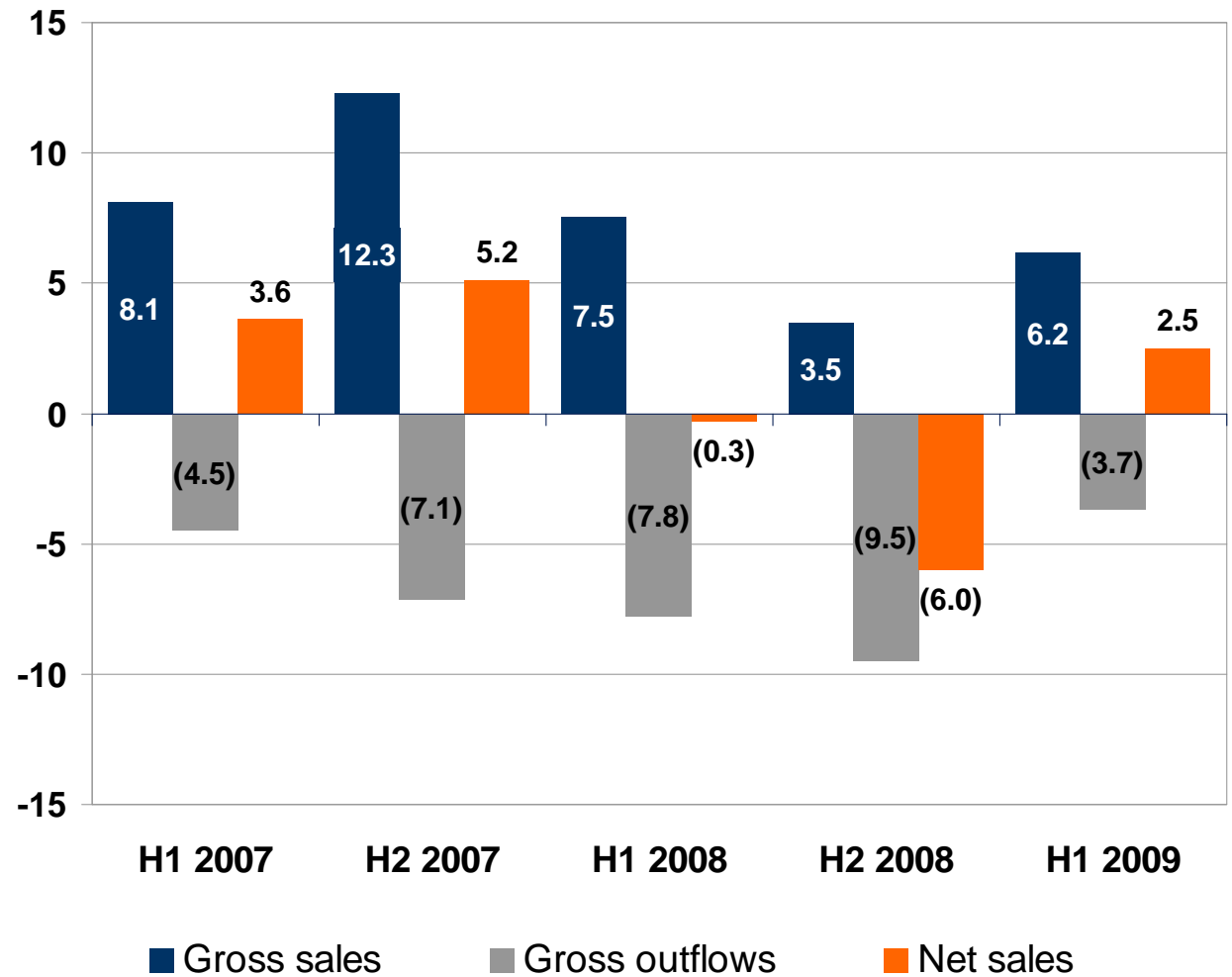
* Gross flows before netting

Intermediary

H1 2009: net inflows £2.5bn

- Recovery in gross sales
- Lower redemptions
- Top 5 in cross border sales - UK, Europe, Asia
- Capitalising on strong demand in Europe

