ABERDEEN ASSET MANAGEMENT PLC
Interim Results for six months to 31 March 2015

Highlights

- Revenue £605.2 million (+20%)
- Underlying profit before tax £270.2 million (+25%)
- Operating margin rises to 44.7 % (2014: 43.0%)
- Underlying earnings per share 16.2p (+13%)
- Dividend per share 7.5p (+11%)
- AuM £330.6 billion

FINANCIAL HIGHLIGHTS

	March 2015	March 2014
Net revenue	£605.2m	£503.5m
Underlying results: before amortisation and acquisition-related items		
Profit before tax	£270.2m	£217.0m
Diluted earnings per share	16.2p	14.3p
Statutory results		
Profit before tax	£185.4m	£168.7m
Diluted earnings per share	10.7p	10.7p
Dividend per share	7.5p	6.75p
Core operating cashflow	£227.4m	£221.6m
Gross new business	£23.4bn	£14.3bn
Net new business	-£11.3bn	-£8.8bn
Assets under management at period end	£330.6bn	£324.5bn

Martin Gilbert, Chief Executive of Aberdeen Asset Management, commented:

"I am pleased to report that the Group has increased its underlying profits by 25% as we benefited from the diversifying effects of the acquisition of Scottish Widows Investment Partnership, which we completed a year ago. We remain strongly cash generative and we again increased our dividend, whilst also adding to our regulatory capital headroom.

"Gross new business inflows have continued to grow. However, they have been offset by outflows, which reflect changes in asset allocation driven by macro-economic factors and some structural outflows from certain clients. Despite these headwinds we are well positioned for the long term: financially strong, with a global distribution platform and a diversified range of capabilities and solutions for the evolving investment environment. Our absolute priority, as always, remains delivering for our clients."

Management will host a presentation for analysts and institutions today at 09:30 (UK) to be held at the offices of Aberdeen Asset Management, Bow Bells House, 1 Bread Street, London EC4M 9HH. The event will also be available to view via a live webconference. To register please use the following weblink:

http://edge.media-server.com/m/p/s7np4utj

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Chairman's statement

The completion of the acquisition of SWIP during 2014 and the continuation of the successful integration of the business have contributed to a strong financial position with improved assets under management ("AuM") and revenues. Our operating margin and profits for the first half of the year are significantly higher than the equivalent period last year and earnings per share improved by 13% over the same period.

As a result, we strengthened our balance sheet, whilst headroom above the regulatory capital requirement increased by £100 million. Our investment and distribution teams are making good progress in promoting the Group's wider capabilities in line with our strategy to diversify our business, and we are pleased with traction within our fixed income, property and alternatives businesses.

We retain our overarching commitment to financial discipline, both in terms of how we manage our business and cost base and the deployment of any surplus capital on our balance sheet. In light of this, we intend to launch a share buyback programme of up to £100 million to return surplus capital to shareholders, which will be conducted over the remainder of the year.

Gross new business inflows have continued to grow. However, headline outflows are disappointing arising from a combination of asset allocation decisions amidst continued weak investor sentiment towards emerging markets and some expected structural outflows from certain institutional clients. Nonetheless, we believe that our long term approach to investing remains appropriate and, as always, we place importance in clearly explaining to our clients the factors that have impacted performance – both what has added and what has detracted from performance.

To some extent, these flows have been cushioned by the strong rally in markets. As a consequence, total AuM at 31 March 2015 was £330.6 billion, a 2% increase compared to 30 September 2014.

The integration of the SWIP business continues to progress in accordance with our expected timetable and we exited the transitional service agreement with Lloyds Banking Group, on schedule, on 31 March. On the same date, as contracted, we paid the £38.3 million deferred top-up consideration in cash to Lloyds.

On 27 March, we announced that we have agreed to purchase the remaining minority 49.9% stake in Aberdeen SVG Private Equity, our joint venture with SVG Capital, for cash consideration of £29 million. This transaction is expected to be completed during the second half of 2015 and is a further step in implementing the Group's strategy of strengthening our alternatives platform.

Financials

Profit before taxation for the period was £185.4 million (2014: £168.7 million).Underlying profit, stated before amortisation of intangible assets and acquisition-related items, was £270.2 million (2014: £217.0 million). This represents underlying earnings per share, on a diluted basis, of 16.2p (2014: 14.3p). Each of these figures is significantly ahead of the equivalent period last year, and at similar levels to the second half of 2014, which was the first period to include the SWIP business.

Net revenue for the period increased by 20% to £605.2 million (2014: £503.5 million). Recurring fee income increased by 23% to £601.8 million (2014: £491.1 million), and was flat compared to the second half of 2014. Performance related fee income reduced to £3.4 million (2014: £12.4 million). The blended average management fee rate, which was rebased following the addition of the SWIP business during 2014, was 36.5 basis points.

Operating expenses for the period increased to £334.6 million (2014: £286.9 million), largely as a result of the addition of SWIP. In addition to the synergies we have achieved from the SWIP transaction, we have been proactive in identifying and implementing further cost savings; as a result, operating costs have decreased by 2% compared to the second half of 2014. The Group's operating margin for the period increased to 44.7%, ahead of the 43.9% reported for the full year to September 2014.

