

**ABERDEEN ASSET MANAGEMENT PLC**  
**RESULTS FOR THE YEAR TO 30 SEPTEMBER 2012 (AUDITED)**

**Highlights**

- Revenue 11% higher at £869.2 million (2011: £784.0 million)
- Underlying profit before tax increased by 15% to £347.8 million (2011: £301.9 million)
- 21% increase in underlying earnings per share to 22.6p (2011: 18.7p)
- Final dividend of 7.1p per share (2011: 5.2p), making 11.5p for the full year (2011: 9.0p)
- Balance sheet strengthened further – net cash more than doubled to £266.4 million (2011: £127.5 million)
- Assets under management increased by 10% to £187.2 billion (2011: £169.9 billion)

	2012	2011
<b>Net revenue</b>	<b>£869.2m</b>	£784.0m
<b>Pre-tax profit</b>		
Before amortisation and impairment of intangibles	<b>£347.8m</b>	£301.9m
After amortisation and impairment of intangibles	<b>£269.7m</b>	£224.1m
<b>Diluted earnings per share</b>		
Before amortisation and impairment of intangibles	<b>22.6p</b>	18.7p
After amortisation and impairment of intangibles	<b>17.6p</b>	14.1p
Total dividend per share	<b>11.5p</b>	9.0p
Gross new business	<b>£36.0bn</b>	£43.0bn
Net new business	<b>£0.0bn</b>	(£1.7bn)
Assets under management at the year end	<b>£187.2bn</b>	£169.9bn

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

*“This has been a difficult and uncertain year in the financial markets. Against this backdrop we are pleased to have delivered extremely strong performance for our shareholders by focusing on investment performance and by delivering for our clients. We have been rewarded by continuing strong interest in our funds and significant growth in assets under management. We have strengthened our balance sheet further and remain confident that our long-term philosophy and rigorous investment processes will continue to drive investment performance and shareholder value.”*

A presentation and webcast for analysts and institutions will be held at 10.00am (GMT) on Monday 26 November 2012 at Aberdeen's offices at Bow Bells House, 1 Bread Street, London EC4M 9HH. The webcast can be viewed live on:

<http://www.media-server.com/m/p/9sani2tb>

For those unable to attend the presentation or view the live webcast, a replay of the event will be available on the Group's website at [www.aberdeen-asset.com](http://www.aberdeen-asset.com)

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## **Chairman's statement**

The year ending 30 September 2012 was, in general, another period of economic and market uncertainty, nevertheless, Aberdeen managed a number of notable achievements. We saw net revenue and underlying pre-tax profit increase by 11% and 15% respectively, and the net cash position grow to £266.4 million by the year end. A 21% increase in underlying earnings per share has enabled us to propose a total dividend for the year of 11.5p per share, a 28% increase on 2011. Over the year our share price rose steadily, resulting in a year end market capitalisation of £3.7 billion. In March, Aberdeen was promoted to the FTSE-100 index for the first time in its 29 year history.

These results are directly attributable to the strong investment performance that is the product of a disciplined and rigorous investment process, illustrating that the Group flourishes when our clients prosper.

## **Financial highlights**

Net revenue for the year of £869.2 million was 11% higher than in 2011, reflecting healthy growth in recurring management fees, supplemented by increased performance fee income. The quality of income remains high, with recurring fees accounting for 94% of net revenue and the blended average fee rate rising to 45.1 basis points (2011: 41.2 basis points).

Operating expenses increased by 9%, with some controlled addition to headcount in distribution and additional resource committed to the promotion of the Aberdeen brand and positioning of our product range to satisfy existing and expected investor trends.

Underlying operating profit, which is stated before amortisation of intangible assets, increased by 14% to £352.7 million (2011: £309.3 million) and the operating margin improved further to 40.6% (2011: 39.5%). Underlying earnings per share increased by 21% to 22.6p (2011: 18.7p).

Operating cashflow was strong, and this enabled us to grow the net cash position to £266.4 million (2011: £127.5 million) at the year end. We will use £80 million of this cash to pay the proposed final dividend, but will achieve our aim of meeting the regulatory capital requirements, without reliance on the consolidation waiver, by the end of 2012. The capital position has been strengthened further since the year end, with the holders of £65 million of convertible bonds having elected to convert their holdings to ordinary shares.

