



AMVESCAP

2001 FIRST QUARTER RESULTS

Charles W. Brady
Robert F. McCullough

FIRST QUARTER HIGHLIGHTS

- Positive net flows in each business group (\$3.1bn)
- Emphasis on cost controls in extremely volatile market conditions
- Initiated Private Wealth Management unit -- recruited senior management member to lead effort
- Completed County acquisition in January
- National Asset Management acquisition completed April 18th
- Perpetual integration continues on schedule and budget

NATIONAL ASSET MANAGEMENT ACQUISITION

- Broadens product offerings and adds complementary investment styles.
- Completed April 18, 2001. Results included from Q2.
- Consideration includes:
 - \$200 million in equal amounts of cash and ordinary shares
 - Contingent earn out over 3 years up to \$75 million based on revenue CAGR (15-40%)
 - Employee retention pool of \$25 million, payable over 5 years
- Financial overview (y/e 12/31/00):
 - Revenues of \$37.5 million
 - Operating profit of \$13.6 million
 - AUM of \$17 billion at December 31, 2000
 - Headcount - 80 people at March 31, 2001

FINANCIAL HIGHLIGHTS - FIRST QUARTER 2001

- Revenues of £427.3m, up £57.8 from 2000
- Pre-tax profits (before exceptional item and goodwill amortization) of £135.0m, up £10.3m
- EBITDA of £166.6m, up £20.1m
- Diluted EPS of 11.1p (\$0.32 per ADS), down 11%
- Funds under management of \$370.3bn (£260.8bn)



AMVESCAP

FINANCIAL REVIEW

Robert F. McCullough

GROUP PROFIT & LOSS ACCOUNT

in thousands	Three Months Ended March 31,			
	2001			2000
	Ordinary activities	Exceptional item	Total	
Revenues	£ 427,277	£ -	£ 427,277	£ 369,516
Operating expenses	(281,017)	(4,207)	(285,224)	(237,641)
	146,260	(4,207)	142,053	131,875
Goodwill amortization	(31,811)	-	(31,811)	(9,299)
Operating profit	114,449	(4,207)	110,242	122,576
Investment income	3,001	-	3,001	3,478
Interest payable	(14,306)	-	(14,306)	(10,702)
Profit before taxation	103,144	(4,207)	98,937	115,352
Taxation	(43,186)	-	(43,186)	(39,888)
Retained profit for the period	£ 59,958	£ (4,207)	£ 55,751	£ 75,464
Earnings per share before goodwill amortization:				
---basic	11.5p	(0.5)p	11.0p	13.1p
---diluted	11.1p	(0.5)p	10.6p	12.5p
Earnings per share:				
---basic	7.5p	(0.5)p	7.0p	11.6p
---diluted	7.2p	(0.5)p	6.7p	11.1p
Average shares outstanding:				
---basic	798,664		798,664	648,678
---diluted	836,515		836,515	677,848

QUARTERLY FINANCIAL COMPARISONS

in thousands	2001	2000		
	Q1	Q4	change	% change
Revenues	£ 427,277	£ 428,451	(1,174)	(0.3)%
Operating profit (before exceptional item & goodwill amortization)	146,260	150,906	(4,646)	(3.1)%
Profit before tax (before exceptional item & goodwill amortization)	134,955	139,468	(4,513)	(3.2)%
EBITDA	166,616	171,025	(4,409)	(2.6)%
EPS (before exceptional item & goodwill amortization)				
-basic	11.5p	13.0p	(1.5)p	(11.5)%
-diluted	11.1p	12.4p	(1.3)p	(10.5)%

EPS COMPARISONS

	First Quarter	
	<u>2001</u>	<u>2000</u>
Earnings per share (before exceptional item and goodwill amortization)		
-Basic	11.5p	13.1p
-Diluted	11.1p	12.5p
-Diluted per ADR at \$1.42	\$0.32	\$0.36
-Diluted per ADR at \$1.59	\$0.35	\$0.40