Dividend and capital management

The Board has decided to pay an interim dividend of 7.5p per share, an increase of 11% per share on the interim dividend announced last year; this dividend will be paid on 18 June 2015 to qualifying shareholders on the register at 15 May 2015. The increase is in line with the Board's objective to pay a growing dividend each year.

The balance sheet has been strengthened further, with a period end cash position of £566.6 million and we generated £227.4 million of core operating cashflow (2014: £221.6 million). We have continued to grow the headroom over our regulatory capital requirement. The capital position stands at £541 million, which represents headroom of £221 million over our regulatory capital requirements at 31 March 2015.

As we have previously communicated, the Board is committed to growing the dividend progressively. Thereafter we will look to distribute available surplus capital to shareholders, after taking into account an appropriate level of headroom and investing in the development of our business. In line with this policy it is our intention to launch a share buyback programme of up to £100 million to return surplus capital to shareholders, which will be conducted over the remainder of the year.

Review of operations

Assets under management increased to £330.6 billion. The principal changes are shown in the following table, and a fuller analysis by asset class is included at the end of the interim results announcement.

	£bn
AuM at 30 September 2014	324.4
Net new business flows – Aberdeen	(7.9)
Net new business flows – SWIP	(3.4)
Market movements & performance	13.5
FX movements	4.0
AuM at 31 March 2015	330.6

Gross new business inflows for the period totalled £23.4 billion (1H 2014: £14.3 billion; 2H 2014: £20.4 billion) and outflows amounted to £34.7 billion (1H 2014: £23.1 billion; 2H 2014: £32.0 billion), resulting in a net outflow for the six month period of £11.3 billion (1H 2014: net outflow £8.8 billion; 2H 2014: net outflow £11.6 billion).

Gross inflows from equities increased to £9.9 billion (1H 2014: £6.3 billion; 2H 2014: £7.9 billion), within which Asia Pacific showed healthy improvement, global emerging markets ("GEM") was broadly unchanged and global equities reflected a small increase. At the net level, Asia Pacific flows were mildly positive, GEM had net outflows of £1.7 billion (largely due to a further bout of weak investor sentiment) and there were net outflows of £2.0 billion from global equities.

The property division continued to attract new business into segregated accounts, offsetting some of the outflows from the first quarter due to the controlled wind down of certain DEGI funds and has also continued to build a healthy pipeline of commitments which will fund in due course. The UK and Germany are the strongest countries for new business and the Aberdeen Property Trust, which now has AuM of over £3.5 billion, continues to grow steadily.

Although fixed income had overall net outflows of £2.9 billion, our global fixed income capability attracted net inflows for the six months and we have seen wins in other capabilities such as Asian fixed income and US fixed income. As already highlighted, investor appetite for emerging market debt and high yield bonds has been subdued due to the challenging macroeconomic backdrop but we remain confident in the longer-term prospects for this asset class.

Within Aberdeen Solutions, flows were mixed with outflows principally from multi-asset and the expected level of structural outflow from the closed insurance book acquired from SWIP. Against this, we are pleased to see further traction within our alternatives business, with property multi-manager in particular winning a number of new mandates which will add to AuM in future periods.

As part of the development and 'globalisation' of our established investment classes, we have strengthened our diversified growth investment team within multi-asset and have established an Asia direct property team.

Investment performance across our fixed income strategies remains generally ahead of relevant benchmarks across both short and longer term time periods and the performance of our mainstream property products remains robust. In equities, our global equities performance continues to be impacted by our underweight position to the US and Japan. However, this does not distract our team from our fundamental philosophy of investing in good quality companies for the longer term. Our GEM performance remains ahead of benchmark over all time periods.

The SWIP acquisition added considerable expertise and scale within our Solutions capability where we now have £128.5 billion under management spread across a variety of strategies. We expect investor appetite to increasingly shift towards solutions and alternative capabilities where we are well placed to capture these opportunities. We have therefore recently launched a range of funds for the UK defined contribution retirement market and we continue to increase the number of sales specialists who are able to cross-sell solutions capabilities across all regions.

Outlook

The potential for global economic and political uncertainty remains and we expect operating conditions to remain challenging in the short term. However, with our more diversified business, we remain well positioned to meet and adapt to the long term, changing needs of our investors over the coming years and to attract new assets. We will continue to invest in the future of the business and to ensure that we deliver the highest levels of client service. We remain convinced that adherence to our long term investment approach will generate value for our clients and shareholders.

