

Schroders plc

Interim management statement

23 April 2009

Schroders plc today issues its interim management statement covering the three months to 31 March 2009.

- **Asset Management and Private Banking profit before tax and exceptional items £35.9 million (Q1 2008: £77.1 million)**
- **Total profit before tax and exceptional items £36.1 million (Q1 2008: £77.9 million)**
- **Total profit before tax and after exceptional items £12.2 million (Q1 2008: £42.2 million)**

Asset Management

Asset Management income for the quarter was £131.9 million (Q1 2008: £197.1 million), costs before exceptional items were down £26.6 million to £104.3 million (Q1 2008: £130.9 million) and profit before tax and exceptional items was £27.6 million (Q1 2008: £66.2 million). Exceptional items of £6.7 million (Q1 2008: £0.6 million) comprise £4.5 million of redundancy costs and £2.2 million of other rationalisation costs. Profit before tax and after exceptional items was £20.9 million (Q1 2008: £65.6 million).

Private Banking

Private Banking income for the quarter was £26.4 million (Q1 2008: £27.4 million), costs were £18.1 million (Q1 2008: £16.5 million) and profit before tax was £8.3 million (Q1 2008: £10.9 million).

Group segment¹

Profit before tax and exceptional items in the Group segment for the quarter was £0.2 million (Q1 2008: £0.8 million). Exceptional items of £17.2 million (Q1 2008: £35.1 million) comprise £3.4 million of realised losses on the sale of financial assets, £10.8 million of unrealised losses on financial assets, and £3.0 million

¹ With effect from 1 January 2009, the Group segment includes the previously separately disclosed Private Equity activities.

of surplus space provisions arising from the cost reduction programme. The loss before tax and after exceptional items was £17.0 million (Q1 2008 loss: £34.3 million).

Funds under management

Funds under management at 31 March 2009 were £103.1 billion (31 December 2008: £110.2 billion). Net outflows in Institutional amounted to £2.4 billion including outflows in the first quarter which were notified in 2008. After significant outflows in 2008 in Intermediary, including £3.1 billion in the fourth quarter, demand stabilised with net inflows of £0.2 billion in the first quarter, as a result of particularly strong demand in fixed income and good investment performance across most asset classes. Private Banking net inflows amounted to £0.1 billion.

Outlook

The high level of volatility in financial markets in the first quarter is likely to persist and continue to affect investor demand. Against this background, we have reduced our staff costs and taken actions which will lead to a reduction in other costs later in the year and into 2010.

Competitive investment performance, a proven distribution capability, diversified geographic and product offerings, and a strong financial position continue to be competitive advantages in a more challenging environment.

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, 23 April 2009. The conference call telephone number is 0800 694 1515 (International: +44 (0)1452 584 053), conference ID 91423867. For individuals unable to participate in the conference call, a telephone replay will be available until Thursday 30 April 2009. Please telephone 0800 953 1533 (International: +44(0) 1452 550 000), conference ID 91423867#.

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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 - Group capital as at 31 March 2009

	31 March 2009 £mn	31 December 2008 £mn	31 March 2008 £mn
Investment Capital:			
Cash and cash equivalents	205	310	62
Liquid debt securities	336	118	78
Fixed income: mortgage and asset backed securities	30	105	209
Third party hedge funds	33	53	208
Seed capital	170	214	182
Private Equity	64	58	139
Property and other investments	35	41	47
Total Investment Capital	873	899	925
Private Banking:			
Cash and cash equivalents	872	662	415
Other net liabilities	(615)	(395)	(197)
Total Private Banking	257	267	218
Other Operational Capital:			
Cash and cash equivalents	164	95	204
Liquid debt securities	139	235	108
Other net assets	180	136	250
Total other Operational Capital	483	466	562
Total Group Capital	1,613	1,632	1,705

Liquid debt securities include bank CDs and deposits.