

Aberdeen Asset Management

Interim results to 31 March 2015



Martin Gilbert, Chief Executive and Bill Rattray, Finance Director
5 May 2015

Operational highlights

- Improved balance in AuM (£330.6 billion) and revenues following completion of SWIP
- Strongly cash generative and substantially improved regulatory capital position
- Encouraging growth in gross inflows but offset by outflows
- No style drift: focus on our bottom up, fundamental style of investing for the long term in quality companies
- Continued focus on cost control, both from SWIP synergies and more widely
- Positioning business to benefit from future shift towards solutions and alternatives capabilities

Financial highlights

- Operating margin rises to 44.7% (1H 2014: 43.0%)
- Underlying pre-tax profit £270.2 million (+24.5%)
- Underlying diluted earnings per share 16.2p (+13.3%)
- Interim dividend per share 7.5p (+11.1%)
- Strong balance sheet, proposed share buy-back of up to £100 million

New business flows by asset class

	Group			
	1H 2014 £m	2H 2014 £m	FY 2014 £m	1H 2015 £m
Inflows				
Equities	6,261	7,956	14,217	9,928
Fixed income	5,319	6,874	12,193	7,903
Aberdeen solutions	1,248	4,157	5,405	4,049
Property	1,451	1,446	2,897	1,566
	14,279	20,433	34,712	23,446
Outflows				
Equities	14,392	12,769	27,161	13,872
Fixed income	6,165	9,639	15,804	10,821
Aberdeen solutions	1,922	8,440	10,362	7,960
Property	563	1,257	1,820	2,090
	23,042	32,105	55,147	34,743
Net flows				
Equities	(8,131)	(4,813)	(12,944)	(3,944)
Fixed income	(846)	(2,765)	(3,611)	(2,918)
Aberdeen solutions	(674)	(4,283)	(4,957)	(3,911)
Property	888	189	1,077	(524)
	(8,763)	(11,672)	(20,435)	(11,297)

New business flows – Aberdeen & SWIP

	Aberdeen			SWIP			Total
	1Q 2015 £m	2Q 2015 £m	1H 2015 £m	1Q 2015 £m	2Q 2015 £m	1H 2015 £m	1H 2015 £m
Inflows							
Equities	4,914	4,939	9,853	31	44	75	9,928
Fixed income	2,376	2,965	5,341	1,352	1,210	2,562	7,903
Aberdeen solutions	549	654	1,203	1,393	1,453	2,846	4,049
Property	383	597	980	289	297	586	1,566
	8,222	9,155	17,377	3,065	3,004	6,069	23,446
Outflows							
Equities	5,710	7,994	13,704	90	78	168	13,872
Fixed income	3,724	3,710	7,434	1,597	1,790	3,387	10,821
Aberdeen solutions	1,276	1,114	2,390	2,654	2,916	5,570	7,960
Property	854	846	1,700	175	215	390	2,090
	11,564	13,664	25,228	4,516	4,999	9,515	34,743
Net flows							
Equities	(796)	(3,055)	(3,851)	(59)	(34)	(93)	(3,944)
Fixed income	(1,348)	(745)	(2,093)	(245)	(580)	(825)	(2,918)
Aberdeen solutions	(727)	(460)	(1,187)	(1,261)	(1,463)	(2,724)	(3,911)
Property	(471)	(249)	(720)	114	82	196	(524)
	(3,342)	(4,509)	(7,851)	(1,451)	(1,995)	(3,446)	(11,297)

Well positioned for the evolving investment environment

- Good progress in shaping the business for the shift towards solutions and alternatives capabilities
- Our traditional strengths in equities and emerging markets remain important components to support this
- Combination of global footprint, experience, scale, brand and diverse offering across a full spectrum of asset classes
- We have a number of global preferred partner programmes and strategic partnerships
- Plus a track record in managing assets for pension, insurance, wealth and government/sovereign wealth clients

- **Key objective for future growth is to expand on strategic partnerships in an environment which increasingly seeks solutions to client needs**

