

UNAUDITED RESULTS FOR THREE MONTHS ENDED 31 MARCH 1998

	Results for three months ended		
	31 Mar 1998†	31 Mar 1998	31 Mar 1997
Revenues	\$270.7m	£162.1m	£84.8m
Profit before tax	\$93.3m	£55.9m	£29.7m
Profit after tax	\$61.6m	£36.9m	£19.3m
Earnings per share	\$0.54*	6.5p	5.3p
Earnings per share (fully diluted)	\$0.49*	5.9p	4.7p

Financial Highlights:

- Profit before tax of £55.9 million.
- Earnings per share up 23%.
- Funds under management of \$208.3 billion (£124.7 billion) at 31 March 1998.

Commenting on the results, Charles W. Brady, Executive Chairman of AMVESCAP PLC said:

“While the first quarter of 1998 has produced excellent financial results, we recognize that we operate in a cyclical business environment and that it is important to avoid any risk of complacency and essential to be in a position to react quickly to a decline in markets. As such, we continue to monitor closely our expense levels and emphasize the need to increase the variable portion of our cost base.”

* Per American depository share equivalent to 5 ordinary shares.

† For the convenience of the reader, pounds sterling for the period ended 31 March 1998 have been translated into U.S. dollars using the noon buying rate on 31 March 1998 of \$1.67 per £1.00.

23 April 1998

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AMVESCAP is one of the world's largest independent investment managers, operating under the AIM and INVESCO brand names. AMVESCAP is a holding company offering a broad array of investment products and services to institutions and individuals across all distribution channels. The Company is listed on the London and New York Stock Exchanges with the symbol "AVZ".

AMVESCAP PLC

Three Months Ended 31 March 1998

Revenues for the three months ended 31 March 1998 amounted to £162.1 million (\$270.7 million) compared to £84.8 million for the first quarter of 1997. Profit before tax increased to £55.9 million (\$93.3 million) from £29.7 million in 1997. Earnings per share increased to 6.5p (1997: 5.3p), a 23% increase over the prior year. Fully diluted earnings per share increased by 26% to 5.9p (1997: 4.7p).

Revenues and profit before tax for the Group's 1997 first quarter include £22.1 million and £9.8 million, respectively, representing AIM's results from 1 March 1997.

Funds under management totalled \$208.3 billion (£124.7 billion) at 31 March 1998, an increase of \$16.1 billion or 8% from 31 December 1997. Market appreciation accounted for \$15.8 billion of this increase reflecting the continued strength in the capital markets in the US and Europe during the quarter. Net new business contributed \$1.1 billion to this growth, with \$1.9 billion positive fund flows into the US retail equity funds and \$1.0 billion net new business in INVESCO Global. These gains more than offset the loss of business in the US Institutional group, reflecting a continued shift in large core value equity and stable value products into index products. The AIM institutional money market funds had a net decline in funds of \$1.1 billion during the quarter.

As operations are primarily conducted in US dollars, the continued strength of sterling versus the dollar adversely impacted the translation of our operating profits for 1998 by approximately £1.0 million compared to the same period of the prior year.

The Company formed a new operating group, Retirement & Benefit Plan Services, to coordinate, develop and manage defined contribution services and related retirement products worldwide. This new division will better focus the Group's efforts in this growing area of the business. The centerpiece is the unit that provides a full range of administrative services to defined contribution plans, such as 401(k) plans. Segmental information for 1997 has been reclassified to reflect separately this new unit in the regional financial data.

The revenues and operating profits for each of the major segments increased over 1997 due to the continued strength in world markets and increases in the funds under management. Operating expenses continue in line with revenues, with 31% represented by variable expenses during the 1998 quarter. While the Group's operating margin increased from 34.8% in 1997 to 35.1% in 1998, increased provisions for bonuses accounted for the decline in the operating margin percentage for individual segments.

"While the first quarter of 1998 has produced excellent financial results, we recognize that we operate in a cyclical business environment and that it is important to avoid any risk of complacency and essential to be in a position to react quickly to a decline in markets," said Charles W. Brady, Executive Chairman. "As such, we continue to monitor closely our expense levels and emphasize the need to increase the variable portion of our cost base."

The acquisition of GT Global was approved by a 99% vote of shareholders on 2 April 1998 and this transaction is expected to be complete by the end of May. This acquisition will bring AMVESCAP to

a new level as a global firm and will, combined with present operations, put the Group in a strong position to build and better serve our client base.

