Aberdeen

ABERDEEN ASSET MANAGEMENT PLC
Interim Results for six months to 31 March 2012

Highlights

- Revenue £413.1 million (+7%)
- Underlying profit before tax £162.2 million (+14%)
- Underlying earnings per share 10.43p (+17%)
- Dividend per share 4.4p (+16%)
- Operating margin 40.1% (1H 2011: 38.1%)
- Average fee margin 43.9bps (1H 2011: 40.5bps)
- AuM £184.7 billion (+9% on 30 September 2011)

Financial highlights

	March 2012	**March 2011**
Revenue	£413.1m	£385.9m
Pre-tax profit		
Before amortisation and impairment of intangibles	£162.2m	£142.8m
After amortisation and impairment of intangibles	£124.3m	£109.1m
Diluted earnings per share		
Before amortisation and impairment of intangibles	10.43p	8.91p
After amortisation and impairment of intangibles	7.95p	6.93p
Dividend per share	4.4p	3.8p
Operating cashflow	£164.6m	£171.2m
Gross new business	£18.2bn	£23.0bn
Net new business	- £0.4bn	- £0.7bn
Assets under management at period end	£184.7bn	£181.2bn

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

> *"Aberdeen has achieved further growth in revenue and profit in the first half year, continuing the momentum of 2010 and 2011. Our blended average fee rate has been improved by strong inflows into key products and AuM has grown by 9% since our last year end.*
>
> *"Global economic conditions remain uncertain and any recovery is still tentative. Nevertheless, we remain confident that our long term investment philosophy and process, coupled with the scale and diversity of our business and financial strength, leave us well placed to meet the expectations of our investors."*

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://mediazone.brighttalk.com/event/Aberdeen/6646b06b90-6048-intro

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Chairman's statement

The first half of the current financial year has continued the trend of 2011, with further strong growth in revenue and profit. We have continued to focus on organic growth and control of costs which together have delivered further improvements in our revenue and profit margins.

The healthier tone shown by global financial markets during the period, particularly since the start of 2012, has supported a return of investor appetite for risk assets and an ongoing desire for yield. Our long term investment philosophy and process have continued to generate outperformance against benchmarks and healthy demand for our key products.

Our focus on organic growth and increased regional distribution has enabled further strong inflows, principally into pooled funds, which now represent 43.7% of total AuM (30 September 2011: 39.7%).

Financials

Profit before taxation for the period was £124.3 million (2011: £109.1 million). Underlying profit, stated before amortisation of intangible assets, was £162.2 million compared to £142.8 million in 2011. This represents underlying earnings per share, on a diluted basis, of 10.43p, (2011: 8.91p). The Board has decided to pay an interim dividend of 4.4 pence per share, an increase of 16% on the 2011 interim payment. The interim dividend will be paid on 14 June 2012 to qualifying shareholders on the register at 11 May 2012.

Revenue for the period increased by 7% to £413.1 million (2011: £385.9 million), with recurring fee income of £395.7 million (2011: £366.8 million) supplemented by performance fee income of £17.4 million (2011: £19.1 million). The average fees earned on new business continue to run at higher rates than our existing AuM and, as a result, the blended average management fee rate for the period improved to 43.9 basis points (year to 30 September 2011: 41.2bps).

The Group's operating margin for the period was 40.1%, continuing the steady improvement achieved over the last 3 years and ahead of the 39.5% reported for the full year to 30 September 2011.

We generated £164.6 million of operating cashflow (2011: £171.2 million). We spent £72.5 million to purchase shares for the deferred bonus scheme, which reduces potential EPS dilution for shareholders, and £57.6 million on the payment of the final dividend for 2011.

Review of operations

Assets under management have increased by 8.7% compared to the value at the end of our last financial year and this change is analysed on the following table.

