Aberdeen

ABERDEEN ASSET MANAGEMENT PLC
RESULTS FOR THE YEAR TO 30 SEPTEMBER 2013 (Unaudited)

Highlights

- Net revenue 24% higher at £1,078.5 million (2012: £869.2 million)
- Underlying profit before tax increased by 39% to £482.7 million (2012: £347.8 million)
- 44% increase in underlying diluted earnings per share to 32.5p (2012: 22.6p)
- Final dividend of 10.0p per share (2012: 7.1p), making 16.0p for the full year (2012: 11.5p)
- Net cash increased by 60% to £426.6 million (2012: £266.4 million)
- Assets under management increased by 7% to £200.4 billion (2012: £187.2 billion)

	2013	2012
Net revenue	**£1,078.5m**	£869.2m
Pre-tax profit		
Before amortisation of intangibles and acquisition costs	**£482.7m**	£347.8m
After amortisation of intangibles and acquisition costs	**£390.3m**	£269.7m
Diluted earnings per share		
Before amortisation of intangibles and acquisition costs	**32.5p**	22.6p
After amortisation of intangibles and acquisition costs	**26.2p**	17.6p
Total dividend per share	**16.0p**	11.5p
Gross new business	**£43.9bn**	£36.0bn
Net new business	**(£2.5bn)**	£0.0bn
Assets under management at the year end	**£200.4bn**	£187.2bn

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

"These results are testament to the breadth and scale of Aberdeen and our long-term investment track record. We are very pleased to have delivered another year of strong growth in revenues and earnings despite the uncertainties in global financial markets and emerging markets in particular. During this period we have continued to focus on delivering long-term returns for our clients. Our strong cash generation has enabled us to strengthen our balance sheet further and support a 39% rise in the full year dividend.

"Whilst there are encouraging signs of recovery in certain economies around the world, including the UK, the investment environment is likely to remain difficult as structural imbalances remain unresolved. Against this backdrop our fund management teams will continue to focus on fundamental research to identify opportunities for our clients.

"Separately we have announced today the formation of a strategic relationship with Lloyds Banking Group, which includes the acquisition of Scottish Widows Investment Partnership. We believe this acquisition is an important step in cementing Aberdeen's position as one of the world's leading investment groups."

A presentation and webcast for analysts and institutions will be held at 10.30am (GMT) today at Deutsche Bank, 1 Great Winchester Street, London EC2N 2DB

The webcast can be viewed live on: http://www.media-server.com/m/p/3kiz2imk

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

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Chairman's statement

Our investment approach has delivered another period of profitable growth, as anticipated in our half-year statement. This is despite periods of volatility and weak market sentiment during the second half of the year, which saw a broad sell-off across global markets, with some emerging economies being particularly hard hit.

Against this background, I am pleased to be able to report that, for the financial year to 30 September 2013, net revenue grew by 24%; underlying profit before taxation increased by 39%; and underlying diluted earnings per share improved by 44% compared to the previous year.

We completed two small infill acquisitions, for which we paid cash consideration; notwithstanding, we have added further strength to our balance sheet and cash positions.

All of this has enabled the Group to consolidate its position as a constituent of the FTSE-100 index, which we entered for the first time in 2012, with market capitalisation having grown to £4.5 billion by the year end and to increase the ordinary dividend paid to our shareholders: we propose a total dividend for the year of 16.0p per share, a 39% increase on 2012.

Financial highlights

Net revenue for the year of £1,078.5 million was 24% higher than in 2012, with healthy growth in recurring management fees supplemented by increased performance fee income. Some 95% of net revenue was earned from recurring fees, and the blended average management fee rate increased to 50.0 basis points (2012: 45.1 basis points).

Operating costs increased by 14%, with some further targeted headcount additions in business development and risk teams and increased spend on marketing and name awareness; a key element of this was the launch in May of our brand refresh programme, which has generated encouragingly positive feedback.

During the period under review, Aberdeen was fined £7.2 million by the Financial Conduct Authority (FCA) for unintended past breaches of the UK's client assets regulations. We discovered the breach and reported it to the regulator and no client lost money as a result. An amount equivalent to the £7.2 million fine was deducted from the annual bonus pool before the bonus allocation process was initiated.

Underlying operating profit, which is stated before amortisation of intangible assets and one-off acquisition costs related to the two deals, increased by 39% to £489.2 million (2012: £352.7 million) and the operating margin improved further to 45.4% (2012: 40.6%). After deduction of acquisition costs and amortisation, statutory profit before tax increased by 45% to £390.3 million.

We have added further strength to the balance sheet, with a year-end net cash position of £426.6 million (2012: £266.4 million). This has been achieved mainly from strong operating cashflow, aided by the conversion to equity, early in the financial year, of the remaining convertible bonds. We refinanced our perpetual capital securities, with the existing $400 million 7.9% perpetual capital securities being repaid in May from the proceeds of a $500 million issue of 7.0% perpetual cumulative capital notes. The new securities form part of the Group's regulatory capital.

