

Schroders plc

Interim management statement

9 November 2010

Schroders plc today issues its interim management statement covering the nine months to 30 September 2010.

- **Profit before tax £282.7 million (2009: £79.9 million)***
- **Net inflows £21.5 billion (2009: £8.7 billion)**
- **Total funds under management £181.5 billion (30 September 2009: £138.9 billion)**

Asset Management

Asset Management net revenue for the three months to 30 September was £232.7 million (Q3 2009: £172.7 million) and profit before tax was £85.9 million (Q3 2009: £54.0 million). For the first nine months of 2010, Asset Management profit before tax was £263.2 million (2009: £108.1 million). Net inflows for the first nine months of 2010 were £19.4 billion (2009: £8.6 billion).

Private Banking

Private Banking net revenue for the three months to 30 September was £24.0 million (Q3 2009: £23.6 million) and profit before tax was £2.9 million (Q3 2009: £6.3 million). For the first nine months of 2010, Private Banking profit before tax was £9.5 million (2009: £20.8 million). Net inflows for the first nine months of 2010 were £2.1 billion (2009: £0.1 billion).

Group segment

Profit before tax in the Group segment for the three months to 30 September was £5.7 million (Q3 2009 loss: £16.7 million) taking the profit for the first nine months of 2010 to £10.0 million (2009 loss: £49.0 million).

* After £54.8 million of exceptional items.

Total profit before tax for the three months to 30 September was £94.5 million (Q3 2009: £43.6 million), taking the profit for the first nine months of 2010 to £282.7 million (2009: £79.9 million). Total equity was £1,647.8 million (31 December 2009: £1,649.0 million).

Funds under management

For the three months to 30 September, net inflows were £5.4 billion, comprising £3.7 billion in Institutional, £0.8 billion in Intermediary and £0.9 billion in Private Banking. For the first nine months of 2010, net inflows were £21.5 billion, 79% of which were from clients outside the UK, and funds under management reached a new high of £181.5 billion as at 30 September 2010. Net inflows have continued 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 this interim management statement at 9am GMT on Tuesday, 9 November 2010. The conference call telephone number is 0800 694 1515 (International: +44 (0)1452 584 053), conference ID 21834101. For individuals unable to participate in the conference call, a telephone replay will be available until Monday 15 November 2010. Please telephone 0800 953 1533 (International: +44(0) 1452 550 000), conference ID 21834101#.

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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.

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Registered office at:

31 Gresham Street, London EC2V 7QA

Registered Number 3909886 England

Appendix

Funds under Management

	Institutional £bn	Intermediary £bn	Private Banking £bn	Total £bn
30 June 2010	87.3	62.7	14.0	164.0
Net flows	3.7	0.8	0.9	5.4
Investment returns	6.6	5.0	0.5	12.1
30 September 2010	97.6	68.5	15.4	181.5

	Institutional £bn	Intermediary £bn	Private Banking £bn	Total £bn
31 December 2009	76.7	59.1	12.6	148.4
Net flows	13.5	5.9	2.1	21.5
Investment returns	7.4	3.5	0.7	11.6
30 September 2010	97.6	68.5	15.4	181.5

2010 Financial data

	Asset Management £m	Private Banking £m	Group £m	Inter- segment eliminations and adjustments £m	Total £m
Three months to 30 September 2010					
Net revenue	232.7	24.0	23.7	1.4	281.8
Operating expenses	(149.6)	(21.1)	(19.8)	(1.4)	(191.9)
Operating profit	83.1	2.9	3.9	-	89.9
Net finance income	0.8	-	1.4	-	2.2
Share of profit of associates and joint ventures	2.0	-	0.4	-	2.4
Profit before tax	85.9	2.9	5.7	-	94.5

	Asset Management £m	Private Banking £m	Group £m	Inter- segment eliminations and adjustments £m	Total £m
Nine months to 30 September 2010					
Net revenue	709.5	73.9	32.8	3.0	819.2
Operating expenses	(456.2)	(64.4)*	(32.1)	(2.9)	(555.6)
Operating profit	253.3	9.5	0.7	0.1	263.6
Net finance income	2.7	-	3.8	(0.1)	6.4
Share of profit of associates and joint ventures	7.2	-	5.5	-	12.7
Profit before tax	263.2	9.5	10.0	-	282.7

* including £4.7 million in respect of loan loss provisions.

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2009 Financial data

Three months to 30 September 2009	Asset Management £m	Private Banking £m	Group £m	Inter- segment eliminations and adjustments £m	Total £m
Net revenue	172.7	23.6	(7.4)	1.3	190.2
Operating expenses	(123.5)	(17.3)	(13.5)	(1.3)	(155.6)
Operating profit/(loss)	49.2	6.3	(20.9)	-	34.6
Net finance income	0.6	-	0.9	-	1.5
Share of profit of associates and joint ventures	4.2	-	3.3	-	7.5
Profit/(loss) before tax	54.0	6.3	(16.7)	-	43.6
Exceptional items included above:					
Net revenue	-	-	(9.2)	-	(9.2)
Operating expenses	(1.3)	-	(3.7)	-	(5.0)
	(1.3)	-	(12.9)	-	(14.2)
Profit/(loss) before tax and exceptional items	55.3	6.3	(3.8)	-	57.8
Profit/(loss) before tax	54.0	6.3	(16.7)	-	43.6

Nine months to 30 September 2009	Asset Management £m	Private Banking £m	Group £m	Inter- segment eliminations and adjustments £m	Total £m
Net revenue	450.1	72.8	(27.9)	3.9	498.9
Operating expenses	(352.9)	(52.0)*	(32.7)	(3.8)	(441.4)
Operating profit/(loss)	97.2	20.8	(60.6)	0.1	57.5
Net finance income	2.6	-	7.2	(0.1)	9.7
Share of profit of associates and joint ventures	8.3	-	4.4	-	12.7
Profit/(loss) before tax	108.1	20.8	(49.0)	-	79.9
Exceptional items included above:					
Net revenue	-	-	(32.8)	-	(32.8)
Operating expenses	(13.5)	(0.4)	(8.1)	-	(22.0)
	(13.5)	(0.4)	(40.9)	-	(54.8)
Profit before tax and exceptional items	121.6	21.2	(8.1)	-	134.7
Profit/(loss) before tax	108.1	20.8	(49.0)	-	79.9

* including £4.3 million in respect of loan loss provisions.

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