	Equities £bn	Fixed income £bn	Aberdeen solutions £bn	Property £bn	Money market £bn	Total £bn
AuM at 30 September 2011	75.1	40.0	24.8	20.5	9.5	169.9
Net new business flows for period	4.9	(2.3)	(1.8)	(0.3)	(0.9)	(0.4)
Purchase of contracts	0.9	–	–	–	–	0.9
Market appreciation, performance & FX	12.0	1.4	1.8	(0.7)	(0.2)	14.3
AuM at 31 March 2012	92.9	39.1	24.8	19.5	8.4	184.7

Gross new business inflows for the period totalled £18.2 billion (2011: £23.0 billion). Outflows were £18.6 billion (2011: £23.7 billion), resulting in a small net outflow for the six months of £0.4 billion (2011: net outflow £0.7 billion).

The major element of these inflows was into our equity products, particularly global emerging, global and Asia Pacific equities but we have also seen healthy interest in emerging market debt and Asia Pacific fixed income, both higher margin fixed income strategies. Demand for our mainstream GEM equity product has continued to be extremely strong, and we have continued our efforts to moderate the rate of inflows into these funds. Whilst the strong demand is clearly an endorsement of the integrity of the franchise built over the years, we are not prepared to compromise the quality of the portfolios by diversifying into stocks of lesser quality. To do otherwise would not be in the best interests of existing clients. It is pleasing, however, to see growing interest in our Latin American and other regional emerging market capabilities, which are less capacity-constrained.

Our property capability continues to generate considerable interest, albeit this is reflected in new business wins which will fund in later periods and which are not reflected in the flows or AuM for the period under review. In particular, we have achieved a successful first closing of our third Asia Pacific property fund of funds, which raised a total of US$242 million of commitments from new and existing clients. We have also been appointed to manage two new mandates which are expected to add approximately £200 million of AuM in the coming months.

We remain focused on marketing our Aberdeen Solutions capability to our existing investor base and to the consultant channel and were rewarded for strong performance during the period. The US$1.6 billion Aberdeen Orbita Capital Return fund won the 2011 award for Best Fund of Hedge Fund multi-strategy, at the prestigious Hedge Fund Manager European Performance Awards which recognised the strong performance of the fund during 2011, against a backdrop of difficult markets.

We have a global focus on distribution, and we are working to expand our network into a number of key markets. We continue our efforts to increase our wholesale business, focusing on markets globally but with particular emphasis on the US and Europe, including the UK. For instance, in the UK, our aim is to become one of the top 10 managers of retail AuM, from our current rank of 14th (according to IMA). We continue to build our brand in these markets with increased marketing and advertising activity and tapping into global demand for yield, global product and capital protection.

Outlook

We are encouraged by the strong start to the current financial year but, as we have already seen during the first few weeks of April, global markets remain susceptible to periodic bouts of volatility. We remain confident that our long term investment philosophy and process are well suited to operating successfully in such conditions, and we will continue to pursue our objective of generating further sustainable growth in profits and increased financial strength.

Finally, I would like to welcome Richard Mully to the Board and to thank two of my former colleagues, Sir Malcolm Rifkind and Gerhard Fusenig, who stepped down during the six month period for their support and contribution during their time on the Board.