## **Dividend**

The Board is recommending a final dividend of 7.1p per share, making a total payment for the year of 11.5p per share, an increase of 28% on the total payment for 2011. The Board remains committed to a progressive dividend policy.

## **New business**

New business totalling £36.0 billion was added during the year, with two-thirds of those flows being into pooled funds. By contrast, over 50% of outflows, also £36.0 billion, were from lower margin segregated mandates. As a result, 45% of our year-end assets under management (AuM) is invested in pooled funds (2011: 40%). Gross inflows were sourced from investors in Continental Europe (36%), the UK (23%), the Americas (25%), Asia Pacific (15%) and the Middle East (1%).

Consistent with recent years, the major inflows were into our global emerging markets (GEM), Asia Pacific and global equity products. We continue to work to moderate the scale of inflows to GEM, as we are committed to avoiding any dilution to the quality of the portfolios. We also saw healthy interest in our emerging market debt (EMD) and Asian fixed income capabilities, both higher margin products. Indeed, our flagship EMD fund passed the \$2 billion milestone during the year. However, overall fixed income flows remained negative, primarily due to outflows from the more traditional developed market strategies. We also experienced net outflows from the solutions business. Although our property funds reported a small net outflow, we have strengthened our global property platform with expanded multi manager teams in Asia and the US, and have added specialist distribution capabilities in both regions.

Our equity teams again delivered consistent outperformance against their respective benchmarks over both the longer and shorter term and, in due course, once sentiment towards the Eurozone improves, we believe that our pan-European equities team will attract interest from investors. Fixed income performance remains generally above benchmark over five years, although a few strategies underperformed over one year as the teams believe government bonds remain overvalued and so favoured a short duration stance.

Within solutions, performance was good in fund of hedge funds (FoHF) although it was a mixed year for new business with outflows from the multi manager capability, which continues its transition following the acquisition of the RBS business. Nevertheless, we continue to widen the appeal to our existing investor and consultant base.

## **Business development**

Our distribution efforts included the launch of a number of funds in various jurisdictions, led by multi asset, FoHF and EMD capabilities. Among these was a diversified growth fund in the UK, a multi strategy fund in Luxembourg and an emerging markets bond fund in the US.

In early October, we announced the opening of a new office in New York to support our expansion in North America. The office will serve as a business development and marketing centre and complements our existing North American headquarters in Philadelphia. In addition, we added business development staff in Chicago, Dallas, Los Angeles, Miami, San Francisco and Toronto.

Our main focus is on markets with the largest asset pools, particularly the Americas and Europe, and Aberdeen's marketing and sponsorship programmes continue to gain traction in these key geographies. As well as our continued sponsorship of Cowes Week, Aberdeen was also the main sponsor of this year's Scottish Open golf tournament, as part of a three year agreement.

Earlier in the year, the Group won a number of awards. UK wins included the Investment Week Fund Manager Group of the Year as well as Investment Trust Group of the Year from both What Investment and Money Observer. Around Europe (Belgium, Finland, Italy, Norway) we were named best Speciality Equity House, while in France we received an award for Best Equity Manager. Finally, our EMD, multi asset, FoHF capabilities were also recognised at various award ceremonies. Most recently, Aberdeen was named Best Overall Group at the 11th Annual European FoHF Awards.

In preparation for the Retail Distribution Review, the Group launched unbundled share classes in our UK and Luxembourg fund ranges ahead of the 31 December deadline.

## **The Board**

On behalf of the Board as a whole, I would like to thank all our staff for their continued hard work and dedication which is at the heart of these results.

During the year, I was pleased to welcome to the Board a new independent non-executive director, Richard Mully, and shortly after the year-end, Rod MacRae, our Global Head of Risk, joined as an executive director. Gerhard Fusenig resigned from the Board in March following Credit Suisse's sale of its shareholding, and I would like to record the thanks of the entire Board for his considerable contribution over the last three years.

Giles Weaver will retire from the Board at the conclusion of the Annual General Meeting in January, following twelve years' service. I would like to place on record the thanks of all of his colleagues for his valuable contribution and commitment throughout that period. I would expect to announce the appointment of a further independent non-executive director, as part of the ongoing refreshment of the Board, in due course.

