

Schroders plc

Interim management statement

10 November 2011

Schroders plc today issues its interim management statement covering the nine months to 30 September 2011.

- **Profit before tax £317.3 million (2010: £282.7 million)**
- **Net new business £5.1 billion**
- **Assets under management £182.2 billion**

Asset Management

Asset Management net revenue for the three months to 30 September was £256.8 million (Q3 2010: £232.7 million) including performance fees of £14.3 million (Q3 2010: £7.6 million) and profit before tax was £92.7 million (Q3 2010: £85.9 million). For the first nine months of 2011, Asset Management profit before tax was £295.8 million (2010: £263.2 million).

Private Banking

Private Banking net revenue for the three months to 30 September was £29.3 million (Q3 2010: £24.0 million) and profit before tax was £6.7 million (Q3 2010: £2.9 million). For the first nine months of 2011, Private Banking profit before tax was £19.0 million (2010: £9.5 million).

Group segment

Profit before tax in the Group segment for the three months to 30 September was £2.2 million (Q3 2010: £5.7 million) and for the first nine months of 2011 was £2.5 million (2010: £10.0 million).

Total profit before tax for the three months to 30 September was £101.6 million (Q3 2010: £94.5 million), taking profit before tax for the first nine months of 2011 to £317.3 million (2010: £282.7 million).

After buying in 3.3 million ordinary shares and 4.9 million non-voting ordinary shares in the first nine months of 2011 at a cost of £122.4 million, shareholders' equity was £1.84 billion (31 December 2010: £1.80 billion).

Assets under management

For the three months to 30 September, net inflows of £2.8 billion in Institutional were offset by net outflows of £2.7 billion in Intermediary and £0.1 billion in Private Banking. For the first nine months of 2011, net inflows were £5.1 billion. Assets under management were £182.2 billion as at 30 September 2011.

Outlook

Financial markets are likely to remain volatile with no sustained recovery in equities until we see some resolution to the uncertainties facing the eurozone. Until such time, the environment in Intermediary and Private Banking will continue to be difficult with investors reluctant to commit funds to risk assets, and opportunities in Institutional will be held back although we expect to see a continuation of positive net flows from institutional clients.

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 Thursday, 10 November 2011. The conference call telephone number is 0800 694 0257 (International: +44 1452 555 566), conference ID 16352306. For individuals unable to participate in the conference call, a telephone replay will be available until Wednesday 23 November 2011. Please telephone 0800 953 1533 (International: +44 1452 550 000), conference ID 16352306#.

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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 the Schroders Group. Such statements and forecasts involve risk and uncertainty because they are based on current expectations and assumptions but they relate to events and depend upon circumstances in the future. Without limitation, any statements preceded or followed by or that include the words 'targets', 'plans', 'believes', 'expects', 'aims', or 'anticipates' or the negative of these terms and other similar terms are intended to identify such forward-looking statements. 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. 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

Assets under Management

	Institutional £bn	Intermediary £bn	Private Banking £bn	Total £bn
30 June 2011	112.7	75.4	16.7	204.8
Net flows	2.8	(2.7)	(0.1)	-
Investment returns	(11.7)	(9.9)	(1.0)	(22.6)
30 September 2011	103.8	62.8	15.6	182.2

	Institutional £bn	Intermediary £bn	Private Banking £bn	Total £bn
31 December 2010	106.4	74.1	16.2	196.7
Net flows	7.4	(2.3)	-	5.1
Investment returns	(10.0)	(9.0)	(0.6)	(19.6)
30 September 2011	103.8	62.8	15.6	182.2

2011 Financial data

Three months to 30 September 2011	Asset Management £m	Private Banking £m	Group £m	Inter- segment eliminations and adjustments £m	Total £m
Net revenue	256.8	29.3	4.3	-	290.4
Operating expenses	(166.6)	(22.6)	(3.4)	-	(192.6)
Operating profit	90.2	6.7	0.9	-	97.8
Net finance income	-	-	3.1	-	3.1
Share of profit of associates and joint ventures	2.5	-	(1.8)	-	0.7
Profit before tax	92.7	6.7	2.2	-	101.6

Nine months to 30 September 2011	Asset Management £m	Private Banking £m	Group £m	Inter- segment eliminations and adjustments £m	Total £m
Net revenue	791.4	87.3	4.9	-	883.6
Operating expenses	(501.8)	(68.3)	(10.9)	-	(581.0)
Operating profit	289.6	19.0	(6.0)	-	302.6
Net finance income/(expense)	(0.5)	-	12.1	-	11.6
Share of profit/(loss) of associates and joint ventures	6.7	-	(3.6)	-	3.1
Profit before tax	295.8	19.0	2.5	-	317.3

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2010 Financial data

Three months to 30 September 2010	Asset Management £m	Private Banking £m	Group £m	Inter-segment eliminations and adjustments £m	Total £m
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

Nine months to 30 September 2010	Asset Management £m	Private Banking £m	Group £m	Inter-segment eliminations and adjustments £m	Total £m
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

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