Roger C Cornick
Chairman

27 April 2012

Condensed consolidated income statement

For the six months to 31 March 2012

		6 months to 31 March 2012			6 months to 31 March 2011			Year to 30 September 2011		
	Notes	**Before amortisation & impairment £m**	**Amortisation & impairment £m**	**Total £m**	Before amortisation & impairment £m	Amortisation & impairment £m	Total £m	Before amortisation & impairment £m	Amortisation & impairment £m	Total £m
Revenue	3	**413.1**	**–**	**413.1**	385.9	–	385.9	784.0	–	784.0
Operating costs		**(247.4)**	**–**	**(247.4)**	(238.7)	–	(238.7)	(474.7)	–	(474.7)
Amortisation and impairment of intangible assets		**-**	**(37.9)**	**(37.9)**	-	(33.7)	(33.7)	-	(77.8)	(77.8)
Operating expenses		**(247.4)**	**(37.9)**	**(285.3)**	(238.7)	(33.7)	(272.4)	(474.7)	(77.8)	(552.5)
Operating profit		**165.7**	**(37.9)**	**127.8**	147.2	(33.7)	113.5	309.3	(77.8)	231.5
Net finance costs		**(2.6)**	**–**	**(2.6)**	(4.4)	–	(4.4)	(7.7)	–	(7.7)
Other gains and losses		**(0.9)**	**–**	**(0.9)**	–	–	–	0.3	–	0.3
Profit before taxation		**162.2**	**(37.9)**	**124.3**	142.8	(33.7)	109.1	301.9	(77.8)	224.1
Tax expense	5	**(31.6)**	**8.1**	**(23.5)**	(28.5)	9.4	(19.1)	(60.2)	20.0	(40.2)
Profit for the period		**130.6**	**(29.8)**	**100.8**	114.3	(24.3)	90.0	241.7	(57.8)	183.9
Attributable to:										
Equity shareholders of the Company				**93.6**			83.0			169.7
Other equity holders				**7.2**			7.0			14.2
				100.8			90.0			183.9
Earnings per share										
Basic	7			**8.48p**			7.34p			15.01p
Diluted	7			**7.95p**			6.93p			14.06p

Condensed consolidated statement of comprehensive income

For the six months to 31 March 2012

	6 mths to 31 March 2012 £m	6 mths to 31 March 2011 £m	Year ended 30 September 2011 £m
Profit for the period	**100.8**	90.0	183.9
Net actuarial gain on defined benefit pension schemes	**–**	–	6.0
Translation of foreign currency net investments	**(3.6)**	6.7	2.3
Movement in fair value of available for sale investments	**1.4**	1.1	(3.0)
Tax on items of other comprehensive income	**(0.8)**	(0.3)	1.6
Other comprehensive (expense) income, net of tax	**(3.0)**	7.5	6.9
Total comprehensive income for the period	**97.8**	97.5	190.8
Attributable to:			
Equity shareholders of the Company	**90.6**	90.5	176.6
Other equity holders	**7.2**	7.0	14.2

Condensed consolidated balance sheet

31 March 2012

	Notes	31 March 2012 £m	31 March 2011 £m	30 September 2011 £m
Assets				
Non-current assets				
Intangible assets	8	**1,031.7**	1,104.7	1,060.0
Property, plant and equipment		**19.5**	19.2	20.1
Other investments	9	**38.9**	56.2	46.8
Deferred tax assets		**23.0**	29.3	22.5
Pension surplus	14	**5.4**	-	5.4
Trade and other receivables		**4.2**	8.0	4.4
Total non-current assets		**1,122.7**	1,217.4	1,159.2
Current assets				
Stock of units and shares		**0.3**	0.3	0.4
Assets backing investment contract liabilities	10	**1,388.5**	1,320.2	1,128.1
Trade and other receivables		**290.2**	373.4	325.8
Other investments	9	**62.8**	55.9	63.3
Cash and cash equivalents		**208.6**	172.3	209.5
Total current assets		**1,950.4**	1,922.1	1,727.1
Total assets		**3,073.1**	3,139.5	2,886.3
Equity				
Called up share capital	11	**114.9**	114.9	114.9
Share premium account		**812.2**	812.2	812.2
Other reserves		**213.8**	224.3	216.8
Retained loss		**(134.6)**	(159.5)	(123.7)
Total equity attributable to shareholders of the parent		**1,006.3**	991.9	1,020.2
Non controlling interest		**14.0**	15.0	16.2
Perpetual capital securities		**198.1**	198.1	198.1
Total equity		**1,218.4**	1,205.0	1,234.5
Liabilities				
Non-current liabilities				
Interest bearing loans and borrowings	12	**83.1**	158.8	82.0
Pension deficit	14	**26.0**	33.4	29.7
Provisions		**1.5**	1.3	2.2
Deferred tax liabilities		**44.6**	56.9	46.5
Total non-current liabilities		**155.2**	250.4	160.4
Current liabilities				
Investment contract liabilities	10	**1,388.5**	1,320.2	1,128.1
Trade and other payables		**272.5**	335.4	329.7
Current tax payable		**38.5**	28.5	33.6
Total current liabilities		**1,699.5**	1,684.1	1,491.4
Total liabilities		**1,854.7**	1,934.5	1,651.8
Total equity and liabilities		**3,073.1**	3,139.5	2,886.3