## **Outlook**

It is perhaps unwise to anticipate an end to the uncertainty engendered by the global economic and political backdrop, but I do believe that our clients and shareholders will be well served by the long term investment philosophy and rigorous process of our teams. While equity based products continue to generate healthy sales, we are confident that our sustained efforts in connection with other asset classes will make an increasingly important contribution to the Group's performance in the coming months.

Roger Cornick  
Chairman

**Group Income Statement**

For the year to 30 September 2012

		2012			2011		
		Before amortisation & impairment	Amortisation & impairment	Total	Before amortisation & impairment	Amortisation & impairment	Total
	Notes	£m	£m	£m	£m	£m	£m
Gross revenue		<b>1,048.8</b>	-	<b>1,048.8</b>	954.5	-	954.5
Commissions payable		<b>(179.6)</b>	-	<b>(179.6)</b>	(170.5)		(170.5)
<b>Net revenue</b>	2	<b>869.2</b>	-	<b>869.2</b>	784.0	-	784.0
Operating costs		<b>(516.5)</b>	-	<b>(516.5)</b>	(474.7)	-	(474.7)
Amortisation and impairment of intangible assets		-	<b>(78.1)</b>	<b>(78.1)</b>	-	<b>(77.8)</b>	<b>(77.8)</b>
<b>Operating expenses</b>		<b>(516.5)</b>	<b>(78.1)</b>	<b>(594.6)</b>	<b>(474.7)</b>	<b>(77.8)</b>	<b>(552.5)</b>
<b>Operating profit</b>		<b>352.7</b>	<b>(78.1)</b>	<b>274.6</b>	309.3	<b>(77.8)</b>	231.5
Net finance costs	5	<b>(5.1)</b>	-	<b>(5.1)</b>	(7.7)	-	(7.7)
Other gains and losses		<b>0.2</b>	-	<b>0.2</b>	0.3	-	0.3
<b>Profit before taxation</b>		<b>347.8</b>	<b>(78.1)</b>	<b>269.7</b>	301.9	<b>(77.8)</b>	224.1
Tax expense	6	<b>(62.7)</b>	<b>16.6</b>	<b>(46.1)</b>	(60.2)	20.0	(40.2)
<b>Profit for the year</b>		<b>285.1</b>	<b>(61.5)</b>	<b>223.6</b>	241.7	<b>(57.8)</b>	183.9
Attributable to:							
Equity shareholders of the Company				<b>208.7</b>			169.7
Other equity holders				<b>14.9</b>			14.2
				<b>223.6</b>			183.9
<b>Earnings per share</b>							
Basic	8			<b>18.88p</b>			15.01p
Diluted	8			<b>17.55p</b>			14.06p

## Group Statement of Comprehensive Income

For the year to 30 September 2012

	2012	2011
	£m	£m
Profit for the year	223.6	183.9
Net actuarial gain on defined benefit pension schemes	0.6	6.0
Translation of foreign currency net investments	(9.2)	2.3
Available for sale assets:		
- losses during the period	(0.7)	(4.7)
- losses recycled from equity to the income statement	4.6	1.7
Tax on items of other comprehensive income	(3.4)	1.6
<b>Other comprehensive (expense) income, net of tax</b>	<b>(8.1)</b>	<b>6.9</b>
<b>Total comprehensive income for the year</b>	<b>215.5</b>	<b>190.8</b>
Attributable to:		
Equity shareholders of the Company	200.6	176.6
Other equity holders	14.9	14.2