Roger Cornick
Chairman

Condensed consolidated income statement
For the six months to 31 March 2015

		6 months to 31 March 2015			6 months to 31 March 2014			Year to 30 September 2014		
	Notes	**Before amortisation and acquisition costs £m**	**Amortisation and acquisition related items £m**	**Total £m**	Before amortisation and acquisition costs £m	Amortisation and acquisition related items £m	Total £m	Before amortisation and acquisition costs £m	Amortisation and acquisition related items £m	Total £m
Gross revenue		**683.1**	**-**	**683.1**	592.7	-	592.7	1,288.7	-	1,288.7
Commissions payable		**(77.9)**	**-**	**(77.9)**	(89.2)	-	(89.2)	(171.1)	-	(171.1)
Net revenue	3	**605.2**	**-**	**605.2**	503.5	-	503.5	1,117.6	-	1,117.6
Operating costs		**(334.6)**	**-**	**(334.6)**	(286.9)	-	(286.9)	(627.2)	-	(627.2)
Amortisation of intangible assets		**-**	**(67.2)**	**(67.2)**	-	(33.0)	(33.0)	-	(99.4)	(99.4)
Acquisition costs	4	**-**	**(14.4)**	**(14.4)**	-	(15.3)	(15.3)	-	(33.1)	(33.1)
Operating expenses		**(334.6)**	**(81.6)**	**(416.2)**	(286.9)	(48.3)	(335.2)	(627.2)	(132.5)	(759.7)
Operating profit		**270.6**	**(81.6)**	**189.0**	216.6	(48.3)	168.3	490.4	(132.5)	357.9
Net finance (costs) income	6	**1.5**	**(3.2)**	**(1.7)**	0.2	-	0.2	0.5	(3.2)	(2.7)
(Losses) gains on investments		**(1.9)**	**-**	**(1.9)**	0.2	-	0.2	(0.6)	-	(0.6)
Profit before taxation		**270.2**	**(84.8)**	**185.4**	217.0	(48.3)	168.7	490.3	(135.7)	354.6
Tax expense	7	**(45.6)**	**12.8**	**(32.8)**	(37.0)	5.2	(31.8)	(78.6)	31.1	(47.5)
Profit for the period		**224.6**	**(72.0)**	**152.6**	180.0	(43.1)	136.9	411.7	(104.6)	307.1
Attributable to:										
Equity shareholders of the Company				**141.6**			125.9			285.5
Other equity holders				**8.9**			8.1			16.2
Non-controlling interests				**2.1**			2.9			5.4
				152.6			136.9			307.1
Earnings per share										
Basic	9			**10.94p**			10.98p			23.54p
Diluted	9			**10.72p**			10.67p			22.79p

Condensed consolidated statement of comprehensive income

For the six months to 31 March 2015

	6 mths to 31 March 2015 £m	6 mths to 31 March 2014 £m	Year to 30 September 2014 £m
Profit for the period	**152.6**	136.9	307.1
Items that will not be reclassified subsequently to profit or loss			
Remeasurement loss on defined benefit pension schemes	**-**	-	(6.9)
Tax on net remeasurement loss on defined budget pension schemes	**-**	-	1.7
	-	-	(5.2)
Items that may be reclassified subsequently to profit or loss			
Translation of foreign currency net investments	**12.6**	(17.6)	(15.8)
Available for sale assets:			
- losses during the period	**(0.5)**	(0.6)	(0.1)
Tax on items that may be recycled to profit or loss	**-**	-	0.2
	12.1	(18.2)	(15.7)
Other comprehensive income (expense), net of tax	**12.1**	**(18.2)**	**(20.9)**
Total comprehensive income for the period	**164.7**	**118.7**	**286.2**
Attributable to:			
Equity shareholders of the Company	**153.7**	107.7	264.4
Other equity holders	**8.9**	8.1	16.2
Non-controlling interests	**2.1**	2.9	5.6

Condensed consolidated balance sheet
31 March 2015

	Notes	**31 March 2015 £m**	31 March 2014 £m	30 September 2014 £m
Assets				
Non-current assets				
Intangible assets	11	**1,492.6**	1,595.5	1,552.2
Property, plant & equipment		**21.3**	22.0	21.1
Other investments	12	**46.3**	56.0	54.6
Deferred tax assets		**25.1**	25.5	28.4
Pension surplus	15	**16.6**	9.7	16.6
Trade and other receivables		**3.6**	2.9	3.2
Total non-current assets		**1,605.5**	1,711.6	1,676.1
Current assets				
Assets backing investment contract liabilities	13	**2,920.4**	2,455.6	2,472.9
Trade and other receivables		**527.6**	418.2	490.2
Other investments	12	**112.9**	136.7	85.8
Cash and cash equivalents		**566.6**	410.4	653.9
Total current assets		**4,127.5**	3,420.9	3,702.8
Total assets		**5,733.0**	5,132.5	5,378.9
Equity				
Called up share capital	14	**133.1**	130.8	131.4
Share premium account		**898.7**	1,311.6	898.7
Other reserves		**658.8**	215.2	656.1
Retained earnings (loss)		**9.9**	(128.1)	28.0
Total equity attributable to shareholders of the parent		**1,700.5**	1,529.5	1,714.2
Non-controlling interest		**35.7**	68.2	40.1
7.0% Perpetual cumulative capital notes		**321.6**	321.6	321.6
Total equity		**2,057.8**	1,919.3	2,075.9
Liabilities				
Non-current liabilities				
Deferred contingent consideration		**57.1**	50.7	53.9
Pension deficit	15	**15.2**	10.5	20.2
Provisions		**5.0**	5.4	5.0
Deferred tax liabilities		**99.6**	116.3	109.7
Total non-current liabilities		**176.9**	182.9	188.8
Current liabilities				
Investment contract liabilities	13	**2,920.4**	2,455.6	2,472.9
Trade and other payables		**488.2**	443.7	526.7
Deferred consideration	10	**-**	39.4	38.3
Other liabilities		**35.0**	29.4	30.5
Current tax payable		**54.7**	62.2	45.8
Total current liabilities		**3,498.3**	3,030.3	3,114.2
Total liabilities		**3,675.2**	3,213.2	3,303.0
Total equity and liabilities		**5,733.0**	5,132.5	5,378.9