Condensed consolidated statement of changes in equity

For the six months to 31 March 2012

	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 2011	114.9	812.2	216.8	(123.7)	16.2	198.1	1,234.5
Profit for the period	–	–	–	93.6	–	7.2	100.8
Other comprehensive expense	–	–	(3.0)	–	–	–	(3.0)
Total comprehensive (expense) income	–	–	(3.0)	93.6	–	7.2	97.8
Share based payment charge	–	–	–	25.6	–	–	25.6
Purchase of own shares	–	–	–	(72.5)	–	–	(72.5)
Dividends paid to shareholders	–	–	–	(57.6)	–	(7.2)	(64.8)
Non controlling interest in consolidated funds	–	–	–	–	(2.2)	–	(2.2)
At 31 March 2012	**114.9**	**812.2**	**213.8**	**(134.6)**	**14.0**	**198.1**	**1,218.4**

For the six months to 31 March 2011	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 2010	114.8	812.1	216.8	(170.5)	13.6	198.1	1,184.9
Profit for the period	–	–	–	83.0	–	7.0	90.0
Other comprehensive income	–	–	7.5	–	–	–	7.5
Total comprehensive income	–	–	7.5	83.0	–	7.0	97.5
Arising on the issue of shares	0.1	0.1	–	–	–	–	0.2
Share based payment charge	–	–	–	33.6	–	–	33.6
Purchase of own shares	–	–	–	(62.7)	–	–	(62.7)
Dividends paid to shareholders	–	–	–	(42.9)	–	(7.0)	(49.9)
Non controlling interest in consolidated funds	–	–	–	–	1.4	–	1.4
At 31 March 2011	114.9	812.2	224.3	(159.5)	15.0	198.1	1,205.0

For the year to 30 September 2011	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 2010	114.8	812.1	216.8	(170.5)	13.6	198.1	1,184.9
Profit for the period	–	–	–	169.7	–	14.2	183.9
Other comprehensive income	–	–	–	6.9	–	–	6.9
Total comprehensive income	–	–	–	176.6	–	14.2	190.8
Arising on the issue of shares	0.1	0.1	–	–	–	–	0.2
Share based payment charge	–	–	–	54.4	–	–	54.4
Purchase of own shares	–	–	–	(98.1)	–	–	(98.1)
Dividends paid to shareholders	–	–	–	(86.1)	–	(14.2)	(100.3)
Non controlling interest in consolidated funds	–	–	–	–	2.6	–	2.6
At 30 September 2011	114.9	812.2	216.8	(123.7)	16.2	198.1	1,234.5

Condensed consolidated cash flow statement

For the six months to 31 March 2012

	Notes	6 months to 31 March 2012 £m	6 months to 31 March 2011 £m	Year to 30 September 2011 £m
Core cash generated from operating activities		**162.8**	168.2	399.3
Effects of short-term timing differences on open end fund settlements		**1.8**	3.0	7.9
Cash generated from operations		**164.6**	171.2	407.2
Net interest paid		**(1.4)**	(3.3)	(7.1)
Tax paid		**(19.8)**	(9.6)	(26.4)
Net cash generated from operations		**143.4**	158.3	373.7
Other non-recurring costs paid		**–**	(6.4)	(7.3)
Net cash generated from operating activities	4	**143.4**	151.9	366.4
Cash flows used in investing activities				
Proceeds from sale of investments		**28.0**	15.8	50.2
Acquisition of businesses, net of cash acquired		**–**	(3.3)	(3.3)
Purchase of intangible assets		**(8.0)**	(1.8)	(2.4)
Purchase of property, plant & equipment		**(3.3)**	(1.7)	(5.9)
Purchase of investments		**(18.7)**	(25.9)	(62.1)
Net cash used in investing activities		**(2.0)**	(16.9)	(23.5)
Cash flows from financing activities				
Purchase of own shares		**(72.5)**	(62.7)	(98.1)
Repayment of borrowings		**–**	–	(77.9)
Dividends paid and coupon payments		**(67.5)**	(52.5)	(105.5)
Net cash used in financing activities		**(140.0)**	(115.2)	(281.5)
Net increase in cash and cash equivalents		**1.4**	19.8	61.4
Cash and cash equivalents at 1 October		**209.5**	150.8	150.8
Effect of exchange rate fluctuations on cash and cash equivalents		**(2.3)**	1.7	(2.7)
Cash and cash equivalents at end of period		**208.6**	172.3	209.5