**Focused on multiple markets,
channels and clients**



Financial results

Interim results overview

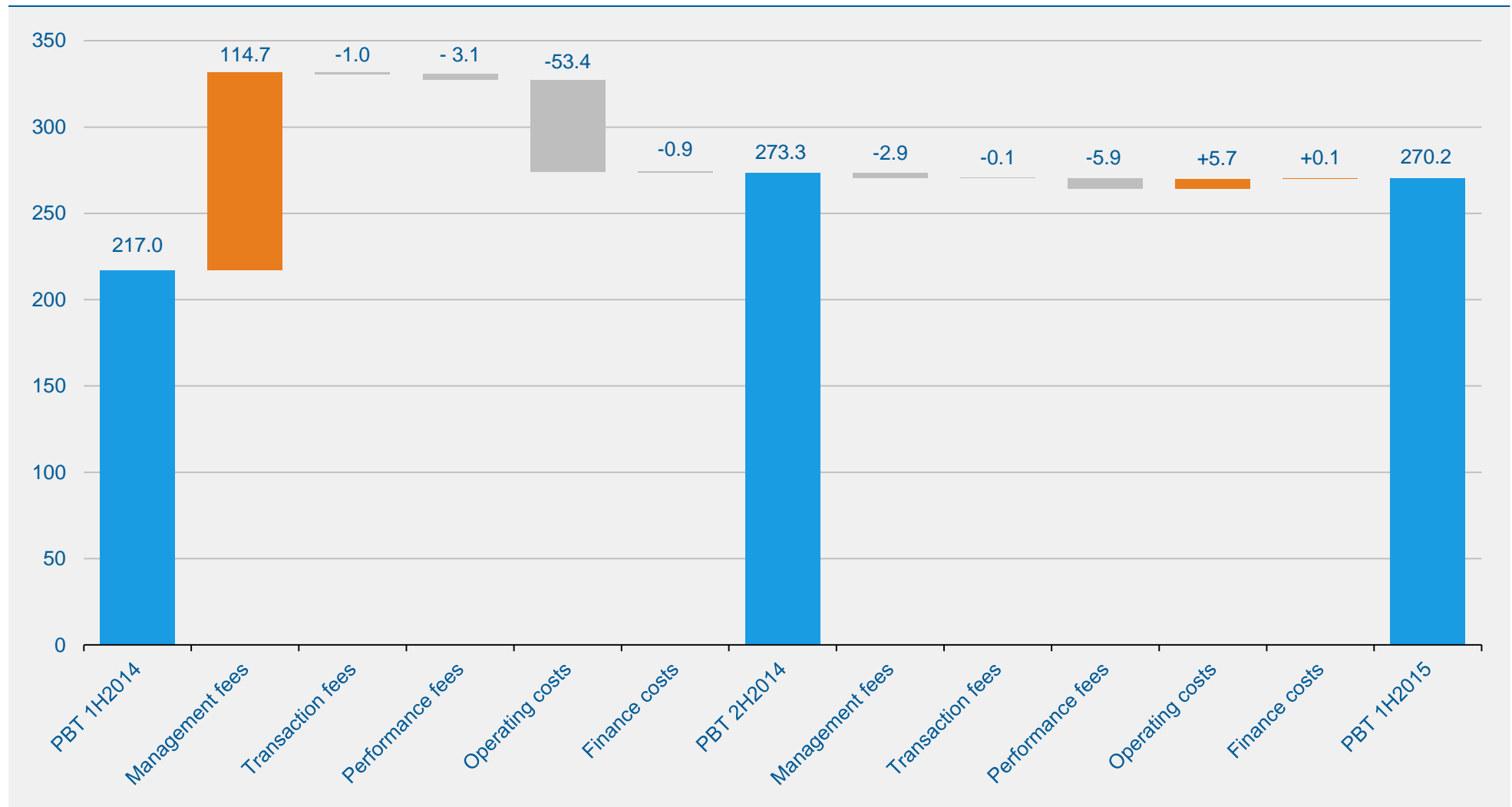
Six months to 31 March 2015

	1H 2014	2H 2014	1H 2015
Revenue	£503.5m	£614.1m	£605.2m
Underlying pre-tax profit	£217.0m	£273.3m	£270.2m
Core operating cashflow	£221.6m	£322.2m	£227.4m
Operating margin	43.0%	44.6%	44.7%
Underlying diluted earnings per share	14.3p	16.8p	16.2p
Regulatory capital headroom	£17m	£115m	£221m

