ABERDEEN ASSET MANAGEMENT PLC
RESULTS FOR THE YEAR TO 30 SEPTEMBER 2014 (AUDITED)

Highlights

- Net revenue 4% higher at £1,117.6 million (2013: £1,078.5 million)
- Underlying profit before tax increased by 2% to £490.3 million (2013: £482.7 million)
- 4% decrease in underlying diluted earnings per share to 31.1p (2013: 32.5p)
- Final dividend of 11.25p per share (2013: 10.0p), making 18.0p for the full year (2013: 16.0p)
- Cash increased by 53% to £653.9 million (2013: £426.6 million)
- Assets under management (AuM) increased by 62% to £324.4 billion (2013: £200.4 billion) following acquisition of SWIP

	2014	**2013**
Net revenue	£1,117.6m	£1,078.5m
Underlying results: before amortisation and acquisition-related items		
Profit before tax	£490.3m	£482.7m
Diluted earnings per share	31.1p	32.5p
Statutory results		
Profit before tax	£354.6m	£390.3m
Diluted earnings per share	22.8p	26.2p
Total dividend per share	18.0p	16.0p
Gross new business	£34.7bn	£43.9bn
Net new business	(£20.4bn)	(£2.5bn)
Assets under management at the year end	£324.4bn	£200.4bn

Martin Gilbert, Chief Executive of Aberdeen Asset Management commented:

"We have delivered robust performance this year in a more challenging environment, underpinned by our long-term track record and also our transformational acquisition of SWIP, which has diversified the Group. The first half of the year was particularly demanding, as investor sentiment turned sharply against emerging market economies. Recently, however, we have seen those concerns abate and outflows from our Asian and emerging market funds have moderated.

"The integration of SWIP is proceeding on schedule and is already beginning to deliver cost synergies ahead of expectations. The acquisition has also made us a more balanced and diverse business and more easily able to ride out the ebb and flow of investor sentiment in particular asset classes and geographies.

"Markets are likely to remain volatile given the uncertain economic and interest rate environment but our new financial year has started well with our broadened product range attracting interest from a range of clients. We will continue to apply our philosophy of long-term fundamental investing to meet the objectives of our clients."

Management will host a presentation for analysts and institutions today at 10:00 (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://www.media-server.com/m/p/amzhyqkv

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Chairman's statement

The acquisition of Scottish Widows Investment Partnership ("SWIP"), which we completed on 31 March 2014, was a transformational transaction that added scale and diversification to our product range, and marked the beginning of a long-term strategic relationship with Lloyds Banking Group. As a result, the Group's AuM increased by 62% to £324.4 billion at the year end. However, in general, 2014 was a more challenging year for the Group as financial markets, particularly in the emerging markets and Asian economies, remained volatile.

The SWIP transaction is a further strategic step in Aberdeen's growth and has strengthened existing capabilities as well as providing new investment opportunities for Aberdeen's global distribution team. The acquisition improves the balance of AuM and revenues across asset classes and will reinforce our strong cash generation. The integration process began immediately after completion and is progressing in line with our expected timing, and already delivering cost synergies ahead of expectations.

We have not been immune to the weak investor sentiment toward emerging markets and the consequential impact of risk aversion to this asset class, and this is reflected in some reversal of the strong fund inflows to emerging market equities seen in previous years. Importantly, however, we made progress in improving flows from the Group's wider capabilities where there are strong track records and where we have a competitive edge, particularly into emerging market debt (notwithstanding weaker sentiment to emerging markets) and property. Both of these asset classes have recorded net inflows of over £1 billion during the year and we continue to make steady progress towards building a diversified pipeline.

Despite the challenging environment, revenue and underlying profit are higher than last year, and we continue to achieve a healthy operating margin. The Group's financial strength and strong cash flow generation means that the Board has proposed a 12.5% increase in the final dividend, making a total dividend for the year of 18.0p per share.

Financial highlights

Net revenue for the year of £1,117.6 million was 4% higher than in 2013; recurring fee income was 7% higher, while performance fees reduced to £21.7 million (2013: £50.8 million). A consequence of the composition of the assets introduced by SWIP is that the enlarged Group's blended average management fee rate has been rebased to a lower level; while the blended rate for the full year is 41.8 basis points, it is perhaps more meaningful to focus on the second half of the year, in which we achieved a blended fee rate of 36.9 basis points, slightly ahead of the pro forma rate we reported on the announcement of the transaction.

Operating expenses increased by 6% to £627.2 million. Costs within the legacy Aberdeen business were 4% lower than 2013 as management was mindful of the tougher market conditions. The inclusion of SWIP for the second half year added costs of £60 million, after some initial benefit from cost synergies which will be more fully reflected in the new financial year.

Underlying operating profit, which is stated before amortisation of intangible assets and the one-off acquisition and integration costs of the SWIP deal, increased to £490.4 million (2013: £489.2 million), while the operating margin fell slightly to 43.9% (2013: 45.4%). After the deduction of acquisition costs and amortisation, statutory profit before tax decreased by 9% to £354.6 million (2013: £390.3 million).