Notes to the interim condensed consolidated financial statements
For the six months to 31 March 2012

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 2011 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 Services 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 2011.

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 2011.

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, 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 asset classes including equities, fixed income, property and Aberdeen Solutions that are managed across a range of products, distribution channels and geographic regions. Reporting provided to the Group Management Board is on an aggregated basis.

3 Revenue

	6 months to 31 March 2012 £m	6 months to 31 March 2011 £m	Year to 30 September 2011 £m
Revenue comprises:			
Management fees	**389.9**	363.2	739.2
Performance fees	**17.4**	19.1	36.3
Transaction fees	**5.8**	3.6	8.5
	413.1	385.9	784.0

4 Analysis of cash flows

	6 months to 31 March 2012 £m	6 months to 31 March 2011 £m	Year to 30 September 2011 £m
Reconciliation of profit after tax to operating cash flow			
Profit after tax	**100.8**	90.0	183.9
Depreciation	**4.3**	2.6	5.7
Amortisation and impairment of intangible assets	**37.9**	33.7	77.8
Fair value losses on investments	**0.9**	–	–
Other losses	**–**	–	1.2
Share based element of remuneration	**25.2**	33.6	60.4
Net finance costs	**2.6**	4.4	7.7
Income tax expense	**23.5**	19.1	40.2
	195.2	183.4	376.9
(Decrease) increase in provisions	**(0.7)**	(0.4)	0.1
Decrease (increase) in stock	**0.1**	–	(0.1)
Decrease (increase) in open end fund receivables	**30.7**	(85.1)	(30.4)
Decrease in trade and other receivables	**5.2**	4.1	0.9
(Decrease) increase in trade and other payables	**(37.0)**	(25.6)	14.2
(Decrease) increase in open end fund payables	**(28.9)**	88.4	38.3
Net cash inflow from operating activities	**164.6**	164.8	399.9
Net interest paid	**(1.4)**	(3.3)	(7.1)
Income taxes paid	**(19.8)**	(9.6)	(26.4)
Net cash generated from operating activities	**143.4**	151.9	366.4

5 Tax expense

	6 months to 31 March 2012 £m	6 months to 31 March 2011 £m	Year to 30 September 2011 £m
Current tax expense	**27.8**	24.3	47.4
Adjustments in respect of previous periods	**0.4**	–	(1.0)
Deferred tax credit	**(5.9)**	(5.2)	(8.1)
Adjustments in respect of previous periods	**1.2**	–	1.9
Total tax expense in income statement	**23.5**	19.1	40.2

The tax charge for the six month period ended 31 March 2012 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.

6 Dividends and coupon payments

	6 months to 31 March 2012 £m	6 months to 31 March 2011 £m	Year to 30 September 2011 £m
Dividend on convertible preference shares:			
Dividend paid	**–**	–	0.3
Coupon payments in respect of perpetual capital securities (before tax deduction)			
Coupon payments made during the period	**9.9**	9.6	19.4
Ordinary dividends			
Declared and paid during the year			
Final dividend for 2011 - 5.2p (2010 - final dividend 3.8p)	**57.6**	42.9	42.9
Interim dividend for 2011 - 3.8p	**–**	–	42.9
	57.6	42.9	85.8
Total dividends and coupon payments paid during the period	**67.5**	52.5	105.5

The interim ordinary dividend of 4.4p per share will be paid on 14 June 2012 to qualifying shareholders on the register at 11 May 2012.

