

**ABERDEEN ASSET MANAGEMENT PLC
TRADING UPDATE – 3 MONTHS TO 31 DECEMBER 2014**

Highlights

- Assets under management £323.3 billion (30 September 2014: £324.4 billion)
- Gross inflows in the quarter of £11.3 billion
- Following a more difficult month in December, new business flows have returned to more normal levels in January
- SWIP integration continues to progress in line with plan
- Continued discipline in managing costs and margins

Martin Gilbert, Chief Executive of Aberdeen, commented:

"The recent quarter can be considered in two parts. October and November were encouraging with overall flows in line with the previous quarter and equity flows positive. However, December was a reminder that investor sentiment remains fragile. Despite this and ongoing concerns about Europe and elsewhere, Aberdeen is in good shape. Importantly we have a strong balance sheet, a global client base and a wide range of capabilities to meet the needs of 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 2014	107.6	71.4	125.0	20.4	324.4
Net new business flows – Aberdeen	(0.8)	(1.3)	(0.7)	(0.5)	(3.3)
Net new business flows – SWIP	(0.1)	(0.2)	(1.3)	0.1	(1.5)
Market movements & performance	(2.3)	1.5	2.0	0.1	1.3
FX movements	1.9	0.6	0.1	(0.2)	2.4
AuM at 31 December 2014	106.3	72.0	125.1	19.9	323.3

Business flows

Gross inflows were a little higher than the previous quarter, principally in equities. However, outflows also increased as the emerging market backdrop remained tough. This was particularly evident in December, as a weakening of investor sentiment to emerging markets saw a pick-up in outflows for the month.

Equities returned a small net inflow for the two months to November, continuing the improvement seen in the previous quarter. However, December saw higher outflows from emerging market equities. Both Asia Pacific and global equities attracted net inflows for the quarter.

Fixed income had net outflows of £1.5 billion. Outflows came principally from lower margin strategies although emerging market debt experienced a drop off in demand as investors' appetite for risk waned.

Within Aberdeen solutions, flows were again mixed with outflows principally from multi-asset and the anticipated level of structural outflow from the closed insurance book acquired with SWIP.

The property division remains stable, albeit there were some outflows in the quarter from the wind-down of the DEGI funds instigated over four years ago. The SWIP open end property fund has now been rebranded Aberdeen Property Trust and has continued to attract consistent net inflows.

Outlook

As this quarter has demonstrated, investor sentiment remains fragile and we expect global markets and demand for investment products to continue to be volatile. Despite the headline net outflow, we are winning new business at good fee margins and we remain disciplined in managing costs.

The SWIP integration is on track with the more complex elements of the migration expected to complete by end of 2015 and the final cost synergies likely to be ahead of our initial expectations. The broader offering acquired from SWIP means that the overall business is better balanced and the enlarged business remains well capitalised and cash generative. We are confident that we remain well positioned to meet the long term, changing needs of our investors over the coming years.

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

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ASSETS UNDER MANAGEMENT AT 31 DECEMBER 2014

	30 Sep 14	31 Dec 14
	£bn	£bn
Equities	107.6	106.3
Fixed income	71.4	72.0
Aberdeen solutions	125.0	125.1
Property	20.4	19.9
	<u>324.4</u>	<u>323.3</u>
Aberdeen	189.3	186.9
SWIP	135.1	136.4
	<u>324.4</u>	<u>323.3</u>

OVERALL NEW BUSINESS FLOWS FOR 3 MONTHS TO 31 DECEMBER 2014

	3 mths to	3 mths to
	30 Sep 14	31 Dec 14
	£m	£m
Gross inflows:		
Aberdeen	7,479	8,222
SWIP	2,867	3,065
	<u>10,346</u>	<u>11,287</u>
Outflows:		
Aberdeen	9,147	11,564
SWIP	4,030	4,516
	<u>13,177</u>	<u>16,080</u>
Net flows:		
Aberdeen	(1,668)	(3,342)
SWIP	(1,163)	(1,451)
	<u>(2,831)</u>	<u>(4,793)</u>