There has, again, been strong conversion of operating profits to cash, with core operating cashflow of £543.8 million (2013: £529.1 million). As a result the balance sheet has been strengthened further with a year end cash position of £653.9 million (2013: £426.6 million), and we have generated healthy headroom over our regulatory capital requirement.

Dividend

The Board is recommending a final dividend of 11.25p per share, making a total payment for the year of 18.0p per share. This represents an increase of 12.5% on the total payment for 2013, consistent with the Board's commitment to a progressive dividend policy.

SWIP

The SWIP acquisition was completed, adding £134.9 billion of assets. The purchase consideration was approximately £606.6 million, comprising the issue of 131.8 million shares to Lloyds Banking Group (Lloyds) plus a deferred top-up payment of £38.3 million to be made to Lloyds after a 12 month period following completion. Additionally, a performance related earn-out payment of up to £100 million will be paid dependent on the growth delivered by the strategic relationship with Lloyds over the five year period from completion.

The integration process has proceeded in accordance with our plans. The majority of the investment desks and distribution functions have been fully integrated and the respective teams are now working in the same buildings and applying the same core approaches to investing. Progress on the migration of back office systems and functions is also encouraging and we expect this exercise to be completed in late 2015. One-off costs of £25.5 million were incurred on the integration and migration and we expect the final total for these one-off costs to be in line with the £50 million previously reported.

Investment performance

Our equity performance recovered during 2014, as our focus on investing for the long term in good quality companies again came to the fore, following a difficult period for performance in 2013. However, the fragile state of parts of the global economy means markets remain very sensitive. Importantly, our teams have not deviated from our robust investment process, maintaining our focus on delivering long term performance.

Fixed income performance has continued to be good, and the majority of our strategies are ahead of their benchmarks over one, three and five year periods.

Performance in the property division has improved during 2014. As the property markets begin to recover and our long-term approach takes greater control of the investment risk which our portfolios run, we have taken a number of opportunities to crystallise profits. This has been in areas which we believe are out of line with the economic fundamentals and the market, whether this be prime office stock in gateway cities or weaker, secondary stock which has seen a permanent change in quality. We continue to focus on investing our clients' capital in good quality assets which are capable of delivering durable income streams and long-term income growth.

New business

The first nine months of the year was a difficult period for new business flows, but we have seen improvement in the final quarter and, indeed, in October and November. The Aberdeen element of the business experienced net outflows of £16 billion for the year (2013: £2.5 billion). The increase in net outflows arose entirely within the Group's core equity products, as weaker investor sentiment towards emerging markets in the first half of the year, dampened inflows and outflows were adversely impacted by the withdrawal by a single client of approximately £4 billion of low margin assets.

The SWIP business contributed net outflows of £4.4 billion for the six month period since completion of the acquisition. We expect some continuing net outflow of low margin business for anticipated structural reasons within the SWIP client base, but we are encouraged by steady net inflows to the SWIP Property Trust (now renamed Aberdeen Property Trust) and some new fund launches in infrastructure.

Fixed income net outflows totaled £3.6 billion. The Aberdeen business' net outflows of £2.3 billion are considerably lower than last year (2013: £5.6 billion). A major factor has been the continued steady growth of our emerging market debt product, with a further £1.6 billion of net inflows during the year.

Our property teams have added over £1 billion of net inflows during the year. We continue to see investor interest in our property capability, and this has been reflected in a growing number of mandate wins, some of which had not been funded by the clients at the year end and which will therefore be added to AuM in future periods.

The Aberdeen solutions business has benefited from considerable increase in scale and breadth of capability as a result of the addition of SWIP investment solutions, quantitative investments and alternatives strategies. This element of the Group's business will be key to the development of our relationship with the Lloyds Banking Group and also creates significant wider opportunities for our global distribution platform. Our aim is to provide a range of multi-asset strategies for our target client base, be it institutional, retail, wealth or wholesale investors. Similarly, increasing interest from institutional investors in alternative capabilities has been reflected in flows into both our individual alternative and pan-alternative strategies.

We continue to focus on distribution relationships where our strengths match market demand and develop new channels in order to attract new clients. Our distribution team has expanded which supports further our efforts to market our enhanced product suite and service existing clients. We are working well with Lloyds Banking Group in regard to the provision and development of products and solutions to meet the future needs of their clients. We are also encouraged that a range of SWIP strategies are attracting interest from clients around the world.

The Board

I would like to take this opportunity to thank my fellow directors on the Board who have, once again, made invaluable contributions to its effective operations. Special thanks must go to Anita Frew, who, on 30 September, stepped down from the Board after 10 years. Anita has served as senior independent non-executive director and has been of particular support and assistance to me since I took over as Chairman in 2009. She has our very best wishes for every success in her future career. We are in the process of recruiting an additional non-executive, and expect to be able to make an announcement in this context in the near future.

On behalf of the Board I would like to welcome all of our new colleagues from SWIP and thank all staff for their hard work throughout the year.

