H1 2012
Resilient performance and continued investment in the business

- Net new business £2.7bn
- 66% of funds outperforming over 3 years
- Assets under management £194.6bn (31 December 2011: £187.3bn)
- Profit before tax £177.4m (H1 2011: £215.7m)
- Interim dividend 13.0 pence per share (interim dividend 2011: 13.0 pence)
Net sales by channel

£2.7 billion of net inflows in difficult market conditions

Schroders 2012 Half-Year Results | 2 August 2012
Geographic diversity
International strength drives net sales performance

North America £1.6bn
South America £0.5bn
UK £0.4bn
Continental Europe £(0.2)bn
Asia Pacific £0.4bn
Institutional
Assets under management: £113.3bn (end 2011: £108.4bn)

- Net inflows £1.9bn
- Net inflows in Institutional in 12 out of last 13 quarters
- Pipeline of net notified business
- Net inflows in Multi-asset, Equities, Property
- Net revenue margins on new business 45 bps
- Longevity improves to 6.3 years (2011: 5.3 years)
Intermediary

Assets under management: £65.3bn (end 2011: £62.9bn)

- Net inflows £1.0bn
- Principally in Multi-asset
- £1.4bn net inflows in US Intermediary
- Resilient performance in UK: net sales £0.5bn
- Outflows in Europe and Asia
New product launches 2012
Meeting future investor demand

- **Outcome-orientated**
  - Secure-Distribution Fund 2032
  - Managed Monthly High Income fund
  - European Total Return Equities

- **Multi-asset**
  - Strategic Beta Fund
  - Global Multi-asset Income

- **Equities**
  - QEP Global Emerging Markets
  - Emerging Markets Small Cap Discovery

- **Fixed Income**
  - EMD Relative Return: 3 funds
  - Global High Income Bond
  - Global Unconstrained Bond
  - Absolute Return Bond
  - UK Strategic Bond for IFAs

Denotes new products since Q1 IMS
Private Banking

Assets under management: £16.0bn (end 2011: £16.0bn)

- Net outflows £0.2bn
  - risk averse European client base
  - limited new investment activity

- Revenues down 9% at £52.6m (H1 2011: £58.0m)
  - decline in net revenue margins
  - continued move towards defensive strategies
  - lower transaction volumes

- Costs down 8% to £42.2m (2010: £45.7m)
  - including £1.8m provision on previously impaired commercial property loans

- Profit before tax £10.4m (H1 2011: £12.3m)
Key figures

**Profit before tax (£m)**
- H1 2010: 188.2
- H1 2011: 215.7
- H1 2012: 177.4

**Costs: net revenue ratio (%)**
- H1 2010: 68
- H1 2011: 65
- H1 2012: 69

**Earnings per share (pence)**
- H1 2010: 49.4
- H1 2011: 60.7
- H1 2012: 50.7

**Dividend per share (pence)**
- H1 2010: 11
- H1 2011: 13
- H1 2012: 13
Profit before tax

H1 2011 vs. H1 2012: Decrease of £49m

£m

Net revenue
49

PBT
216

H1 2011
Net revenue

Decrease of £49m

£m

<table>
<thead>
<tr>
<th></th>
<th>H1 2011</th>
<th>H1 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asset Management</td>
<td>535</td>
<td>491</td>
</tr>
<tr>
<td>Private Banking</td>
<td>58</td>
<td>53</td>
</tr>
<tr>
<td>Group Segment</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Net new business</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>Markets and FX</td>
<td>35</td>
<td></td>
</tr>
<tr>
<td>Performance fees</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Group segment</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

Schroders 2012 Half-year results | August 2012
Profit before tax

Decrease of £39m

£m

PBT 216

Private Banking 13

Net revenue 49

Compensation costs 1

Other costs 11

Net finance income 2

Private Banking 10

PBT 177

Asset Management 175

Group Segment -8

Asset Management 203

Group Segment 0

H1 2011

H1 2012

Schroders 2012 Half-year results | August 2012
Institutional net revenues

£7m increase in total net revenue

Analysis of £10m increase in fees on H1 2011 (ex-performance fees)

