H1 2013
Volatile background, strong results

- Profit before tax and exceptional items up 29% to £228.0m (H1 2012: £177.4m)
- Interim dividend up 23% to 16.0 pence per share (interim dividend 2012: 13.0 pence)
- 67% of funds outperforming over 3 years
- Net inflows up 67% to £4.5bn (H1 2012: £2.7bn)
- Assets under management up 21% to £235.7bn (30 June 2012: £194.6bn)
- Acquisition of Cazenove Capital completed 2 July
Acquisition of Cazenove Capital

Scale in Wealth Management, complementary strategies in Investment Funds

- £20.1bn AUM
  - £13.2bn Wealth Management
  - £6.9bn Investment Funds
- £1.6bn net inflows in H1 2013
  - £0.4bn Wealth Management
  - £1.2bn Investment Funds

In Private Banking
- Adds scale in UK
- Broadens client offering
- Complementary client base

In Asset Management
- Extends product range in UK Intermediary
- Strong performance in UK and European equities, multi-manager, fixed income
- Opportunities to leverage Schroders distribution

Cost synergies £12-15m
Cazenove Capital H1 2013

Strong revenue growth

Net revenues (£m) and net revenue margins (bps)

<table>
<thead>
<tr>
<th></th>
<th>H1 2012</th>
<th>H1 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment Funds</td>
<td>13.2</td>
<td>20.2</td>
</tr>
<tr>
<td>Wealth Management</td>
<td>37.5</td>
<td>41.4</td>
</tr>
<tr>
<td>Total</td>
<td>50.7</td>
<td>61.6</td>
</tr>
</tbody>
</table>

+53% increase in Investment Funds
+10% increase in Wealth Management
+21% increase in Total

66 bps net revenue margin
65 bps net revenue margin
68 bps net revenue margin
Diversified sources of new business

H1 2013: net new business £4.5bn

By channel

By region

By asset class

- Diversified sources of new business
- H1 2013: net new business £4.5bn
- By channel
- By region
- By asset class

- Institutional
- Intermediary
- Private Banking

- UK
- Europe
- Asia-Pacific
- Americas

- Equities
- Fixed Income
- EMD/Commodities
- Property
- Private Banking
Institutional

Assets under management: £139.6bn (end 2012: £123.7bn)

- £14.2bn of new business in H1
- H1 net inflows £2.1bn
  - Asia-Pacific, UK
  - Multi-asset, Equities, Fixed Income
- Pick up in outflows in Q2
  - Asset allocation
  - US client diversifying
  - STW
- Net revenue margins unchanged at 39 bps
- Continue to see opportunities globally

By asset class

<table>
<thead>
<tr>
<th>£bn</th>
<th>Q3 2012</th>
<th>Q4 2012</th>
<th>Q1 2013</th>
<th>Q2 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Multi-Asset</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed Income</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EMD/Property</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Net revenue margins excluding performance fees
Intermediary

Assets under management: £79.2bn (end 2012: £72.0bn)

- £22.6bn of gross sales in H1
- Sales slowed, redemptions picked up in Q2
  - UK alpha products
- Net inflows £2.7bn
  - Continued success of Multi-asset
  - Strong result in Asia-Pacific, Europe, US
  - Outflows in UK
- Net revenue margins unchanged at 79 bps
- New UK alpha team
- Complementary Cazenove funds
Private Banking

Assets under management: £16.9bn (end 2012: £16.3bn)

- Marginal increase in revenues and costs
- Profit before tax £10.6m (H1 2012: £10.4m)
- Net outflows £0.3bn
  - Withdrawals from continuing client relationships
  - Net new/lost clients positive
- New leadership in London and Switzerland
- Major opportunity through Cazenove Capital integration
  - Significantly increased scale in UK
  - Financial planning capability
  - Broadens investment offering
  - Banking services for Cazenove clients
  - Encouraging response from clients
  - Cost synergies
Schroders

2013 Half-Year Results

8 August 2013

Richard Keers | Chief Financial Officer
Financial highlights

Net revenue, including performance fees (£m)

