ABERDEEN ASSET MANAGEMENT PLC
Interim Results for six months to 31 March 2013
HIGHLIGHTS

- Revenue £516.0 million (+25%)
- Underlying profit before tax £222.8 million (+37%)
- Underlying earnings per share 14.9p (+43%)
- Dividend per share 6.0p (+36%)
- Operating margin 43.8% (1H 2012: 40.1%)
- Average fee margin 49.0bps (1H 2012: 43.9bps)
- AuM £212.3 billion (+13% on 30 September 2012)

FINANCIAL HIGHLIGHTS

	March 2013	March 2012
Revenue	£516.0m	£413.1m
Pre-tax profit		
Before amortisation of intangibles	£222.8m	£162.2m
After amortisation of intangibles	£188.2m	£124.3m
Diluted earnings per share		
Before amortisation of intangibles	14.88p	10.43p
After amortisation of intangibles	12.43p	7.95p
Dividend per share	6.0p	4.4p
Operating cashflow	£247.7m	£164.6m
Gross new business	£24.6bn	£18.2bn
Net new business	+£4.4bn	-£0.4bn
Assets under management at period end	£212.3bn	£184.7bn

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

"It has been a strong first half to the year with investors' appetite for risk assets returning. As a result we have seen healthy net new business flows which, combined with performance by global markets, has generated strong growth in our revenue and in profit margins. We remain cautious on the market outlook but believe our fundamental approach to investing will continue to serve our clients' long term needs.

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/bmdevft6

For more information:

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Chairman's statement

The strategic direction of the Group over the last several years created a platform for further progress during the six month period to 31 March 2013. Healthy new business flows during the first half of the current financial year are reflected in strong growth in revenues and profit margins as investor appetite for risk has improved.

Assets under management increased to £212.3 billion as at 31 March, a result of both the positive market and currency performance and net new business flows. Strong demand for our key products reflects our long term investment philosophy and process which has, once again, enabled the Group generally to outperform relevant benchmarks.

We announced two small infill transactions in February which will boost our AuM in the second half year - Artio Global Investors, which currently has AuM of approximately $11.5 billion (£7.5 billion), principally in US retail fixed income funds; and a 50.1% interest in SVG Advisers, which has approximately £4 billion in funds of private equity. Each of these deals will bring additional expertise which will complement our own capabilities and we believe they will benefit our efforts to diversify new business flows.

We also took the opportunity to refinance the capital securities which form an element of our equity, completing a $500 million issue of 7.0% perpetual cumulative capital notes on 1 March. We will apply $400 million of the proceeds in repaying our existing 7.9% perpetual capital securities at the end of May. The new securities will form part of the Group's regulatory capital.

Financials

Profit before taxation for the period was £188.2 million (2012: £124.3 million). Underlying profit, stated before amortisation of intangible assets, was £222.8 million, compared to £162.2 million in 2012. This represents underlying earnings per share, on a diluted basis of 14.88p (2012:10.43p).

The Board has decided to pay an interim dividend of 6.0 pence per share, an increase of 36% on the 2012 interim payment. This increase is consistent with our objective of paying a progressive level of dividend each year. The interim dividend will be paid on 13 June 2013 to shareholders on the register at 10 May 2013.

Net revenue for the period increased by 25% to £516.0 million (2012: £413.1 million). Recurring fee income improved by 24% to £492.5 million (2012: £395.7 million) and was supplemented by £23.5 million of performance fees (2012: £17.4 million). The blended average management fee rate increased to 49.0 basis points (year to September 2012: 45.1bps), benefiting from the inflows of new business to higher margin asset classes and pooled funds.

The Group's operating margin for the period increased to 43.8%, continuing the steady growth achieved in recent years and strongly ahead of the 40.6% reported for the full year to September 2012.

We generated £247.7 million of operating cashflow (2012: £164.6 million), as we again converted operating profit efficiently into cash. We spent £123.8 million to purchase shares for the deferred bonus scheme, which completes the programme undertaken over the last three years to make market purchases of sufficient shares to fully match all outstanding deferred share awards, and we also invested additional seed capital to facilitate the launch of several new products.