£bn – sales flows

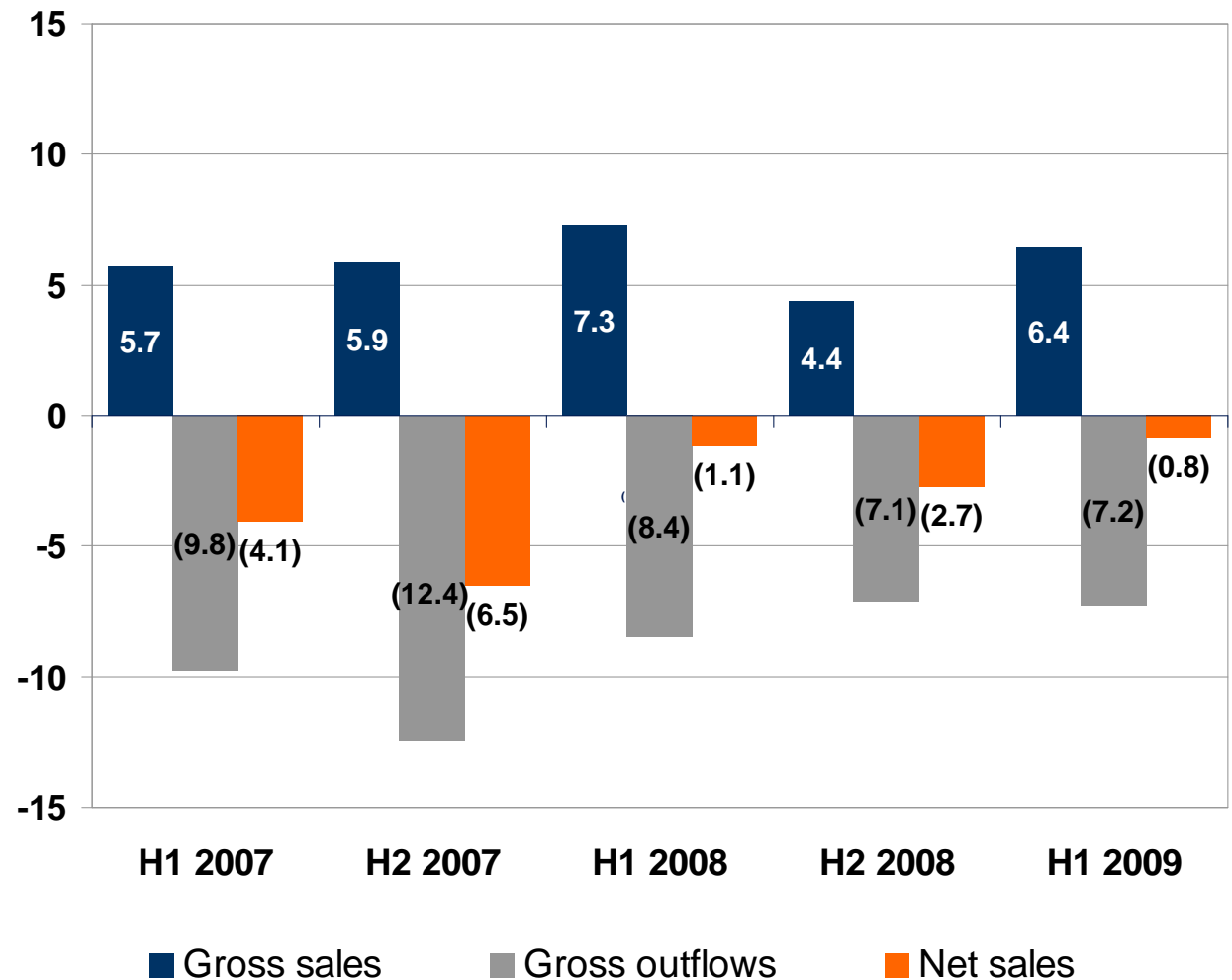


Institutional

H1 2009: net outflows £0.8bn

- Q2 net inflows £1.6bn
- Strong performance
- Consultant upgrades
- Inflows across range of products
- Strong pipeline of new business opportunities