Dividend

The Board is recommending a final dividend of 10p per share, making a total payment for the year of 16p per share, an increase of 39% on the total payment for 2012. As previously stated, the Board is committed to a progressive dividend policy.

Investment
The last year has been a challenging but productive period for the Group's investment divisions. The Group's equity process has served our clients well over the long term, but we recognise that there will be periods when portfolios underperform. It is at these times that we emphasise to our teams the importance of adhering to their long-term convictions.

Our fixed income business has strengthened its approach to macro and credit research, implementing best practice across our teams in the UK, US, Asia Pacific and Brazil. The progress made over the past 12 months means that we are better placed to address the needs of investors in the coming years. Many of our fixed income strategies have outperformed over the past year which has fed into the longer term numbers.

The Group has reorganised its Solutions capability. This includes the transfer of the property multi-manager team into this asset class and forming a new investment function to encompass the provision of market research, portfolio construction and risk management resource.

The changes that we have made to our direct property investment process and fund ranges in recent years are starting to bear fruit and have been well received by our clients and by investment consultants.

New Business
Despite the economic headwinds that Aberdeen and the wider market have experienced, the Group has continued to generate healthy new business wins. The momentum of flows has been biased towards higher margin pooled funds which are now 49% of total AuM and have been sourced principally from our core equity product offerings. However, a growing proportion of flows have come into other asset classes and products such as emerging market debt, high yield bonds and property. We would expect this trend to continue as investors focus on yield and tailored solutions.

Gross new business of £43.9 billion was added during the year, sourced from investors in EMEA ex UK (40%), the Americas (23%), the UK (19%), and Asia Pacific (18%). Full year net outflows were £2.5 billion.

Notwithstanding the weaker sentiment experienced in emerging markets to which, as a large investor in the region, Aberdeen was not immune, our global emerging market ("GEM") equity offering saw healthy net inflows for the year of £1.7 billion. We believe the measures we have taken to manage capacity within our GEM product remain appropriate as we continue to see healthy interest for this asset class over the medium term. Appetite for Asian and global equities has also remained strong with investor demand expanding to other regional capabilities such as Japan equities.

Our fixed income and money market asset class, despite an overall outflow for the year of £5.4 billion, has continued to show healthy signs of improvement both in terms of new business and performance. Higher margin strategies such as emerging market debt and high yield both saw healthy net inflows during the year.

Within Solutions, our multi-asset and fund of private equity products experienced net inflows. We also saw the launch of a European Secondaries Property Fund of Funds. In contrast, our long-only and fund of hedge fund strategies experienced net outflows and contributed to net outflows of £2.7 billion for this asset class.

Despite the controlled wind down of legacy German open end property funds, we have continued to see investor interest in our property capability reflected in a number of mandate wins - some not yet funded - during the year. Shortly after the financial year-end we were awarded a €470 million Danish property mandate. Aberdeen is the fourth largest European property manager, according to Property Funds Research.

Distribution
Our main focus remains on markets with the largest asset pools, particularly the Americas and Europe including the UK. In addition to the brand refresh, we supported our distribution efforts with our first global advertising campaign.

We have strengthened our distribution team by adding business development staff in the US, Germany and Switzerland. In November, we opened an office in Madrid, enhancing our ability to service clients in a country where we have been active for over ten years.

To support our priority of promoting our wider capabilities and products, we undertook two infill acquisitions, Artio Global Investors and a controlling stake in Aberdeen SVG. These acquisitions, which have been fully integrated into the wider Group, have, respectively, added high quality teams and established capabilities to our US and global fixed income strategies and funds of private equity businesses. They complement our organic efforts to broaden and strengthen our distribution channels and product mix.

We believe that these capabilities – along with emerging market debt, European equities and property – are areas where we have a sustainable and competitive edge and are scalable over the longer term.

The Board
I would like to take the opportunity to thank my colleagues on the Board who have, once again, made invaluable contributions to its effective operation during the year under review. We continue to refresh and strengthen membership of the Board and, in addition to the changes announced in my half year statement, I am very happy to welcome to the Board Akira Suzuki who was proposed by Mitsubishi UFJ Trust and Banking Corporation to replace Kenichi Miyanaga. I would like to record special thanks to Mr Miyanaga, who resigned just before the year end, for the considerable contribution he has made over the three years that he served on the Board.

I would also like to welcome our new colleagues from both Aberdeen SVG and Artio, who joined us in May 2013.

We hold firmly to the view that our continuing ability to deliver healthy returns to shareholders will be achieved by all aspects of the Group's operations providing the highest level of service to our customers and, on behalf of the Board, I thank all our staff for their continued dedication and hard work, without which this would not be possible.

On a more sombre note, it is with considerable sadness that we record the passing of four long-standing Aberdeen colleagues – Andrew McMenigall, Magne Øksdal, Toby Wallace and Barry Walters. They will be sadly missed and our thoughts remain with their families and friends.