Condensed consolidated statement of changes in equity

For the six months to 31 March 2015

	Share capital £m	Share premium account £m	Other reserves £m	Retained earnings £m	Non controlling interest £m	Perpetual capital securities £m	Total equity £m
Balance at 1 October 2014	131.4	898.7	656.1	28.0	40.1	321.6	2,075.9
Profit for the period	-	-	-	141.6	2.1	8.9	152.6
Other comprehensive income	-	-	12.1	-	-	-	12.1
Total comprehensive income	-	-	12.1	141.6	2.1	8.9	164.7
Arising on the issue of shares (note 14)	1.7	-	65.7	-	-	-	67.4
Deferred share issue on acquisition	-	-	(67.6)	-	-	-	(67.6)
Share-based payments	-	-	-	22.8	-	-	22.8
Purchase of own shares	-	-	-	(39.6)	-	-	(39.6)
Dividends paid to shareholders	-	-	-	(145.9)	-	(8.9)	(154.8)
Unwinding of put option	-	-	(7.5)	3.0	-	-	(4.5)
Non-controlling interest	-	-	-	-	(6.5)	-	(6.5)
At 31 March 2015	**133.1**	**898.7**	**658.8**	**9.9**	**35.7**	**321.6**	**2,057.8**

For the six months to 31 March 2014

	Share capital £m	Share premium account £m	Other reserves £m	Retained earnings £m	Non controlling interest £m	Perpetual capital securities £m	Total equity £m
Balance at 1 October 2013	119.9	898.5	165.8	(49.1)	47.3	321.6	1,504.0
Profit for the period	-	-	-	125.9	2.9	8.1	136.9
Other comprehensive expense	-	-	(18.2)	-	-	-	(18.2)
Total comprehensive (expense) income	-	-	(18.2)	125.9	2.9	8.1	118.7
Arising on the issue of shares	10.9	413.1	-	-	-	-	424.0
Deferred share issue on acquisition	-	-	67.6	-	-	-	67.6
Share-based payments	-	-	-	18.8	-	-	18.8
Purchase of own shares	-	-	-	(107.4)	-	-	(107.4)
Dividends paid to shareholders	-	-	-	(114.6)	-	(8.1)	(122.7)
Unwinding of put option	-	-	-	(1.7)	-	-	(1.7)
Non-controlling interest	-	-	-	-	18.0	-	18.0
At 31 March 2014	**130.8**	**1,311.6**	**215.2**	**(128.1)**	**68.2**	**321.6**	**1,919.3**

For the year to 30 September 2014

	Share capital £m	Share premium account £m	Other reserves £m	Retained earnings £m	Non controlling interest £m	Perpetual capital securities £m	Total equity £m
Balance at 1 October 2013	119.9	898.5	165.8	(49.1)	47.3	321.6	1,504.0
Profit for the period	-	-	-	285.5	5.4	16.2	307.1
Other comprehensive (expense) income	-	-	(15.9)	(5.2)	0.2	-	(20.9)
Total comprehensive (expense) income	-	-	(15.9)	280.3	5.6	16.2	286.2
Arising on the issue of shares	11.5	0.2	438.6	-	-	-	450.3
Deferred share issue on acquisition	-	-	67.6	-	-	-	67.6
Share-based payments	-	-	-	65.0	-	-	65.0
Purchase of own shares	-	-	-	(64.3)	-	-	(64.3)
Dividends paid to shareholders	-	-	-	(200.9)	(1.4)	(16.2)	(218.5)
Unwinding of put option	-	-	-	(3.0)	-	-	(3.0)
Non-controlling interest	-	-	-	-	(11.4)	-	(11.4)
At 30 September 2014	**131.4**	**898.7**	**656.1**	**28.0**	**40.1**	**321.6**	**2,075.9**

Condensed consolidated cash flow statement

For the six months to 31 March 2015

	Notes	**6 months to 31 March 2015 £m**	6 months to 31 March 2014 £m	Year to 30 September 2014 £m
Core cash generated from operating activities		**227.4**	221.6	543.8
Short-term timing differences on open end fund settlements		**(23.7)**	(0.8)	(3.9)
Cash generated from operations		**203.7**	220.8	539.9
Net interest received		**1.4**	0.2	0.5
Tax paid		**(28.1)**	(29.6)	(58.5)
Net cash generation from operations		**177.0**	191.4	481.9
Acquisition costs paid		**(10.4)**	(5.6)	(26.7)
Net cash generated from operating activities	5	**166.6**	185.8	455.2
Cash flows from investing activities				
Proceeds from sale of investments		**24.7**	10.7	51.1
Purchase of investments		**(41.7)**	(22.7)	(39.6)
Acquisition of businesses, net of cash acquired		**(43.4)**	63.6	71.1
Purchase of intangible assets		**(1.4)**	(1.8)	(3.2)
Purchase of property, plant & equipment		**(4.0)**	(6.2)	(9.8)
Net cash (used in) from investing activities		**(65.8)**	43.6	69.6
Cash flows from financing activities				
Issue of ordinary shares		**-**	0.4	0.2
Purchase of own shares		**(39.6)**	(107.4)	(64.3)
Dividends paid and coupon payments		**(157.1)**	(125.1)	(221.9)
Net cash used in financing activities		**(196.7)**	(232.1)	(286.0)
Net (decrease) increase in cash and cash equivalents		**(95.9)**	(2.7)	238.8
Cash and cash equivalents at 30 September 2014		**653.9**	426.6	426.6
Effect of exchange rate fluctuations on cash and cash equivalents		**8.6**	(13.5)	(11.5)
Cash and cash equivalents at 31 March 2015		**566.6**	410.4	653.9