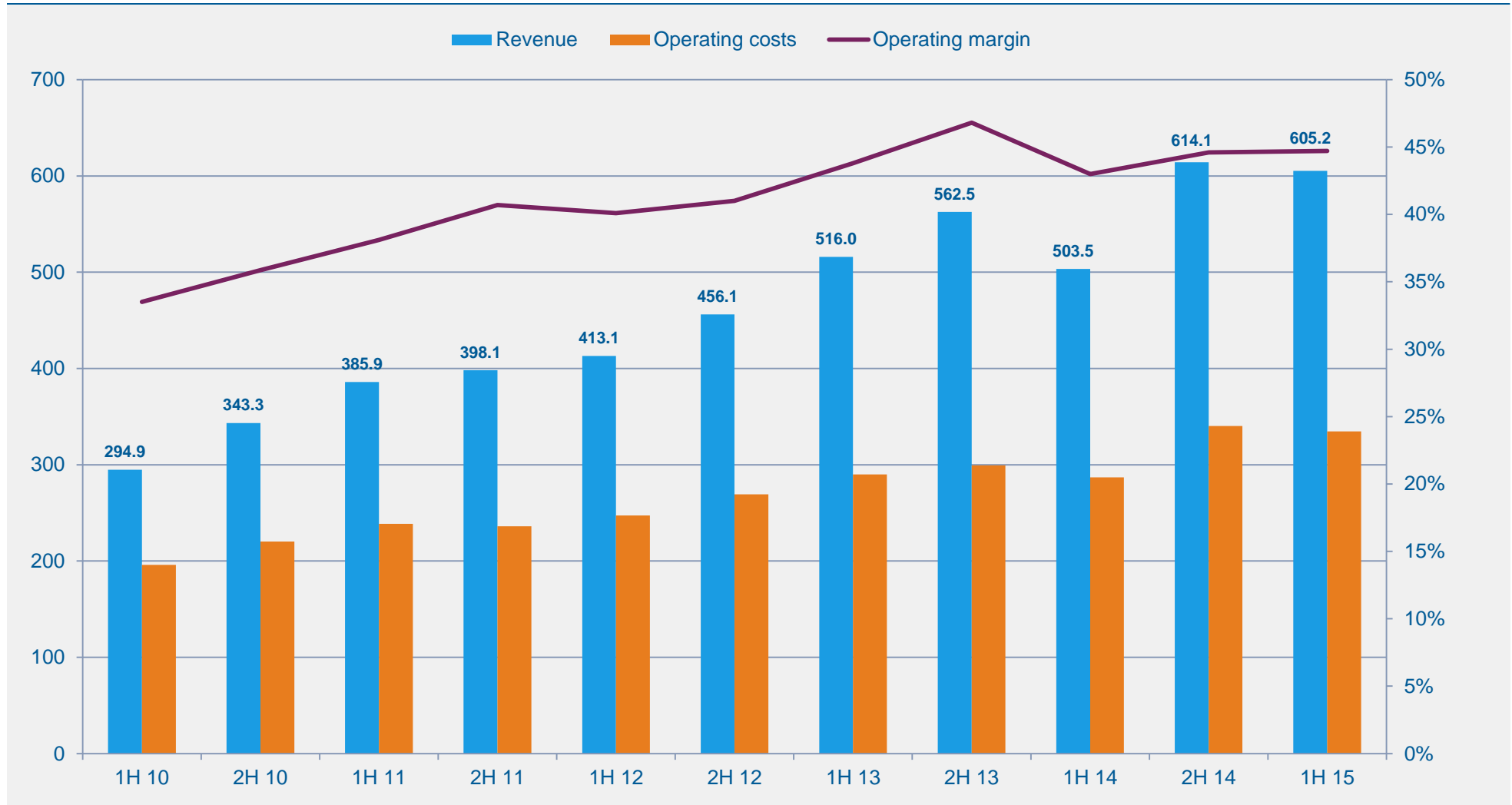
Reconciliation of changes in AuM

	Equities £bn	Fixed income £bn	Aberdeen solutions £bn	Property £bn	Total £bn
AuM at 30 September 14	107.6	71.4	125.0	20.4	324.4
Net new business flows – Aberdeen	(3.9)	(2.1)	(1.2)	(0.7)	(7.9)
Net new business flows – SWIP	(0.1)	(0.8)	(2.7)	0.2	(3.4)
Markets and performance	2.6	2.7	7.8	0.4	13.5
FX movements	4.1	1.2	(0.4)	(0.9)	4.0
AuM at 31 March 15	110.3	72.4	128.5	19.4	330.6
Average AuM	109.3	72.3	126.5	19.8	327.9

Profit before tax



Revenues, costs and margin



Revenue analysis

	1H 2014		2H 2014		FY 2014		1H 2015	
	£m		£m		£m		£m	
Management fees	485.5	96.4%	600.2	97.7%	1,085.7	97.1%	597.3	98.7%
Transaction fees	5.6	1.1%	4.6	0.8%	10.2	1.0%	4.5	0.7%
	491.1	97.5%	604.8	98.5%	1,095.9	98.1%	601.8	99.4%
Performance fees	12.4	2.5%	9.3	1.5%	21.7	1.9%	3.4	0.6%
	503.5	100.0%	614.1	100.0%	1,117.6	100.0%	605.2	100.0%

Progression of blended fee rate

	Pro forma on completion	Actual 2H 2014	Actual 1H 2015
Equities	65.6	65.8	65.8
Fixed income	24.7	22.2	21.2
Aberdeen solutions	16.5	17.8	17.8
Property	52.0	51.0	50.0
Blended average management fee	36.5	36.9	36.5

Income statement progression

	1H 2014		2H 2014		FY 2014		1H 2015	
	£m	Margin	£m	Margin	£m	Margin	£m	Margin
Revenue	503.5		614.1		1,117.6		605.2	
Staff costs	176.0	35.0%	212.9	34.7%	388.9	34.8%	211.6	35.0%
Other costs	110.9	22.0%	127.4	20.7%	238.3	21.3%	123.0	20.3%
Total operating costs	286.9	57.0%	340.3	55.4%	627.2	56.1%	334.6	55.3%
Operating profit	216.6	<u>43.0%</u>	273.8	<u>44.6%</u>	490.4	<u>43.9%</u>	270.6	<u>44.7%</u>
Net finance costs	0.2		0.3		0.5		1.5	
Other gains & losses	0.2		(0.8)		(0.6)		(1.9)	
Profit before taxation	217.0		273.3		490.3		270.2	
Taxation	(37.0)		(41.6)		(78.6)		(45.6)	
Profit for the period	180.0		231.7		411.7		224.6	
Effective tax rate	<u>17.1%</u>				<u>16.0%</u>		<u>16.9%</u>	

SWIP integration progressing well

- All front office teams now integrated
- Transitional service agreement with Lloyds no longer necessary, exited on schedule on 31 March 2015
- Remaining elements of back office integration continue on schedule for completion by end of 2015
- Incremental operating margin from SWIP business is ahead of initial expectations:

End 2015 target at announcement	55%
Actual 1H 2014	50%
Exit rate 30 September 2014	55%
Actual 1H 2015	60%

Cashflow

	1H 2015 £m
Operating cashflow after interest and tax	177.0
Additional seed capital investment	(4.6)
Net purchases of other investments	(12.4)
Purchase of intangible and tangible fixed assets	(5.4)
Coupons on capital securities	(11.2)
	<hr/> 143.4
Ordinary dividend payments	(145.9)
Purchase of shares to facilitate current and future vesting of deferred share awards	(39.6)
	<hr/> (42.1)
Acquisition related payments:	
Deferred top-up payment to Lloyds Banking Group	(38.3)
Other acquisition and integration costs	(15.5)
Decrease in cash and cash equivalents	<hr/> (95.9) <hr/>

Regulatory capital

	Sep 14 £m	Mar 15 £m
Ordinary shareholders' funds – as reported	1,747	1,736
Less: provision for dividend	(145)	(98)
Core Tier 1 capital before deduction	1,602	1,638
Less: intangible assets (net of deferred tax)	(1,445)	(1,396)
Less: pension surplus, net of deferred tax	(14)	(13)
Less: other deductions	-	(10)
	143	219
Perpetual capital securities	322	322
Total regulatory capital	465	541
Regulatory capital requirement*	350	320
Surplus	115	221

* Comprising the Group's Pillar 2 requirement for operational, credit and market risk