The balance sheet was strengthened further during the period, with all remaining convertible bond holders electing to convert their holdings to ordinary shares and, as I have already mentioned, we have now refinanced our capital securities on more favourable terms. Taken together with our strong results for the period, we achieved our objective of eliminating reliance on the regulatory capital waiver.

We remain focused on generating profitable growth and cashflow. We expect our strong balance sheet position and ongoing cash generation to provide us with surplus capital over time. I have already reiterated the Board's objective of growing the dividend progressively. Thereafter, we will look to distribute available surplus capital to shareholders, after taking into account a comfortable level of headroom over our required regulatory capital and after investing in the development of our business, over time. Share buybacks will be considered provided they are earnings enhancing and in the interests of shareholders generally.

Review of operations

Assets under management have increased by 13% to £212.3 billion, compared to the value at the end of our last financial year and pooled funds now represent 48.1% of total AuM (30 September 2012: 45.1%). The growth in AuM is analysed by asset class in the following table.

	Equities £bn	Fixed income £bn	Aberdeen solutions £bn	Property £bn	Money market £bn	Total £bn
AuM at 30 September 2012	100.7	36.3	23.6	18.7	7.9	187.2
Net new business flows for the period	7.8	(1.4)	(1.1)	(0.4)	(0.5)	4.4
Market appreciation & performance	10.5	0.6	1.4	(0.6)	-	11.9
Exchange movements	5.3	1.9	0.5	0.8	0.3	8.8
AuM at 31 March 2013	124.3	37.4	24.4	18.5	7.7	212.3

Gross new business inflows for the period totaled £24.6 billion (2012: £18.2 billion) whilst outflows amounted to £20.2 billion (2012: £18.6 billion), resulting in a net inflow for the six month period of £4.4 billion (2012: net outflow £0.4 billion).

The majority of the inflows were again into our main equity products – global emerging markets ("GEM"), Asia Pacific and global equities – but it is encouraging to note that emerging market debt has also contributed very healthy inflows during the period.

As I have reported before, we have for some time been seeking to moderate the rate of inflows to our GEM funds so that the quality of the product is not compromised. We implemented a further step from early March by closing our US-domiciled GEM mutual funds to new investors and introducing an initial charge, for the benefit of existing investors, on any new investment into our UK and Luxembourg funds. In the short period since implementation we have seen a moderate level of net outflows, but the early signs are that it will have the desired effect of reducing inflows to more sustainable levels.

Within the total flows reported for Asia Pacific equities, we have seen continued appetite for our broader Asia Pacific including Japan funds, as well as for funds investing in single countries, such as Japan and China. Inflows to our emerging market debt funds have increased considerably, with net inflows of £1.4 billion during the period (2012: £0.3 billion). As a consequence, our EMD strategy now has assets of £7.5 billion, a 60% increase over the last year.

Investment performance has been strong across many of our strategies, including several of our less recognised products, such as European and Japanese equities, global fixed income and fund of hedge funds.

Our property team has seen some success during the period, having been awarded new mandates for £0.3 billion of AuM which is expected to be received during the second half of the financial year, and sees continued investor interest in our capability. Within Solutions, flows during the period remained mixed, with net inflows to multi-asset being outweighed by continuing outflows from multi-manager and funds of hedge funds as the business continues its transition. Our fund of funds business has seen some encouraging inflows after the end of the period, and we look forward to growing this element of our business with the addition of the SVG assets later this year.

We continue to focus our distribution efforts across Asia, the Americas and EMEA regions, with specific emphasis on expanding our network in a number of key markets such as the US, Switzerland and Germany. We are particularly mindful of the need to promote our brand, particularly in regions where the Aberdeen name is less well known. We will therefore be launching a global brand campaign on 20 May to convey clearly what Aberdeen does and what we stand for. Through new advertising and a refreshed brand look, we will be communicating those qualities that define Aberdeen.

Outlook

The six month period under review has generally replicated conditions experienced in 2012, with positive market performance for much of the first half year followed by volatility during early April. We are consequently measured in our outlook but confident that our investment philosophy and process will remain well suited to the pursuit of further profitable growth on behalf of our investors, while our corporate planning and communications will enhance the appeal of Aberdeen to a wider global investment community.