**Group Balance Sheet**  
As at 30 September 2012

	Notes	2012 £m	2011 £m
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	9	994.1	1,060.0
Property, plant and equipment		19.1	20.1
Other investments	10	53.1	46.8
Deferred tax assets		15.9	22.5
Pension surplus	13	12.9	5.4
Trade and other receivables		3.6	4.4
<b>Total non-current assets</b>		<b>1,098.7</b>	<b>1,159.2</b>
<b>Current assets</b>			
Stocks of shares in managed funds		0.2	0.4
Assets backing investment contract liabilities	11	2,311.9	1,128.1
Trade and other receivables		254.2	325.8
Other investments	10	58.5	63.3
Cash and cash equivalents		347.9	209.5
<b>Total current assets</b>		<b>2,972.7</b>	<b>1,727.1</b>
<b>Total assets</b>		<b>4,071.4</b>	<b>2,886.3</b>
<b>Equity</b>			
Called up share capital		115.1	114.9
Share premium account		815.9	812.2
Other reserves		209.0	216.8
Retained loss		(51.6)	(123.7)
<b>Total equity attributable to shareholders of the parent</b>		<b>1,088.4</b>	<b>1,020.2</b>
Non-controlling interest		14.0	16.2
Perpetual capital securities		198.1	198.1
<b>Total equity</b>		<b>1,300.5</b>	<b>1,234.5</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Interest bearing loans and borrowings	12	-	82.0
Pension deficit	13	28.3	29.7
Provisions		5.9	2.2
Deferred tax liabilities		36.4	46.5
<b>Total non-current liabilities</b>		<b>70.6</b>	<b>160.4</b>
<b>Current liabilities</b>			
Investment contract liabilities	11	2,311.9	1,128.1
Interest bearing loans and borrowings	12	81.5	-
Trade and other payables		269.4	329.7
Current tax payable		37.5	33.6
<b>Total current liabilities</b>		<b>2,700.3</b>	<b>1,491.4</b>
<b>Total liabilities</b>		<b>2,770.9</b>	<b>1,651.8</b>
<b>Total equity and liabilities</b>		<b>4,071.4</b>	<b>2,886.3</b>

**Group Statement of Changes in Equity**

For the year to 30 September 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
<b>Balance at 30 September 2010</b>	<b>114.8</b>	<b>812.1</b>	<b>216.8</b>	<b>(170.5)</b>	<b>13.6</b>	<b>198.1</b>	<b>1,184.9</b>
Profit for the period	-	-	-	169.7	-	14.2	183.9
Other comprehensive income	-	-	-	6.9	-	-	6.9
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>176.6</b>	<b>-</b>	<b>14.2</b>	<b>190.8</b>
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
<b>Balance at 30 September 2011</b>	<b>114.9</b>	<b>812.2</b>	<b>216.8</b>	<b>(123.7)</b>	<b>16.2</b>	<b>198.1</b>	<b>1,234.5</b>
Profit for the period	-	-	-	208.7	-	14.9	223.6
Other comprehensive expense	-	-	(6.7)	(1.4)	-	-	(8.1)
<b>Total comprehensive (expense) income</b>	<b>-</b>	<b>-</b>	<b>(6.7)</b>	<b>207.3</b>	<b>-</b>	<b>14.9</b>	<b>215.5</b>
Arising on the issue of shares	-	0.1	-	-	-	-	0.1
Conversion of convertible bonds	0.2	2.8	(0.3)	0.3	-	-	3.0
Conversion of preference shares	-	0.8	(0.8)	-	-	-	-
Share based payment charge	-	-	-	53.8	-	-	53.8
Purchase of own shares	-	-	-	(83.1)	-	-	(83.1)
Dividends paid to shareholders	-	-	-	(106.2)	-	(14.9)	(121.1)
Non-controlling interest in consolidated funds	-	-	-	-	(2.2)	-	(2.2)
<b>Balance at 30 September 2012</b>	<b>115.1</b>	<b>815.9</b>	<b>209.0</b>	<b>(51.6)</b>	<b>14.0</b>	<b>198.1</b>	<b>1,300.5</b>

## Group Statement of Cash Flows

For the year to 30 September 2012

	Notes	2012 £m	2011 £m
<b>Core cash generated from operating activities</b>		<b>419.8</b>	399.3
Short-term timing differences on open end fund settlements		(5.3)	7.9
<b>Cash generated from operations</b>		<b>414.5</b>	407.2
Net interest paid		(2.1)	(7.1)
Tax paid		(43.6)	(26.4)
<b>Net cash generated from operations</b>		<b>368.8</b>	373.7
Non-recurring costs paid		-	(7.3)
<b>Net cash generated from operating activities</b>	4	<b>368.8</b>	366.4
<b>Cash flows from investing activities</b>			
Proceeds from sale of investments		52.4	50.2
Acquisition of businesses, net of cash acquired		-	(3.3)
Purchase of intangible assets		(13.4)	(2.4)
Purchase of property, plant & equipment		(7.6)	(5.9)
Purchase of investments		(53.8)	(62.1)
<b>Net cash used in investing activities</b>		<b>(22.4)</b>	(23.5)
<b>Cash flows from financing activities</b>			
Purchase of own shares		(83.1)	(98.1)
Repayment of borrowings		-	(77.9)
Dividends paid and coupon payments		(126.0)	(105.5)
<b>Net cash used in financing activities</b>		<b>(209.1)</b>	(281.5)
Net increase in cash and cash equivalents		137.3	61.4
Cash and cash equivalents at 1 October		209.5	150.8
Exchange rate fluctuations on cash and cash equivalents		1.1	(2.7)
<b>Cash and cash equivalents at 30 September</b>		<b>347.9</b>	209.5