Outlook

At the time of writing, the world is facing a series of political and economic uncertainties so that, looking ahead, we expect economies and markets to remain susceptible to periods of volatility. However, we enter the new year in a strong financial position, with a broadened and enhanced range of products an increasingly diversified global client base. We remain committed to our bottom up, fundamental style of investing for the longer term with which we have built our reputation over more than a quarter of a century. Our priorities remain focused on ensuring the efficient integration of SWIP as well as the continuity of high quality client service. We remain confident that, over the longer term, we will be able to deliver attractive returns, both for our investment clients and our shareholders.

Roger Cornick
Chairman

Group Income Statement

For the year to 30 September 2014

		2014			2013		
		Before amortisation and acquisition related items	**Amortisation and acquisition related items**	**Total**	Before amortisation and acquisition related items	Amortisation and acquisition related items	Total
	Notes	**£m**	**£m**	**£m**	£m	£m	£m
Gross revenue		**1,288.7**	**-**	**1,288.7**	1,314.8	-	1,314.8
Commissions payable		**(171.1)**	**-**	**(171.1)**	(236.3)	-	(236.3)
Net revenue	2	**1,117.6**	**-**	**1,117.6**	1,078.5	-	1,078.5
Operating costs		**(627.2)**	**-**	**(627.2)**	(589.3)	-	(589.3)
Amortisation of intangible assets		**-**	**(99.4)**	**(99.4)**	-	(73.2)	(73.2)
Acquisition costs	4	**-**	**(33.1)**	**(33.1)**	-	(19.2)	(19.2)
Operating expenses		**(627.2)**	**(132.5)**	**(759.7)**	(589.3)	(92.4)	(681.7)
Operating profit		**490.4**	**(132.5)**	**357.9**	489.2	(92.4)	396.8
Net finance income (costs)	6	**0.5**	**(3.2)**	**(2.7)**	(3.5)	-	(3.5)
Losses on investments		**(0.6)**	**-**	**(0.6)**	(3.0)	-	(3.0)
Profit before taxation		**490.3**	**(135.7)**	**354.6**	482.7	(92.4)	390.3
Tax expense	7	**(78.6)**	**31.1**	**(47.5)**	(79.1)	17.6	(61.5)
Profit for the year		**411.7**	**(104.6)**	**307.1**	403.6	(74.8)	328.8
Attributable to:							
Equity shareholders of the Company				**285.5**			307.7
Other equity holders				**16.2**			20.5
Non-controlling interests				**5.4**			0.6
				307.1			328.8
Earnings per share							
Basic	9			**23.54p**			27.16p
Diluted	9			**22.79p**			26.22p

Group Statement of Comprehensive Income
For the year to 30 September 2014

	2014 £m	2013 £m
Profit for the year	**307.1**	328.8
Items that will not be reclassified subsequently to profit or loss		
Remeasurement loss on defined benefit pension schemes	**(6.9)**	(9.6)
Tax on net remeasurement on defined benefit pension schemes	**1.7**	2.1
	(5.2)	(7.5)
Items that may be reclassified subsequently to profit or loss		
Translation of foreign currency net investments	**(15.8)**	(11.3)
Available for sale assets:		
- losses during the period	**(0.1)**	-
- losses recycled from equity to the income statement	**-**	3.3
Tax on items that may be recycled to profit or loss	**0.2**	0.3
	(15.7)	(7.7)
Other comprehensive expense, net of tax	**(20.9)**	(15.2)
Total comprehensive income for the year	**286.2**	313.6
Attributable to:		
Equity shareholders of the Company	**264.4**	291.6
Other equity holders	**16.2**	20.5
Non-controlling interests	**5.6**	1.5

Group Balance Sheet
As at 30 September 2014

	Notes	**2014 £m**	2013 £m
Assets			
Non-current assets			
Intangible assets	10	**1,552.2**	1,029.1
Property, plant and equipment		**21.1**	19.7
Investments	12	**54.6**	54.5
Deferred tax assets		**28.4**	23.4
Pension surplus	15	**16.6**	9.7
Trade and other receivables		**3.2**	2.8
Total non-current assets		**1,676.1**	1,139.2
Current assets			
Assets backing investment contract liabilities	13	**2,472.9**	2,516.6
Trade and other receivables		**490.2**	297.4
Investments	12	**85.8**	107.8
Cash and cash equivalents		**653.9**	426.6
Total current assets		**3,702.8**	3,348.4
Total assets		**5,378.9**	4,487.6
Equity			
Called up share capital		**131.4**	119.9
Share premium account		**898.7**	898.5
Other reserves		**656.1**	165.8
Retained profit (loss)		**28.0**	(49.1)
Total equity attributable to shareholders of the parent		**1,714.2**	1,135.1
Non-controlling interest		**40.1**	47.3
7.0% Perpetual cumulative capital notes	14	**321.6**	321.6
Total equity		**2,075.9**	1,504.0
Liabilities			
Non-current liabilities			
Deferred contingent consideration		**53.9**	-
Pension deficit	15	**20.2**	14.1
Provisions		**5.0**	5.4
Deferred tax liabilities		**109.7**	45.0
Total non-current liabilities		**188.8**	64.5
Current liabilities			
Investment contract liabilities	13	**2,472.9**	2,516.6
Trade and other payables		**526.7**	321.9
Deferred consideration		**38.3**	-
Other liabilities		**30.5**	27.5
Current tax payable		**45.8**	53.1
Total current liabilities		**3,114.2**	2,919.1
Total liabilities		**3,303.0**	2,983.6
Total equity and liabilities		**5,378.9**	4,487.6