Notes to the interim condensed consolidated financial statements
For the six months to 31 March 2015

1 General information

The interim results have not been audited but have been reviewed by the auditor. The condensed comparative figures for the financial year to 30 September 2014 are not the company's statutory accounts for that financial year. Those accounts have been reported on by the company's auditor and delivered to the Registrar of Companies. The auditor’s report was unqualified and did not contain a statement under section 498 of the Companies Act 2006.

2 Accounting policies

Basis of preparation

These condensed financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU. The annual financial statements are prepared in accordance with IFRS as adopted by the EU.

As required by the Disclosure and Transparency Rules of the Financial Conduct Authority, the condensed financial statements have been prepared applying the accounting policies and presentation that were applied in the preparation of the Group's published consolidated financial statements for the year ended 30 September 2014, with the exception of the following standards and interpretations adopted on 1 October 2014.

- IFRS 10 Consolidated financial statements
- IFRS 11 Joint arrangements
- IFRS 12 Disclosures of interest in other entities

The adoption of IFRS 10 has not resulted in the consolidation of additional funds at 31 March 2015. No restatement has been performed at 30 September 2014 as management determine there to be no material difference to the previously reported financial statements. There is no impact on net assets, operating profit or profit before tax.

IFRS 11 has not resulted in any changes to the consolidated financial statements for the current or previously reported periods.

IFRS 12 requires certain disclosures to be made in respect of the Group’s interests in the funds it manages. These disclosures are not required to be presented as part of the Group’s interim financial statements, but will be presented within the Group’s annual report for the year ended 30 September 2015.

The preparation of interim financial statements requires management to make estimates and assumptions that affect the reported income and expense, assets and liabilities and disclosure of contingencies at the date of the interim financial statements. Although these estimates and assumptions are based on management's best judgement at the date of the interim financial statements, actual results may differ from these estimates. The interim financial statements, which are in a condensed format, do not include all the information and disclosures required in the Group's annual report, and should be read in conjunction with the Group's annual report for the year ended 30 September 2014.

Going concern

The directors are satisfied that the Group has sufficient resources to continue in operation for the foreseeable future, a period of not less than twelve months from the date of this report. Accordingly, it is appropriate to adopt the going concern basis in preparing the condensed financial statements.

Segmental disclosures

The Group operates a single business segment of asset management for reporting and control purposes.

IFRS 8 *Operating Segments* requires disclosures to reflect the information which the Group Management Board (GMB), being the body that is the Group's chief operating decision maker, uses for evaluating performance and the allocation of resources. The Group is managed as a single asset management business, with multiple investment strategies of equities, fixed income and property, complemented by a solutions business which provides multi asset and fund of alternatives services. These strategies are managed across a range of products, distribution channels and geographic regions. Reporting provided to the GMB is on an aggregated basis.

3 Revenue

	6 months to 31 March 2015 £m	6 months to 31 March 2014 £m	Year to 30 September 2014 £m
Revenue comprises:			
Gross management fees	**675.2**	574.7	1,256.8
Commissions payable to intermediaries	**(77.9)**	(89.2)	(171.1)
Net management fees	**597.3**	485.5	1,085.7
Performance fees	**3.4**	12.4	21.7
Transaction fees	**4.5**	5.6	10.2
Net revenue	**605.2**	503.5	1,117.6

4 Acquisition-related items

Acquisition costs

Costs relate to the acquisition of SWIP and the migration and integration of these businesses into the Group. Transaction costs include advisors' fees and stamp duty. Integration costs include charges in respect of a transitional services agreement with the vendor to ensure transfer in a controlled manner; set up costs in respect of migration of the back office; and costs of retaining duplicate staffing for the transitional period. Additionally, non-recurring rationalisation and redundancy costs have been incurred in implementing a cost reduction programme.

A credit was recognised in 2015 in respect of a surplus accrual relating to the SWIP acquisition. This is a reduction in deal costs.

A credit was recognised in 2014 in respect of the release of a surplus provision relating to the Artio acquisition. This provision was included in the opening balance sheet on acquisition.