Outlook
While we believe that markets and investor sentiment may remain volatile for the foreseeable future, we have entered a new financial year in a strong financial position and remain well placed to continue the Group's profitable growth. Our priorities have not changed: we will continue to apply our focused, long term investment process and seek further diversification of our assets under management and revenue stream. In this context, we look forward to realising the considerable potential of the strategic relationship with Lloyds Banking Group we are announcing today.

Roger Cornick
Chairman

Group Income Statement
For the year to 30 September 2013

		2013			2012		
		Before amortisation and acquisition costs	**Amortisation and acquisition costs**	**Total**	Before amortisation and acquisition costs	Amortisation and acquisition costs	Total
	Notes	**£m**	**£m**	**£m**	£m	£m	£m
Gross revenue		**1,314.8**	**-**	**1,314.8**	1,048.8	-	1,048.8
Commissions payable		**(236.3)**	**-**	**(236.3)**	(179.6)	-	(179.6)
Net revenue	2	**1,078.5**		**1,078.5**	869.2	-	869.2
Operating costs		**(589.3)**	**-**	**(589.3)**	(516.5)	-	(516.5)
Amortisation of intangible assets		**-**	**(73.2)**	**(73.2)**	-	(78.1)	(78.1)
Acquisition costs		**-**	**(19.2)**	**(19.2)**	-	-	-
Operating expenses		**(589.3)**	**(92.4)**	**(681.7)**	(516.5)	(78.1)	(594.6)
Operating profit		**489.2**	**(92.4)**	**396.8**	352.7	(78.1)	274.6
Net finance costs	5	**(3.5)**	**-**	**(3.5)**	(5.1)	-	(5.1)
(Losses) gains on investments		**(3.0)**	**-**	**(3.0)**	0.2	-	0.2
Profit before taxation		**482.7**	**(92.4)**	**390.3**	347.8	(78.1)	269.7
Tax expense	6	**(79.1)**	**17.6**	**(61.5)**	(62.7)	16.6	(46.1)
Profit for the year		**403.6**	**(74.8)**	**328.8**	285.1	(61.5)	223.6
Attributable to:							
Equity shareholders of the Company				**307.7**			208.7
Other equity holders				**20.5**			14.9
Non-controlling interests				**0.6**			-
				328.8			223.6
Earnings per share							
Basic	8			**27.16p**			18.88p
Diluted	8			**26.22p**			17.55p

Group Statement of Comprehensive Income
For the year to 30 September 2013

	2013	2012
	£m	£m
Profit for the year	**328.8**	223.6
Items that will not be reclassified subsequently to profit or loss		
Net actuarial (loss) gain on defined benefit pension schemes	**(9.6)**	0.6
Tax on net actuarial loss on defined benefit pension schemes	**2.1**	-
	(7.5)	0.6
Items that may be reclassified subsequently to profit or loss		
Translation of foreign currency net investments	**(11.3)**	(9.2)
Available for sale assets:		
- losses during the period	**-**	(0.7)
- losses recycled from equity to the income statement	**3.3**	4.6
Tax on items that may be recycled to profit or loss	**0.3**	(3.4)
	(7.7)	(8.7)
Other comprehensive expense, net of tax	**(15.2)**	(8.1)
Total comprehensive income for the year	**313.6**	215.5
Attributable to:		
Equity shareholders of the Company	**291.6**	200.6
Other equity holders	**20.5**	14.9
Non-controlling interests	**1.5**	-

Group Balance Sheet
As at 30 September 2013

	Notes	**2013 £m**	2012 £m
Assets			
Non-current assets			
Intangible assets	9	**1,029.1**	994.1
Property, plant and equipment		**19.7**	19.1
Other investments	11	**54.5**	53.1
Deferred tax assets		**23.4**	15.9
Pension surplus	15	**9.7**	12.9
Trade and other receivables		**2.8**	3.6
Total non-current assets		**1,139.2**	1,098.7
Current assets			
Assets backing investment contract liabilities	12	**2,516.6**	2,311.9
Trade and other receivables		**297.4**	254.4
Other investments	11	**107.8**	58.5
Cash and cash equivalents		**426.6**	347.9
Total current assets		**3,348.4**	2,972.7
Total assets		**4,487.6**	4,071.4
Equity			
Called up share capital		**119.9**	115.1
Share premium account		**898.5**	815.9
Other reserves		**165.8**	209.0
Retained loss		**(49.1)**	(51.6)
Total equity attributable to shareholders of the parent		**1,135.1**	1,088.4
Non-controlling interest		**47.3**	14.0
7.9% Perpetual capital securities	13	**-**	198.1
7.0% Perpetual cumulative capital notes	13	**321.6**	-
Total equity		**1,504.0**	1,300.5
Liabilities			
Non-current liabilities			
Pension deficit	15	**14.1**	28.3
Provisions		**5.4**	5.9
Deferred tax liabilities		**45.0**	36.4
Total non-current liabilities		**64.5**	70.6
Current liabilities			
Investment contract liabilities	12	**2,516.6**	2,311.9
Interest bearing loans and borrowings	14	**-**	81.5
Trade and other payables		**321.9**	269.4
Other liabilities	10	**27.5**	-
Current tax payable		**53.1**	37.5
Total current liabilities		**2,919.1**	2,700.3
Total liabilities		**2,983.6**	2,770.9
Total equity and liabilities		**4,487.6**	4,071.4