Group Statement of Changes in Equity
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 30 September 2012	**115.1**	**815.9**	**209.0**	**(51.6)**	**14.0**	**198.1**	**1,300.5**
Profit for the period	-	-	-	307.7	0.6	20.5	328.8
Other comprehensive (expense) income	-	-	(9.5)	(6.6)	0.9	-	(15.2)
Total comprehensive (expense) income	-	-	(9.5)	301.1	1.5	20.5	313.6
Arising on the issue of shares	0.1	0.3	-	-	-	-	0.4
Conversion of convertible bonds	4.7	82.3	(6.2)	6.2	-	-	87.0
Net issuance of perpetual capital notes	-	-	-	(66.0)	-	123.5	57.5
Share-based payments	-	-	-	50.9	-	-	50.9
Purchase of own shares	-	-	-	(138.9)	-	-	(138.9)
Dividends paid to shareholders	-	-	-	(150.8)	-	(20.5)	(171.3)
Acquisition of non-controlling interest	-	-	(27.5)	-	27.5	-	-
Non-controlling interest in consolidated funds	-	-	-	-	4.3	-	4.3
Balance at 30 September 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 (note 11)	-	-	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)
Non-controlling interest	-	-	-	-	(11.4)	-	(11.4)
Unwinding of put option	-	-	-	(3.0)	-	-	(3.0)
Balance at 30 September 2014	131.4	898.7	656.1	28.0	40.1	321.6	2,075.9

Group Statement of Cash Flows
For the year to 30 September 2014

	Notes	2014 £m	2013 £m
Core cash generated from operating activities		**543.8**	529.1
Short-term timing differences on open end fund settlements		**(3.9)**	1.5
Cash generated from operations		**539.9**	530.6
Net interest received		**0.5**	1.3
Tax paid		**(58.5)**	(47.3)
Net cash generated from operations		**481.9**	484.6
Acquisition costs paid		**(26.7)**	(11.7)
Net cash generated from operating activities	5	**455.2**	472.9
Cash flows from investing activities			
Proceeds from sale of investments		**51.1**	37.6
Purchase of investments		**(39.6)**	(68.4)
Acquisition of businesses, net of cash acquired		**71.1**	(83.9)
Purchase of intangible assets		**(3.2)**	(8.2)
Purchase of property, plant & equipment		**(9.8)**	(7.0)
Net cash from (used in) investing activities		**69.6**	(129.9)
Cash flows from financing activities			
Issue of ordinary shares		**0.2**	0.5
Purchase of own shares		**(64.3)**	(138.9)
Issue of 7.0% perpetual cumulative capital notes		**-**	321.6
Repayment of 7.9% perpetual capital securities		**-**	(264.1)
Dividends paid and coupon payments		**(221.9)**	(177.3)
Net cash used in financing activities		**(286.0)**	(258.2)
Net increase in cash and cash equivalents		**238.8**	84.8
Cash and cash equivalents at 1 October		**426.6**	347.9
Exchange rate fluctuations on cash and cash equivalents		**(11.5)**	(6.1)
Cash and cash equivalents at 30 September		**653.9**	426.6

Notes to the Accounts

1. Preparation in accordance with IFRS

This preliminary announcement of audited results sets out information which will be more fully covered in the Annual Report for the year to 30 September 2014.

2. Revenue

	2014	2013
	£m	£m
Revenue comprises:		
Gross management fees	**1,256.8**	1,250.4
Commissions payable to intermediaries	**(171.1)**	(236.3)
Net management fees	**1,085.7**	1,014.1
Performance fees	**21.7**	50.8
Transaction fees	**10.2**	13.6
Net revenue	**1,117.6**	1,078.5

3 Segmental reporting

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, alternatives and quantitative investment capabilities. These strategies are managed across a range of products, distribution channels and geographic regions. Reporting provided to the GMB is on an aggregated basis.

4 Acquisition related items

Acquisition costs

Costs in 2014 mainly relate to the acquisition of SWIP and the migration and integration of these businesses into the Group (see note 11). 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.

Costs in 2013 relate to non-recurring acquisition costs related to the purchase of Artio Global Investors Inc., a US listed asset manager, and the acquisition of 50.1% of SVG Managers, a fund of private equity specialist described in note 11.

A credit has been 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.

	2014	2013
Arising on SWIP acquisition:	**£m**	£m
Redundancy and other severance costs	**11.6**	-
Costs of separation, migration & integration	**10.5**	-
Transitional service costs	**3.4**	-
Migration & integration costs	**25.5**	-
Transaction & deal costs	**12.2**	-
	37.7	-

	2014	2013
	£m	£m
Arising on Artio & SVG acquisitions:		
Redundancy and other severance costs	**-**	10.8
Transaction & deal costs	**-**	3.5
Lease termination costs	**-**	3.9
Release of surplus provision	**(4.6)**	-
Other costs	**-**	1.0
	(4.6)	19.2
Total acquisition costs	**33.1**	19.2

£5.6 million has been recognised as a tax credit in the income statement in respect of acquisition costs that are deductible for tax purposes (2013: £1.6 million).