7 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 and impairment of intangible assets.

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.

	IAS 33			Underlying		
	6 months to 31 March 2012 £m	6 months to 31 March 2011 £m	Year to 30 September 2011 £m	**6 months to 31 March 2012 £m**	6 months to 31 March 2011 £m	Year to 30 September 2011 £m
Basic earnings per share						
Profit attributable to shareholders	**100.8**	90.0	183.9	**100.8**	90.0	183.9
Dividend on convertible preference shares	**(0.1)**	(0.1)	(0.3)	**(0.1)**	(0.1)	(0.3)
Coupon payments in respect of perpetual capital securities (net of tax)	**(7.2)**	(7.0)	(14.2)	**(7.2)**	(7.0)	(14.2)
Profit for the financial period, attributable to ordinary shareholders	**93.5**	82.9	169.4	**93.5**	82.9	169.4
Amortisation and impairment of intangible assets, net of attributable taxation				**29.8**	24.3	57.8
Underlying profit for the financial period				**123.3**	107.2	227.2
Weighted average number of shares (millions)	**1,103.0**	1,128.9	1,128.4	**1,103.0**	1,128.9	1,128.4
Basic earnings per share	**8.48p**	7.34p	15.01p	**11.18p**	9.50p	20.13p
Diluted earnings per share						
Profit for calculation of basic earnings per share, as above	**93.5**	82.9	169.4	**123.3**	107.2	227.2
Add: interest on 2014 convertible bonds, net of attributable taxation	**2.1**	2.0	4.0	**2.1**	2.0	4.0
Add: dividend on convertible preference shares	**0.1**	0.1	0.3	**0.1**	0.1	0.3
Profit for calculation of diluted earnings per share	**95.7**	85.0	173.7	**125.5**	109.3	231.5
Weighted average number of shares (millions)						
For basic earnings per share	**1,103.0**	1,128.9	1,128.4	**1,103.0**	1,128.9	1,128.4
Dilutive effect of 2014 convertible bonds	**48.6**	48.6	48.6	**48.6**	48.6	48.6
Dilutive effect of convertible preference shares	**4.5**	4.5	4.4	**4.5**	4.5	4.4
Dilutive effect of LTIP awards	**0.3**	0.6	0.6	**0.3**	0.6	0.6
Dilutive effect of exercisable share options and deferred shares	**47.0**	43.8	53.8	**47.0**	43.8	53.8
	1,203.4	1,226.4	1,235.8	**1,203.4**	1,226.4	1,235.8
Diluted earnings per share	**7.95p**	6.93p	14.06p	**10.43p**	8.91p	18.73p

8 Intangible assets

	31 March 2012 £m	31 March 2011 £m	30 September 2011 £m
Intangible assets	**376.9**	448.2	405.6
Goodwill	**654.8**	656.5	654.4
	1,031.7	1,104.7	1,060.0

9 Other investments

	31 March 2012 £m	31 March 2011 £m	30 September 2011 £m
Non-current assets			
Non-current investments	**38.9**	56.2	46.8
Current assets			
Seed capital investments	**31.9**	20.3	29.8
Listed equities – held for trading	**19.2**	12.7	10.4
Liquid investments of pensions subsidiary	**–**	10.8	11.8
Other investments	**11.7**	12.1	11.3
	62.8	55.9	63.3

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

10 Assets backing investment contract liabilities

These balances represent unit linked business carried out by the Group's life and pensions subsidiary. The assets represent investments held to meet contracted liabilities.

11 Share capital

232,000 ordinary shares of 10p were issued in respect of the conversion of 72 preference shares and the exercise of share options.