Appendix

Supplementary financials
New business flows
AUM breakouts
Performance
EPS calculation

Performance fees

	1H 2014		2H 2014		FY 2014		1H 2015	
	£m		£m		£m		£m	
Equities	9.8	79%	6.8	73%	16.6	77%	1.2	35%
Fixed income	0.2	2%	-	-	0.2	1%	0.4	12%
Aberdeen solutions	1.8	14%	2.0	22%	3.8	17%	1.2	35%
Property	0.6	5%	0.5	5%	1.1	5%	0.6	18%
Revenue	12.4	100%	9.3	100%	21.7	100%	3.4	100%

Analysis of operating expenses

	1H 2014 £m	2H 2014 £m	FY 2014 £m	1H 2015 £m
Staff costs	176.0	212.9	388.9	211.6
Third party admin	25.0	31.2	56.2	30.9
Accommodation	10.8	11.7	22.5	13.9
IT	15.5	20.6	36.1	20.8
Marketing & sponsorship	18.2	17.5	35.7	12.8
Depreciation	4.4	3.8	8.2	4.1
Other	37.0	42.6	79.6	40.5
Non staff costs	110.9	127.4	238.3	123.0
	286.9	340.3	627.2	334.6

Balance sheet

	Sep 14 £m	Mar 15 £m
Cash and cash equivalents	653.9	566.6
Other tangible net assets	(23.4)	94.9
Intangible assets (net of deferred tax)	1,445.4	1,396.3
Net assets	2,075.9	2,057.8
Shareholders' funds	1,714.2	1,700.5
Minority interest	40.1	35.7
7.0% Perpetual cumulative capital notes	321.6	321.6
Total equity	2,075.9	2,057.8



New business flows

New business flows – Equities

	Aberdeen		
	1Q 2015 £m	2Q 2015 £m	1H 2015 £m
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 – Fixed income

	Aberdeen		
	1Q 2015 £m	2Q 2015 £m	1H 2015 £m
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
Net flows			
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)