## Notes to the Accounts

### 1. Preparation in accordance with IFRS

This preliminary announcement of results sets out information which will be more fully covered in the Annual Report for the year to 30 September 2012.

### 2. Revenue

	2012 £m	2011 £m
Revenue comprises:		
Gross management fees	993.1	909.7
Commissions payable to intermediaries	(179.6)	(170.5)
Net management fees	813.5	739.2
Performance fees	47.5	36.3
Transaction fees	8.2	8.5
Net revenue	<u>869.2</u>	<u>784.0</u>

### 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, 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 our solutions business which provides multi asset and fund of alternatives services. These strategies are managed across a range of products, distribution channels and geographic regions. Reporting provided to the Group management board is on an aggregated basis.

### 4. Analysis of cash flows

	2012 £m	2011 £m
<b>Reconciliation of profit after tax to operating cash flow</b>		
Profit after tax	223.6	183.9
Depreciation	8.3	5.7
Amortisation and impairment of intangible assets	78.1	77.8
Unrealised foreign currency (gains) losses	(1.0)	1.2
Gains on investments	(0.2)	-
Share based element of remuneration	61.9	60.4
Net finance costs	5.1	7.7
Income tax expense	46.1	40.2
	<u>421.9</u>	<u>376.9</u>
Increase in provisions	3.7	0.1
Decrease (increase) in stock	0.2	(0.1)
(Increase) decrease in trade and other receivables	(1.4)	0.9
Decrease (increase) in open end fund receivables	69.7	(30.4)
(Decrease) increase in trade and other payables	(4.6)	14.2
(Decrease) increase in open fund payables	(75.0)	38.3
Net cash inflow from operating activities	414.5	399.9
Net interest paid	(2.1)	(7.1)
Income tax paid	(43.6)	(26.4)
<b>Net cash generated from operating activities</b>	<u>368.8</u>	<u>366.4</u>

<b>5. Net finance costs</b>	<b>2012</b>	<b>2011</b>
	<b>£m</b>	<b>£m</b>
Interest on 7.2% subordinated notes 2016	-	4.3
Interest on 3.5% convertible bonds 2014	<b>3.2</b>	3.2
Interest on overdrafts, revolving credit facilities and other interest bearing accounts	<b>1.7</b>	0.2
	<b>4.9</b>	7.7
Release of discount on liability component of convertible bonds	<b>2.0</b>	1.7
Amortisation of issue costs on convertible bonds	<b>0.5</b>	0.6
Total finance costs	<b>7.4</b>	10.0
Finance revenue – interest income	<b>(2.3)</b>	(2.3)
Net finance costs	<b>5.1</b>	7.7
<b>6. Tax expense</b>	<b>2012</b>	<b>2011</b>
	<b>£m</b>	<b>£m</b>
Current year tax charge on profit before, amortisation and impairment of intangible assets	<b>64.2</b>	59.3
Adjustments in respect of prior periods	<b>(1.5)</b>	0.9
	<b>62.7</b>	60.2
Tax credit on amortisation and impairment of intangible assets	<b>(16.6)</b>	(20.0)
	<b>46.1</b>	40.2
<b>7. Dividends and coupons payable</b>	<b>2012</b>	<b>2011</b>
	<b>£m</b>	<b>£m</b>
<b>Dividend on convertible preference shares</b>		
Dividend paid	<b>0.2</b>	0.3
<b>Coupon payments on perpetual capital securities</b>		
Coupon payments made during the year	<b>19.8</b>	19.4
<b>Dividends on ordinary shares</b>		
Declared and paid during the year:		
Final dividend for 2011 – 5.2p (2010 : 3.8p)	<b>57.5</b>	42.9
Interim dividend for 2012 – 4.4p (2011: 3.8p)	<b>48.5</b>	42.9
	<b>106.0</b>	85.8
<b>Total dividends and coupon payments paid during the year</b>	<b>126.0</b>	105.5
<b>Proposed for approval at the Annual General Meeting (not recognised as a liability at 30 September)</b>		
Dividends on ordinary shares:		
Final dividend for 2012 – 7.1 p (2011 : 5.2p)	<b>81.2</b>	59.5