Group Statement of Changes in Equity
For the year to 30 September 2013

	Share capital £m	Share Premium account £m	Other reserves £m	Retained earnings £m	Non-controlling interest £m	Perpetual capital securities £m	Total equity £m
Balance at 30 September 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 payments	-	-	-	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)
Balance at 30 September 2012	**115.1**	**815.9**	**209.0**	**(51.6)**	**14.0**	**198.1**	**1,300.5**
Profit for the period	-	-	-	307.7	0.6	20.5	328.8
Other comprehensive (expense) income	-	-	(9.5)	(6.6)	0.9	-	(15.2)
Total comprehensive (expense) income	-	-	(9.5)	301.1	1.5	20.5	313.6
Arising on the issue of shares	0.1	0.3	-	-	-	-	0.4
Conversion of convertible bonds	4.7	82.3	(6.2)	6.2	-	-	87.0
Net issuance of perpetual capital notes	-	-	-	(66.0)	-	123.5	57.5
Share-based payments	-	-	-	50.9	-	-	50.9
Purchase of own shares	-	-	-	(138.9)	-	-	(138.9)
Dividends paid to shareholders	-	-	-	(150.8)	-	(20.5)	(171.3)
Acquisition of non-controlling interest	-	-	(27.5)	-	27.5	-	-
Non-controlling interest in consolidated funds	-	-	-	-	4.3	-	4.3
Balance at 30 September 2013	**119.9**	**898.5**	**165.8**	**(49.1)**	**47.3**	**321.6**	**1,504.0**

Group Statement of Cash Flows
For the year to 30 September 2013

	Notes	2013 £m	2012 £m
Core cash generated from operating activities		**529.1**	419.8
Short-term timing differences on open end fund settlements		**1.5**	(5.3)
Cash generated from operations		**530.6**	414.5
Net interest received (paid)		**1.3**	(2.1)
Tax paid		**(47.3)**	(43.6)
Net cash generated from operations		**484.6**	368.8
Acquisition costs paid		**(11.7)**	-
Net cash generated from operating activities	4	**472.9**	368.8
Cash flows from investing activities			
Proceeds from sale of investments		**37.6**	52.4
Purchase of investments		**(68.4)**	(53.8)
Acquisition of businesses, net of cash acquired		**(83.9)**	-
Purchase of intangible assets		**(8.2)**	(13.4)
Purchase of property, plant & equipment		**(7.0)**	(7.6)
Net cash used in investing activities		**(129.9)**	(22.4)
Cash flows from financing activities			
Issue of ordinary shares		**0.5**	-
Purchase of own shares		**(138.9)**	(83.1)
Issue of 7.0% perpetual cumulative capital notes		**321.6**	-
Repayment of 7.9% perpetual capital securities		**(264.1)**	-
Dividends paid and coupon payments		**(177.3)**	(126.0)
Net cash used in financing activities		**(258.2)**	(209.1)
Net increase in cash and cash equivalents		**84.8**	137.3
Cash and cash equivalents at 1 October		**347.9**	209.5
Exchange rate fluctuations on cash and cash equivalents		**(6.1)**	1.1
Cash and cash equivalents at 30 September		**426.6**	347.9

Notes to the Accounts

1. Preparation in accordance with IFRS

This preliminary announcement of unaudited results sets out information which will be more fully covered in the Annual Report for the year to 30 September 2013.

2. Revenue

	2013	2012
	£m	£m
Revenue comprises:		
Gross management fees	**1,250.4**	993.1
Commissions payable to intermediaries	**(236.3)**	(179.6)
Net management fees	**1,014.1**	813.5
Performance fees	**50.8**	47.5
Transaction fees	**13.6**	8.2
Net revenue	**1,078.5**	869.2

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

	2013	2012
	£m	£m
Reconciliation of profit after tax to operating cash flow		
Profit after tax	**328.8**	223.6
Depreciation	**6.6**	8.3
Amortisation of intangible assets	**73.2**	78.1
Unrealised foreign currency gains	**-**	(1.0)
Loss on disposal of property, plant and equipment	**3.5**	-
Losses (gains) on investments	**3.0**	(0.2)
Equity settled share-based element of remuneration	**45.9**	52.4
Net finance costs	**3.5**	5.1
Income tax expense	**61.5**	46.1
	526.0	412.4
Increase in trade and other receivables	**(37.1)**	(1.2)
Decrease in open end fund receivables	**12.5**	69.7
Increase in trade and other payables	**27.7**	4.9
Decrease in open fund payables	**(11.0)**	(75.0)
Increase in provisions	**0.8**	3.7
Net cash inflow from operating activities	**518.9**	414.5
Net interest received (paid)	**1.3**	(2.1)
Income tax paid	**(47.3)**	(43.6)
Net cash generated from operating activities	**472.9**	368.8

