

ABERDEEN ASSET MANAGEMENT PLC
TRADING UPDATE – THREE MONTHS TO 31 DECEMBER 2015

Highlights

- Assets under management £290.6 billion (30 September 2015: £283.7 billion)
- Net outflows of £9.1 billion (quarter to 30 September 2015: £12.7 billion)
- Arden and Advance acquisitions completed during quarter, Parmenion completed in early January
- Flows outlook remains difficult and market volatility continues
- Additional cost savings have been identified and will be implemented in late 2016 and 2017

Martin Gilbert, Chief Executive of Aberdeen, commented:

"During the quarter we added to the business further, completing the acquisitions of Arden and Advance, followed by Parmenion in early January. Like the rest of the industry we continue to contend with the structural imbalances of the global economy and the cyclical slowdown in emerging markets, as well as the impact of falling oil and commodity prices. Despite the day-to-day fluctuations in investor sentiment we remain focussed on those issues that we can control. We are committed to our fundamental approach to investing, managing the business efficiently with a keen focus on costs and most of all striving to deliver the long-term returns that our clients and shareholders have come to expect from Aberdeen."

"Our increasingly diversified business model and strong balance sheet mean we are well placed to navigate the current difficult market conditions offering a wide range of investment capabilities for investors."

Assets under management and flows

The principal movements are summarised in the following table.

	Equities £bn	Fixed income £bn	Aberdeen solutions £bn	Property £bn	Total £bn
AuM at 30 September 2015	80.1	65.6	119.0	19.0	283.7
Net new business flows	(6.3)	0.4	(3.3)	0.1	(9.1)
Corporate transactions	-	-	7.5	-	7.5
Market appreciation and performance	2.5	(0.2)	3.5	0.3	6.1
Exchange movements	1.2	0.8	0.4	-	2.4
AuM at 31 December 2015	<u>77.5</u>	<u>66.6</u>	<u>127.1</u>	<u>19.4</u>	<u>290.6</u>

Net outflows for the quarter were £9.1 billion (quarter to 30 September 2015: net outflows £12.7 billion). Gross inflows totalled £10.9 billion (quarter to 30 September 2015: £9.5 billion), while gross outflows of £20.0 billion (quarter to 30 September 2015: £22.2 billion) were again impacted by withdrawals by sovereign wealth funds.

Market and foreign exchange movements were positive for the quarter, adding £8.5 billion to AuM although, as we have seen in the first few weeks of 2016, considerable volatility continues. The acquisitions of Arden Asset Management LLC and Advance Emerging Capital Limited were completed during December and added a further £7.5 billion to AuM; the acquisition of Parmenion Capital Partners and its sister company, Self Directed Holdings Limited, was subsequently completed in early January.

Equities saw net outflows of £6.3 billion (quarter to 30 September 2015: £7.9 billion), as investor sentiment toward Asia and emerging markets remained weak, and further assets were withdrawn from global equities by sovereign wealth funds.

In other asset classes, there was a net outflow of £3.3 billion from Aberdeen solutions (quarter to 30 September 2015: £2.1 billion), while fixed income and property each attracted small inflows.

As we have said before, we remain committed to our focus on delivering long term returns for our clients and we will continue to follow our disciplined process. While the cyclical correction in Asian and emerging markets continues, we still believe that investment in these high growth economies will deliver significant returns over the longer term.

We continue to be rigorous in our management of operating costs, and we have identified further cost savings beyond the £50 million already announced. We will report more fully on this point in our interim results announcement in May.

Outlook

We expect market conditions to remain difficult and this is likely to be reflected in flows for the remainder of the year. Against this backdrop, we remain committed to controlling costs and driving efficiency in our business.

We remain positive on longer term investment opportunities across asset classes and geographies and we will continue to pursue our primary objective of delivering the long term outcomes that our clients and shareholders expect.

For further information please contact:

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Management will host a conference call for analysts and institutions at 08:00 GMT today.

Participants

Confirmation Code:	9300471
Local - London, UK:	+44(0)20 3427 1918
Local – New York, USA	+1 646 254 3388
National free phone - UK:	0800 279 4992

Or URL <http://edge.media-server.com/m/p/m8wkwcm>

7 Day Conference call Replay:

Replay Passcode:	9300471
Local - London, UK:	+44 (0)20 3427 0598
Local - New York, USA:	+1 347 366 9565

ASSETS UNDER MANAGEMENT AT 31 DECEMBER 2015

	30 Sep 15	31 Dec 15
	£bn	£bn
Equities	80.1	77.5
Fixed income	65.6	66.6
Aberdeen solutions	119.0	127.1
Property	19.0	19.4
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	283.7	290.6

NEW BUSINESS FLOWS FOR 3 MONTHS TO 31 DECEMBER 2015

	Qtr to	Qtr to
	30 Sep 15	31 Dec 15
	£bn	£bn
Gross inflows:		
Equities	2,477	2,121
Fixed income	3,920	5,559
Aberdeen solutions	2,449	2,444
Property	627	791
	<hr/>	<hr/>
	9,473	10,915
Outflows:		
Equities	10,372	8,470
Fixed income	5,991	5,127
Aberdeen solutions	4,520	5,713
Property	1,275	697
	<hr/>	<hr/>
	22,158	20,007
Net flows:		
Equities	(7,895)	(6,349)
Fixed income	(2,071)	432
Aberdeen solutions	(2,071)	(3,269)
Property	(648)	94
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	(12,685)	(9,092)

NEW BUSINESS FLOWS FOR 3 MONTHS TO 31 DECEMBER 2015 – EQUITIES

	Qtr to 30 Sep 15 £bn	Qtr to 31 Dec 15 £bn
Gross inflows:		
Asia Pacific	1,301	1,099
Global emerging markets	797	710
Europe	16	9
Global & EAFE	216	136
UK	60	51
US	87	116
	<hr/> 2,477	<hr/> 2,121
Outflows:		
Asia Pacific	5,341	2,969
Global emerging markets	2,626	1,639
Europe	57	42
Global & EAFE	2,073	3,678
UK	78	73
US	197	69
	<hr/> 10,372	<hr/> 8,470
Net flows:		
Asia Pacific	(4,040)	(1,870)
Global emerging markets	(1,829)	(929)
Europe	(41)	(33)
Global & EAFE	(1,857)	(3,542)
UK	(18)	(22)
US	(110)	47
	<hr/> (7,895)	<hr/> (6,349)

NEW BUSINESS FLOWS FOR 3 MONTHS TO 31 DECEMBER 2015 – FIXED INCOME

	Qtr to 30 Sep 15 £bn	Qtr to 31 Dec 15 £bn
Gross inflows:		
Asia Pacific	73	16
Australia	221	96
Convertibles	11	52
Emerging markets	367	174
Europe	39	60
Global	137	54
High yield	133	223
Money market	2,265	3,573
UK	474	1,181
US	200	130
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	3,920	5,559
Outflows:		
Asia Pacific	181	69
Australia	215	496
Convertibles	12	43
Emerging markets	1,762	355
Europe	107	364
Global	98	127
High yield	500	478
Money market	1,542	1,805
UK	894	1,302
US	680	88
	<hr/>	<hr/>
	5,991	5,127
Net flows:		
Asia Pacific	(108)	(53)
Australia	6	(400)
Convertibles	(1)	9
Emerging markets	(1,395)	(181)
Europe	(68)	(304)
Global	39	(73)
High yield	(367)	(255)
Money market	723	1,768
UK	(420)	(121)
US	(480)	42
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	(2,071)	432