5. Analysis of cash flows

	2014	2013
	£m	£m
Reconciliation of profit after tax to operating cash flow		
Profit after tax	**307.1**	328.8
Depreciation	**8.2**	6.6
Amortisation of intangible assets	**99.4**	73.2
Unrealised foreign currency gains	**1.0**	-
Loss on disposal of property, plant and equipment	**-**	3.5
Losses on investments	**0.6**	3.0
Equity settled share-based element of remuneration	**51.4**	45.9
Net finance costs	**2.7**	3.5
Income tax expense	**47.5**	61.5
	517.9	526.0
Decrease (increase) in trade and other receivables	**40.1**	(37.1)
(Increase) decrease in open end fund receivables	**(89.7)**	12.5
(Decrease) increase in trade and other payables	**(40.5)**	27.7
Increase (decrease) in open fund payables	**85.8**	(11.0)
(Decrease) increase in provisions	**(0.4)**	0.8
Net cash inflow from operating activities	**513.2**	518.9
Interest received	**3.8**	3.5
Interest paid	**(3.3)**	(2.2)
Income tax paid	**(58.5)**	(47.3)
Net cash generated from operating activities	**455.2**	472.9

6. Net finance costs

	2014	2013
	£m	£m
Interest on overdrafts, revolving credit facilities and other interest bearing accounts	**3.9**	3.6
Interest on 3.5% convertible bonds 2014	**-**	(0.9)
	3.9	2.7
Release of discount on liability component of convertible bonds	**-**	4.0
Amortisation of issue costs on convertible bonds	**-**	1.1
Unwinding of discount on deferred consideration	**3.2**	-
Total finance costs	**7.1**	7.8
Finance revenue – interest income	**(4.4)**	(4.3)
Net finance costs	**2.7**	3.5

7. Tax expense

	2014	2013
	£m	£m
Current year tax charge on profit before amortisation and acquisition related items	**79.6**	81.3
Adjustments in respect of prior periods	**(1.0)**	(2.2)
	78.6	79.1
Tax credit on amortisation of intangible assets and acquisition related items	**(31.1)**	(17.6)
Total tax expense in income statement	**47.5**	61.5

8. Dividends and coupons payable

	2014	2013
	£m	£m
Coupon payments on perpetual capital securities		
Coupon payments made during the year	**21.0**	26.5
Dividends on ordinary shares		
Declared and paid during the year:		
Final dividend for 2013 – 10.0p (2012: 7.1p)	**114.6**	82.2
Interim dividend for 2014 – 6.75p (2013: 6.0p)	**85.1**	68.6
	199.7	150.8
Total dividends and coupon payments paid during the year	**220.7**	177.3
Proposed for approval at the Annual General Meeting (not recognised as a liability at 30 September)		
Dividends on ordinary shares:		
Final dividend for 2014 – 11.25p (2013: 10.0p)	**145.0**	114.8

The total ordinary dividend for the year is 18.0p per share including the proposed final dividend for 2014 of 11.25p per share. The proposed final dividend of 11.25p per ordinary share will be paid on 6 February 2015 to qualifying shareholders on the register at the close of business on 12 December 2014.

The coupon payments on perpetual capital securities are tax deductible. The deduction for 2014 is £4.8 million (2013: £6.0 million), resulting in a net cost of £16.2 million (2013: £20.5 million).

In addition a dividend equivalent of £1.2 million was paid in respect of the deferred share issue to Lloyds in respect of the SWIP transaction (see note 11).

9. Earnings per share

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

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

Diluted earnings per share amounts are calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year, 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 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 these non-cash or one-off items.

	IAS33		**Underlying**	
	2014 £m	2013 £m	**2014 £m**	2013 £m
Basic earnings per share				
Profit for the financial year attributable to equity shareholders of the Company	**285.5**	310.0	**285.5**	310.0
Amortisation of intangible assets, net of attributable taxation			**73.9**	57.2
Acquisition costs, net of attributable taxation			**30.7**	17.6
Underlying profit for the financial year			**390.1**	384.8
Weighted average number of shares (millions)	**1,212.8**	1,141.5	**1,212.8**	1,141.5
Basic earnings per share	**23.54p**	27.16p	**32.17p**	33.71p
Diluted earnings per share				
Profit for calculation of basic earnings per share, as above	**285.5**	310.0	**390.1**	384.8
Add: interest on convertible bonds, net of attributable taxation	**-**	3.2	**-**	3.2
Profit for calculation of diluted earnings per share	**285.5**	313.2	**390.1**	388.0
Weighted average number of shares (millions)				
For basic earnings per share	**1,212.8**	1,141.5	**1,212.8**	1,141.5
Dilutive effect of 2014 convertible bonds	**-**	6.2	**-**	6.2
Dilutive effect of LTIP awards	**-**	0.1	**-**	0.1
Dilutive effect of exercisable share options and deferred shares	**35.2**	46.7	**35.2**	46.7
Dilutive effect of potential ordinary shares from deferred top-up payment	**4.8**	-	**4.8**	-
	1,252.8	1,194.5	**1,252.8**	1,194.5
Diluted earnings per share	**22.79p**	26.22p	**31.14p**	32.48p

Profit for the financial year used in calculating earnings per share is based on profit after tax after deducting non-controlling interests of £5.4 million (2013: £0.6 million) and coupon payments in respect of perpetual capital securities (net of tax) of £16.2 million (2013: £18.8 million).