<table>
<thead>
<tr>
<th></th>
<th>H1 2011 Management fees 213</th>
<th>2011 NNB 8</th>
<th>2012 NNB 3</th>
<th>Markets/FX 1</th>
<th>H1 2012 Management fees 223</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 2011</td>
<td>226</td>
<td>228</td>
<td>233</td>
<td>213</td>
<td>214</td>
</tr>
<tr>
<td>H2 2011</td>
<td>213</td>
<td>214</td>
<td>223</td>
<td>8</td>
<td>10</td>
</tr>
<tr>
<td>H1 2012</td>
<td>226</td>
<td>228</td>
<td>233</td>
<td>213</td>
<td>214</td>
</tr>
</tbody>
</table>

Management fees | Performance fees
Intermediary net revenues
£51m decline in total net revenue

Analysis of £50m decrease in fees on H1 2011
(ex-performance fees)

<table>
<thead>
<tr>
<th>£m</th>
<th>H1 2011 Management fees 308</th>
<th>2011 NNB 18</th>
<th>2012 NNB 3</th>
<th>Markets/FX 29</th>
<th>H1 2012 Management fees 258</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 2011</td>
<td>309</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>H2 2011</td>
<td>279</td>
<td>9</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>H1 2012</td>
<td>258</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Management fees | Performance fees
Intermediary net revenues

MSCI World Index - volatility

Source: Thomson Reuters Datastream
Intermediary net revenues

£51m decline in total net revenue

Analysis of £50m decrease in fees on H1 2011
(ex-performance fees)

H1 2011 Management fees £308

2011 NNB £18

2012 NNB £3

Markets/FX £29

H1 2012 Management fees £258

£m

H1 2011  Management fees £309

H2 2011  Performance fees £1

H1 2012  Management fees £270

H1 2011  Performance fees £9

H1 2012  Management fees £258

Schroders 2012 Half-year results | August 2012
Institutional and Intermediary net revenues

AM net revenue margins

Margin reduction
56 to 54

Sales channel mix
Asset class mix
Transaction fees

Sales channel mix
Asset class mix
Transaction fees

H1 2011
H2 2011
H1 2012

Performance fees
Institutional management fees
Intermediary management fees

H1 2011
H2 2011
H1 2012

Management fee margin
Performance fee margin

58bp
58bp
55bp

1bp
2bp
1bp

57bp
56bp
54bp

Schroders 2012 Half-year results | August 2012
Private Banking segment

£m – Net revenue

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Management fees</th>
<th>Transaction fees</th>
<th>Total</th>
<th>Net banking interest income</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 2011</td>
<td>38.1</td>
<td>7.2</td>
<td>58.0</td>
<td>12.7</td>
</tr>
<tr>
<td>H2 2011</td>
<td>36.9</td>
<td>7.2</td>
<td>56.3</td>
<td>12.2</td>
</tr>
<tr>
<td>H1 2012</td>
<td>34.7</td>
<td>7.1</td>
<td>52.6</td>
<td>10.8</td>
</tr>
</tbody>
</table>

£m – Costs

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Compensation costs</th>
<th>Other costs</th>
<th>Doubtful debt charges</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 2011</td>
<td>45.7</td>
<td>27.4</td>
<td>1.8</td>
<td>42.2</td>
</tr>
<tr>
<td>H2 2011</td>
<td>44.8</td>
<td>27.7</td>
<td></td>
<td>42.2</td>
</tr>
<tr>
<td>H1 2012</td>
<td>42.2</td>
<td>24.2</td>
<td></td>
<td>42.2</td>
</tr>
</tbody>
</table>
### Group segment