£bn – sales flows



Private Banking

- **Assets under management £11.2bn** (end 2008: £11.7bn)
- **New clients slower to fund**
- **Existing clients withdrawing funds from liquid investment strategies**
- **New business opportunities**
 - Investment performance
 - Client service
 - Brand strength

Schroders

2009 Interim Results

Kevin Parry
Chief Financial Officer

6 August 2009



Schroders

2009 Interim Results

Asset Management and Private Banking profit before tax and exceptional items: £81.2 million

(H1 2008: £160.4 million)

Group segment loss before tax and exceptional items: £4.3 million

(H1 2008: profit £12.9 million)

Total profit before tax before exceptional items: £76.9 million

(H1 2008: £173.3 million)

Exceptional items: £40.6 million

(H1 2008: £37.6 million)

Funds under management: £113.3 billion

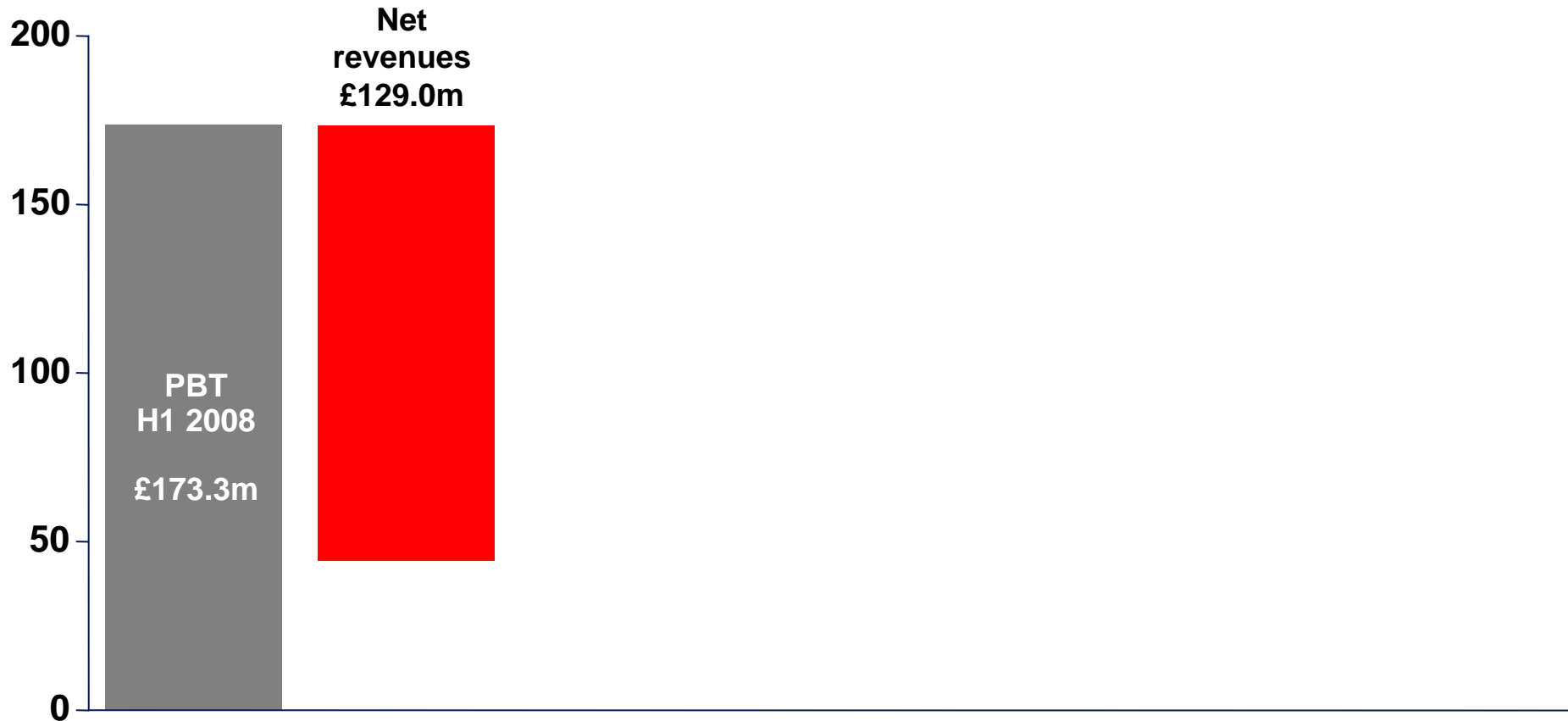
(31 December 2008: £110.2 billion)

