

Schroders plc

Interim management statement

A strong start to 2015, with profit before tax and exceptional items up 14 per cent. to £149.6 million

30 April 2015

Schroders plc today issues its interim management statement covering the three months to 31 March 2015.

- **Profit before tax and exceptional items £149.6 million* (Q1 2014: £130.7 million)**
- **Net inflows £5.1 billion**
- **Assets under management £319.5 billion (31 December 2014: £300.0 billion)**

Michael Dobson, Chief Executive, commented: “Schroders’ strong performance in 2014 continued in the first quarter of this year, with profit before tax up 14 per cent. to £149.6 million and assets under management up 7 per cent. to £319.5 billion since the start of the year. We generated net new business of £5.1 billion with net inflows in Institutional, Intermediary and Wealth Management.”

Asset Management

Asset Management net revenue was £348.5 million (Q1 2014: £306.2 million), including performance fees of £1.7 million (Q1 2014: £6.3 million). Profit before tax and exceptional items was up 14 per cent. to £133.7 million (Q1 2014: £117.0 million). Net inflows of £4.9 billion comprised £2.0 billion in Institutional and £2.9 billion in Intermediary, and assets under management at the end of March were £286.9 billion (31 December 2014: £268.9 billion).

Wealth Management

Wealth Management net revenue was £52.2 million (Q1 2014: £50.3 million). Profit before tax and exceptional items was up 12 per cent. to £14.9 million (Q1 2014: £13.3 million). Net inflows were £0.2 billion and assets under management at the end of March were £32.6 billion (31 December 2014: £31.1 billion).

Group

Profit before tax and exceptional items in the Group segment was £1.0 million (Q1 2014: £0.4 million). Shareholders’ equity at 31 March 2015 was £2.7 billion (31 December 2014: £2.5 billion).

* Please see the appendix for further details of exceptional items.

Michael Dobson, Chief Executive, and Richard Keers, 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, 30 April 2015.

The conference call telephone number is 0800 694 1515 (International: +44 (0)1452 584 053), conference ID 23227501. For individuals unable to participate in the conference call, a telephone replay will be available until 30 June 2015. Please telephone 0800 953 1533 (International: +44 (0)1452 550 000), conference ID 23227501.

For further information please contact:

Investors

James Grant – Investor Relations

+44 (0) 207 658 6744
james.grant@schroders.com

Alex James – Investor Relations

+44 (0) 207 658 4308
alex.james@schroders.com

Press

Beth Saint – Head of Communications

+44 (0) 207 658 6168
beth.saint@schroders.com

Anita Scott – Brunswick

+44 (0) 207 404 5959
schroders@brunswickgroup.com

Appendix

Assets under management

Three months to 31 March 2015

	Institutional £bn	Intermediary £bn	Asset Management £bn	Wealth Management £bn	Total £bn
31 December 2014	171.1	97.8	268.9	31.1	300.0
Net flows	2.0	2.9	4.9	0.2	5.1
Investment returns	7.9	5.2	13.1	1.3	14.4
31 March 2015	181.0	105.9	286.9	32.6	319.5

Three months to 31 December 2014

	Institutional £bn	Intermediary £bn	Asset Management £bn	Wealth Management £bn	Total £bn
30 September 2014	151.1	94.6	245.7	30.5	276.2
Net flows	16.1	1.6	17.7	0.1	17.8
Investment returns	3.9	1.6	5.5	0.5	6.0
31 December 2014	171.1	97.8	268.9	31.1	300.0

Financial information

Three months to 31 March 2015

	Asset Management £m	Wealth Management £m	Group £m	Total £m
Net revenue	348.5	52.2	3.1	403.8
Operating expenses	(216.4)	(37.3)	(6.9)	(260.6)
Operating profit/(loss)	132.1	14.9	(3.8)	143.2
Net finance (charge)/income	(0.7)	-	3.6	2.9
Share of profit of associates and joint ventures	2.3	-	1.2	3.5
Profit before tax and exceptional items	133.7	14.9	1.0	149.6

Exceptional items:

Amortisation of acquired intangible assets	(2.4)	(1.9)	-	(4.3)
Deferred compensation arising from acquisitions	-	-	(3.0)	(3.0)
	(2.4)	(1.9)	(3.0)	(7.3)

Exceptional items within share of profit of associates and joint ventures:

Amortisation of acquired intangible assets	(0.6)	-	-	(0.6)
Total exceptional items	(3.0)	(1.9)	(3.0)	(7.9)

Profit/(loss) before tax	130.7	13.0	(2.0)	141.7
---------------------------------	--------------	-------------	--------------	--------------

Three months to 31 March 2014

	Asset Management £m	Wealth Management £m	Group £m	Total £m
Net revenue	306.2	50.3	2.3	358.8
Operating expenses	(191.7)	(37.0)	(4.8)	(233.5)
Operating profit/(loss)	114.5	13.3	(2.5)	125.3
Net finance (charge)/income	(0.1)	-	2.5	2.4
Share of profit of associates and joint ventures	2.6	-	0.4	3.0
Profit before tax and exceptional items	117.0	13.3	0.4	130.7

Exceptional items:

Integration costs	(0.1)	(1.1)	-	(1.2)
Amortisation of acquired intangible assets	(2.9)	(2.5)	-	(5.4)
Deferred compensation arising from acquisitions	-	-	(4.6)	(4.6)
	(3.0)	(3.6)	(4.6)	(11.2)

Exceptional items within share of profit of associates and joint ventures:

Amortisation of acquired intangible assets	(0.6)	-	-	(0.6)
Total exceptional items	(3.6)	(3.6)	(4.6)	(11.8)

Profit/(loss) before tax	113.4	9.7	(4.2)	118.9
---------------------------------	--------------	------------	--------------	--------------

Forward-looking statements

This interim management statement may contain forward-looking statements with respect to the financial condition, performance and position, strategy, 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 relate to events and depend upon circumstances in the future and you should not place reliance on them. Without limitation, any statements preceded or followed by or that include the words 'targets', 'plans', 'sees', 'believes', 'expects', 'aims', 'will have', 'will be', 'estimates' or 'anticipates' or the negative of these terms or 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 forecast, estimate or projection of future financial performance.