5. Net finance costs

	2013 £m	2012 £m
Interest on 3.5% convertible bonds 2014	**(0.9)**	3.2
Interest on overdrafts, revolving credit facilities and other interest bearing accounts	**3.6**	1.7
	2.7	4.9
Release of discount on liability component of convertible bonds	**4.0**	2.0
Amortisation of issue costs on convertible bonds	**1.1**	0.5
Total finance costs	**7.8**	7.4
Finance revenue – interest income	**(4.3)**	(2.3)
Net finance costs	**3.5**	5.1

6. Tax expense

	2013 £m	2012 £m
Current year tax charge on profit before amortisation and acquisition costs	**81.3**	64.2
Adjustments in respect of prior periods	**(2.2)**	(1.5)
	79.1	62.7
Tax credit on amortisation of intangible assets and acquisition costs	**(17.6)**	(16.6)
Total tax expense in income statement	**61.5**	46.1

7. Dividends and coupons payable

	2013 £m	2012 £m
Dividend on convertible preference shares		
Dividend paid	**-**	0.2
Coupon payments on perpetual capital securities		
Coupon payments made during the year	**26.5**	19.8
Dividends on ordinary shares		
Declared and paid during the year:		
Final dividend for 2012 – 7.1p (2011 : 5.2p)	**82.2**	57.5
Interim dividend for 2013 – 6.0 p (2012: 4.4p)	**68.6**	48.5
	150.8	106.0
Total dividends and coupon payments paid during the year	**177.3**	126.0
Proposed for approval at the Annual General Meeting (not recognised as a liability at 30 September)		
Dividends on ordinary shares:		
Final dividend for 2013 – 10.0p (2012 : 7.1p)	**114.8**	81.2

The total ordinary dividend for the year is 16.0p per share including the proposed final dividend of 10.0p per share. The proposed final dividend of 10.0p per ordinary share will be paid on 24 January 2014 to qualifying shareholders on the register at the close of business on 6 December 2013.

The coupon payments on perpetual capital securities are tax deductible. The deduction for 2013 is £6.0 million (2012: £4.9 million), resulting in a net cost of £20.5 million (2012: £14.9 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 of intangible assets and acquisition costs. 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 items.

	IAS33		**Underlying**	
	2013 £m	2012 £m	**2013 £m**	2012 alis£m
Basic earnings per share				
Profit attributable to shareholders	**328.8**	223.6	**328.8**	223.6
Dividend on convertible preference shares	**-**	(0.2)	**-**	(0.2)
Coupon payments in respect of perpetual capital securities (net of tax)	**(18.8)**	(14.9)	**(18.8)**	(14.9)
Profit for the financial year	**310.0**	208.5	**310.0**	208.5
Amortisation of intangible assets, net of attributable taxation			**57.2**	61.5
Acquisition costs, net of attributable taxation			**17.6**	-
Underlying profit for the financial year			**384.8**	270.0
Weighted average number of shares (millions)	**1,141.5**	1,104.2	**1,141.5**	1,104.2
Basic earnings per share	**27.16p**	18.88p	**33.71p**	24.45p
Diluted earnings per share				
Profit for calculation of basic earnings per share, as above	**310.0**	208.5	**384.8**	270.0
Add: interest on 2014 convertible bonds, net of attributable taxation	**3.2**	4.3	**3.2**	4.3
Add: dividend on convertible preference shares	**-**	0.2	**-**	0.2
Profit for calculation of diluted earnings per share	**313.2**	213.0	**388.0**	274.5
Weighted average number of shares (millions)				
For basic earnings per share	**1,141.5**	1,104.2	**1,141.5**	1,104.2
Dilutive effect of 2014 convertible bonds	**6.2**	48.6	**6.2**	48.6
Dilutive effect of convertible preference shares	**-**	3.1	**-**	3.1
Dilutive effect of LTIP awards	**0.1**	0.2	**0.1**	0.2
Dilutive effect of exercisable share options and deferred shares	**46.7**	57.5	**46.7**	57.5
	1,194.5	1,213.6	**1,194.5**	1,213.6
Diluted earnings per share	**26.22p**	17.55p	**32.48p**	22.62p

9. Intangible assets

	2013	2012
	£m	£m
Management contracts	**312.1**	310.6
Distribution contracts	**12.2**	21.2
Goodwill	**690.2**	652.9
Software	**14.6**	9.4
	1,029.1	994.1

10. Acquisitions

a. On 21 May 2013, the Group completed the purchase of Artio Global Investors Inc. ("Artio"), a US listed asset manager, for a purchase consideration of £109.8 million ($166.5 million).