Finally, following Giles Weaver's retirement from the Board following the AGM, as previously announced, I would like to take the opportunity to welcome Jutta af Rosenborg to the Board. Jutta was appointed in January, 2013 and has enjoyed a career as a European CFO with more recent non-executive experience in the pharmaceutical industry and international investment.

Roger Cornick
Chairman

Condensed consolidated income statement

For the six months to 31 March 2013

		6 months to 31 March 2013			6 months to 31 March 2012			Year to 30 September 2012		
	Notes	Before amortisation £m	Amortisation £m	Total £m	Before amortisation £m	Amortisation £m	Total £m	Before amortisation £m	Amortisation £m	Total £m
Gross revenue		628.6	-	628.6	500.3	-	500.3	1,048.8	-	1,048.8
Commissions payable		(112.6)	-	(112.6)	(87.2)	-	(87.2)	(179.6)	-	(179.6)
Net revenue	3	516.0	-	516.0	413.1	-	413.1	869.2	-	869.2
Operating costs		(289.9)	-	(289.9)	(247.4)	-	(247.4)	(516.5)	-	(516.5)
Amortisation of intangible assets		-	(34.6)	(34.6)	-	(37.9)	(37.9)	-	(78.1)	(78.1)
Operating expenses		(289.9)	(34.6)	(324.5)	(247.4)	(37.9)	(285.3)	(516.5)	(78.1)	(594.6)
Operating profit		226.1	(34.6)	191.5	165.7	(37.9)	127.8	352.7	(78.1)	274.6
Net finance costs	5	(3.9)	-	(3.9)	(2.6)	-	(2.6)	(5.1)	-	(5.1)
Other gains and losses		0.6	-	0.6	(0.9)	-	(0.9)	0.2	-	0.2
Profit before taxation		222.8	(34.6)	188.2	162.2	(37.9)	124.3	347.8	(78.1)	269.7
Tax expense	6	(40.1)	5.2	(34.9)	(31.6)	8.1	(23.5)	(62.7)	16.6	(46.1)
Profit for the period		182.7	(29.4)	153.3	130.6	(29.8)	100.8	285.1	(61.5)	223.6
Attributable to:										
Equity shareholders of the Company				145.7			93.6			208.7
Other equity holders				7.6			7.2			14.9
				153.3			100.8			223.6
Earnings per share										
Basic	8			12.81p			8.48p			18.88p
Diluted	8			12.43p			7.95p			17.55p

Condensed consolidated statement of comprehensive income

For the six months to 31 March 2013

	6 mths to 31 March 2013 £m	6 mths to 31 March 2012 £m	Year to 30 September 2012 £m
Profit for the period	153.3	100.8	223.6
Items that will not be reclassified subsequently to profit or loss			
Net actuarial gain on defined benefit pension schemes	-	-	0.6
Tax on net actuarial gain on defined benefit pension schemes	-	-	(1.3)
	-	-	(0.7)
Items that may be reclassified subsequently to profit or loss			
Translation of foreign currency net investments	31.1	(3.6)	(9.2)
Available for sale assets:			
- gains (losses) during the period	0.2	(1.4)	(0.7)
- losses recycled from equity to the income statement	2.0	2.8	4.6
Tax on items that may be recycled to profit or loss	(0.8)	(0.8)	(2.1)
	32.5	(3.0)	(7.4)
Other comprehensive income (expense), net of tax	32.5	(3.0)	(8.1)
Total comprehensive income for the period	185.8	97.8	215.5
Attributable to:			
Equity shareholders of the Company	178.2	90.6	200.6
Other equity holders	7.6	7.2	14.9