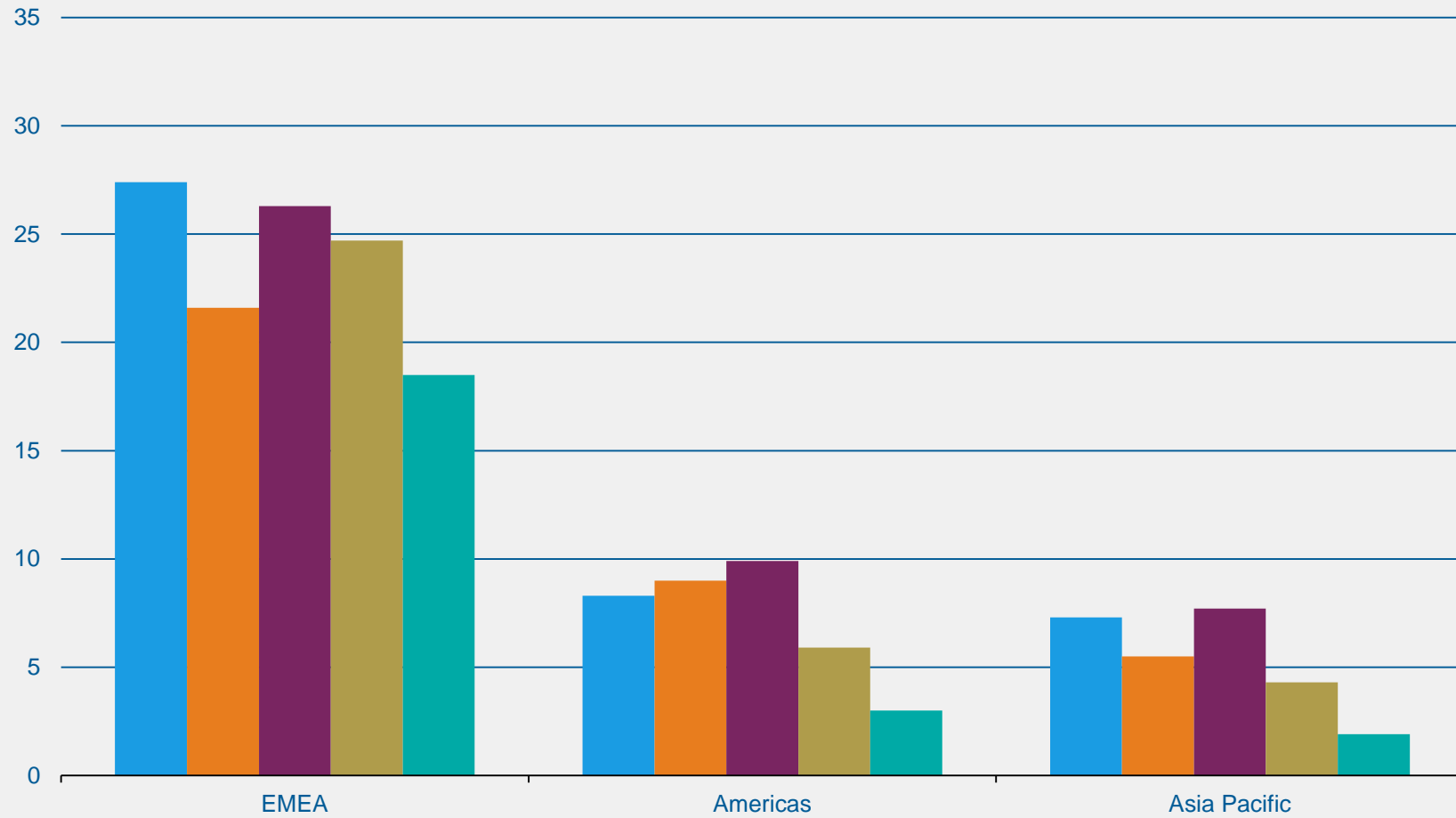
New business flows – Aberdeen solutions

	Aberdeen			SWIP		
	1Q 2015 £m	2Q 2015 £m	1H 2015 £m	1Q 2015 £m	2Q 2015 £m	1H 2015 £m
Inflows						
Quantitative investments	93	-	93	225	169	394
Investment solutions	313	579	892	1,069	1,271	2,340
Alternatives	143	75	218	99	13	112
	549	654	1,203	1,393	1,453	2,846
Outflows						
Quantitative investments	91	147	238	554	763	1,317
Investment solutions	866	707	1,573	1,950	2,116	4,066
Alternatives	319	260	579	150	37	187
	1,276	1,114	2,390	2,654	2,916	5,570
Net flows						
Quantitative investments	2	(147)	(145)	(329)	(594)	(923)
Investment solutions	(553)	(128)	(681)	(881)	(845)	(1,726)
Alternatives	(176)	(185)	(361)	(51)	(24)	(75)
	(727)	(460)	(1,187)	(1,261)	(1,463)	(2,724)