The acquisition of Artio adds scale to our existing US fixed income business and will complement our organic efforts to expand distribution in the US. In the four months to 30 September 2013, Artio contributed revenue of £8.5 million and profit before taxation of £4.1 million. If the acquisition had occurred on 1 October 2012, we estimate that consolidated revenues would have been increased by £24.2 million, and consolidated profit before taxation for the year would have been increased by £11.0 million. In determining these amounts, we have assumed that the fair value adjustments that arose on the acquisition date would have been the same if the acquisition had occurred on 1 October 2012.

Acquisition costs of £16.3 million were incurred and have been included in exceptional costs. £10.8 million related to redundancy and other severance costs.

b. On 31 May 2013, the Group acquired 50.1% of the issued share capital of SVG Managers, a fund of private equity specialist, for a cash consideration of £17.5 million plus the contribution of the Group's existing fund of private equity business. This business was combined with Aberdeen's existing private equity capability to create a substantial private equity fund of funds business with around £5 billion of assets under management and was renamed Aberdeen SVG.

The Group has a call option to acquire, and SVG Capital plc a put option to sell, the remaining 49.9% stake at any time from the third anniversary of completion, at a price based on a valuation of the business at the time the option is exercised, subject to a minimum of £20 million and a maximum of £35 million. As the exercise of the put option is outside the control of the Group, the option has been recognised as an other liability measured at fair value and the remaining 49.9% has been recorded as a non-controlling interest.

The fair value of the put option has been recognised at £27.5 million. This value is based on the expected payment of £35 million and calculated by discounting the expected future liability at a market related discount rate, expected future performance and assuming the option will be exercised after three years.

Acquisition costs amount to £2.9 million and have been included in exceptional costs. These mainly relate to exiting a property lease.

Aberdeen SVG contributed £9.0 million revenue and £0.7 million to the Group's profit before taxation for the period between the date of acquisition and the balance sheet date. If the acquisition of SVG had occurred on 1 October 2012, we estimate that consolidated revenues for the period would have been increased by £25.0 million and consolidated profit before taxation would have been £8.9 million.

c. **Acquisition costs**

The following acquisition costs were incurred during the year in relation to the two acquisitions described above.

	2013
	£m
Redundancy and other severance costs	10.8
Transaction and deal costs	3.5
Lease termination costs	3.9
Other costs	1.0
	19.2

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

Fair value of the intangible assets has been valued based on the present value of expected cashflows of the underlying management contracts, with the exception of £1.7 million of internally developed software acquired in the SVG acquisition. The fair value for the internally developed software has been determined based on management's best estimate of replacement cost.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below.

	Business acquired from Artio			Business acquired from SVG		
	At date of acquisition	Fair value adjustment	Fair Value	At date of acquisition	Fair value adjustment	Fair Value
Group	£m	£m	£m	£m	£m	£m
Intangible assets	–	36.6	36.6	–	29.1	29.1
Property, plant and equipment	1.7	–	1.7	1.1	–	1.1
Seed capital investment	15.3	–	15.3	–	–	–
Trade and other receivables	28.0	(1.1)	26.9	5.2	–	5.2
Deferred tax assets	–	–	–	3.3	–	3.3
Cash	36.0	–	36.0	7.4	–	7.4
Trade and other payables	(13.5)	(4.3)	(17.8)	(12.0)	1.0	(11.0)
Derivatives at fair value through profit and loss	–	–	–	(0.3)	–	(0.3)
Deferred tax liabilities	(1.1)	(12.0)	(13.1)	–	(5.8)	(5.8)
Total identifiable net assets acquired	**66.4**	**19.2**	**85.6**	**4.7**	**24.3**	**29.0**
Goodwill			24.2			16.0
			109.8			45.0
Discharged by:						
Cash			109.8			17.5
Fair value of the written put option			-			27.5
Total consideration			109.8			45.0

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

11. Other investments

	2013 £m	2012 £m
Non-current assets		
Non-current investments	**54.5**	53.1
Current assets		
Seed capital investments	**69.6**	40.4
Investment in funds to hedge deferred bonus liabilities	**25.7**	11.5
Investments of life and pensions subsidiary	**12.2**	6.6
Other investments	**0.3**	-
	107.8	58.5

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.

12. 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.

13. Perpetual capital securities

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

US$400 million of the proceeds were used to repay the 7.9% perpetual capital securities on 29 May 2013. The reduction in equity arising from this repayment was £264.1 million.

The original value of the 7.9% perpetual was fixed in Sterling at £198.1 million. The difference between the original value and the final repayment of £264.1 million was £66.0 million and this was debited to retained profit.

14. Interest bearing loans and borrowings

On the 31 October 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 Group at a conversion price of 185p.