Condensed consolidated balance sheet
31 March 2013

	Notes	31 March 2013 £m	31 March 2012 £m	30 September 2012 £m
Assets				
Non-current assets				
Intangible assets	9	973.3	1,031.7	994.1
Property, plant and equipment		19.0	19.5	19.1
Other investments	10	54.4	38.9	53.1
Deferred tax assets		16.1	23.0	15.9
Pension surplus	16	12.9	5.4	12.9
Trade and other receivables		3.9	4.2	3.6
Total non-current assets		1,079.6	1,122.7	1,098.7
Current assets				
Stock of shares in managed funds		0.3	0.3	0.2
Assets backing investment contract liabilities	11	2,660.7	1,388.5	2311.9
Trade and other receivables		342.3	290.2	254.2
Other investments	10	118.6	62.8	58.5
Cash and cash equivalents		638.9	208.6	347.9
Total current assets		3,760.8	1,950.4	2,972.7
Total assets		4,840.4	3,073.1	4,071.4
Equity				
Called up share capital	12	119.8	114.9	115.1
Share premium account		898.2	812.2	815.9
Other reserves		235.3	213.8	209.0
Retained loss		(85.1)	(134.6)	(51.6)
Total equity attributable to shareholders of the parent		1,168.2	1,006.3	1,088.4
Non controlling interest		12.8	14.0	14.0
7.9% Perpetual capital securities	13	198.1	198.1	198.1
7.0 %Perpetual cumulative capital notes	13	321.9	-	-
Total equity		1,701.0	1,218.4	1,300.5
Liabilities				
Non-current liabilities				
Interest bearing loans and borrowings	14	-	83.1	-
Pension deficit	16	26.7	26.0	28.3
Provisions		11.6	1.5	5.9
Deferred tax liabilities		32.4	44.6	36.4
Total non-current liabilities		70.7	155.2	70.6
Current liabilities				
Investment contract liabilities	11	2,660.7	1,388.5	2,311.9
Interest bearing loans and borrowings	14	-	-	81.5
Trade and other payables		353.0	272.5	269.4
Current tax payable		55.0	38.5	37.5
Total current liabilities		3,068.7	1,699.5	2,700.3
Total liabilities		3,139.4	1,854.7	2,770.9
Total equity and liabilities		4,840.4	3,073.1	4,071.4

Condensed consolidated statement of changes in equity

For the six months to 31 March 2013

	Share capital £m	Share Premium account £m	Other reserves £m	Retained earnings £m	Non Controllin g interest £m	Perpetua l Capital securitie s £m	Total equity £m
Balance at 1 October 2012	115.1	815.9	209.0	(51.6)	14.0	198.1	1,300.5
Profit for the period	-	-	-	145.7	-	7.6	153.3
Other comprehensive income	-	-	32.5	-	-	-	32.5
Total comprehensive income	-	-	32.5	145.7	-	7.6	185.8
Conversion of convertible bonds	4.7	82.3	(6.2)	6.2	-	-	87.0
Issue of perpetual capital notes	-	-	-	-	-	321.9	321.9
Share based payment charge	-	-	-	20.6	-	-	20.6
Purchase of own shares	-	-	-	(123.8)	-	-	(123.8)
Dividends paid to shareholders	-	-	-	(82.2)	-	(7.6)	(89.8)
Non-controlling interest in consolidated funds	-	-	-	-	(1.2)	-	(1.2)
At 31 March 2013	**119.8**	**898.2**	**235.3**	**(85.1)**	**12.8**	**520.0**	**1,701.0**

For the six months to 31 March 2012

	Share capital £m	Share Premium account £m	Other reserves £m	Retained earnings £m	Non Controllin g interest £m	Perpetua l Capital securitie s £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 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
Balance at 1 October 2011	114.9	812.2	216.8	(123.7)	16.2	198.1	1,234.5
Profit for the period	-	-	-	208.7	-	14.9	223.6
Other comprehensive expense	-	-	(6.7)	(1.4)	-	-	(8.1)
Total comprehensive (expense) income	-	-	(6.7)	207.3	-	14.9	215.5
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)
At 30 September 2012	**115.1**	**815.9**	**209.0**	**(51.6)**	**14.0**	**198.1**	**1,300.5**