10. Intangible assets

	2014 £m	2013 £m
Management contracts	**616.5**	312.1
Distribution contracts	**3.0**	12.2
Goodwill	**913.3**	690.2
Software	**19.4**	14.6
	1,552.2	1,029.1

11. Acquisitions

a. The Group completed the purchase from Lloyds Banking Group ("Lloyds") of Scottish Widows Investment Partnership Group Limited (“SWIP”) and its related private equity businesses on 31 March 2014 and the purchase of SWIP’s infrastructure fund management business was completed on 1 May 2014. Total consideration for the transaction was £606.6 million, comprising three elements: (i) 131.8 million new ordinary Aberdeen shares issued at an average price of 392.7p; (ii) a deferred top-up payment of £38.3 million payable on 31 March 2015; and (iii) contingent deferred consideration of up to £100 million under an earn-out agreement with Lloyds. The fair value attributed to the earn-out payment at completion was £50.7 million.

108.5 million new shares were issued on 31 March 2014 at a share price of 390.3p and a further 5.95 million shares were issued on 1 May 2014 at a price of 443.4p. The remaining 17.3 million shares will be issued on 3 December 2014 Lloyds having now received its necessary regulatory consents. This element of consideration has been recognised in equity as a deferred share issue (£67.6 million). Total equity consideration recognised was £517.6 million.

The deferred top-up payment of £38.3 million was determined as the difference between the weighted average share price for the 5 days before the acquisition date and a floor price of 420p, the difference multiplied by the number of consideration shares. The Group is entitled, at its sole option, to settle this item in cash or by the issue of further shares and, accordingly this payment has been recognised as a current liability.

The contingent deferred consideration of up to £100 million is payable in cash and the actual amount payable will be determined according to the growth over the five year period to 31 March 2019 of recurring revenue generated from the strategic relationship with Lloyds.

The fair value at completion of £50.7 million was determined based on a probability weighted expected return analysis of cash flow assumptions and calculated by reference to the expected performance and growth over 5 years, discounted to a present value. The undiscounted fair values identified in this analysis range from £39.1 million to £100 million. After unwinding discount of £3.2 million, the deferred liability is £53.9 million at 30 September 2014.

The acquisition of the SWIP businesses adds scale to the business across a range of asset classes, strengthens investment capabilities and adds new distribution channels in addition to the strategic relationship with Lloyds. The acquired business added approximately £60 million of net tangible assets to the combined business intangible assets of £394.5 million and goodwill of £227.6 million arose on completion of an independent valuation (see below).

In the six month period to 30 September 2014, SWIP contributed revenue of £119.8 million and profit before tax of £59.8 million. However, if the acquisitions had occurred on 1 October 2013, we estimate that consolidated revenues would have been increased by a further £120.0 million, and consolidated profit before taxation for the period would have been increased by a further £60.0 million. In determining these amounts, we have assumed that the fair value adjustments that arose on the acquisition date would have been the same if the acquisition had occurred on 1 October 2013. Acquisition and integration related costs of £37.7 million were incurred and have been included in acquisition costs.

b. Independent valuation specialists were engaged to carry out a valuation of the acquired goodwill and intangible assets acquired in both transactions. The fair value adjustments from this allocation process are reflected in the table below. Goodwill is mainly attributable to the skills of the workforce acquired and the synergies expected to be achieved from the acquisition. None of the goodwill is expected to be deductible for income tax purposes.

Finalisation of the independent valuation following the SWIP acquisition did not result in any material adjustments to the provisional fair value disclosed for the 6 months to 31 March 2014.

The valuation of intangibles and the determination of useful economic lives determined at the point of acquisitions are significant accounting estimates. Intangible assets are valued based on forecast income streams from the management contracts. This includes assumptions on client attrition and markets.

Valuation of the earn-out and recognition over the 5 year term are also significant accounting estimates.

The fair value of the intangible assets has been based on the present value of expected cash flows of the underlying management contracts, with the exception of £7 million internally developed software which has been based on management's best estimate of replacement cost. The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below.

	Businesses acquired from Lloyds Banking Group plc		
Group	**At date of acquisition £m**	**Fair value adjustments £m**	**Fair value £m**
Intangible assets	-	394.5	394.5
Deferred tax assets	3.8	(1.2)	2.6
Trade and other receivables	147.0	-	147.0
Other investments	0.5	-	0.5
Cash	72.0	-	72.0
Trade and other payables	(156.0)	3.2	(152.8)
Current tax payable	(7.3)	-	(7.3)
Deferred tax liabilities	-	(77.5)	(77.5)
Total identifiable net assets acquired	**60.0**	**319.0**	**379.0**
Goodwill			227.6
			606.6
Discharged by:			
Equity			517.6
Deferred top-up payment (current liabilities)			38.3
Fair value of the earn-out payment (non-current liabilities)			50.7
Total consideration			**606.6**

If information obtained within one year of the acquisition dates about facts and circumstances that existed at acquisition date identifies adjustments to the above amounts, or any additional provisions that existed at acquisition date, then the accounting for the acquisition will be revised.