15. Retirement benefits

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

	2013	2012
	£m	£m
Pension scheme deficits	**(14.1)**	(28.3)
Pension scheme surplus	**9.7**	12.9
Net deficit	**(4.4)**	(15.4)

16. The financial information set out above does not constitute the Company's statutory accounts for the years ended 30 September 2013 or 2012. The financial information for 2012 is derived from the statutory accounts for 2012 which have been delivered to the Registrar of Companies. The auditor has reported on those accounts. Their report was (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498(2) or (3) of the Companies Act 2006. The audit of the statutory accounts for the year ended 30 September 2013 is not yet complete. These accounts will be finalised on the basis of the financial information presented by the directors in this preliminary announcement and will be delivered to the Registrar of Companies following the Company’s annual general meeting.

ASSETS UNDER MANAGEMENT

	2013 £bn	2012 £bn
Equities	**113.8**	100.7
Fixed income	**36.8**	36.3
Aberdeen solutions	**28.8**	25.6
Property	**15.0**	16.7
Money market	**6.0**	7.9
	200.4	187.2
Segregated mandates	**102.6**	102.8
Pooled funds	**97.8**	84.4
	200.4	187.2

We have transferred the property multi-manager team to the Solutions asset class, having previously been included in Property. This brings together all of the fund of fund teams in one asset class.

All flows information for 2013 reflects this transfer. The 2012 AuM has also been restated. The value of the property multi manager AuM at 30 September 2012 was £2.0 billion.

NEW BUSINESS FLOWS 30 SEPTEMBER 2013 – MANDATE TYPE

	3 mths to 31 Dec 12 £m	3 mths to 31 Mar 13 £m	3 mths to 30 Jun 13 £m	3 mths to 30 Sep 13 £m	Year to 30 Sep 13 £m
Gross inflows:					
Segregated mandates	3,328	2,996	2,603	4,348	13,275
Pooled funds	7,476	10,804	7,055	5,288	30,623
	10,804	13,800	9,658	9,636	43,898
Gross outflows:					
Segregated mandates	4,885	4,028	4,629	5,567	19,109
Pooled funds	4,861	6,438	8,381	7,651	27,331
	9,746	10,466	13,010	13,218	46,440
Net flows:					
Segregated mandates	(1,557)	(1,032)	(2,026)	(1,219)	(5,834)
Pooled funds	2,615	4,366	(1,326)	(2,363)	3,292
	1,058	3,334	(3,352)	(3,582)	(2,542)

NEW BUSINESS FLOWS 30 SEPTEMBER 2013 – ASSET CLASS

	3 mths to 31 Dec 12 £m	3 mths to 31 Mar 13 £m	3 mths to 30 Jun 13 £m	3 mths to 30 Sep 13 £m	Year to 30 Sep 13 £m
Gross inflows:					
Equities	6,701	10,052	6,066	6,111	28,930
Fixed income	1,950	1,862	1,786	1,020	6,618
Aberdeen solutions	1,126	670	657	537	2,990
Property	139	66	135	725	1,065
Money market	888	1,150	888	766	3,692
Total excluding Artio	10,804	13,800	9,532	9,159	43,295
Artio	-	-	126	477	603
	10,804	13,800	9,658	9,636	43,898
Gross outflows:					
Equities	3,587	5,327	6,529	6,829	22,272
Fixed income	2,725	2,449	3,144	1,746	10,064
Aberdeen solutions	1,533	1,358	1,318	1,438	5,647
Property	548	88	612	720	1,968
Money market	1,353	1,244	996	1,969	5,562
Total excluding Artio	9,746	10,466	12,599	12,702	45,513
Artio	-	-	411	516	927
	9,746	10,466	13,010	13,218	46,440
Net flows:					
Equities	3,114	4,725	(463)	(718)	6,658
Fixed income	(775)	(587)	(1,358)	(726)	(3,446)
Aberdeen solutions	(407)	(688)	(661)	(901)	(2,657)
Property	(409)	(22)	(477)	5	(903)
Money market	(465)	(94)	(108)	(1,203)	(1,870)
Total excluding Artio	1,058	3,334	(3,067)	(3,543)	(2,218)
Artio	-	-	(285)	(39)	(324)
	1,058	3,334	(3,352)	(3,582)	(2,542)