Earnings per share (before goodwill amortization)		
-Basic	11.0p	13.1p
-Diluted	10.6p	12.5p
-Diluted per ADR at \$1.42	\$0.30	\$0.36
-Diluted per ADR at \$1.59	\$0.34	\$0.40

Exchange rates:

3/31/01 - \$1.42 per £1.00

3/31/00 - \$1.59 per £1.00

SEGMENTAL ANALYSIS - FIRST QTR 2001

in thousands	<u>Revenues</u>	<u>Expenses</u>	<u>Oper. Profit</u>
Managed Products	£ 265,229	£ (147,913)	£ 117,316
U.S. Institutional	51,520	(38,182)	13,338
INVESCO Global	96,606	(71,609)	24,997
INVESCO Retirement	13,667	(11,353)	2,314
New Business Expense	255	(3,120)	(2,865)
Corporate	-	(8,840)	(8,840)
	<u>£ 427,277</u>	<u>£ (281,017)</u>	<u>£ 146,260</u>

SEGMENTAL ANALYSIS OF OPERATING PROFITS

in thousands	<u>2001</u>	<u>2000</u>	<u>Incr/(Decr)</u>
Managed Products	£ 117,316	£ 108,100	£ 9,216
U.S. Institutional	13,338	14,369	(1,031)
INVESCO Global	24,997	25,916	(919)
INVESCO Retirement	2,314	6	2,308
New Business Expenses	(2,865)	(2,994)	129
Corporate	<u>(8,840)</u>	<u>(13,522)</u>	<u>4,682</u>
	<u>£ 146,260</u>	<u>£ 131,875</u>	<u>£ 14,385</u>

FUNDS UNDER MANAGEMENT

	Managed Products				
	Total	AIM	INVESCO	US Inst	Global
Dec 31, 2000	\$402.6	\$193.2	\$43.2	\$99.6	\$66.6
Market gains/(losses)	(42.8)	(23.3)	(9.7)	(3.6)	(6.2)
Acquisitions	5.1	-	-	-	5.1
Net new (lost) business	3.1	1.0	1.0	0.2	0.9
Change in US Money					
Market Funds	4.5	5.1	(0.6)	-	-
Transfers	-	0.3	-	-	(0.3)
Foreign currency	(2.2)	(0.7)	-	-	(1.5)
March 31, 2001	<u>\$370.3</u>	<u>\$175.6</u>	<u>\$33.9</u>	<u>\$96.2</u>	<u>\$64.6</u>
March 31, 2001 †	<u>£ 260.8</u>	<u>£ 123.7</u>	<u>£ 23.9</u>	<u>£ 67.7</u>	<u>£ 45.5</u>

† Translated at \$1.42 per £1.00.

Note: INVESCO Retirement has \$23.6 billion in assets under administration as of March 31, 2001, compared to \$27.6 billion as of December 31, 2000.

BALANCE SHEET

in thousands	March 31, 2001	Dec 31, 2000
Fixed assets		
Goodwill	£ 2,385,125	£ 2,375,542
Investments	155,782	152,521
Tangible assets	206,142	203,341
	<u>2,747,049</u>	<u>2,731,404</u>
Currents assets		
Debtors	706,525	686,101
Investments	106,538	124,311
Cash at bank and in hand	204,737	342,073
	<u>1,017,800</u>	<u>1,152,485</u>
Creditors: amounts falling due within one year	<u>(773,114)</u>	<u>(764,068)</u>
Net current assets, excluding banking and insurance activities	<u>244,686</u>	<u>388,417</u>
Banking and insurance activities, net	9,528	1,812
Total assets less current liabilities	3,001,263	3,121,633
Long-term debt	(784,807)	(960,023)
Provisions for liabilities and charges	(64,620)	(58,530)
Net assets	<u>£ 2,151,836</u>	<u>£ 2,103,080</u>

