

## Schroders plc

### Interim management statement

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**3 May 2012**

Schroders plc today issues its interim management statement covering the three months to 31 March 2012.

- **Profit before tax £95.5 million (Q1 2011: £103.8 million)**
- **Net inflows £1.6 billion (Q1 2011: £3.1 billion)**
- **Total assets under management £199.6 billion (31 December 2011: £187.3 billion)**

#### **Asset Management**

Asset Management net revenue for the quarter was £250.8 million (Q1 2011: £261.2 million) including performance fees of £6.0 million (Q1 2011: £7.8 million). Profit before tax was £88.6 million (Q1 2011: £97.3 million). Net inflows were £1.7 billion, comprising £1.4 billion in Institutional and £0.3 billion in Intermediary, and assets under management at the end of March were £183.2 billion (31 December 2011: £171.3 billion).

We have reached agreement to acquire 25% of Axis AMC, the asset management subsidiary of Axis Bank, the third largest private sector bank in India. Axis AMC has assets under management of \$2.3 billion<sup>1</sup>. Together with Axis Bank, our objective is to build over time one of the leading asset management companies in India. In addition, we will distribute Axis AMC's funds internationally and we will have exclusive access to their network for the distribution of Schroders' funds in India.

#### **Private Banking**

Private Banking net revenue was £27.1 million (Q1 2011: £30.1 million) and profit before tax was £6.4 million (Q1 2011: £6.7 million). Net outflows were £0.1 billion and assets under management at the end of March were £16.4 billion (31 December 2011: £16.0 billion).

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<sup>1</sup> As at 27 April 2012.

## Group segment

Profit before tax in the Group segment was £0.5 million (Q1 2011 loss: £0.2 million). Total equity increased to £1.96 billion (31 December 2011: £1.90 billion).

## Outlook

In the short term, macro-economic uncertainties and volatility in financial markets make it hard to predict flows. Long term, we continue to see a broad range of opportunities in our core business in Institutional and Intermediary, in addition to which we have a number of new products coming on stream later this year.

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, 3 May 2012.

The conference call telephone number is 0800 694 1515 (International: +44 (0)1452 584 053), conference ID 73559579. For individuals unable to participate in the conference call, a telephone replay will be available until 2 June 2012. Please telephone 0800 953 1533 (International: +44(0) 1452 550 000), conference ID 73559579#.

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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 and you should not place undue reliance on them. 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 forecast, estimate or projection of future financial performance.

## Appendix

### Assets under management

	Institutional £bn	Intermediary £bn	Private Banking £bn	Total £bn
<b>31 December 2011</b>	<b>108.4</b>	<b>62.9</b>	<b>16.0</b>	<b>187.3</b>
Net flows	1.4	0.3	(0.1)	1.6
Investment returns	6.4	3.8	0.5	10.7
<b>31 March 2012</b>	<b>116.2</b>	<b>67.0</b>	<b>16.4</b>	<b>199.6</b>

### Financial information

Q1 2012	Asset Management £m	Private Banking £m	Group £m	Total £m
<b>Net revenue</b>	<b>250.8</b>	<b>27.1</b>	<b>4.8</b>	<b>282.7</b>
Operating expenses	(164.2)	(20.7)	(8.0)	<b>(192.9)</b>
<b>Operating profit/(loss)</b>	<b>86.6</b>	<b>6.4</b>	<b>(3.2)</b>	<b>89.8</b>
Net finance income	-	-	3.8	<b>3.8</b>
Share of profit/(loss) of associates and joint ventures	2.0	-	(0.1)	<b>1.9</b>
<b>Profit before tax</b>	<b>88.6</b>	<b>6.4</b>	<b>0.5</b>	<b>95.5</b>

Q1 2011	Asset Management £m	Private Banking £m	Group £m	Inter-segment eliminations and adjustments £m	Total £m
<b>Net revenue</b>	<b>261.2</b>	<b>30.1</b>	<b>(0.7)</b>	<b>1.4</b>	<b>292.0</b>
Operating expenses	(165.3)	(23.4)	(3.4)	(1.4)	<b>(193.5)</b>
<b>Operating profit/(loss)</b>	<b>95.9</b>	<b>6.7</b>	<b>(4.1)</b>	<b>-</b>	<b>98.5</b>
Net finance (charges)/ income	(0.2)	-	4.5	-	<b>4.3</b>
Share of profit/(loss) of associates and joint ventures	1.6	-	(0.6)	-	<b>1.0</b>
<b>Profit/(loss) before tax</b>	<b>97.3</b>	<b>6.7</b>	<b>(0.2)</b>	<b>-</b>	<b>103.8</b>

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