12. Investments

	2014 £m	2013 £m
Non-current assets		
Non-current investments	**54.6**	54.5
Current assets		
Seed capital investments	**58.1**	69.6
Investment in funds to hedge deferred bonus liabilities	**26.9**	25.7
Investments of life and pensions subsidiary	**-**	12.2
Other investments	**0.8**	0.3
	85.8	107.8

Seed capital investments consist of amounts invested to enable the launch or development of funds where the intention is to withdraw the investment once the fund has achieved a sustainable scale of third party investment. Investments in certain Aberdeen-managed funds are held to hedge against liabilities from bonus awards that are deferred and settled in cash by reference to the share price of those funds.

13. Assets backing investment contract liabilities

These assets are held by the Group's life assurance and pooled pension subsidiary to meet its contracted liabilities. 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. Perpetual capital securities

On 1 March 2013 the Group issued US$500 million perpetual cumulative capital notes. The securities bear interest on their principal amount at 7.0% per annum, payable quarterly in arrears on 1 March, 1 June, 1 September and 1 December in each year. Net proceeds after deduction of issue expenses were £321.6 million.

15. Retirement benefits

The Group's principal form of pension provision is by way of defined contribution schemes operated worldwide. The Group also operates several legacy defined benefit schemes which include, in the UK, the Murray Johnstone Limited Retirement Benefits Plan and the Edinburgh Fund Managers Group plc Retirement & Death Benefits Plan. These defined benefit schemes are closed to new membership and to future service accrual.

	2014	2013
	£m	£m
Pension scheme deficits	**(20.2)**	(14.1)
Pension scheme surplus	**16.6**	9.7
Net deficit	**(3.6)**	(4.4)

16. The financial information set out above does not constitute the Company's statutory accounts for the years ended 30 September 2014 or 2013. Statutory accounts for 2013 have been delivered to the registrar of companies, and those for 2014 will be delivered in due course. The auditor has reported on those accounts; their reports were (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The information provided in respect of assets under management and business flows has not been subject to audit for any periods presented.

ASSETS UNDER MANAGEMENT AT 30 SEPTEMBER 2014

	30 Sept 13 £bn	31 Dec 13 £bn	31 Mar 14 £bn	30 Jun 14 £bn	30 Sep 14 £bn
Equities	113.8	108.9	106.8	105.4	107.6
Fixed income	42.8	40.9	71.7	70.5	71.4
Aberdeen solutions	28.8	28.5	125.7	126.2	125.0
Property	15.0	15.3	20.3	20.4	20.4
Total	200.4	193.6	324.5	322.5	324.4
Aberdeen	200.4	193.6	190.4	187.9	189.3
SWIP	-	-	134.1	134.6	135.1
Total	200.4	193.6	324.5	322.5	324.4

OVERALL NEW BUSINESS FLOWS FOR 12 MONTHS TO 30 SEPTEMBER 2014

	3 mths to 31 Dec 13 £m	3 mths to 31 Mar 14 £m	3 mths to 30 Jun 14 £m	3 mths to 30 Sep 14 £m	Year to 30 Sep 14 £m
Gross inflows:					
Aberdeen	6,806	7,473	7,556	7,479	29,314
SWIP	-	-	2,531	2,867	5,398
	6,806	7,473	10,087	10,346	34,712
Gross outflows:					
Aberdeen	11,262	11,780	13,086	9,147	45,275
SWIP	-	-	5,842	4,030	9,872
	11,262	11,780	18,928	13,177	55,147
Net flows:					
Aberdeen	(4,456)	(4,307)	(5,530)	(1,668)	(15,961)
SWIP	-	-	(3,311)	(1,163)	(4,474)
	(4,456)	(4,307)	(8,841)	(2,831)	(20,435)

OVERALL NEW BUSINESS FLOWS FOR 12 MONTHS TO 30 SEPTEMBER 2014 – ABERDEEN

	3 mths to 31 Dec 13 £m	**3 mths to 31 Mar 14 £m**	**3 mths to 30 Jun 14 £m**	**3 mths to 30 Sep 14 £m**	**Year to 30 Sep 14 £m**
Gross inflows:					
Equities	3,519	2,742	3,836	4,073	14,170
Fixed income	2,180	3,139	2,736	2,475	10,530
Aberdeen solutions	303	945	413	719	2,380
Property	804	647	571	212	2,234
Total	6,806	7,473	7,556	7,479	29,314
Gross outflows:					
Equities	6,625	7,767	8,116	4,086	26,594
Fixed income	3,352	2,813	3,296	3,340	12,801
Aberdeen solutions	963	959	1,139	1,326	4,387
Property	322	241	535	395	1,493
Total	11,262	11,780	13,086	9,147	45,275
Net flows:					
Equities	(3,106)	(5,025)	(4,280)	(13)	(12,424)
Fixed income	(1,172)	326	(560)	(865)	(2,271)
Aberdeen solutions	(660)	(14)	(726)	(607)	(2,007)
Property	482	406	36	(183)	741
Total	(4,456)	(4,307)	(5,530)	(1,668)	(15,961)