**Investment capital, governance, management and other**

<table>
<thead>
<tr>
<th>Segment disclosure</th>
<th>H1 2011 £m</th>
<th>H1 2012 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net revenue</td>
<td>0.6</td>
<td>0.4</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>(7.5)</td>
<td>(14.4)</td>
</tr>
<tr>
<td>Net finance income</td>
<td>9.0</td>
<td>6.3</td>
</tr>
<tr>
<td>Share of associates and JVs</td>
<td>(1.8)</td>
<td>(0.5)</td>
</tr>
<tr>
<td><strong>Group segment profit/(loss)</strong></td>
<td><strong>0.3</strong></td>
<td><strong>(8.2)</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other comprehensive income</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.7</td>
<td>7.3</td>
</tr>
<tr>
<td></td>
<td><strong>2.0</strong></td>
<td><strong>(0.9)</strong></td>
</tr>
</tbody>
</table>

**Analysed as:**

| Governance, management and other | (6.1) | (14.7) |
| Investment capital returns      | 8.1   | 13.8   |
|                                 | **2.0** | **(0.9)** |
## Group segment

### Governance, management and other

<table>
<thead>
<tr>
<th>Economic view</th>
<th>H1 2011</th>
<th>H1 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred remuneration mark to market and FX</td>
<td>(0.3)</td>
<td>(0.5)</td>
</tr>
<tr>
<td>Pension fund credits</td>
<td>12.1</td>
<td>0.2</td>
</tr>
<tr>
<td>Property and other provisions</td>
<td>(2.0)</td>
<td>-</td>
</tr>
<tr>
<td>Variable items</td>
<td>9.8</td>
<td>(0.3)</td>
</tr>
<tr>
<td>Costs</td>
<td>(15.9)</td>
<td>(14.4)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>(6.1)</td>
<td>(14.7)</td>
</tr>
<tr>
<td>Segment disclosure</td>
<td>H1 2011 £m</td>
<td>H1 2012 £m</td>
</tr>
<tr>
<td>---------------------------------------</td>
<td>------------</td>
<td>------------</td>
</tr>
<tr>
<td>Net revenue</td>
<td>0.6</td>
<td>0.4</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>(7.5)</td>
<td>(14.4)</td>
</tr>
<tr>
<td>Net finance income</td>
<td>9.0</td>
<td>6.3</td>
</tr>
<tr>
<td>Share of associates and JVs</td>
<td>(1.8)</td>
<td>(0.5)</td>
</tr>
<tr>
<td>Group segment profit/(loss)</td>
<td><strong>0.3</strong></td>
<td><strong>(8.2)</strong></td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1.7</td>
<td>7.3</td>
</tr>
<tr>
<td></td>
<td><strong>2.0</strong></td>
<td><strong>(0.9)</strong></td>
</tr>
</tbody>
</table>

Analysed as:

<table>
<thead>
<tr>
<th>Governance, management and other</th>
<th><strong>(6.1)</strong></th>
<th><strong>(14.7)</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment capital returns</td>
<td>8.1</td>
<td>13.8</td>
</tr>
<tr>
<td></td>
<td><strong>2.0</strong></td>
<td><strong>(0.9)</strong></td>
</tr>
<tr>
<td>Segment</td>
<td>H1 2011 £m</td>
<td>Annualised return</td>
</tr>
<tr>
<td>--------------------------------------------------</td>
<td>------------</td>
<td>-------------------</td>
</tr>
<tr>
<td>Actively managed portfolio of surplus capital</td>
<td>6.1</td>
<td>2.2%</td>
</tr>
<tr>
<td>Seed capital</td>
<td>1.1</td>
<td></td>
</tr>
<tr>
<td>Legacy PE, property and associate</td>
<td>0.9</td>
<td></td>
</tr>
<tr>
<td><strong>Total return</strong></td>
<td><strong>8.1</strong></td>
<td></td>
</tr>
</tbody>
</table>
## Operating expenses

<table>
<thead>
<tr>
<th>£m</th>
<th>H1 2011</th>
<th>H2 2011</th>
<th>H1 2012</th>
<th>H1 2012 VS H1 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff costs</td>
<td>257.8</td>
<td>242.0</td>
<td>256.4</td>
<td>(1.4)</td>
</tr>
<tr>
<td>Other costs</td>
<td>123.4</td>
<td>124.5</td>
<td>112.9</td>
<td>(10.5)</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>7.2</td>
<td>6.9</td>
<td>6.3</td>
<td>(0.9)</td>
</tr>
<tr>
<td>Total</td>
<td>388.4</td>
<td>373.4</td>
<td>375.6</td>
<td>(12.8)</td>
</tr>
</tbody>
</table>

