



# AMVESCAP

## 2000 FIRST QUARTER RESULTS

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# **FIRST QUARTER HIGHLIGHTS**

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- **Record financial results**
- **Trends in new business volumes continue at record levels**
  - **Record net flows for Managed Products and INVESCO Global**
- **Margins in INVESCO Global business approaching group levels - up from 22.6% at Q1 1999 to 32.5%**
- **Investment performance remains strong**
- **Increasing brand awareness for AIM and INVESCO**

# FINANCIAL HIGHLIGHTS - FIRST QUARTER 2000

- Revenues of £369.5m, up £128.5 from 1999
- Pre-tax profits (before goodwill) of £124.7m, up £55.0m
- Operating margin at 35.7%, up from 32.7%
- EBITDA of £146.5m, up £51.0m
- Basic EPS of 13.1p (\$1.04), up 77%
- Diluted EPS of 12.5p (\$.99), up 76%
- Funds under management of \$391.6bn (£246.3bn)



**AMVESCAP**

**FINANCIAL REVIEW**

Robert F. McCullough

# GROUP PROFIT & LOSS ACCOUNT

in thousands	Three Months Ended 31 March	
	2000	1999
Revenues	£ 369,516	£ 241,052
Operating expenses	(237,641)	(162,265)
Operating profit before amortisation	<u>131,875</u>	<u>78,787</u>
Profit before taxation	115,352	60,518
Taxation	(39,888)	(22,638)
Profit after taxation	<u>£ 75,464</u>	<u>£ 37,880</u>
Earnings per ordinary share (EPS):		
---basic	11.6p	6.0p
---diluted	11.1p	5.7p
EPS (before amortisation):		
---basic	13.1p	7.4p
---diluted	<u>12.5p</u>	<u>7.1p</u>
EBITDA	£ 146,540	£ 95,508
---Per share - basic	22.6p	15.0p
---Per share -diluted	<u>21.6p</u>	<u>14.3p</u>
Headcount	<u>5,759</u>	<u>4,987</u>

# QUARTERLY FINANCIAL COMPARISONS

in thousands	2000 Q1	1999 Q4	Increase	% change
Revenues	£ 369,516	£ 295,699	£ 73,817	25.0%
Operating profit	£ 131,875	£ 94,365	£ 37,510	39.7%
Profit after tax (pre-goodwill)	£ 84,763	£ 61,344	£ 23,419	38.2%
EPS (pre-goodwill)				
-basic	13.1p	9.6p	3.5p	36.5%
-diluted	12.5p	9.2p	3.3p	35.9%
EBITDA	£ 146,540	£ 117,914	£ 28,626	24.3%

# SEGMENTAL ANALYSIS - FIRST QTR 2000

in thousands	<u>Revenues</u>	<u>Expenses</u>	<u>Oper. Profit</u>
Managed Products	£ 227,963	£ (119,863)	£ 108,100
U.S. Institutional	45,513	(33,211)	12,302
INVESCO Global	86,140	(58,157)	27,983
Retirement and Benefit Services	9,859	(9,853)	6
New Business Expense	41	(3,035)	(2,994)
Corporate	-	(13,522)	(13,522)
	<u>£ 369,516</u>	<u>£ (237,641)</u>	<u>£ 131,875</u>

# SEGMENTAL ANALYSIS OF OPERATING PROFITS

<b>in thousands</b>	<b>2000</b>	<b>1999</b>	<b>Incr/(Decr)</b>
<b>Managed Products</b>	<b>£ 108,100</b>	<b>£ 60,922</b>	<b>£ 47,178</b>
<b>U.S. Institutional</b>	<b>12,302</b>	<b>15,887</b>	<b>(3,585)</b>
<b>INVESCO Global</b>	<b>27,983</b>	<b>11,359</b>	<b>16,624</b>
<b>Retirement and Benefit Services</b>	<b>6</b>	<b>(1,222)</b>	<b>1,228</b>
<b>New Business Expenses</b>	<b>(2,994)</b>	<b>(1,887)</b>	<b>(1,107)</b>
<b>Corporate</b>	<b>(13,522)</b>	<b>(6,272)</b>	<b>(7,250)</b>
	<b>£ 131,875</b>	<b>£ 78,787</b>	<b>£ 53,088</b>