Interim dividend: 10.0 pence per share

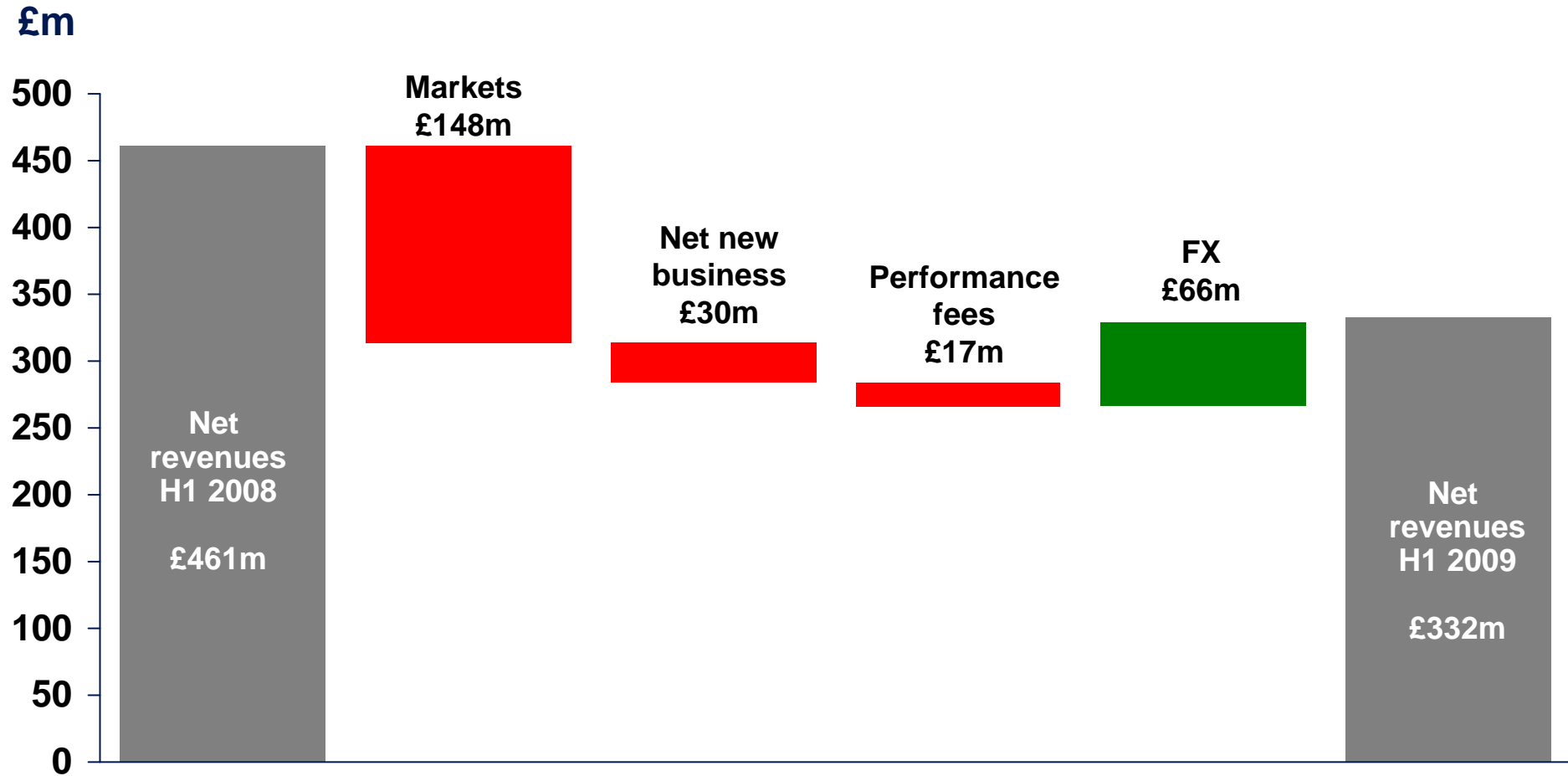
(H1 2008: 10.0 pence per share)