	6 months to 31 March 2015 £m	6 months to 31 March 2014 £m	Year to 30 September 2014 £m
Arising on SWIP acquisition:			
Redundancy and other severance costs	**3.7**	2.0	11.6
Costs of separation, migration & integration	**10.5**	1.3	10.5
Transitional service costs	**3.2**	-	3.4
Migration & integration costs	**17.4**	3.3	25.5
Transaction & deal costs	**(3.0)**	12.0	12.2
	14.4	15.3	37.7
Arising on Artio & SVG acquisitions:			
Release of surplus provision	**-**	-	(4.6)
	-	-	(4.6)
Total acquisition related items	**14.4**	15.3	33.1

5 Analysis of cash flows

	6 months to 31 March 2015 £m	6 months to 31 March 2014 £m	Year to 30 September 2014 £m
Reconciliation of profit after tax to operating cash flow			
Profit after tax	**152.6**	136.9	307.1
Depreciation	**4.1**	3.8	8.2
Amortisation of intangible assets	**67.2**	33.0	99.4
Unrealised foreign currency (gains) losses	**(0.2)**	1.0	1.0
Losses (gains) on investments	**1.9**	(0.2)	0.6
Equity settled share-based element of remuneration	**22.8**	18.8	51.4
Net finance costs (revenue)	**1.7**	(0.2)	2.7
Income tax expense	**32.8**	31.8	47.5
	282.9	224.9	517.9
(Increase) decrease in trade and other receivables	**(3.0)**	26.5	40.1
Increase in open end fund receivables	**(34.6)**	(17.1)	(89.7)
Decrease in trade and other payables	**(62.9)**	(35.3)	(40.5)
Increase in open end fund payables	**10.9**	16.2	85.8
Decrease in provisions	**-**	-	(0.4)
Net cash inflow from operating activities	**193.3**	215.2	513.2
Net interest received	**1.4**	0.2	0.5
Income tax paid	**(28.1)**	(29.6)	(58.5)
Net cash generated from operating activities	**166.6**	185.8	455.2

6 Net finance costs (income)

	6 months to 31 March 2015 £m	6 months to 31 March 2014 £m	Year to 30 September 2014 £m
Interest on overdrafts, revolving credit facilities and other interest bearing accounts	**1.7**	1.6	3.9
Unwinding of discount on deferred consideration	**3.2**	-	3.2
Total finance costs	**4.9**	1.6	7.1
Finance revenue – interest income	**(3.2)**	(1.8)	(4.4)
Net finance costs (income)	**1.7**	(0.2)	2.7

7 Tax expense

	6 months to 31 March 2015 £m	6 months to 31 March 2014 £m	Year to 30 September 2014 £m
Current tax expense	**42.4**	36.8	57.7
Adjustments in respect of previous periods	**(1.2)**	-	(1.0)
Deferred tax credit	**(9.0)**	(6.3)	(11.7)
Adjustments in respect of previous periods	**0.6**	1.3	2.5
Total tax expense in income statement	**32.8**	31.8	47.5

The tax charge for the six month period ended 31 March 2015 is calculated using the expected effective annual tax rate in each country of operation and applying these rates to the results of each country for the first six months of the year.

8 Dividends and coupon payments

	6 months to 31 March 2015 £m	6 months to 31 March 2014 £m	Year to 30 September 2014 £m
Coupon payments on perpetual capital securities			
7.0% Perpetual cumulative capital notes	**11.2**	10.5	21.0
Ordinary dividends			
Declared and paid during the year			
Final dividend for 2014 – 11.25p (2013 – final dividend 10.0p)	**145.9**	114.6	114.6
Interim dividend for 2014 – 6.75p	**-**	-	85.1
	145.9	114.6	199.7
Total dividends and coupon payments paid during the period	**157.1**	125.1	220.7

The interim ordinary dividend of 7.5p per share will be paid on 18 June 2015 to qualifying shareholders on the register at 15 May 2015.

9 Earnings per share

The calculations of earnings per share are based on the following profits and numbers of shares.

Basic earnings per share amounts are calculated by dividing net profit for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing the net profit for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on the conversion of all the potentially dilutive shares into ordinary shares.

Underlying earnings per share figures are calculated by adjusting the profit to exclude amortisation of intangible assets and acquisition-related items.

The purpose of providing the underlying earnings per share is to allow readers of the accounts to clearly consider trends without the impact of certain non-cash items or one-off items.

	IAS 33			Underlying		
	6 months to 31 March 2015 £m	6 months to 31 March 2014 £m	Year to 30 September 2014 £m	**6 months to 31 March 2015 £m**	6 months to 31 March 2014 £m	Year to 30 September 2014 £m
Basic earnings per share						
Profit for the financial period, attributable to ordinary shareholders	**141.6**	125.9	285.5	**141.6**	125.9	285.5
Amortisation of intangible assets, net of attributable taxation				**57.9**	28.8	73.9
Acquisition costs, net of attributable taxation				**14.1**	14.3	30.7
Underlying profit for the financial period				**213.6**	169.0	390.1
Weighted average number of shares (millions)	**1,294.2**	1,145.9	1,212.8	**1,294.2**	1,145.9	1,212.8
Basic earnings per share	**10.94p**	10.98p	23.54p	**16.50p**	14.75p	32.17p
Diluted earnings per share						
Profit for calculation of basic earnings per share, as above	**141.6**	125.9	285.5	**213.6**	169.0	390.1
Weighted average number of shares (millions)						
For basic earnings per share	**1,294.2**	1,145.9	1,212.8	**1,294.2**	1,145.9	1,212.8
Dilutive effect of exercisable share options and deferred shares	**26.5**	34.2	35.2	**26.5**	34.2	35.2
Dilutive effect of potential ordinary shares for deferred top-up payment	**-**	-	4.8	**-**	-	4.8
	1,320.7	1,180.1	1,252.8	**1,320.7**	1,180.1	1,252.8
Diluted earnings per share	**10.72p**	10.67p	22.79p	**16.17p**	14.32p	31.14p

Profit for the period used in calculating earnings per share is based on profit after tax after deducting non-controlling interest and coupon payments in respect of perpetual capital securities (net of tax).