The total ordinary dividend for the year is 11.5p per share including the proposed final dividend of 7.1p per share. The proposed final dividend of 7.1p per ordinary share will be paid on 24 January 2013 to qualifying shareholders on the register at the close of business on 7 December 2012.

The coupon payments on perpetual capital securities are tax deductible. The deduction for 2012 is £4.9 million (2011: £5.2 million), resulting in a net cost of £14.9 million (2011: £14.2 million).

## 8. 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 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 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 these non-cash items.

	IAS33		Underlying	
	2012	2011	2012	2011
	£m	£m	£m	£m
<b>Basic earnings per share</b>				
Profit attributable to shareholders	<b>223.6</b>	183.9	<b>223.6</b>	183.9
Dividend on convertible preference shares	<b>(0.2)</b>	(0.3)	<b>(0.2)</b>	(0.3)
Coupon payments in respect of perpetual capital securities (net of tax)	<b>(14.9)</b>	(14.2)	<b>(14.9)</b>	(14.2)
Profit for the financial year	<b>208.5</b>	169.4	<b>208.5</b>	169.4
Amortisation and impairment of intangible assets, net of attributable taxation			<b>61.5</b>	57.8
Underlying profit for the financial year			<b>270.0</b>	227.2
Weighted average number of shares (millions)	<b>1,104.2</b>	1,128.4	<b>1,104.2</b>	1,128.4
Basic earnings per share	<b>18.88p</b>	15.01p	<b>24.45p</b>	20.13p
<b>Diluted earnings per share</b>				
Profit for calculation of basic earnings per share, as above	<b>208.5</b>	169.4	<b>270.0</b>	227.2
Add: interest on 2014 convertible bonds, net of attributable taxation	<b>4.3</b>	4.0	<b>4.3</b>	4.0
Add: dividend on convertible preference shares	<b>0.2</b>	0.3	<b>0.2</b>	0.3
Profit for calculation of diluted earnings per share	<b>213.0</b>	173.7	<b>274.5</b>	231.5
<b>Weighted average number of shares (millions)</b>				
For basic earnings per share	<b>1,104.2</b>	1,128.4	<b>1,104.2</b>	1,128.4
Dilutive effect of 2014 convertible bonds	<b>48.6</b>	48.6	<b>48.6</b>	48.6
Dilutive effect of convertible preference shares	<b>3.1</b>	4.4	<b>3.1</b>	4.4
Dilutive effect of LTIP awards	<b>0.2</b>	0.6	<b>0.2</b>	0.6
Dilutive effect of exercisable share options and deferred shares	<b>57.5</b>	53.8	<b>57.5</b>	53.8
	<b>1,213.6</b>	1,235.8	<b>1,213.6</b>	1,235.8
Diluted earnings per share	<b>17.55p</b>	14.06p	<b>22.62p</b>	18.73p

<b>9. Intangible assets</b>	<b>2012</b>	2011
	<b>£m</b>	£m
Management contracts	<b>310.6</b>	370.1
Distribution contracts	<b>21.2</b>	30.2
Goodwill	<b>652.9</b>	654.4
Software	<b>9.4</b>	5.3
	<b>994.1</b>	1,060.0

<b>10. Other investments</b>	<b>2012</b>	2011
	<b>£m</b>	£m
<b>Non-current assets</b>		
Non-current investments	<b>53.1</b>	46.8
<b>Current assets</b>		
Seed capital investments	<b>40.4</b>	29.8
Investment in funds to hedge deferred bonus liabilities	<b>11.5</b>	-
Investments of life and pensions subsidiary	<b>6.6</b>	23.1
Listed securities - held for trading	<b>-</b>	10.4
	<b>58.5</b>	63.3

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

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.