New business by region

Gross flows

■ 2011 ■ 2012 ■ 2013 ■ 2014 ■ 1H 2015



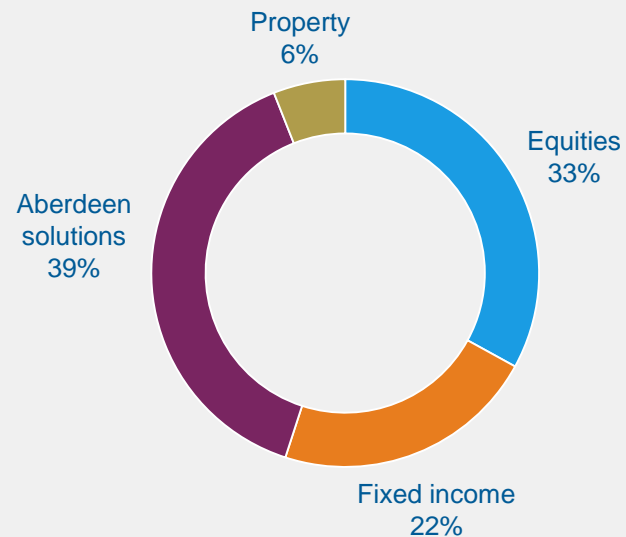


AuM breakouts

A diversified asset base

31 Mar 15	£bn
Equities	110.3
Fixed Income	72.4
Aberdeen Solutions	128.5
Property	19.4
Total	330.6

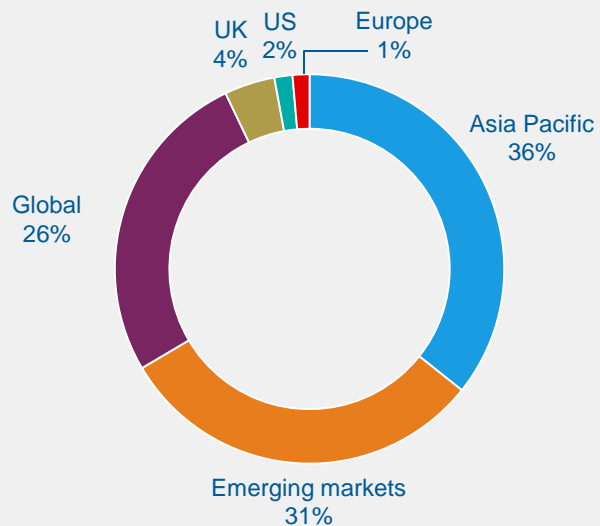
By asset class



SWIP has brought additional scale and diversification to asset classes

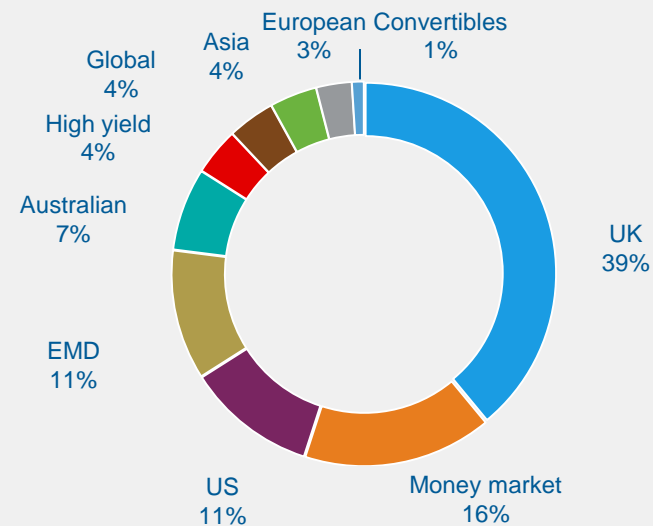
Equities & Fixed income analysis

Equities



31 Mar 15	£bn
Asia Pacific	39.4
Emerging markets	34.0
Global	29.1
UK	4.6
US	1.6
Europe	1.6
Total	110.3

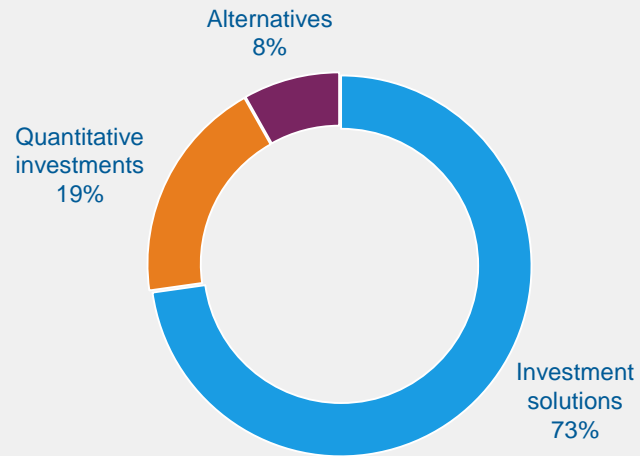
Fixed income



31 Mar 15	£bn
UK	28.4
Money market	11.7
US	8.0
EMD	7.9
Australian	5.5
High Yield	3.3
Global	2.6
Asia	2.6
European	2.1
Convertibles	0.3
Total	72.4

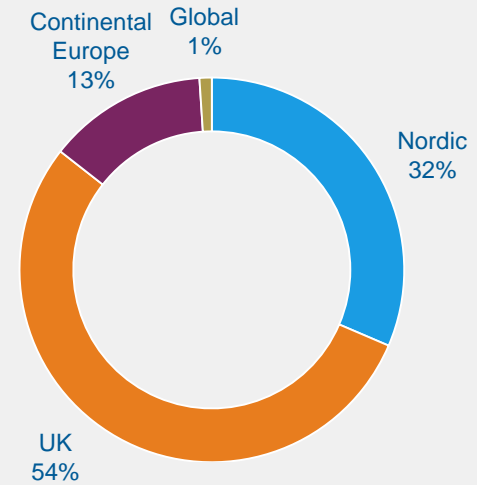
Aberdeen solutions and Property analysis

Aberdeen Solutions



31 Mar 15	£bn
Investment solutions	93.5
Quantitative investments	24.5
Alternatives	10.5
Total	128.5

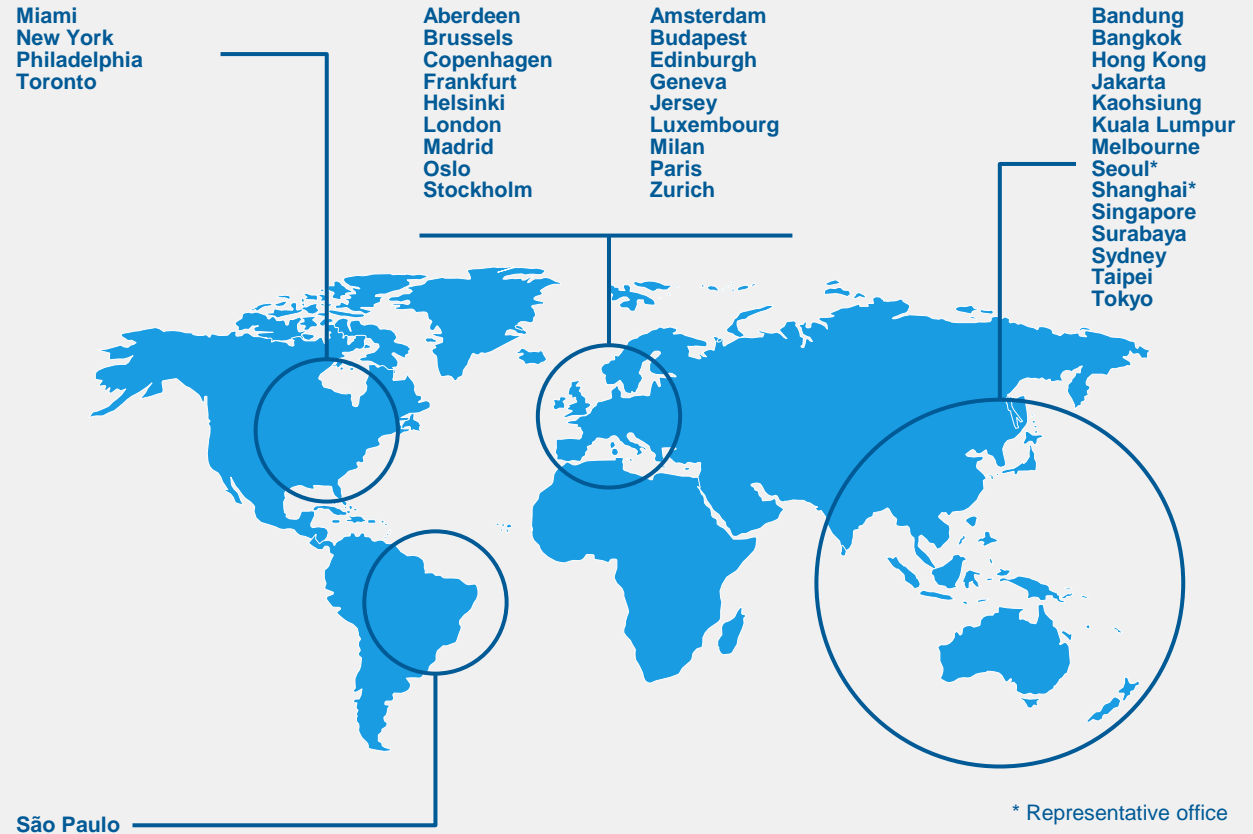
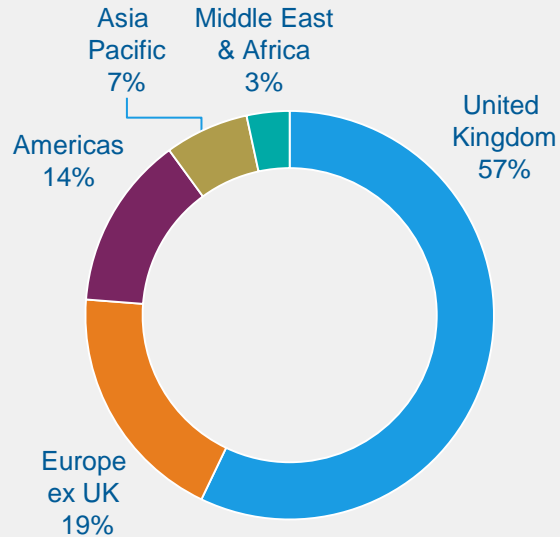
Property