The Company will file a Form F-3 Registration Statement with the US Securities and Exchange Commission on or before 24 April 1998 in connection with the offer for sale of 76.5 million Ordinary Shares in a US offering of American Depositary Shares and an international offering of Ordinary Shares or American Depositary Shares. Of this total, 42.5 million shares are being issued in consideration of the payment of a portion of the purchase price for GT Global. The remaining 34 million shares are being sold in the offering by investment partnerships managed by or associated with TA Associates, former AIM shareholders, pursuant to agreements entered into in connection with the AIM merger in February, 1997. Under the terms of the GT Acquisition Agreement, the Company may satisfy up to \$500 million of the consideration payable for GT Global by issuing Ordinary Shares, with the balance payable in cash. The Company will not receive any of the proceeds from the sale by selling shareholders.

The Company also intends to issue \$600 million of new medium-term debt in the form of Senior Notes due in 2003 and 2005. The proceeds will be used to fund a portion of the purchase price for the GT Global acquisition.

AMVESCAP PLC has announced plans to change its ratio to five (5) Ordinary Shares for every one (1) American Depositary Receipt ("ADR"). The old ratio was ten (10) Ordinary Shares for every one (1) ADR. To effect this change in ratio, ADR holders will receive one (1) additional American Depositary Share ("ADS") for each existing ADS held by holders of record on 17 April 1998. The per ADS data reflects the new ratio.

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This release shall not constitute an offer of securities for sale in the United States. Securities may not be offered or sold in the United States absent registration or an exemption from registration. Any public offering of securities to be made in the United States will be made by means of a prospectus that may be obtained from the Company or the selling shareholders and that will contain detailed information about the Company and management, as well as financial statements.

AMVESCAP PLC
Group Profit and Loss Account
(in thousands)

	For three months ended 31 March		
	1998†	1998	1997
Revenues	\$270,665	£162,075	£84,779
Operating expenses	(175,662)	(105,187)	(55,302)
Operating profit	95,003	56,888	29,477
Investment income	4,158	2,490	2,620
Interest expense	(5,820)	(3,485)	(2,354)
Profit before taxation	93,341	55,893	29,743
Taxation	(31,738)	(19,005)	(10,411)
Profit after taxation	<u>\$61,603</u>	<u>£36,888</u>	<u>£19,332</u>
Earnings per ordinary share:			
-basic	\$0.54*	6.5p	5.3p
-fully diluted	\$0.49*	5.9p	4.7p

† Pounds sterling for the period ended 31 March 1998 have been translated into US dollars using \$1.67 per £1.00.

* Per American Depository Share equivalent to 5 ordinary shares.

AMVESCAP PLC
Group Balance Sheet
(in thousands)

	31 March <u>1998†</u>	31 March <u>1998</u>	31 Dec <u>1997</u>
Fixed Assets			
Tangible assets	\$82,012	£49,109	£46,832
Investments	138,545	82,961	86,626
	220,557	132,070	133,458
Current Assets	547,972	328,127	287,390
Creditors: Amounts falling due within one year	(395,919)	(237,077)	(213,971)
Net current assets	152,053	91,050	73,419
Total assets less current liabilities	372,610	223,120	206,877
Creditors: Amounts falling due after one year	(329,117)	(197,076)	(228,339)
Net assets/(liabilities)	\$43,493	£26,044	£(21,462)
Capital and reserves			
Called up share capital	\$252,781	£151,366	£148,855
Share premium account	292,096	174,908	157,365
Profit and loss account	419,681	251,306	214,418
	964,558	577,580	520,638
Other reserves	(921,065)	(551,536)	(542,100)
Shareholders' funds	\$43,493	£26,044	£(21,462)

† Pounds sterling at 31 March 1998 have been translated into US dollars using \$1.67 per £1.00.

AMVESCAP PLC
Segmental Information

	For three months ended 31 March 1998		
	Revenues	Expenses	Profit
	£'000	£'000	£'000
Managed Products	108,918	(63,496)	45,422
US Institutional	28,486	(15,228)	13,258
INVESCO Global	20,817	(17,958)	2,859
Retirement & Benefit Plan Services	3,854	(4,906)	(1,052)
	<u>162,075</u>	<u>(101,588)</u>	<u>60,487</u>
Corporate	--	(3,599)	(3,599)
Operating profit	<u>162,075</u>	<u>(105,187)</u>	<u>56,888</u>

	For three months ended 31 March 1997		
	Revenues	Expenses	Profit
	£'000	£'000	£'000
Managed Products	42,050	(23,797)	18,253
US Institutional	22,936	(11,118)	11,818
INVESCO Global	16,905	(15,116)	1,789
Retirement & Benefit Plan Services	2,888	(3,871)	(983)
	<u>84,779</u>	<u>(53,902)</u>	<u>30,877</u>
Corporate	--	(1,400)	(1,400)
Operating profit	<u>84,779</u>	<u>(55,302)</u>	<u>29,477</u>

NOTE: The Segmental Information for 1997 has been reclassified to reflect the changes in the Group's operational structure, which became effective on 1 January 1998.