Profit before tax and exceptional items

£ million

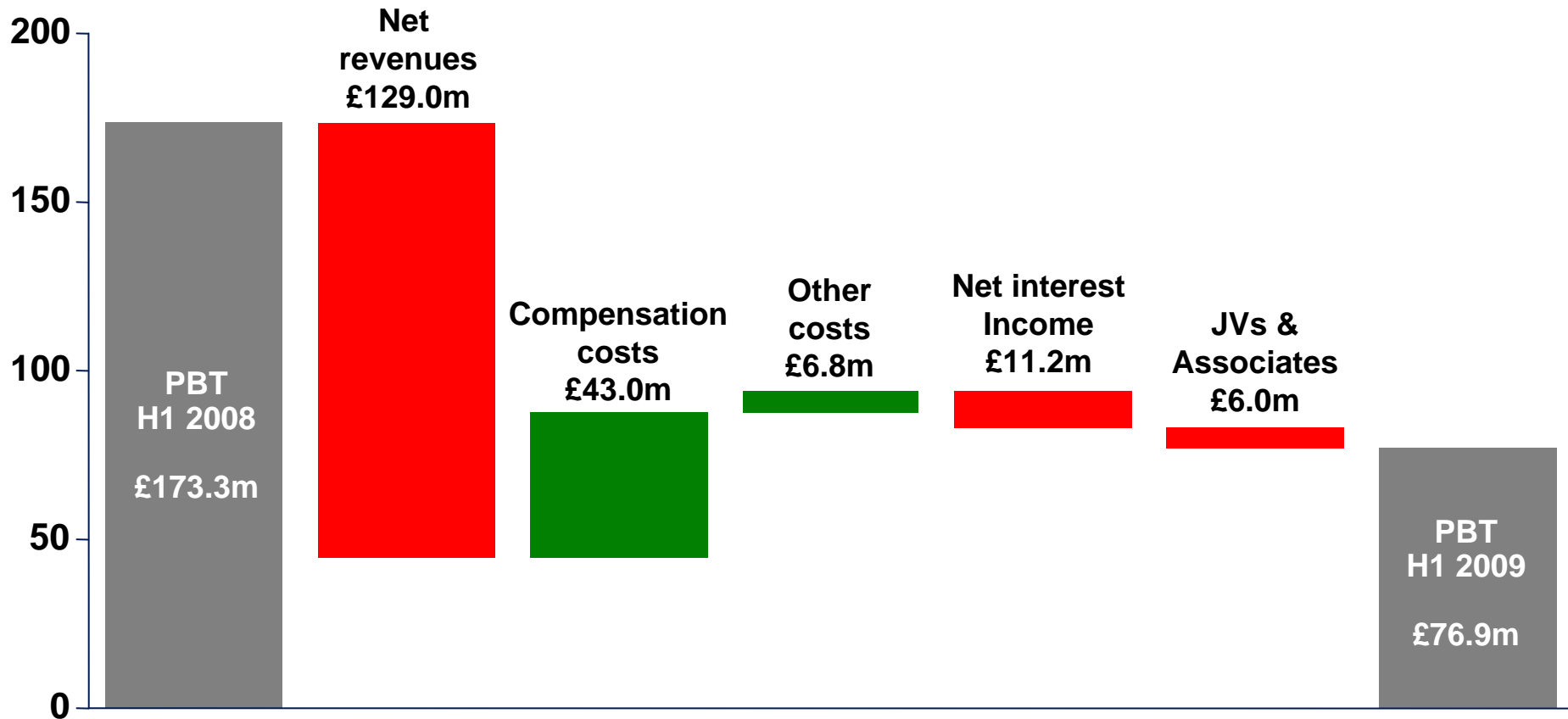


Net revenues



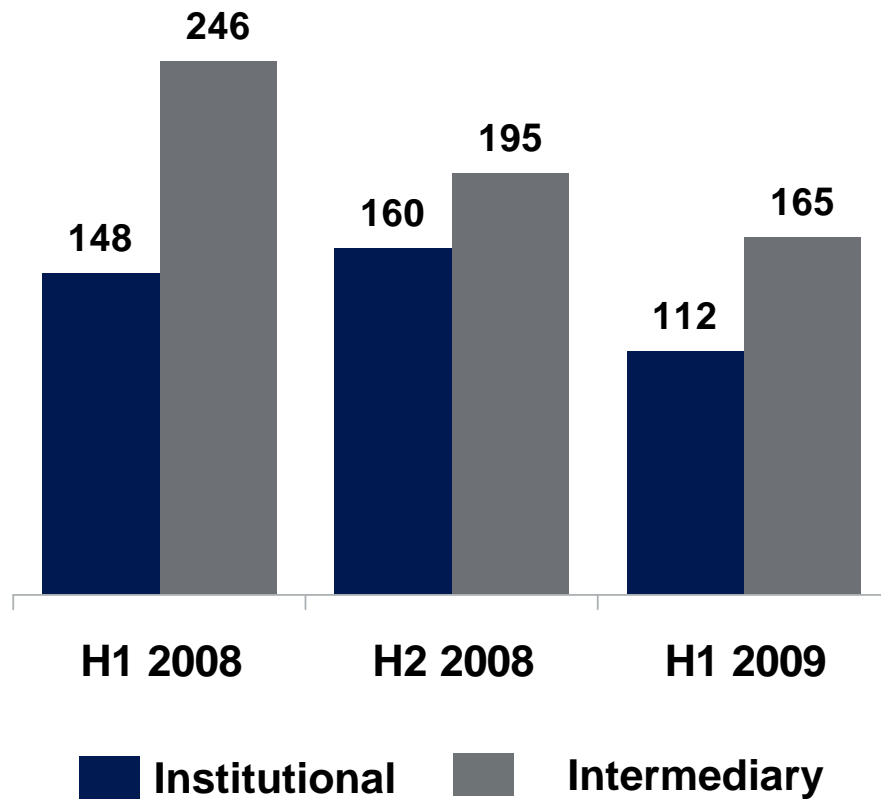
Profit before tax and exceptional items

£ million

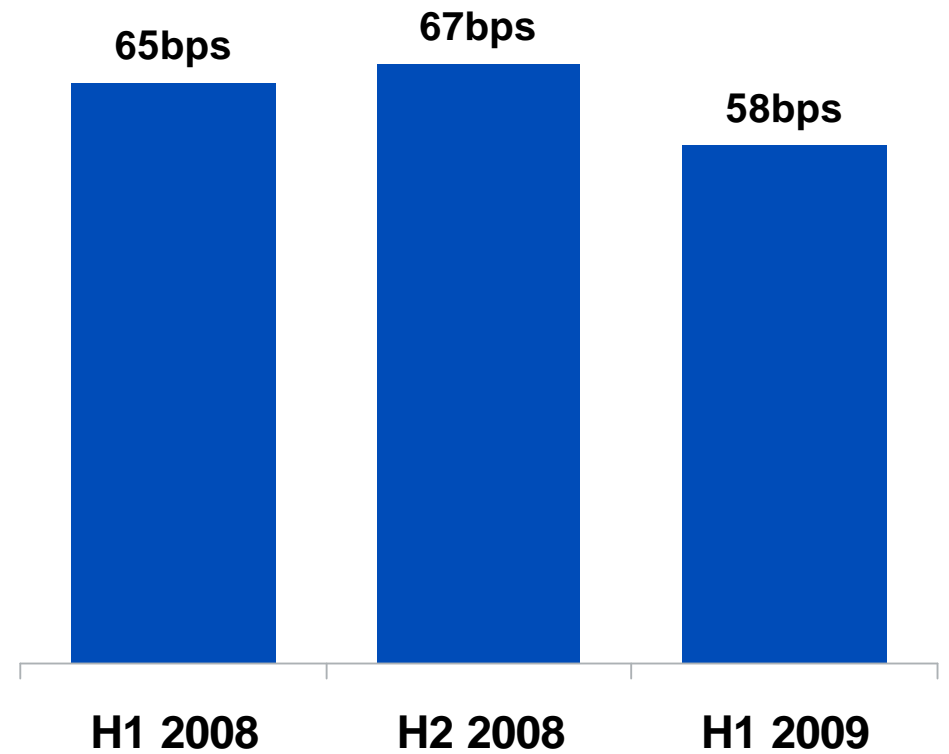


Institutional and Intermediary net revenues

£m

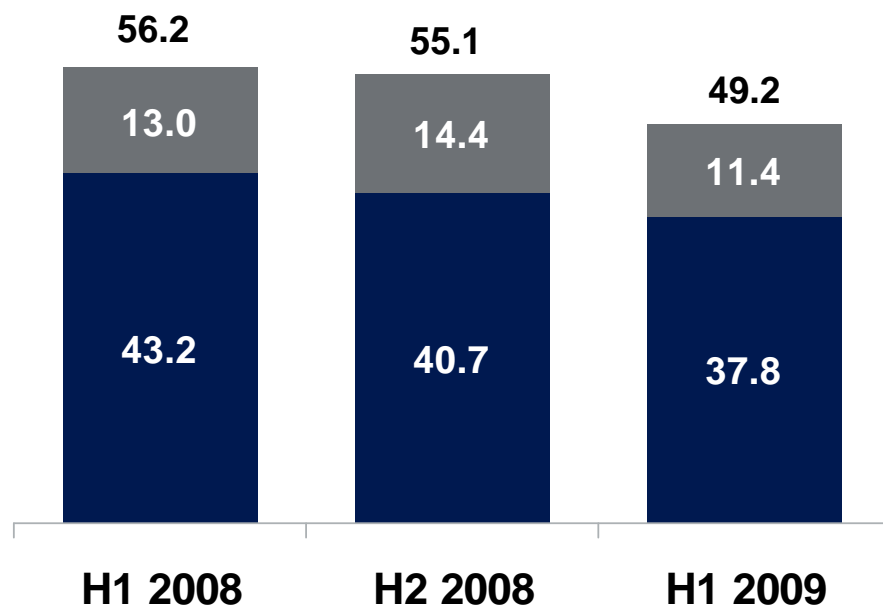


Net revenue margins



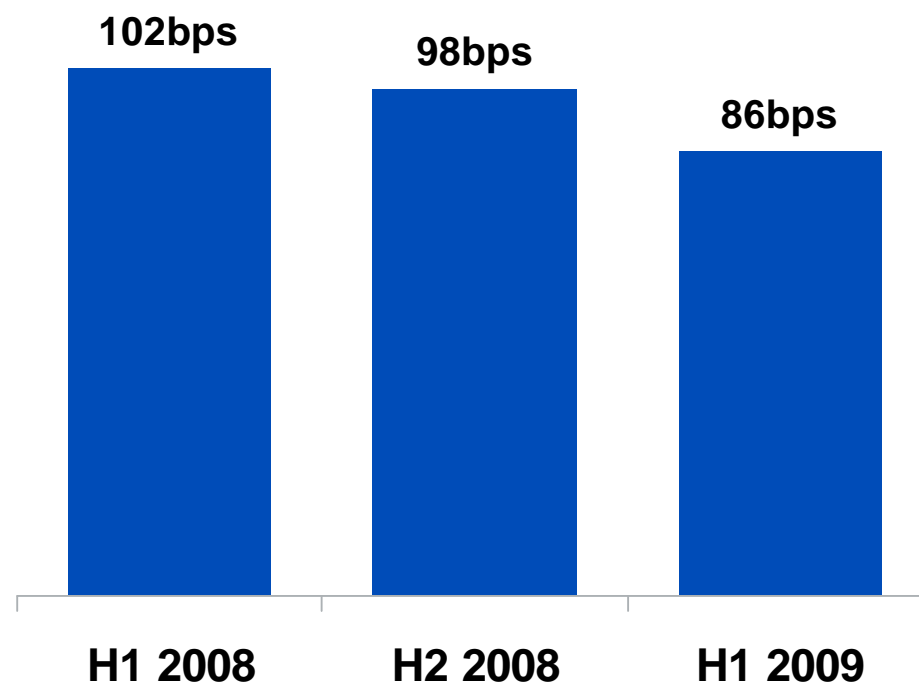
Private Banking net revenues

£m



 Fees  Interest income

Net revenue margins



Operating expenses before exceptionals

£mn	H1-08	H2-08	H1-09	H1 09 vs H1 08
Staff costs	203.7	169.7	160.7	-21%