OVERALL NEW BUSINESS FOR 3 MONTHS TO 31 DECEMBER 2014 – ABERDEEN

	3 mths to 30 Sep 14 £m	3 mths to 31 Dec 14 £m
Gross inflows:		
Equities	4,073	4,914
Fixed income	2,475	2,376
Aberdeen solutions	719	549
Property	212	383
	<u>7,479</u>	<u>8,222</u>
Outflows:		
Equities	4,086	5,710
Fixed income	3,340	3,724
Aberdeen solutions	1,326	1,276
Property	395	854
	<u>9,147</u>	<u>11,564</u>
Net flows:		
Equities	(13)	(796)
Fixed income	(865)	(1,348)
Aberdeen solutions	(607)	(727)
Property	(183)	(471)
	<u>(1,668)</u>	<u>(3,342)</u>

OVERALL NEW BUSINESS FOR 3 MONTHS TO 31 DECEMBER 2014 – SWIP

	3 mths to 30 Sep 14 £m	3 mths to 31 Dec 14 £m
Gross inflows:		
Equities	27	31
Fixed income	1,068	1,352
Aberdeen solutions	1,488	1,393
Property	284	289
	<u>2,867</u>	<u>3,065</u>
Outflows:		
Equities	168	90
Fixed income	711	1,597
Aberdeen solutions	2,984	2,654
Property	167	175
	<u>4,030</u>	<u>4,516</u>
Net flows:		
Equities	(141)	(59)
Fixed income	357	(245)
Aberdeen solutions	(1,496)	(1,261)
Property	117	114
	<u>(1,163)</u>	<u>(1,451)</u>

NEW BUSINESS FOR 3 MONTHS TO 31 DECEMBER 2014 – EQUITIES (ABERDEEN)

	3 mths to 30 Sep 14 £m	3 mths to 31 Dec 14 £m
Gross inflows:		
Asia Pacific	2,161	2,369
Global emerging markets	1,025	948
Europe	29	141
Global & EAFE	800	1,372
UK	38	34
US	20	50
	<u>4,073</u>	<u>4,914</u>
Outflows:		
Asia Pacific	1,772	2,266
Global emerging markets	1,295	2,028
Europe	54	42
Global & EAFE	568	1,016
UK	61	56
US	336	302
	<u>4,086</u>	<u>5,710</u>
Net flows:		
Asia Pacific	389	103
Global emerging markets	(270)	(1,080)
Europe	(25)	99
Global & EAFE	232	356
UK	(23)	(22)
US	(316)	(252)
	<u>(13)</u>	<u>(796)</u>

NEW BUSINESS FOR 3 MONTHS TO 31 DECEMBER 2014 – FIXED INCOME (ABERDEEN)

	3 mths to 30 Sep 14 £m	3 mths to 31 Dec 14 £m
Gross inflows:		
Asia Pacific	59	188
Australia	210	171
Convertibles	9	13
Emerging markets	720	349
Europe	101	99
Global	159	99
High yield	179	176
Money market	850	996
UK	76	147
US	112	138
	<hr/> 2,475	<hr/> 2,376
Outflows:		
Asia Pacific	45	180
Australia	376	402
Convertibles	23	69
Emerging markets	665	484
Europe	52	120
Global	199	92
High yield	662	516
Money market	712	1,249
UK	258	370
US	348	242
	<hr/> 3,340	<hr/> 3,724
Net flows:		
Asia Pacific	14	8
Australia	(166)	(231)
Convertibles	(14)	(56)
Emerging markets	55	(135)
Europe	49	(21)
Global	(40)	7
High yield	(483)	(340)
Money market	138	(253)
UK	(182)	(223)
US	(236)	(104)
	<hr/> (865)	<hr/> (1,348)