### Compensation cost: operating revenue ratio

- 44%*  
- 44%  
- 47%  
- 3%

### Cost: net revenue ratio

- 65%  
- 67%  
- 69%  
- 4%

* 46% excluding pension credit
## Tax charge and earnings per share

<table>
<thead>
<tr>
<th></th>
<th>H1 2011</th>
<th>H1 2012</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Profit before tax - £m</strong></td>
<td>215.7</td>
<td>177.4</td>
<td>(38.3)</td>
</tr>
<tr>
<td><strong>Tax - £m</strong></td>
<td>(50.0)</td>
<td>(40.3)</td>
<td>9.7</td>
</tr>
<tr>
<td><strong>Profit after tax - £m</strong></td>
<td>165.7</td>
<td>137.1</td>
<td>(28.6)</td>
</tr>
<tr>
<td><strong>Effective tax rate</strong></td>
<td>23.2%</td>
<td>22.7%</td>
<td>(0.5)%</td>
</tr>
<tr>
<td><strong>Basic earnings per share</strong></td>
<td>60.7p</td>
<td>50.7p</td>
<td>(10.0)p</td>
</tr>
<tr>
<td><strong>Dividend</strong></td>
<td>13.0p</td>
<td>13.0p</td>
<td>-</td>
</tr>
</tbody>
</table>
Movement in Group capital

Increase of £37m

<table>
<thead>
<tr>
<th>Action</th>
<th>Amount (£m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit after tax</td>
<td>137</td>
</tr>
<tr>
<td>Share purchases</td>
<td>40</td>
</tr>
<tr>
<td>Dividends</td>
<td>69</td>
</tr>
<tr>
<td>Other</td>
<td>9</td>
</tr>
</tbody>
</table>

31 December 2011

Group capital H2 2011
1,902

30 June 2012

Group capital H1 2012
1,939

Schroders 2012 Half-year results | August 2012
Group capital allocation

<table>
<thead>
<tr>
<th>£m</th>
<th>H1 2011</th>
<th>H2 2011</th>
<th>H1 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asset Management &amp; Private Banking operational capital</td>
<td>850</td>
<td>884</td>
<td>864</td>
</tr>
<tr>
<td>Investment capital*</td>
<td>807</td>
<td>837</td>
<td>908</td>
</tr>
<tr>
<td>Other (intangibles etc.)</td>
<td>188</td>
<td>181</td>
<td>167</td>
</tr>
<tr>
<td>Statutory Group capital</td>
<td>1,845</td>
<td>1,902</td>
<td>1,939</td>
</tr>
</tbody>
</table>

* Not included in AUM

Investment capital breakdown (%)

- Cash and cash equivalents: 8%
- Fixed income bonds: 9%
- Hedge fund fixed income: 7%
- Long only EMD absolute return: 16%
- Legacy private equity: 11%
- Global macro: 15%
- Multi-asset: 22%
- Government guaranteed bonds: 1%
- Seed capital: alpha exposures: 1%
- Other: 3%

Schroders 2012 Half-year results | August 2012
Schroders

2012 Half-Year Results

Michael Dobson
Chief Executive

2 August 2012
Outlook

- Financial market and investor uncertainty to persist
- Resilient performance on the back of diversified business model
- Range of new products to meet future demand
- Opportunity to invest in organic growth
  - talent
  - infrastructure
  - new markets
Awards
Forward-Looking Statements

These presentation slides may contain forward-looking statements with respect to the financial condition and results of the operations and businesses of Schroders plc.

These statements and forecasts involve risk and uncertainty because they relate to events and depend upon circumstances that may 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 those forward-looking statements and forecasts. Forward-looking statements and forecasts are based on the Directors’ current view and information known to them at the date of this presentation. 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 presentation should be construed as a profit forecast.