Condensed consolidated cash flow statement
For the six months to 31 March 2013

	Notes	6 months to 31 March 2013 £m	6 months to 31 March 2012 £m	Year to 30 September 2012 £m
Core cash generated from operating activities		221.2	162.8	419.8
Effects of short-term timing differences on open end fund settlements		26.5	1.8	(5.3)
Cash generated from operations		247.7	164.6	414.5
Net interest received (paid)		0.9	(1.4)	(2.1)
Tax paid		(21.8)	(19.8)	(43.6)
Net cash generated from operating activities	4	226.8	143.4	368.8
Cash flows used in investing activities				
Proceeds from sale of investments		9.3	28.0	52.4
Purchase of intangible assets		(4.1)	(8.0)	(13.4)
Purchase of property, plant & equipment		(2.6)	(3.3)	(7.6)
Purchase of investments		(63.9)	(18.7)	(53.8)
Net cash used in investing activities		(61.3)	(2.0)	(22.4)
Cash flows from financing activities				
Issue of perpetual cumulative capital notes		321.9	-	-
Purchase of own shares		(123.8)	(72.5)	(83.1)
Dividends paid and coupon payments		(92.1)	(67.5)	(126.0)
Net cash from (used in) financing activities		106.0	(140.0)	(209.1)
Net increase in cash and cash equivalents		271.5	1.4	137.3
Cash and cash equivalents at beginning of period		347.9	209.5	209.5
Effect of exchange rate fluctuations on cash and cash equivalents		19.5	(2.3)	1.1
Cash and cash equivalents at end of period		638.9	208.6	347.9

Notes to the interim condensed consolidated financial statements
For the six months to 31 March 2013

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 2012 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 Conduct 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 2012.

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 2012.

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

3 Revenue

	6 months to 31 March 2013 £m	6 months to 31 March 2012 £m	Year to 30 September 2012 £m
Revenue comprises:			
Gross management fees	598.8	477.1	993.1
Commissions to intermediaries	(112.6)	(87.2)	(179.6)
Net management fees	486.2	389.9	813.5
Performance fees	23.5	17.4	47.5
Transaction fees	6.3	5.8	8.2
	516.0	413.1	869.2

4 Analysis of cash flows

	6 months to 31 March 2013 £m	6 months to 31 March 2012 £m	Year to 30 September 2012 £m
Reconciliation of profit after tax to operating cash flow			
Profit after tax	153.3	100.8	223.6
Depreciation	3.3	4.3	8.3
Amortisation of intangible assets	34.6	37.9	78.1
Unrealised foreign currency losses (gains)	-	0.9	(1.0)
Gains on investments	(0.6)	-	(0.2)
Share based element of remuneration	20.6	25.2	61.9
Net finance costs	3.9	2.6	5.1
Income tax expense	34.9	23.5	46.1
	250.0	195.2	421.9
Increase (decrease) in provisions	5.7	(0.7)	3.7
(Increase) decrease in stock	(0.1)	0.1	0.2
(Increase) decrease in trade and other receivables	(39.3)	5.2	(1.4)
(Increase) decrease in open end fund receivables	(49.1)	30.7	69.7
Increase (decrease) in trade and other payables	4.9	(37.0)	(4.6)
Increase (decrease) in open end fund payables	75.6	(28.9)	(75.0)
Net cash inflow from operating activities	247.7	164.6	414.5
Net interest received (paid)	0.9	(1.4)	(2.1)
Income taxes paid	(21.8)	(19.8)	(43.6)
Net cash generated from operating activities	226.8	143.4	368.8

5 Net finance costs

	6 months to 31 March 2013 £m	6 months to 31 March 2012 £m	Year to 30 September 2012 £m
Reconciliation of profit after tax to operating cash flow			
Interest on overdrafts, revolving credit facilities and other interest bearing accounts	1.8	0.8	1.7
Interest on 3.5% convertible bonds	(0.9)	1.5	3.2
Release of discount on liability component on convertible bonds	4.0	1.0	2.0
Amortisation of issue costs on convertible bonds	1.1	0.3	0.5
Total finance costs	6.0	3.6	7.4
Finance revenue – interest income	(2.1)	(1.0)	(2.3)
Net finance costs	3.9	2.6	5.1

6. Tax expense

	6 months to 31 March 2013 £m	6 months to 31 March 2012 £m	Year to 30 September 2012 £m
Current tax expense	40.1	27.8	54.4
Adjustments in respect of previous periods	-	0.4	(2.1)
Deferred tax credit	(7.0)	(5.9)	(6.8)
Adjustments in respect of previous periods	1.8	1.2	0.6
Total tax expense in income statement	34.9	23.5	46.1

The tax charge for the six month period ended 31 March 2013 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.