# FUNDS UNDER MANAGEMENT

	Managed Products					
	Total	AIM	INVESCO	Instit.	Global	RBS
31 Dec 1999	\$357.4	\$165.3	\$ 34.4	\$ 92.5	\$ 57.2	\$ 8.0
Market gains	20.4	13.0	3.7	0.7	3.1	(0.1)
Net new (lost) business	15.2	6.6	5.9	(1.5)	4.6	(0.4)
Change in US Money						
Market Funds	(0.5)	(1.6)	0.6	-	0.5	-
Foreign currency	(0.9)	-	-	-	(0.9)	-
31 March 2000	\$391.6	\$183.3	\$ 44.6	\$ 91.7	\$ 64.5	\$ 7.5
31 March 2000†	£246.3	£115.2	£ 28.1	£57.7	£ 40.6	£ 4.7

† Translated @ \$1.59 per £1.00.

# BALANCE SHEET

in thousands	31 March 2000	31 Dec 1999
<b>Fixed assets</b>		
Goodwill	£ 655,103	£ 664,135
Investments	137,808	128,921
Tangible assets	107,246	108,021
	<u>900,157</u>	<u>901,077</u>
<b>Current assets</b>		
Debtors	982,923	675,856
Investments	75,715	60,135
Cash at bank and in hand	205,195	189,732
	<u>1,263,833</u>	<u>925,723</u>
Creditors: amounts falling due within one year	<u>(1,080,787)</u>	<u>(706,289)</u>
Net current assets	<u>183,046</u>	<u>219,434</u>
Total assets less current liabilities	1,083,203	1,120,511
<b>Creditors: amounts falling due after one year</b>		
Long-term debt	(556,845)	(659,120)
Provisions for liabilities and charges	(24,555)	(24,730)
Net assets	<u>£ 501,803</u>	<u>£ 436,661</u>

# GROUP CASH FLOW STATEMENT

in thousands

	<b>Three Months Ended</b>	
	<b>31 March</b>	
	<b>2000</b>	<b>1999</b>
Operating profit	£ 122,576	£ 69,647
Amortisation and depreciation	20,486	23,078
Change in debtors, creditors and other	10,917	11,780
Net cash inflow from operating activities	<u>153,979</u>	<u>104,505</u>
Interest paid, net of investment income	(423)	(953)
Taxation	(7,093)	(10,358)
Capital expenditures, net of sales	(8,761)	(9,847)
New (purchases) / disposals of fixed assets investments, net of sales	(13,210)	11,251
Net repayment of debt	(109,312)	(33,303)
Foreign exchange on cash at bank and in hand	283	1,430
Increase in cash at bank and in hand	<u>£ 15,463</u>	<u>£ 62,725</u>

# ANALYSIS OF NET DEBT

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in thousands	<u>31 Mar 2000</u>		<u>31 Dec 1999</u>	
Long-term Debt	£	556.8	£	659.1
Cash, less deposits for unit trusts		<u>(134.6)</u>		<u>(148.2)</u>
	£	<u>422.2</u>	£	<u>510.9</u>

# HEADCOUNT

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	<u>31/03/00</u>	<u>31/12/99</u>
<b>Managed Products</b>	<b>3,242</b>	<b>3,088</b>
<b>U.S. Institutional</b>	<b>671</b>	<b>650</b>
<b>INVESCO Global</b>	<b>1,233</b>	<b>1,203</b>
<b>Retirement and Benefit Services</b>	<b>374</b>	<b>365</b>
<b>New Business Expense</b>	<b>185</b>	<b>171</b>
<b>Corporate</b>	<b>54</b>	<b>68</b>
	<b><u>5,759</u></b>	<b><u>5,545</u></b>

# US GAAP RECONCILIATION (PROFIT)

in thousands

	Three Months Ended 31 March	
	2000	1999
Net profit under UK GAAP	£ 75,464	£ 37,880
<i>US GAAP adjustments:</i>		
Acquisition accounting	(15,406)	(20,456)
Taxation	(17,046)	(1,324)
Other	(61)	(2,876)
Net income under US GAAP	£ 42,951	£ 13,224

## US GAAP RECONCILIATION (EQUITY)

in thousands	<u>31 March 2000</u>	<u>31 Dec 1999</u>
Shareholders' funds under UK GAAP	£ 501,803	£ 436,661
<i>US GAAP adjustments:</i>		
Acquisition accounting	992,174	993,765
Treasury stock	(143,175)	(132,615)
Dividends	-	35,544
Other	4,384	3,957
Shareholders' equity under US GAAP	<u>£ 1,355,186</u>	<u>£ 1,337,312</u>



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**Global Investment Services**