OVERALL NEW BUSINESS FLOWS FOR 12 MONTHS TO 30 SEPTEMBER 2014 – SWIP

	3 mths to 31 Dec 13 £m	**3 mths to 31 Mar 14 £m**	**3 mths to 30 Jun 14 £m**	**3 mths to 30 Sep 14 £m**	**Year to 30 Sep 14 £m**
Gross inflows:					
Equities	-	-	20	27	47
Fixed income	-	-	595	1,068	1,663
Aberdeen solutions	-	-	1,537	1,488	3,025
Property	-	-	379	284	663
	-	-	2,531	2,867	5,398
Gross outflows:					
Equities	-	-	399	168	567
Fixed income	-	-	2,292	711	3,003
Aberdeen solutions	-	-	2,991	2,984	5,975
Property	-	-	160	167	327
	-	-	5,842	4,030	9,872
Net flows:					
Equities	-	-	(379)	(141)	(520)
Fixed income	-	-	(1,697)	357	(1,340)
Aberdeen solutions	-	-	(1,454)	(1,496)	(2,950)
Property	-	-	219	117	336
	-	-	(3,311)	(1,163)	(4,474)

NEW BUSINESS FLOWS TO 30 SEPTEMBER 2014 – EQUITIES (ABERDEEN)

	3 mths to 31 Dec 13 £m	3 mths to 31 Mar 14 £m	3 mths to 30 Jun 14 £m	3 mths to 30 Sep 14 £m	Year to 30 Sep 14 £m
Gross inflows:					
Asia Pacific	1,519	1,391	1,773	2,161	6,844
Global emerging markets	1,193	822	1,218	1,025	4,258
Europe	26	30	87	29	172
Global & EAFE	669	393	676	800	2,538
UK	57	72	59	38	226
US	55	34	23	20	132
	3,519	2,742	3,836	4,073	14,170
Gross outflows:					
Asia Pacific	2,144	2,972	3,426	1,772	10,314
Global emerging markets	2,375	3,262	1,439	1,295	8,371
Europe	46	44	68	54	212
Global & EAFE	1,900	1,330	3,042	568	6,840
UK	46	56	69	61	232
US	114	103	72	336	625
	6,625	7,767	8,116	4,086	26,594
Net flows:					
Asia Pacific	(625)	(1,581)	(1,653)	389	(3,470)
Global emerging markets	(1,182)	(2,440)	(221)	(270)	(4,113)
Europe	(20)	(14)	19	(25)	(40)
Global & EAFE	(1,231)	(937)	(2,366)	232	(4,302)
UK	11	16	(10)	(23)	(6)
US	(59)	(69)	(49)	(316)	(493)
	(3,106)	(5,025)	(4,280)	(13)	(12,424)

NEW BUSINESS FOR 12 MONTHS TO 30 SEPTEMBER 2014 – FIXED INCOME (ABERDEEN)

	3 mths to 31 Dec 13 £m	3 mths to 31 Mar 14 £m	3 mths to 30 Jun 14 £m	3 mths to 30 Sep 14 £m	Year to 30 Sep 14 £m
Gross inflows:					
Asia Pacific	41	21	78	59	199
Australia	296	142	184	210	832
Convertibles	41	56	21	9	127
Emerging markets	518	1,198	1,013	720	3,449
Europe	39	36	26	101	202
Global	76	74	66	159	375
High yield	286	359	325	179	1,149
Money Market	749	830	779	850	3,208
UK	49	324	20	76	469
US	85	99	224	112	520
Total	2,180	3,139	2,736	2,475	10,530
Gross outflows:					
Asia Pacific	112	85	232	45	474
Australia	448	366	352	376	1,542
Convertibles	43	19	100	23	185
Emerging markets	396	456	296	665	1,813
Europe	42	69	76	52	239
Global	205	35	107	199	546
High yield	206	267	299	662	1,434
Money Market	1,286	1,071	944	712	4,013
UK	225	269	391	258	1,143
US	389	176	499	348	1,412
Total	3,352	2,813	3,296	3,340	12,801
Net flows:					
Asia Pacific	(71)	(64)	(154)	14	(275)
Australia	(152)	(224)	(168)	(166)	(710)
Convertibles	(2)	37	(79)	(14)	(58)
Emerging markets	122	742	717	55	1,636
Europe	(3)	(33)	(50)	49	(37)
Global	(129)	39	(41)	(40)	(171)
High yield	80	92	26	(483)	(285)
Money Market	(537)	(241)	(165)	138	(805)
UK	(176)	55	(371)	(182)	(674)
US	(304)	(77)	(275)	(236)	(892)
Total	(1,172)	326	(560)	(865)	(2,271)