31 Mar 15	£bn
UK	10.5
Nordics	6.1
Continental Europe	2.6
Global	0.2
Total	19.4

International reach: 37 offices across the world

AuM by domicile



Total may not add up due to rounding
 Source: Aberdeen Asset Management, 31 Mar 2015

Global reach, local understanding,
 independent thinking



Performance

Equity performance

To 31 March 2015

	1 year		3 years		5 years		10 years	
	Aberdeen % pa	Benchmark % pa	Aberdeen % pa	Benchmark % pa	Aberdeen % pa	Benchmark % pa	Aberdeen % pa	Benchmark % pa
Asia Pacific ex Japan Equity ¹	17.79	19.69	7.84	9.39	8.08	6.54	14.61	12.29
Emerging Markets Equity ²	13.73	13.19	4.79	3.17	6.68	2.52	16.88	11.48
Global Equity ex US ⁹	7.35	11.66	7.55	9.54	7.20	5.74	10.58	8.25
Global Equity ³	10.55	19.72	10.06	15.62	8.89	11.10	11.20	9.59
UK Equities ⁴	4.97	6.57	10.63	10.63	10.37	8.34	8.65	7.75
Pan Euro Equities ⁵	6.25	7.19	11.05	12.64	8.48	7.26	7.72	8.16
North American Equity ⁶	21.78	26.60	16.41	19.00	12.51	14.96	10.87	10.65
Japan Equities ⁷	34.35	26.04	16.29	12.32	12.20	6.88	7.85	5.92
Europe ex UK Equities ⁸	9.29	7.48	11.92	14.14	8.21	7.21	7.66	8.61

Benchmark 1	MSCI AC Asia Pacific ex Japan
Benchmark 2	MSCI Emerging Markets
Benchmark 3	MSCI World
Benchmark 4	FTSE All Share
Benchmark 5	FTSE World Europe
Benchmark 6	S&P 500
Benchmark 7	Topix (Tokyo First Section)
Benchmark 8	FTSE World Europe ex UK
Benchmark 9	MSCI EAFE switched on 31/12/06 to MSCI AC World ex US

Source: Total return, gross of fees, GBP. Composite performance displayed, Aberdeen Asset Management, BNP Paribas

Fixed income performance

To 31 March 2015

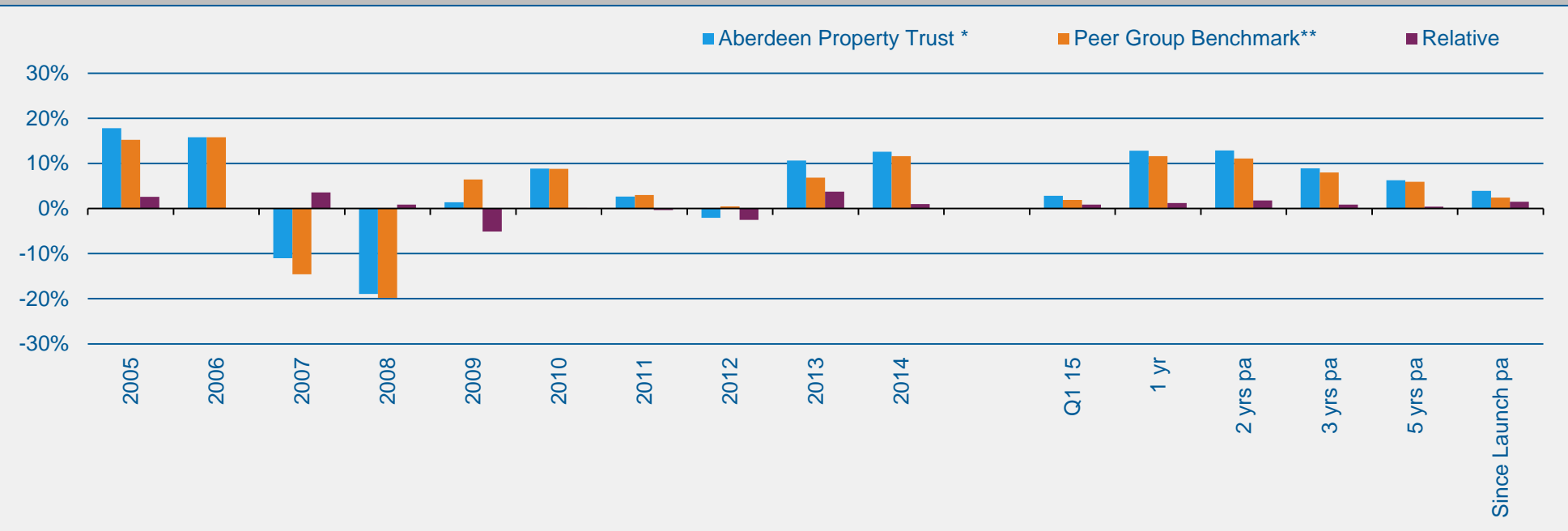
	1 year		3 years		5 years		10 years	
	Aberdeen % pa	Benchmark % pa	Aberdeen % pa	Benchmark % pa	Aberdeen % pa	Benchmark % pa	Aberdeen % pa	Benchmark % pa
Global Government ¹ (USD)	-4.31	-5.50	-1.07	-1.64	1.60	1.42	3.53	3.09
Global Aggregate Core ² (USD)	-2.18	-3.66	0.68	-0.21	2.79	2.31	3.33	3.61
Global Aggregate Plus ¹⁷ (USD)	-5.03	-3.66	n/a	n/a	n/a	n/a	n/a	n/a
Global Credit ³ (USD)	-0.26	-1.47	2.22	1.57	4.11	3.33	n/a	n/a
Global Bond: Global High Inc ¹⁵ (USD)	0.62	2.33	7.83	8.09	7.77	8.67	8.75	8.37
US Core ⁴ (USD)	6.73	5.72	4.46	3.10	6.01	4.41	4.74	4.93
US Core Plus ⁴ (USD)	6.49	5.72	4.86	3.10	6.43	4.41	5.14	4.93
US Total Return Bond ¹⁴ (USD)	5.47	5.72	3.46	3.11	5.23	4.41	5.76	4.77
Euro Aggregate Core ⁵ (EUR)	13.09	11.19	8.60	7.82	6.55	6.04	5.29	5.08
Euro Corporate ⁶ (EUR)	8.59	7.34	7.05	6.52	6.08	5.63	4.25	4.58
Euro High Yield ⁷ (EUR)	4.67	5.36	10.36	11.97	8.39	11.02	6.15	8.74
UK Aggregate Bond ⁸ (GBP)	14.26	14.07	6.94	6.58	7.23	7.58	5.77	5.98
Emerging Market Debt - Plus ¹⁰ (USD)	2.28	5.65	4.73	5.37	7.42	7.10	9.43	8.11
Australian ¹¹ (AUD)	10.78	11.13	7.26	7.11	8.04	7.63	7.43	6.80
US Dollar High Yield ¹² (USD)	-2.95	2.05	6.77	7.47	8.69	8.95	n/a	n/a
EMD - Corporate Bond ¹⁶ (USD)	2.45	4.52	5.27	5.37	n/a	n/a	n/a	n/a
UK Absolute Return Bond ¹⁷ (GBP)	-2.79	0.56	2.39	0.59	2.95	0.69	n/a	n/a
Asian Fixed Income ¹³ (USD)	3.84	2.76	2.44	1.51	4.24	4.04	n/a	n/a