Profit before tax and exceptional items (£m)

Diluted earnings per share excluding exceptional items (pence)

Dividend per share (pence)
Asset Management net revenues

Net revenue margins, excluding performance fees, unchanged at 54 bps

<table>
<thead>
<tr>
<th></th>
<th>H1 2012</th>
<th>H2 2012</th>
<th>H1 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>£m</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Institutional</td>
<td>223.0</td>
<td>241.9</td>
<td>263.6</td>
</tr>
<tr>
<td>Performance fees</td>
<td>10.0</td>
<td>14.4</td>
<td>11.6</td>
</tr>
</tbody>
</table>

2013 Half-Year Results | August 2013
Asset Management net revenues

Net revenue margins, excluding performance fees, unchanged at 54 bps
Private Banking net revenues

Net revenue margins 63bps (H1 2012: 65 bps)

- Management fees
- Transaction fees
- Net banking interest income
- Loan loss provisions

H2 2012 fair value movement on loans held at fair value and other loan losses, includes £1.8m charged to operating expenses in H1 2012

2013 Half-Year Results | August 2013
Profit before tax and exceptional items

Increase of £51m

£m

Profit before tax
177

Compensation costs
(50)

Other costs
(1)

Net finance income/ JVs & associates
1

Profit before tax and exceptional items
228

Private Banking
11

Asset Management
212

Net revenue
101

H1 2012

Group Segment
5

H1 2013

Private Banking
10

Asset Management
175

Group Segment
(8)
## Operating expenses

<table>
<thead>
<tr>
<th>£m</th>
<th>H1 2012</th>
<th>H2 2012</th>
<th>H1 2013</th>
<th>H1 2013 versus H1 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Compensation costs</strong></td>
<td>256.4</td>
<td>289.3</td>
<td>279.4</td>
<td>26.5</td>
</tr>
<tr>
<td><strong>Other costs</strong></td>
<td>112.9</td>
<td>120.6</td>
<td>98.0</td>
<td>16.2</td>
</tr>
<tr>
<td><strong>Depreciation and amortisation</strong></td>
<td>6.3</td>
<td>5.7</td>
<td>6.1</td>
<td>0.2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>375.6</td>
<td>415.6</td>
<td>383.5</td>
<td>42.9</td>
</tr>
<tr>
<td><strong>Headcount</strong></td>
<td>2,957</td>
<td>3,011</td>
<td>2,790</td>
<td>341</td>
</tr>
</tbody>
</table>

### %

<table>
<thead>
<tr>
<th></th>
<th>H1 2012</th>
<th>H2 2012</th>
<th>H1 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensation cost:operating revenue ratio</td>
<td>47%</td>
<td>49%</td>
<td>48%</td>
</tr>
<tr>
<td>Cost:net revenue ratio</td>
<td>69%</td>
<td>70%</td>
<td>66%</td>
</tr>
</tbody>
</table>
## Exceptional items

### STW and Cazenove Capital

<table>
<thead>
<tr>
<th>H1 2013</th>
<th>Asset Management</th>
<th>Group</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition costs</td>
<td>-</td>
<td>4.0</td>
<td>4.0</td>
</tr>
<tr>
<td>Integration costs</td>
<td>-</td>
<td>1.5</td>
<td>1.5</td>
</tr>
<tr>
<td>Amortisation of acquired client relationships</td>
<td>0.3</td>
<td>-</td>
<td>0.3</td>
</tr>
<tr>
<td>Deferred compensation arising from acquisitions</td>
<td>-</td>
<td>0.5</td>
<td>0.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>0.3</strong></td>
<td><strong>6.0</strong></td>
<td><strong>6.3</strong></td>
</tr>
</tbody>
</table>

**STW: completed on 2 April 2013**
- £43.5m acquisition cost
- £11.7m Intangible asset and 10 year amortisation
- £6.5m maximum deferred compensation charge over 4 years

**Cazenove Capital: completed on 2 July 2013**
- £413m final acquisition cost
- Valuation of intangible asset on-going
- £29m maximum deferred compensation charge over 4 years
# Group segment before exceptional items