7 Dividends and coupon payments

	6 months to 31 March 2013 £m	6 months to 31 March 2012 £m	Year to 30 September 2012 £m
Dividend on convertible preference shares:			
Dividend paid	-	-	0.2
Coupon payments in respect of 7.9% perpetual capital securities			
Coupon payments made during the period	9.9	9.9	19.8
Ordinary dividends			
Declared and paid during the year			
Final dividend for 2012 – 7.1p (2011 - final dividend 5.2p)	82.2	57.6	57.6
Interim dividend for 2012 – 4.4p	-	-	48.4
	82.2	57.6	106.0
Total dividends and coupon payments paid during the period	92.1	67.5	126.0

The interim ordinary dividend of 6.0p per share will be paid on 13 June 2013 to qualifying shareholders on the register at 10 May 2013.

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 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 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 2013 £m	6 months to 31 March 2012 £m	Year to 30 September 2012 £m	6 months to 31 March 2013 £m	6 months to 31 March 2012 £m	Year to 30 September 2012 £m
Basic earnings per share						
Profit attributable to shareholders	153.3	100.8	223.6	153.3	100.8	223.6
Dividend on convertible preference shares	-	(0.1)	(0.2)	-	(0.1)	(0.2)
Coupon payments in respect of perpetual capital securities (net of tax)	(7.6)	(7.2)	(14.9)	(7.6)	(7.2)	(14.9)
Profit for the financial period, attributable to ordinary shareholders	145.7	93.5	208.5	145.7	93.5	208.5
Amortisation of intangible assets, net of attributable taxation				29.4	29.8	61.5
Underlying profit for the financial period				175.1	123.3	270.0
Weighted average number of shares (millions)	1,137.1	1,103.0	1,104.2	1,137.1	1,103.0	1,104.2
Basic earnings per share	12.81p	8.48p	18.88p	15.40p	11.18p	24.45p
Diluted earnings per share						
Profit for calculation of basic earnings per share, as above	145.7	93.5	208.5	175.1	123.3	270.0
Add: interest on 2014 convertible bonds, net of attributable taxation	3.2	2.1	4.3	3.2	2.1	4.3
Add: dividend on convertible preference shares	-	0.1	0.2	-	0.1	0.2
Profit for calculation of diluted earnings per share	148.9	95.7	213.0	178.3	125.5	274.5
Weighted average number of shares (millions)						
For basic earnings per share	1,137.1	1,103.0	1,104.2	1,137.1	1,103.0	1,104.2
Dilutive effect of 2014 convertible bonds	12.5	48.6	48.6	12.5	48.6	48.6
Dilutive effect of convertible preference shares	-	4.5	3.1	-	4.5	3.1
Dilutive effect of LTIP awards	0.1	0.3	0.2	0.1	0.3	0.2
Dilutive effect of exercisable share options and deferred shares	48.1	47.0	57.5	48.1	47.0	57.5
	1,197.8	1,203.4	1,213.6	1,197.8	1,203.4	1,213.6
Diluted earnings per share	12.43p	7.95p	17.55p	14.88p	10.43p	22.62p

9 Intangible assets

	31 March 2013 £m	31 March 2012 £m	30 September 2012 £m
Intangible assets	314.5	376.9	341.2
Goodwill	658.8	654.8	652.9
	973.3	1,031.7	994.1

10 Other investments

	31 March 2013 £m	31 March 2012 £m	30 September 2012 £m
Non-current assets			
Non-current investments	54.4	38.9	53.1
Current assets			
Seed capital investments	81.5	31.9	40.4
Investments of life and pensions subsidiary	10.0	-	6.6
Investments in funds to hedge deferred bonus liabilities	27.1	11.7	11.5
Liquid investments held for trading	-	19.2	-
	118.6	62.8	58.5

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

11 Assets backing investment contract liabilities

These balances represent unit linked business carried out by the Group's life assurance and pooled pensions subsidiary. 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 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.

12 Share capital

419,700 ordinary shares of 10p each were issued in respect of the exercise of share options granted to employees under the 1994 Executive Share Option Scheme.

47,027,013 ordinary shares of 10p each were issued in respect of the conversion of £87 million of 3.5% convertible bonds 2014.

13 Perpetual capital securities

On 1 March 2013 the Company 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 commencing on 1 June 2013. Net proceeds after deduction of issue expenses were £322 million.