Benchmark 1	Citigroup WGBI
Benchmark 2	Barclays Global Aggregate
Benchmark 3	Barclays Global Aggregate ex Treasuries
Benchmark 4	Barclays US Aggregate Bond Index
Benchmark 5	Barclays Euro Aggregate
Benchmark 6	Barclays Euro Aggregate Corporate
Benchmark 7	JPMorgan Euro High Yield to 31/03/2014 thereafter Merrill Lynch Euro High Yield Constrained
Benchmark 8	Iboxx Sterling Overall Bonds Index
Benchmark 9	JPM EMBI Global Diversified
Benchmark 10	Bloomberg Ausbond Australia Composite Bond Index
Benchmark 11	Credit Suisse Upper Tier High Yield Index to 31/12/11 thereafter US High Yield Master II Index
Benchmark 12	HSBC Asian Local Bond Index
Benchmark 13	20% JPMorgan Global Bond x US & 80% ML 1-10y Gov / Corp to 30/06/05 and thereafter Barclays U.S. Aggregate Bond Index
Benchmark 14	Merrill Lynch Global High Yield Constrained USD Hedged RI
Benchmark 15	JPM Corporate EMBI Broad Diversified
Benchmark 16	3 Month LIBOR
Benchmark 17	Barclays Global Aggregate

Source: Total return, gross of fees, base currency, Aberdeen Asset Management

Aberdeen Property Trust performance

Fund Performance vs APUTS Peer Group



	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Q1 2015	1 yr	2 yrs pa	3 yrs pa	5 yrs pa	Since launch pa
Aberdeen Property Trust (former SWIP PT)*	17.8%	15.8%	-11.0%	-19.0%	1.4%	8.9%	2.7%	-2.1%	10.6%	12.6%	2.8%	12.8%	12.9%	8.9%	6.3%	3.9%
Peer Group Benchmark**	15.2%	15.8%	-14.6%	-19.8%	6.5%	8.8%	3.0%	0.5%	6.9%	11.6%	1.9%	11.6%	11.1%	8.0%	5.9%	2.4%
Relative	2.6%	0.0%	3.6%	0.9%	-5.1%	0.1%	-0.3%	-2.5%	3.8%	1.0%	0.9%	1.2%	1.8%	0.9%	0.4%	1.5%

* Lipper unit-price returns, net of charges, net income re-invested, GBP

** The Peer Group Benchmark is the median return of an APUTS peer group of six funds in GBP

Source: Lipper, Aberdeen Asset Management; data to 31 Mar 15, updated 1 May 15

Share count for EPS calculations

	1H 2015	Indicative FY 2015
Average shares in issue (million)	1,331.6	1,332.0
Less: shares held by EBT to match deferred share awards	(37.4)	(40.0)
Share count for basic EPS calculation	1,294.2	1,292.0
Dilution shares re options & deferred share awards	26.5	40.0
Share count for diluted EPS calculation	1,320.7	1,332.0

Important information

These presentation slides may contain forward-looking statements with respect to the financial condition and results of the operations and businesses of Aberdeen Asset Management PLC. These statements and forecasts involve risk and uncertainty because they relate to events and depend upon circumstances that may occur in the future. 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.

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