Other costs	108.1	130.8	99.8	-8%
Depreciation and amortisation	6.8	8.3	8.3	+22%
Total	318.6	308.8	268.8	-16%
No of employees (period-end)	2,998	2,834	2,626	-12%

Exceptional items

	Q1	Q2	H1-09
ABS/MBS	(6.3)	1.5	(4.8)
Third party hedge funds	0.6	0.8	1.4
Private Equity	(1.7)	1.1	(0.6)
Seed capital	(5.8)	(6.7)	(12.5)
Property	0.4	(7.5)	(7.1)
Within Revenue:	(12.8)	(10.8)	(23.6)
Redundancy costs	(4.5)	(1.7)	(6.2)
Office rationalisation and other costs	(3.6)	(0.5)	(4.1)
Surplus space provision	(3.0)	-	(3.0)
Impairment of acquired intangible assets and JVs	-	(3.7)	(3.7)
Within operating expenses:	(11.1)	(5.9)	(17.0)
Total exceptional items	(23.9)	(16.7)	(40.6)

Group Capital allocation

£mn	June 2008	Dec 2008	June 2009
Investment Capital:			
Cash and liquid debt securities	172	428	504
Mortgage and asset backed securities	151	105	1
Third party hedge funds	173	53	32
Seed capital	248	214	136
Private equity	126	58	68
Property and other investments	46	41	30
Total Investment Capital	916	899	771
Private Banking:			
Cash and cash equivalents	311	662	841
Other net liabilities	(90)	(395)	(611)
Total Private Banking	221	267	230
Other Operational Entities:			
Cash and cash equivalents	304	95	261
Liquid debt securities	28	235	75
Other net assets	148	136	160
Total Other Operational Entities	480	466	496
Total Group Capital	1,617	1,632	1,497

Liquid debt securities represent bank CDs, investments in liquidity funds etc.

Outlook



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Outlook

- **Priorities remain unchanged**
 - Capitalising on investment performance
 - Growing assets under management
 - Balancing cost reductions vs. growth opportunities
- **Significant pipeline**
- **Focus on organic growth**

Forward-Looking Statements

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