12 Interest bearing loans and borrowings

	31 March 2012 £m	31 March 2011 £m	30 September 2011 £m
Non-current liabilities			
7.2% Subordinated notes 2016	**-**	78.0	-
3.5% Convertible bonds 2014	**83.1**	80.8	82.0
	83.1	158.8	82.0

13 Analysis of changes in net cash

	At 1 October 2011 £m	Cash flow £m	Other non cash changes £m	Exchange movement £m	**At 31 March 2012 £m**
Cash at bank and in hand	209.5	1.4	–	(2.3)	**208.6**
Convertible debt due after more than one year	(82.0)	–	(1.1)	–	**(83.1)**
Net cash	127.5	1.4	(1.1)	(2.3)	**125.5**

14 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 three schemes in the UK which are closed to new membership and to future service accrual, two schemes in Japan and schemes in Germany, Norway and Finland.

The actuarial valuations of the defined benefit pension schemes referred to above were updated to 30 September 2011 by the respective independent actuaries. Contributions to the schemes since 30 September 2011 have been set off against the scheme deficits.

	31 March 2012 £m	31 March 2011 £m	30 September 2011 £m
Surplus in scheme at end of period	**5.4**	-	5.4
Deficits in schemes at end of period	**(26.0)**	(33.4)	(29.7)
	(20.6)	(33.4)	(24.3)

15 Contingent liabilities

The Group may, from time to time, be subject to claims, actions or proceedings in the normal course of its business. While there can be no assurances, the directors believe, based on information currently available to them, that the likelihood of a material outflow of economic benefits is remote.

Principal risks

In common with many businesses, the Group is exposed to a range of risks. Some of these risks are an inherent part of the business conducted by the Group such as taking investment decisions on behalf of clients and our energies are focussed on managing this risk as opposed to eliminating it. On the other hand there is regulatory risk which we actively seek to avoid.

The management of risk is embedded in the culture of the business and in the way in which the Group carries out its business. The Risk Management Committee together with the Risk, Compliance, and Internal Audit departments are responsible for overseeing the implementation of the Group's risk strategies and this involves the provision of regular reports to the Group Board.

The principal risks to which the Group will be exposed in the second half of the financial year are substantially the same as those described on page 8 and 9 and 25 of the 2011 annual report, being investment performance, change in or loss of investment personnel, regulatory, client relationship and retention, business continuity, supplier, interest rate, liquidity and foreign currency risks..

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

27 April 2012

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 2012 which comprises the condensed consolidated statement of income, 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 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 Services Authority ("the UK FSA"). 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 FSA.

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 2012 is not prepared, in all material respects, in accordance with IAS 34 as adopted by the EU and the DTR of the UK FSA.

G Bainbridge
for and on behalf of KPMG Audit Plc
Chartered Accountants
37 Albyn Place
Aberdeen
AB10 1JB
27 April 2012

Assets under Management at 31 March 2012

	30 September 2011 £bn	31 December 2011 £bn	31 March 2012 £bn
Equities	75.1	81.1	92.9
Fixed income	40.0	39.4	39.1
Aberdeen solutions	24.8	24.7	24.8
Property	20.5	19.8	19.5
Money market	9.5	8.9	8.4
	169.9	173.9	184.7
Segregated mandates	102.4	102.7	103.9
Pooled funds	67.5	71.2	80.8
	169.9	173.9	184.7

Overall new business flows for 6 months to 31 March 2012 – By mandate type

	3 months to 31 December 2011 £m	3 months to 31 March 2012 £m	6 months to 31 March 2012 £m
Gross inflows:			
Segregated mandates	3,337	2,893	6,230
Pooled funds	4,502	7,486	11,988
	7,839	10,379	18,218
Outflows:			
Segregated mandates	6,305	3,432	9,737
Pooled funds	4,344	4,516	8,860
	10,649	7,948	18,597
Net flows:			
Segregated mandates	(2,968)	(539)	(3,507)
Pooled funds	158	2,970	3,128
	(2,810)	2,431	(379)