AMVESCAP PLC
Funds Under Management
(in billions)

	<u>Total</u>	<u>Managed Products</u>		<u>US Inst</u>	<u>INVESCO</u>
		<u>AIM</u>	<u>INVESCO</u>		<u>Global</u>
31 Dec 1997	\$192.2	\$83.1	\$22.8	\$67.9	\$18.4
Market gains	15.8	6.9	2.3	4.8	1.8
Net new (lost) business	1.1	1.0	0.9	(1.8)	1.0
Change in US Money					
Market Funds	(1.1)	(1.1)	--	--	--
Foreign currency	0.3	--	--	--	0.3
31 March 1998	<u>\$208.3</u>	<u>\$89.9</u>	<u>\$26.0</u>	<u>\$70.9</u>	<u>\$21.5</u>
31 March 1998 †	<u>£124.7</u>	<u>£53.8</u>	<u>£15.6</u>	<u>£42.4</u>	<u>£12.9</u>

	<u>31 March 1998</u>	<u>31 Dec 1997</u>
Client Category:		
Institutional	\$74.7	\$71.3
Open-end funds	115.2	104.9
Closed-end funds	2.4	2.1
Private clients and wrap accounts	9.2	8.1
Collective accounts	6.8	5.8
	<u>\$208.3</u>	<u>192.2</u>
Invested In:		
Equities	\$141.0	\$126.5
Fixed income	65.6	64.1
Real property	1.7	1.6
	<u>\$208.3</u>	<u>\$192.2</u>

† Translated at \$1.67 per £1.00.

Funds under management are based on the assets gathered in each group, some of which are managed by other business groups. Open-end funds include unit trusts, closed-end funds include investment trusts.

Notes

1. The results of AIM Management Group Inc. have been included from 1 March 1997.
2. The taxation charge for the three months to 31 March 1998 and 1997 is estimated based on the total expected tax charge for the year. A significant proportion of the charge is expected to arise overseas.
3. Earnings per ordinary share are calculated on the profit for the financial period of £36.9 million (1997: £19.3 million). The weighted average number of ordinary shares in issue during the period was 568.0 million (1997: 367.1 million).

The fully diluted earnings per share is based on earnings of £38.8 million (1997: £20.6 million) and shares of 660.0 million (1997: 436.3 million). The adjustment to earnings reflects the saving of interest on the convertible loan note and assumes that the proceeds on the exercise of options and repayment of loans by the Employee Share Option Trust were invested in 2½ per cent consolidated stock. The 1998 fully-diluted earnings per share includes adjustments of 54.8 million shares for the Employee Share Option Trust, 11.7 million shares for the Convertible Unsecured Loan Note and 25.5 million shares for outstanding options.

AMVESCAP PLC
Reconciliation to US Accounting Principles
(in thousands)

The following is a summary of material adjustments to profit and shareholders' funds which would be required if US Generally Accepted Accounting Principles ("US GAAP") had been applied instead of UK Generally Accepted Accounting Principles ("UK GAAP"). The most significant differences relate to the treatment of goodwill and intangibles, employee stock ownership plans, and the treatment of deferred income taxes. Goodwill and other tangible assets are amortised over their estimated useful lives, which vary between 7 and 35 years.

	31 March 1998	31 March 1997
Net profit under UK GAAP		
US GAAP ADJUSTMENTS:	£36,888	£19,332
Goodwill and other intangibles	(12,686)	(5,747)
Taxation	(662)	(1,705)
Pension costs	271	221
Net income under the US GAAP	£23,811	£12,101
Net income per share under US GAAP (basic)	4p	3p
Net income per share under US GAAP (fully diluted)	4p	3p
	31 March 1998	31 Dec 1997
Shareholders' funds under UK GAAP		
US GAAP ADJUSTMENTS:	£26,044	£(21,462)
Goodwill and other intangibles	1,068,547	1,079,307
Deferred taxation	(7,063)	(4,764)
Pension costs	5,569	5,298
Treasury stock	(89,264)	(82,138)
Dividends	0	25,510
Loans of employee stock ownership plans	(4,102)	(5,772)
Deferred earn-out payments	333	383
Shareholders' equity under US GAAP	£1,000,064	£996,362