#### **11. 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.

<b>12. Interest bearing loans and borrowings</b>	<b>2012</b>	2011
	<b>£m</b>	£m
<b>Non-current liabilities</b>		
3.5% convertible bonds 2014	<b>-</b>	82.0
<b>Current liabilities</b>		
3.5% convertible bonds 2014	<b>81.5</b>	-

On the 31 October 2012, the Company notified remaining bondholders that all outstanding bonds in issue on 3 January 2013 will be redeemed in full (note 14). The liability for the convertible bonds has been reclassified as a current liability at 30 September 2012.

### 13. Retirement benefits

The Group's principal form of pension provision is by way of three defined contribution schemes operated world-wide. The Group also operates several legacy defined benefit schemes which include, in the UK, the CGA Staff Pension Fund, 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.

	<b>2012</b>	2011
	<b>£m</b>	£m
Pension scheme deficits	<b>(28.3)</b>	(29.7)
Pension scheme surplus	<b>12.9</b>	5.4
	<b>(15.4)</b>	(24.3)

### 14. Post balance sheet event

On 31 October, the Company notified the holders of the 3.5% convertible bonds 2014 that all outstanding bonds in issue on 3 January 2013, together with accrued interest on such date, will be redeemed. Bondholders remain able to exercise their conversion rights until 27 December 2012. As at 23 November 2012, holders of £68.1 million had exercised their rights to convert to ordinary shares with £21.9 million still to be converted prior to 3 January 2013.

The outstanding bonds of £82.7 million, gross excluding unamortised issue costs, at 30 September 2012 have been reclassified as a current liability.

15. The financial information set out above does not constitute the Company's statutory accounts for the years ended 30 September 2012 or 2011. The financial information for 2011 is derived from the statutory accounts for 2011 which have been delivered to the Registrar of Companies. The statutory accounts for 2012 will be delivered following the Company's Annual General Meeting. The auditors have reported on those accounts; their reports were (i) unqualified, (ii) did not include a reference to any matters to which the auditors 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 or equivalent preceding legislation.

### ASSETS UNDER MANAGEMENT

	<b>2012</b>	2011
	<b>£bn</b>	£bn
Equities	<b>100.7</b>	75.1
Fixed income	<b>36.3</b>	40.0
Aberdeen solutions	<b>23.6</b>	24.8
Property	<b>18.7</b>	20.5
Money market	<b>7.9</b>	9.5
	<b>187.2</b>	169.9
Segregated mandates	<b>102.8</b>	102.4
Pooled funds	<b>84.4</b>	67.5
	<b>187.2</b>	169.9

## QUARTERLY NEW BUSINESS FLOWS

	<b>3 mths to 31 Dec 11 £m</b>	<b>3 mths to 31 Mar 12 £m</b>	<b>3 mths to 30 Jun 12 £m</b>	<b>3 mths to 30 Sep 12 £m</b>	<b>Year to 30 Sep 12 £m</b>
Gross inflows:					
Segregated mandates	3,337	2,893	3,133	3,026	12,389
Pooled funds	4,502	7,486	5,660	5,961	23,609
	<u>7,839</u>	<u>10,379</u>	<u>8,793</u>	<u>8,987</u>	<u>35,998</u>
Net inflows:					
Segregated mandates	(2,968)	(539)	(881)	(1,962)	(6,350)
Pooled funds	158	2,970	1,186	1,987	6,301
	<u>(2,810)</u>	<u>2,431</u>	<u>305</u>	<u>25</u>	<u>(49)</u>

	<b>3 mths to 31 Dec 11 £m</b>	<b>3 mths to 31 Mar 12 £m</b>	<b>3 mths to 30 Jun 12 £m</b>	<b>3 mths to 30 Sep 12 £m</b>	<b>Year to 30 Sep 12 £m</b>
Gross inflows:					
Equities	4,250	7,093	5,378	5,659	22,380
Fixed income	1,612	1,743	1,463	1,609	6,427
Aberdeen solutions	661	493	578	504	2,236
Property	223	139	182	253	797
Money market	1,093	911	1,192	962	4,158
	<u>7,839</u>	<u>10,379</u>	<u>8,793</u>	<u>8,987</u>	<u>35,998</u>
Net inflows:					
Equities	932	3,966	2,508	2,830	10,236
Fixed income	(2,065)	(265)	(1,610)	(1,797)	(5,737)
Aberdeen solutions	(1,247)	(568)	(550)	(841)	(3,206)
Property	38	(306)	64	(2)	(206)
Money market	(468)	(396)	(107)	(165)	(1,136)
	<u>(2,810)</u>	<u>2,431</u>	<u>305</u>	<u>25</u>	<u>(49)</u>