10 Deferred consideration

On 31 March 2015, the Group settled in cash the deferred top-up payment of £38.3 million with Lloyds Banking Group (“Lloyds”) in relation to the Scottish Widows Investment Partnership (“SWIP”) acquisition.

11 Intangible assets

	31 March 2015 £m	31 March 2014 £m	30 September 2014 £m
Intangible assets	**578.3**	686.3	638.9
Goodwill	**914.3**	909.2	913.3
	1,492.6	1,595.5	1,552.2

12 Other investments

	31 March 2015 £m	31 March 2014 £m	30 September 2014 £m
Non-current assets			
Non-current investments	**46.3**	56.0	54.6
Current assets			
Seed capital investments	**62.8**	98.2	58.1
Investments of life and pensions subsidiary	**-**	12.6	-
Investments in funds to hedge deferred bonus liabilities	**49.4**	25.9	26.9
Other Investments	**0.7**	-	0.8
	112.9	136.7	85.8

Seed capital investments comprise amounts invested in funds when the intention is to dispose of these as soon as practicably possible.

13 Assets backing investment contract liabilities

These balances represent unit linked business carried out by the Group's life assurance and pooled pensions subsidiary. The risks and rewards of these assets fall to the benefit of or are borne by the underlying policyholders. Therefore, the investment contract liabilities shown in the Group’s balance sheet are equal and opposite in value to the assets held on behalf of the policyholders. The Group has no direct exposure to fluctuations in the value of assets which are held on behalf of policyholders, nor to fluctuations in the value of the assets arising from changes in market prices or credit default. The Group’s exposure to these assets is limited to the revenue earned, which varies according to movements in the value of the assets.

14 Share capital

On 3 December 2014 a total of 17,310,991 shares of 10p each were issued in respect of the acquisition of SWIP.

15 Retirement benefits

The Group's principal form of pension provision is by way of three defined contribution schemes operated worldwide. The Group also operates a number of legacy defined benefit schemes. There are two schemes in the UK which are closed to new membership and to future service accrual, plus schemes in Japan, Germany, Norway, Finland and Thailand.

The actuarial valuations of the defined benefit pension schemes referred to above were updated to 30 September 2014 by the respective independent actuaries. Contributions to the schemes since 30 September 2014 have been set off against the scheme deficits.

	31 March 2015 £m	31 March 2014 £m	30 September 2014 £m
Surplus in scheme at end of period	**16.6**	9.7	16.6
Deficits in schemes at end of period	**(15.2)**	(10.5)	(20.2)
	1.4	(0.8)	(3.6)

16 Contingent liabilities

The Group may, from time to time, be subject to claims, actions or proceedings in the normal course of its business. When such circumstances arise, the Board considers the likelihood of a material outflow of economic resources and provides for its best estimate of costs where an outflow of economic resources is probable. While there can be no assurances, the directors believe, based on information currently available to them, that the likelihood of other material outflows is remote.

17 Post balance sheet events

On 27 March 2015, the Group announced its agreement to purchase the remaining 49.9% stake in the joint venture, Aberdeen SVG Private Equity Managers Ltd, from SVG Capital plc for cash consideration of £29 million.

This will be completed in the second half of 2015.

Responsibility statement

We confirm that to the best of our knowledge:

- the condensed set of financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU.
- the interim management report includes a fair review of the information required by:
  (a) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the current financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
  (b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

For and on behalf of the Board

Scott E Massie
Secretary

1 May 2015

Independent review report to Aberdeen Asset Management PLC

Introduction

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 March 2015 which comprises the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated balance sheet, the condensed consolidated statement of changes in equity, the condensed consolidated cash flow statement and the related explanatory notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with the terms of our engagement to assist the company in meeting the requirements of the Disclosure and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA"). Our review has been undertaken so that we might state to the company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our review work, for this report, or for the conclusions we have reached.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

As disclosed in note 2, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the EU. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 March 2015 is not prepared, in all material respects, in accordance with IAS 34 as adopted by the EU and the DTR of the UK FCA.

Catherine Burnet
for and on behalf of KPMG Audit Plc

Chartered Accountants
37 Albyn Place
Aberdeen
AB10 1JB

1 May 2015

Appendix – Assets under management and new business flows

Assets under management at 31 March 2015

	30 September 2014 £bn	31 December 2014 £bn	31 March 2015 £bn
Equities	107.6	106.3	**110.3**
Fixed income	71.4	72.0	**72.4**
Aberdeen solutions	125.0	125.1	**128.5**
Property	20.4	19.9	**19.4**
	324.4	323.3	**330.6**
Aberdeen	189.3	186.9	**191.1**
SWIP	135.1	136.4	**139.5**
	324.4	323.3	**330.6**