Overall new business flows for 6 months to 31 March 2012 – By asset class

	3 months to 31 December 2011 £m	3 months to 31 March 2012 £m	6 months to 31 March 2012 £m
Gross inflows:			
Equities	4,250	7,093	11,343
Fixed income	1,612	1,743	3,355
Aberdeen solutions	661	493	1,154
Property	223	139	362
Money market	1,093	911	2,004
	7,839	10,379	18,218
Outflows:			
Equities	3,318	3,127	6,445
Fixed income	3,677	2,008	5,685
Aberdeen solutions	1,908	1,061	2,969
Property	185	445	630
Money market	1,561	1,307	2,868
	10,649	7,948	18,597
Net flows:			
Equities	932	3,966	4,898
Fixed income	(2,065)	(265)	(2,330)
Aberdeen solutions	(1,247)	(568)	(1,815)
Property	38	(306)	(268)
Money market	(468)	(396)	(864)
	(2,810)	2,431	(379)

New business flows for 6 months to 31 March 2012 – Equities

	3 months to 31 December 2011 £m	3 months to 31 March 2012 £m	6 months to 31 March 2012 £m
Gross inflows:			
Asia Pacific	814	1,755	2,569
Global emerging markets	2,309	3,820	6,129
Europe	37	16	53
Global & EAFE	989	1,420	2,409
UK	18	37	55
US	83	45	128
	4,250	7,093	11,343
Outflows:			
Asia Pacific	990	925	1,915
Global emerging markets	1,182	1,328	2,510
Europe	51	49	100
Global & EAFE	682	615	1,297
UK	90	57	147
US	323	153	476
	3,318	3,127	6,445
Net flows:			
Asia Pacific	(176)	830	654
Global emerging markets	1,127	2,492	3,619
Europe	(14)	(33)	(47)
Global & EAFE	307	805	1,112
UK	(72)	(20)	(92)
US	(240)	(108)	(348)
	932	3,966	4,898

New business flows for 6 Months to 31 March 2012 – Fixed income

	3 months to 31 December 2011 £m	3 months to 31 March 2012 £m	6 months to 31 March 2012 £m
Gross inflows:			
Asia	235	145	380
Australia	765	572	1,337
Convertibles	16	38	54
Currency overlay	14	74	88
Emerging markets	354	430	784
Europe	42	80	122
Global	42	28	70
High yield	70	148	218
UK	24	39	63
US	50	189	239
	1,612	1,743	3,355
Outflows:			
Asia	71	88	159
Australia	678	917	1,595
Convertibles	32	34	66
Currency overlay	121	23	144
Emerging markets	297	154	451
Europe	81	104	185
Global	1,555	34	1,589
High yield	50	44	94
UK	691	370	1,061
US	101	240	341
	3,677	2,008	5,685
Net flows:			
Asia	164	57	221
Australia	87	(345)	(258)
Convertibles	(16)	4	(12)
Currency overlay	(107)	51	(56)
Emerging markets	57	276	333
Europe	(39)	(24)	(63)
Global	(1,513)	(6)	(1,519)
High yield	20	104	124
UK	(667)	(331)	(998)
US	(51)	(51)	(102)
	(2,065)	(265)	(2,330)

New business flows for 6 months to 31 March 2012 – Aberdeen solutions

	3 months to 31 December 2011 £m	3 months to 31 March 2012 £m	6 months to 31 March 2012 £m
Gross inflows:			
Indexed equities	4	–	4
Multi asset	215	244	459
Long only multi manager	418	211	629
Funds of hedge funds	24	38	62
Funds of private equity	–	–	–
	661	493	1,154
Outflows:			
Indexed equities	212	98	310
Multi asset	189	309	498
Long only multi manager	1,251	415	1,666
Funds of hedge funds	256	238	494
Funds of private equity	–	1	1
	1,908	1,061	2,969
Net flows:			
Indexed equities	(208)	(98)	(306)
Multi asset	26	(65)	(39)
Long only multi manager	(833)	(204)	(1,037)
Funds of hedge funds	(232)	(200)	(432)
Funds of private equity	–	(1)	(1)
	(1,247)	(568)	(1,815)