NEW BUSINESS FLOWS TO 30 SEPTEMBER 2013 – EQUITIES

	3 mths to 31 Dec 12 £m	3 mths to 31 Mar 13 £m	3 mths to 30 Jun 13 £m	3 mths to 30 Sep 13 £m	Year to 30 Sep 13 £m
Gross inflows:					
Asia Pacific	2,415	4,430	3,088	3,245	13,178
Global emerging markets	3,260	4,482	1,682	1,669	11,093
Europe	23	24	44	21	112
Global & EAFE	926	1,038	1,131	1,026	4,121
UK	25	41	49	66	181
US	52	37	72	84	245
Total excluding Artio	6,701	10,052	6,066	6,111	28,930
Artio	-	-	51	1	52
	6,701	10,052	6,117	6,112	28,982
Gross outflows:					
Asia Pacific	991	1,390	2,344	2,580	7,305
Global emerging markets	1,563	2,914	2,608	2,353	9,438
Europe	50	39	82	37	208
Global & EAFE	617	873	892	1,689	4,071
UK	72	55	67	44	238
US	294	56	536	126	1,012
Total excluding Artio	3,587	5,327	6,529	6,829	22,272
Artio	-	-	112	123	235
	3,587	5,327	6,641	6,952	22,507
Net flows:					
Asia Pacific	1,424	3,040	744	665	5,873
Global emerging markets	1,697	1,568	(926)	(684)	1,655
Europe	(27)	(15)	(38)	(16)	(96)
Global & EAFE	309	165	239	(663)	50
UK	(47)	(14)	(18)	22	(57)
US	(242)	(19)	(464)	(42)	(767)
Total excluding Artio	3,114	4,725	(463)	(718)	6,658
Artio	-	-	(61)	(122)	(183)
	3,114	4,725	(524)	(840)	6,475

NEW BUSINESS FLOWS 30 SEPTEMBER 2013 – FIXED INCOME

	3 mths to 31 Dec 12 £m	3 mths to 31 Mar 13 £m	3 mths to 30 Jun 13 £m	3 mths to 30 Sep 13 £m	Year to 30 Sep 13 £m
Gross inflows:					
Asia Pacific	160	165	218	66	609
Australia	395	269	330	259	1,253
Convertibles	17	32	54	36	139
Currency overlay	13	57	36	19	125
Emerging markets	1,043	946	448	356	2,793
Europe	60	31	50	11	152
Global	15	81	23	66	185
High yield	136	196	164	127	623
UK	66	23	372	25	486
US	45	62	91	55	253
Total excluding Artio	1,950	1,862	1,786	1,020	6,618
Artio	-	-	75	476	551
	1,950	1,862	1,861	1,496	7,169
Gross outflows:					
Asia Pacific	175	130	533	125	963
Australia	780	384	495	429	2,088
Convertibles	9	14	24	13	60
Currency overlay	114	9	9	16	148
Emerging markets	233	403	690	462	1,788
Europe	346	250	271	62	929
Global	436	160	26	87	709
High yield	48	113	137	98	396
UK	434	821	765	330	2,350
US	150	165	194	124	633
Total excluding Artio	2,725	2,449	3,144	1,746	10,064
Artio	-	-	299	393	692
	2,725	2,449	3,443	2,139	10,756
Net flows:					
Asia Pacific	(15)	35	(315)	(59)	(354)
Australia	(385)	(115)	(165)	(170)	(835)
Convertibles	8	18	30	23	79
Currency overlay	(101)	48	27	3	(23)
Emerging markets	810	543	(242)	(106)	1,005
Europe	(286)	(219)	(221)	(51)	(777)
Global	(421)	(79)	(3)	(21)	(524)
High yield	88	83	27	29	227
UK	(368)	(798)	(393)	(305)	(1,864)
US	(105)	(103)	(103)	(69)	(380)
Total excluding Artio	(775)	(587)	(1,358)	(726)	(3,446)
Artio	-	-	(224)	83	(141)
	(775)	(587)	(1,582)	(643)	(3,587)

NEW BUSINESS FLOWS TO 30 SEPTEMBER 2013 – ABERDEEN SOLUTIONS

	3 mths to 31 Dec 12 £m	**3 mths to 31 Mar 13 £m**	**3 mths to 30 Jun 13 £m**	**3 mths to 30 Sep 13 £m**	**Year to 30 Sep 13 £m**
Gross inflows:					
Indexed equities	46	1	-	105	152
Multi asset	535	418	208	140	1,301
Long only multi manager	458	208	239	256	1,161
Funds of hedge funds	50	41	20	4	115
Funds of private equity	-	-	-	22	22
Property multi manager	37	2	190	10	239
	1,126	670	657	537	2,990
Gross outflows:					
Indexed equities	98	151	291	210	750
Multi asset	350	205	180	312	1,047
Long only multi manager	747	686	619	580	2,632
Funds of hedge funds	337	298	227	311	1,173
Funds of private equity	-	-	-	13	13
Property multi manager	1	18	1	12	32
	1,533	1,358	1,318	1,438	5,647
Net flows:					
Indexed equities	(52)	(150)	(291)	(105)	(598)
Multi asset	185	213	28	(172)	254
Long only multi manager	(289)	(478)	(380)	(324)	(1,471)
Funds of hedge funds	(287)	(257)	(207)	(307)	(1,058)
Funds of private equity	-	-	-	9	9
Property multi manager	36	(16)	189	(2)	207
	(407)	(688)	(661)	(901)	(2,657)