	Equities £bn	Fixed Income £bn	Aberdeen solutions £bn	Property £bn	Total £bn
AuM at 30 September 2014	107.6	71.4	125.0	20.4	324.4
Net new business flows for the period - Aberdeen	(3.9)	(2.1)	(1.2)	(0.7)	(7.9)
Net new business flows for the period - SWIP	(0.1)	(0.8)	(2.7)	0.2	(3.4)
Market appreciation & performance	2.6	2.7	7.8	0.4	13.5
Exchange movements	4.1	1.2	(0.4)	(0.9)	4.0
AuM at 31 March 2015	110.3	72.4	128.5	19.4	330.6

Overall new business flows for 6 months to 31 March 2015

	3 months to 31 December 2014 £m	3 months to 31 March 2015 £m	6 months to 31 March 2015 £m
Gross inflows:			
Aberdeen	8,222	9,155	17,377
SWIP	3,065	3,004	6,069
	11,287	12,159	23,446
Outflows:			
Aberdeen	11,564	13,664	25,228
SWIP	4,516	4,999	9,515
	16,080	18,663	34,743
Net flows:			
Aberdeen	(3,342)	(4,509)	(7,851)
SWIP	(1,451)	(1,995)	(3,446)
	(4,793)	(6,504)	(11,297)

Overall new business flows for 6 months to 31 March 2015 – Aberdeen

	3 months to 31 December 2014 £m	3 months to 31 March 2015 £m	6 months to 31 March 2015 £m
Gross inflows:			
Equities	4,914	4,939	9,853
Fixed income	2,376	2,965	5,341
Aberdeen solutions	549	654	1,203
Property	383	597	980
	8,222	9,155	17,377
Outflows:			
Equities	5,710	7,994	13,704
Fixed income	3,724	3,710	7,434
Aberdeen solutions	1,276	1,114	2,390
Property	854	846	1,700
	11,564	13,664	25,228
Net flows:			
Equities	(796)	(3,055)	(3,851)
Fixed income	(1,348)	(745)	(2,093)
Aberdeen solutions	(727)	(460)	(1,187)
Property	(471)	(249)	(720)
	(3,342)	(4,509)	(7,851)

Overall new business flows for 6 months to 31 March 2015 – SWIP

	3 months to 31 December 2014 £m	3 months to 31 March 2015 £m	6 months to 31 March 2015 £m
Gross inflows:			
Equities	31	44	75
Fixed income	1,352	1,210	2,562
Aberdeen solutions	1,393	1,453	2,846
Property	289	297	586
	3,065	3,004	6,069
Outflows:			
Equities	90	78	168
Fixed income	1,597	1,790	3,387
Aberdeen solutions	2,654	2,916	5,570
Property	175	215	390
	4,516	4,999	9,515
Net flows:			
Equities	(59)	(34)	(93)
Fixed income	(245)	(580)	(825)
Aberdeen solutions	(1,261)	(1,463)	(2,724)
Property	114	82	196
	(1,451)	(1,995)	(3,446)

New business flows for 6 months to 31 March 2015 – Equities (Aberdeen)

	3 months to 31 December 2014 £m	3 months to 31 March 2015 £m	6 months to 31 March 2015 £m
Gross inflows:			
Asia Pacific	2,369	3,169	5,538
Global emerging markets	948	1,273	2,221
Europe	141	31	172
Global & EAFE	1,372	388	1,760
UK	34	40	74
US	50	38	88
	4,914	4,939	9,853
Outflows:			
Asia Pacific	2,266	3,087	5,353
Global emerging markets	2,028	1,884	3,912
Europe	42	42	84
Global & EAFE	1,016	2,794	3,810
UK	56	68	124
US	302	119	421
	5,710	7,994	13,704
Net flows:			
Asia Pacific	103	82	185
Global emerging markets	(1,080)	(611)	(1,691)
Europe	99	(11)	88
Global & EAFE	356	(2,406)	(2,050)
UK	(22)	(28)	(50)
US	(252)	(81)	(333)
	(796)	(3,055)	(3,851)

New business flows for 6 Months to 31 March 2015 – Fixed income (Aberdeen)

	3 months to 31 December 2014 £m	3 months to 31 March 2015 £m	6 months to 31 March 2015 £m
Gross inflows:			
Asia Pacific	188	97	285
Australia	171	355	526
Convertibles	13	59	72
Emerging markets	349	478	827
Europe	99	85	184
Global	99	260	359
High yield	176	191	367
Money Market	996	1,209	2,205
UK	147	71	218
US	138	160	298
	2,376	2,965	5,341
Outflows:			
Asia Pacific	180	57	237
Australia	402	548	950
Convertibles	69	21	90
Emerging markets	484	546	1,030
Europe	120	128	248
Global	92	171	263
High yield	516	348	864
Money Market	1,249	1,480	2,729
UK	370	234	604
US	242	177	419
	3,724	3,710	7,434
Netflows:			
Asia Pacific	8	40	48
Australia	(231)	(193)	(424)
Convertibles	(56)	38	(18)
Emerging markets	(135)	(68)	(203)
Europe	(21)	(43)	(64)
Global	7	89	96
High yield	(340)	(157)	(497)
Money Market	(253)	(271)	(524)
UK	(223)	(163)	(386)
US	(104)	(17)	(121)
	(1,348)	(745)	(2,093)