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

<table>
<thead>
<tr>
<th>Segment disclosure</th>
<th>H1 2012 (£m)</th>
<th>H1 2013 (£m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net revenue</td>
<td>0.4</td>
<td>5.9</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>(14.4)</td>
<td>(7.5)</td>
</tr>
<tr>
<td>Net finance income</td>
<td>6.3</td>
<td>7.4</td>
</tr>
<tr>
<td>Share of JVs and associates</td>
<td>(0.5)</td>
<td>(0.5)</td>
</tr>
<tr>
<td>Group segment (loss)/profit before exceptional items</td>
<td>(8.2)</td>
<td>5.3</td>
</tr>
</tbody>
</table>

| Other comprehensive income                | 7.3          | (2.1)        |
|                                         | (0.9)        | 3.2          |
## Tax charge and earnings per share

### H1 2012 vs H1 2013

<table>
<thead>
<tr>
<th></th>
<th>H1 2012</th>
<th>H1 2013 Before exceptional items</th>
<th>Exceptional items</th>
<th>Total</th>
<th>Change H1 2013 v H1 2012 before exceptional items</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Profit before tax – £m</strong></td>
<td>177.4</td>
<td>228.0</td>
<td>(6.3)</td>
<td>221.7</td>
<td>50.6 +29%</td>
</tr>
<tr>
<td><strong>Tax – £m</strong></td>
<td>(40.3)</td>
<td>(48.0)</td>
<td>0.5</td>
<td>(47.5)</td>
<td>7.7 +19%</td>
</tr>
<tr>
<td><strong>Profit after tax – £m</strong></td>
<td>137.1</td>
<td>180.0</td>
<td>(5.8)</td>
<td>174.2</td>
<td>42.9 +31%</td>
</tr>
<tr>
<td><strong>Effective tax rate</strong></td>
<td>22.7%</td>
<td>21.1%</td>
<td>-</td>
<td></td>
<td>21.4%</td>
</tr>
</tbody>
</table>

### Basic earnings per share

<p>| | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Basic earnings per share</strong></td>
<td>50.7p</td>
<td>66.3p</td>
<td>(2.1)p</td>
<td>64.2p</td>
<td>15.6  +31%</td>
</tr>
</tbody>
</table>
Movement in Group capital

Increase of £115m as at 30 June 2013

- **Profit after tax**: £174m
- **Exchange differences**: £27m
- **Other**: £30m
- **Share purchases**: (£36m)
- **Dividends**: (£80m)

31 December 2012

Group capital

H2 2012

£2,070m

30 June 2013

Group capital

H1 2013

£2,185m
Group capital allocation
Increase of £115m as at 30 June 2013

<table>
<thead>
<tr>
<th>£m</th>
<th>H1 2012</th>
<th>H2 2012</th>
<th>H1 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asset Management and Private Banking operational capital</td>
<td>864</td>
<td>957</td>
<td>879</td>
</tr>
<tr>
<td>Investment capital*</td>
<td>908</td>
<td>926</td>
<td>1,077</td>
</tr>
<tr>
<td>Other (intangibles etc.)</td>
<td>167</td>
<td>187</td>
<td>229</td>
</tr>
<tr>
<td>Statutory Group capital</td>
<td>1,939</td>
<td>2,070</td>
<td>2,185</td>
</tr>
</tbody>
</table>

Pro forma Investment capital £664m after Cazenove Capital acquisition

*Not included in AUM
Outlook and future priorities

Focus on organic growth/leveraging acquisitions

- Financial market volatility and investor uncertainty will continue

- Competitive advantage of:
  - Talent
  - Performance
  - Breadth of product range
  - Distribution strengths
  - Global footprint
  - Scale

- Integration of Cazenove Capital and STW

- On-going programme to strengthen business

- Further opportunities for growth long term
Forward-Looking Statements

These presentation slides may contain forward-looking statements with respect to the financial condition, results of operations, strategy 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 and you should not place undue reliance on them. Without limitation, any statement preceded by 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 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 forecast, estimate or projection of future financial performance.