US$400 million of the proceeds will be used to repay the 7.9% perpetual capital securities on 29 May 2013. The estimated reduction in equity arising from this repayment, based on the exchange rate at 31 March 2013, is £263 million.

14 Interest bearing loans and borrowings

	31 March 2013 £m	31 March 2012 £m	30 September 2012 £m
Non-current liabilities			
3.5% Convertible bonds 2014	**-**	83.1	-
Current liabilities			
3.5% Convertible bonds 2014	**-**	-	81.5

On 31October 2012, the Company notified remaining bondholders that all outstanding bonds in issue on 3 January 2013 would be redeemed in full. All bondholders exercised their conversion rights prior to the redemption date and the remaining bonds were converted into ordinary shares of the Company at a conversion price of 185p.

15 Analysis of changes in net cash

	At 1 October 2012 £m	Cash flow £m	Other non cash changes £m	Exchange movement £m	**At 31 March 2013 £m**
Cash at bank and in hand	347.9	271.5	-	19.5	**638.9**
Convertible debt	(81.5)	-	81.5	-	**-**
Net cash	266.4	271.5	81.5	19.5	**638.9**

16 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 2012 by the respective independent actuaries. Contributions to the schemes since 30 September 2012 have been set off against the scheme deficits.

	31 March 2013 £m	31 March 2012 £m	30 September 2012 £m
Surplus in scheme at end of period	12.9	5.4	12.9
Deficits in schemes at end of period	(26.7)	(26.0)	(28.3)
	(13.8)	(20.6)	(15.4)

17 Contingent liabilities

The Group may, from time to time, be subject to claims, actions or proceedings in the normal course of its business. When such circumstances arise, the Board considers the likelihood of a material outflow of economic resources and provides for its best estimate of costs where an outflow of economic resources is probable. While there can be no assurances, the directors believe, based on information currently available to them, that the likelihood of other material outflows is remote.

18 Post balance sheet events

On 14 February 2013 the Group announced that it had reached an agreement to acquire the entire share capital of Artio Global Investors Inc, a US listed asset manager, for a purchase consideration of approximately US$175 million.

On the same date the Group also announced that it had agreed to acquire a 50.1% stake in SVG Advisers ("SVGA") for a cash consideration of £17.5 million. SVGA is a fund of private equity specialist and its business will be combined with Aberdeen's existing fund of private equity capability. There are put and call options under which the Company may acquire the remaining 49.9% stake at any time from the third anniversary of completion.

Both transactions are expected to complete in the second half of the current financial year.

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 pages 31 to 33 of the 2012 annual report, being investment process and mandate, loss of investment personnel, legal and regulatory, client relationship and retention, business continuity, supplier, credit, 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
26 April 2013

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 2013 which comprises the condensed consolidated income statement, 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 explanatory 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 Conduct Authority ("the UK FCA"). 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 FCA.

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 2013 is not prepared, in all material respects, in accordance with IAS 34 as adopted by the EU and the DTR of the UK FCA.

Guy Bainbridge
for and on behalf of KPMG Audit Plc
Chartered Accountants
37 Albyn Place
Aberdeen
AB10 1JB

26 April 2013

Assets under Management at 31 March 2013

	30 September 2012 £bn	31 December 2012 £bn	31 March 2013 £bn
Equities	100.7	108.3	124.3
Fixed income	36.3	35.8	37.4
Aberdeen solutions	23.6	23.5	24.4
Property	18.7	18.3	18.5
Money market	7.9	7.5	7.7
	187.2	193.4	212.3
Segregated mandates	102.8	102.8	110.2
Pooled funds	84.4	90.6	102.1
	187.2	193.4	212.3

Overall new business flows for 6 months to 31 March 2013 – By mandate type

	3 months to 31 December 2012 £m	3 months to 31 March 2012 £m	6 months to 31 March 2013 £m
Gross inflows:			
Segregated mandates	3,328	2,996	6,324
Pooled funds	7,476	10,804	18,280
	10,804	13,800	24,604
Outflows:			
Segregated mandates	4,905	4,028	8,933
Pooled funds	4,841	6,438	11,279
	9,746	10,466	20,212
Net flows:			
Segregated mandates	(1,577)	(1,032)	(2,609)
Pooled funds	2,635	4,366	7,001
	1,058	3,334	4,392