NUMBER OF SHARES

in thousands	Number of Shares Outstanding Dec 31, 2000	Number of Shares Outstanding March 31, 2001
Ordinary shares	771,038	776,165
Exchangeable shares	43,559	41,180
Less: ESOT shares	(17,712)	(16,495)
Shares outstanding	<u>796,885</u>	<u>800,850</u>
Shares reserved for:		
Options	79,374	76,150
ESD's	6,181	6,111
Total shares	<u>882,440</u>	<u>883,111</u>

GROUP CASH FLOW STATEMENT

in thousands

	Three Months Ended March 31,	
	<u>2001</u>	<u>2000</u>
Operating profit	£ 110,242	£122,576
Amortization and depreciation	49,167	20,486
Change in debtors, creditors and other	(23,440)	5,055
Net cash inflow from operating activities	<u>135,969</u>	<u>148,117</u>
Banking and insurance activities	(9,534)	5,862
Interest paid, net of investment income	(4,587)	(423)
Taxation	(24,358)	(7,093)
Capital expenditures, net of sales	(17,181)	(8,761)
New purchases of fixed assets investments	(2,270)	(13,210)
Acquisitions	(36,825)	-
Net repayment of debt	(184,089)	(109,312)
Foreign exchange on cash at bank and in hand	5,539	283
(Decrease)/increase in cash at bank and in hand	<u>£ (137,336)</u>	<u>£ 15,463</u>

ANALYSIS OF NET DEBT

in thousands	March 31, 2001		Dec 31, 2000		(Decrease)/Increase	
	£	\$	£	\$	£	\$
Current Debt	9,245	13,128	15,293	22,787	(6,048)	(9,659)
Long-term Debt:						
Senior notes	455,789	650,000	444,201	650,000	11,588	-
Equity subordinated debentures	66,114	93,882	67,115	100,001	(1,001)	(6,119)
Credit facility	112,000	159,040	300,000	447,000	(188,000)	(287,960)
Loan notes	130,539	185,365	128,934	192,112	1,605	(6,747)
Other, including fx	20,365	26,139	19,773	41,321	592	(15,182)
	<u>784,807</u>	<u>1,114,426</u>	<u>960,023</u>	<u>1,430,434</u>	<u>(175,216)</u>	<u>(316,008)</u>
Total Debt	794,052	1,130,333	975,316	1,453,221	(181,264)	325,667
Cash	<u>(142,067)</u>	<u>(201,735)</u>	<u>(283,735)</u>	<u>(422,765)</u>	141,668	221,030
Net Debt	<u>651,985</u>	<u>928,598</u>	<u>691,581</u>	<u>1,030,456</u>	<u>(39,596)</u>	<u>(101,858)</u>

Exchange rates

03/31/01 -- \$1.42 per £1.00

12/31/00 -- \$1.49 per £1.00

HEADCOUNT

	March 31, 2001	Dec 31, 2000
Managed Products	4,785	4,741
U.S. Institutional	785	789
INVESCO Global	2,347	2,150
INVESCO Retirement	422	407
New Business Expense	100	106
Corporate	82	66
	<u>8,521</u>	<u>8,259</u>

US GAAP RECONCILIATION (PROFIT)

in thousands

	Three Months Ended March 31,	
	2001	2000
Net profit under UK GAAP	£ 55,751	£ 75,464
<i>US GAAP adjustments:</i>		
Acquisition accounting	(17,028)	(15,406)
Taxation	(10,126)	(17,046)
Other	288	(61)
Net income under US GAAP	£ 28,885	£ 42,951

US GAAP RECONCILIATION (EQUITY)

in thousands	<u>March 31, 2001</u>	<u>Dec 31, 2000</u>
Shareholders' funds under UK GAAP	£ 2,151,836	£ 2,103,080
<i>US GAAP adjustments:</i>		
Acquisition accounting	1,028,846	1,020,052
Treasury stock	(176,986)	(168,292)
Dividends	-	47,813
Other	14,848	15,968
Shareholders' equity under US GAAP	<u>£ 3,018,544</u>	<u>£ 3,018,621</u>



AMVESCAP

Global Investment Services