## NEW BUSINESS FLOWS TO 30 SEPTEMBER 2012 – EQUITIES

	3 mths to 31 Dec 11 £m	3 mths to 31 Mar 12 £m	3 mths to 30 Jun 12 £m	3 mths to 30 Sep 12 £m	Year to 30 Sep 12 £m
Gross inflows:					
Asia Pacific	814	1,755	1,654	1,629	5,852
Global emerging markets	2,309	3,820	2,217	2,329	10,675
Europe	37	16	6	48	107
Global & EAFE	989	1,420	1,200	1,570	5,179
UK	18	37	43	16	114
US	83	45	258	67	453
	<hr/> 4,250	<hr/> 7,093	<hr/> 5,378	<hr/> 5,659	<hr/> 22,380
Net flows:					
Asia Pacific	(176)	830	850	719	2,223
Global emerging markets	1,127	2,492	794	1,281	5,694
Europe	(14)	(33)	(36)	(3)	(86)
Global & EAFE	307	805	771	1,159	3,042
UK	(72)	(20)	(41)	(303)	(436)
US	(240)	(108)	170	(23)	(201)
	<hr/> 932	<hr/> 3,966	<hr/> 2,508	<hr/> 2,830	<hr/> 10,236

## NEW BUSINESS FLOWS 30 SEPTEMBER 2012 – FIXED INCOME

	3 mths to 31 Dec 11 £m	3 mths to 31 Mar 12 £m	3 mths to 30 Jun 12 £m	3 mths to 30 Sep 12 £m	Year to 30 Sep 12 £m
Gross inflows:					
Asia Pacific	235	145	105	178	663
Australia	765	572	487	395	2,219
Convertibles	16	38	23	30	107
Currency overlay	14	74	4	31	123
Emerging markets	354	430	535	602	1,921
Europe	42	80	33	113	268
Global	42	28	21	21	112
High yield	70	148	60	77	355
UK	24	39	101	103	267
US	50	189	94	59	392
	<hr/> 1,612	<hr/> 1,743	<hr/> 1,463	<hr/> 1,609	<hr/> 6,427
Net flows:					
Asia Pacific	164	57	(496)	85	(190)
Australia	87	(345)	(137)	(164)	(559)
Convertibles	(16)	4	(11)	5	(18)
Currency overlay	(107)	51	(27)	(18)	(101)
Emerging markets	57	276	196	336	865
Europe	(39)	(24)	(196)	(116)	(375)
Global	(1,513)	(6)	(65)	(1,589)	(3,173)
High yield	20	104	(15)	33	142
UK	(667)	(331)	(630)	(247)	(1,875)
US	(51)	(51)	(229)	(122)	(453)
	<hr/> (2,065)	<hr/> (265)	<hr/> (1,610)	<hr/> (1,797)	<hr/> (5,737)

## NEW BUSINESS FLOWS TO 30 SEPTEMBER 2012 – ABERDEEN SOLUTIONS

	3 mths to 31 Dec 11 £m	3 mths to 31 Mar 12 £m	3 mths to 30 Jun 12 £m	3 mths to 30 Sep 12 £m	Year to 30 Sep 12 £m
Gross inflows:					
Indexed equities	4	-	4	1	9
Multi asset	215	244	140	268	867
Long only multi manager	418	211	408	200	1,237
Funds of hedge funds	24	38	26	35	123
Funds of private equity	-	-	-	-	-
	<hr/> 661	<hr/> 493	<hr/> 578	<hr/> 504	<hr/> 2,236
Net flows:					
Indexed equities	(208)	(98)	(382)	(199)	(887)
Multi asset	26	(65)	(125)	(213)	(377)
Long only multi manager	(833)	(204)	85	(189)	(1,141)
Funds of hedge funds	(232)	(200)	(128)	(240)	(800)
Funds of private equity	-	(1)	-	-	(1)
	<hr/> (1,247)	<hr/> (568)	<hr/> (550)	<hr/> (841)	<hr/> (3,206)