

Schroders plc

Interim management statement

6 May 2010

Schroders plc today issues its interim management statement covering the three months to 31 March 2010.

- **Profit before tax £93.2 million (Q1 2009: £12.2 million*)**
- **Net inflows £9.7 billion (Q1 2009: net outflows £2.1 billion)**
- **Total funds under management £167.9 billion (31 December 2009: £148.4 billion)**

Asset Management

Record net inflows of £9.3 billion, comprising a strong performance in Institutional with net inflows of £6.0 billion and Intermediary net inflows of £3.3 billion, took funds under management to a new high of £154.2 billion, 68 per cent. up on twelve months ago. Asset Management net revenue for the quarter was £244.8 million (Q1 2009: £127.5 million) including performance fees of £27.2 million, the majority of which related to gains realised for investors in a European property fund. Asset Management profit before tax was £88.9 million (Q1 2009: £20.9 million).

Private Banking

Private Banking net revenue for the quarter declined to £24.3 million (Q1 2009: £26.4 million) principally as a result of lower interest income. Profit before tax was £1.3 million (Q1 2009: £8.3 million) after a provision for doubtful debts of £3.6 million. Net inflows of £0.4 billion in the quarter took funds under management to £13.7 billion.

Group segment

Profit before tax in the Group segment for the quarter was £3.0 million (Q1 2009 loss: £17.0 million).

* After £23.9 million of exceptional items

Total equity was £1,613.7 million (31 December 2009: £1,649.0 million) after payment of the second interim dividend and share purchases.

Outlook

The momentum generated in 2009 has continued in the first quarter with high levels of new business reflecting investment performance, the breadth of our product range and strong distribution. More recently, after the strong gains in markets retail investor demand has slowed, although we continue to see high levels of new business opportunities in Institutional. Overall, our business remains well placed for long term growth.

Michael Dobson, Chief Executive, and Kevin Parry, Chief Financial Officer, will host a conference call for the investment community, to discuss the first quarter interim management statement at 9am BST on Thursday, 6 May 2010. The conference call telephone number is 0800 694 1515 (International: +44 (0)1452 584 053), conference ID 69765021. For individuals unable to participate in the conference call, a telephone replay will be available until Friday 14 May 2010. Please telephone 0800 953 1533 (International: +44(0) 1452 550 000), conference ID 69765021#.

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Forward-looking statements

This interim management statement may contain certain 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

	Total £bn	Institutional £bn	Intermediary £bn	Private Banking £bn
31 December 2009	148.4	76.7	59.1	12.6
Net flows	9.7	6.0	3.3	0.4
Investment returns	9.8	5.2	3.9	0.7
31 March 2010	167.9	87.9	66.3	13.7

	Asset Management £m	Private Banking £m	Group £m	Inter-segment eliminations and adjustments £m	Total £m
Q1 2010					
Net revenue	244.8	24.3	5.0	1.4	275.5
Operating expenses	(160.1)	(23.0)	(6.6)	(1.4)	(191.1)
Operating profit/(loss)	84.7	1.3	(1.6)	-	84.4
Net finance income	0.9	-	1.1	-	2.0
Share of profit of associates and joint ventures	3.3	-	3.5	-	6.8
Profit before tax	88.9	1.3	3.0	-	93.2

	Asset Management £m	Private Banking £m	Group £m	Inter-segment eliminations and adjustments £m	Total £m
Q1 2009					
Net revenue	127.5*	26.4	(14.3)	1.2	140.8
Operating expenses	(109.8)*	(18.1)	(8.0)	(1.2)	(137.1)
Operating profit/(loss)	17.7	8.3	(22.3)	-	3.7
Net finance income	1.4	-	1.4	-	2.8
Share of profit of associates and joint ventures	1.8	-	3.9	-	5.7
Profit/(loss) before tax	20.9	8.3	(17.0)	-	12.2

Exceptional items included above:

Net revenue	-	-	(17.2)	-	(17.2)
Operating expenses	(6.7)	-	-	-	(6.7)
	(6.7)	-	(17.2)	-	(23.9)
Profit before tax and exceptional items	27.6	8.3	0.2	-	36.1
Profit/(loss) before tax	20.9	8.3	(17.0)	-	12.2

* Includes £1.2m reclassification between income and costs related to the presentational changes of IFRS 8 that were applied from June 2009.

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