Overall new business flows for 6 months to 31 March 2013 – By asset class

	3 months to 31 December 2012 £m	3 months to 31 March 2013 £m	6 months to 31 March 2013 £m
Gross inflows:			
Equities	6,701	10,052	16,753
Fixed income	1,950	1,862	3,812
Aberdeen solutions	1,089	668	1,757
Property	176	68	244
Money market	888	1,150	2,038
	10,804	13,800	24,604
Outflows:			
Equities	3,587	5,327	8,914
Fixed income	2,725	2,449	5,174
Aberdeen solutions	1,532	1,340	2,872
Property	549	106	655
Money market	1,353	1,244	2,597
	9,746	10,466	20,212
Net flows:			
Equities	3,114	4,725	7,839
Fixed income	(775)	(587)	(1,362)
Aberdeen solutions	(443)	(672)	(1,115)
Property	(373)	(38)	(411)
Money market	(465)	(94)	(559)
	1,058	3,334	4,392

New business flows for 6 months to 31 March 2013 – Equities

	3 months to 31 December 2012 £m	3 months to 31 March 2013 £m	6 months to 31 March 2013 £m
Gross inflows:			
Asia Pacific	2,415	4,430	6,845
Global emerging markets	3,260	4,482	7,742
Europe	23	24	47
Global & EAFE	926	1,038	1,964
UK	25	41	66
US	52	37	89
	6,701	10,052	16,753
Outflows:			
Asia Pacific	991	1,390	2,381
Global emerging markets	1,563	2,914	4,477
Europe	50	39	89
Global & EAFE	617	873	1,490
UK	72	55	127
US	294	56	350
	3,587	5,327	8,914
Net flows:			
Asia Pacific	1,424	3,040	4,464
Global emerging markets	1,697	1,568	3,265
Europe	(27)	(15)	(42)
Global & EAFE	309	165	474
UK	(47)	(14)	(61)
US	(242)	(19)	(261)
	3,114	4,725	7,839

New business flows for 6 Months to 31 March 2013 – Fixed income

	3 months to 31 December 2012 £m	3 months to 31 March 2013 £m	6 months to 31 March 2013 £m
Gross inflows:			
Asia Pacific	160	166	326
Australia	395	268	663
Convertibles	17	32	49
Currency overlay	13	57	70
Emerging markets	1,043	946	1,989
Europe	60	30	90
Global	15	81	96
High yield	136	197	333
UK	66	23	89
US	45	62	107
	1,950	1,862	3,812
Outflows:			
Asia Pacific	175	131	306
Australia	780	383	1,163
Convertibles	9	14	23
Currency overlay	114	9	123
Emerging markets	233	403	636
Europe	346	249	595
Global	436	160	596
High yield	48	114	162
UK	434	821	1,255
US	150	165	315
	2,725	2,449	5,174
Net flows:			
Asia Pacific	(15)	35	20
Australia	(385)	(115)	(500)
Convertibles	8	18	26
Currency overlay	(101)	48	(53)
Emerging markets	810	543	1,353
Europe	(286)	(219)	(505)
Global	(421)	(79)	(500)
High yield	88	83	171
UK	(368)	(798)	(1,166)
US	(105)	(103)	(208)
	(775)	(587)	(1,362)

New business flows for 6 months to 31 March 2013 – Aberdeen solutions

	3 months to 31 December 2012 £m	3 months to 31 March 2013 £m	6 months to 31 March 2013 £m
Gross inflows:			
Indexed equities	46	1	47
Multi asset	535	418	953
Long only multi manager	458	208	666
Funds of hedge funds	50	41	91
	1,089	668	1,757
Outflows:			
Indexed equities	98	151	249
Multi asset	350	205	555
Long only multi manager	747	686	1,433
Funds of hedge funds	337	298	635
	1,532	1,340	2,872
Net flows:			
Indexed equities	(52)	(150)	(202)
Multi asset	185	213	398
Long only multi manager	(289)	(478)	(767)
Funds of hedge funds	(287)	(257)	(544)
	(443)	(672)	(1,115)