



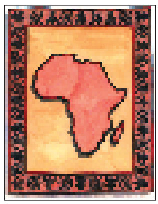

# Ashmore Group plc
## Interim report
### Six months ended 31 December 2009

Ashmore

Ashmore Group is a leading specialist emerging markets fund manager with long experience of investment outperformance through active management across six core investment themes: external debt, local currency, special situations, equity, corporate high yield and multi-strategy.

**More information is available on the Group's website www.ashmoregroup.com**

## Highlights

- **Profit before tax up 40% to £112.4 million (H1 2008/09: £80.3 million)**
- **Total net revenue up 42% to £148.8 million (H1 2008/09: £104.5 million)**

  **Net management fees down 13% to £88.4 million (H1 2008/09: £101.9 million)**

  **Performance fees up 9% to £53.3 million (H1 2008/09: £48.9 million)**

  **Foreign exchange gain of £2.7 million (H1 2008/09: £49.8 million loss)**
- **Operating margin of 72% (H1 2008/09: 70%)**
- **Assets under management ("AuM") of US$31.6 billion at 31 December 2009, an increase of US$6.7 billion (27%) from 30 June 2009**
- **Basic EPS of 12.51p (H1 2008/09: 8.48p)**
- **An interim dividend of 3.66p per share will be paid on 1 April 2010 (Interim 2009: 3.66p)**

*Commenting on the results Mark Coombs, Chief Executive Officer of Ashmore Group plc, said:*

"The six months ended 31 December 2009 have seen Ashmore achieving a satisfactory financial performance with assets under management increasing by 27% to US$31.6 billion as a result of good net inflows and positive investment performance underpinned by the strategies employed at the bottom of the cycle.

Ashmore remains well positioned to benefit from the opportunity presented by the increased importance of the emerging markets' role within the global order, and increased investor allocations into, and between, emerging markets."

# Chief Executive Officer's Statement

During the six months ended 31 December 2009 Ashmore Group Plc ("Ashmore" or "the Group") achieved a satisfactory financial performance. The assets under management ("AuM") increased by 27% to US$31.6 billion during the period, as a result of good net inflows and positive investment performance. The profit before tax increased by 40% to £112.4 million (H1 2008/09: £80.3 million) resulting in basic earnings per share of 12.51 pence (H1 2008/09: 8.48 pence).

## AuM and financial performance

### AuM development

The overall increase of US$6.7 billion in AuM comprised net subscriptions of US$3.9 billion, and positive investment performance of US$2.8 billion. Gross subscriptions were US$5.6 billion which included further subscriptions from existing clients and new segregated mandate and fund launches, which will be outlined in the investment theme reviews below. Gross redemptions declined substantially, as expected, to a level of US$1.7 billion (H1 2008/09: US$8.0 billion) arising principally from clients' continued needs for liquidity, which they often meet through a rebalancing process following periods of strong emerging market performance relative to other asset classes.

### Revenue analysis

The Group's management fee income (net of distribution costs) reduced due to the lower levels of average AuM compared to a year ago and some reduction in average revenue margins to 97 bps (FY 2008/09 107 bps) arising from theme and client mix effects. Performance fee income increased to £53.3 million, arising principally from strong investment performance for funds with a 31 December 2009 year end. A stable US$:GBP exchange rate in the period contrasted with the extraordinary volatility and dollar strength last year. A small net realised and unrealised foreign exchange gain resulted, compared to the significant losses of last year. Overall the Group's net revenue increased by 42%, from £104.5 million to £148.8 million.

### Operating costs and margins

The Group's tightly controlled cost structure has been maintained, with its low proportion of recurring costs and large proportion of variable performance-related costs. Recurring personnel costs have increased in line with the planned additions to headcount, bringing total employee numbers within the Group to 156 (30 June 2009: 142; 31 December 2008: 138). Variable compensation including performance-related bonuses, share-based payments and associated social security costs is calculated as a percentage of earnings before variable compensation, interest and tax ("EBVCIT"). This has been accrued at a rate of 20%, (H1 2008/09: 20%; FY 2008/09: 14%).

## Investment theme reviews

### External debt

External debt, our longest established and largest theme, comprises principally US dollar and other hard-currency-denominated instruments, which may include derivatives, investing principally in sovereign bonds.

AuM at 31 December 2009 were US$17.6 billion, an increase of US$2.9 billion (20%) from 30 June 2009, with net subscriptions accounting for US$0.8 billion and positive performance of US$2.1 billion. In line with the third phase of our strategy, to mobilise emerging markets capital, the subscriptions include significant additional inflows from existing emerging market central bank and sovereign wealth fund clients. During the period the theme contributed £37.5 million in management fees at an average margin of 73 bps, and £33.5 million of performance fees (H1 2008/09: £42.7 million; 86 bps; and £17.4 million).

### Local currency

The local currency investment theme comprises local currency and local-currency-denominated debt instruments, which may include derivatives, investing in FX and mainly sovereign bonds.

AuM at 31 December 2009 were US$5.7 billion; an increase of US$1.5 billion (36%) from 30 June 2009, with net subscriptions of US$0.9 billion and positive performance of US$0.6 billion. Included in net inflows were three new mandates: a central government pension fund, a US-based family office and, within one of our local asset management subsidiaries, a new mandate from a family office. During the period the theme contributed £15.3 million in management fees at an average margin of 96 bps, and £12.8 million of performance fees (H1 2008/09: £22.4 million; 117 bps; and £14.9 million).

### Special situations

The special situations theme comprises investments in both distressed debt (principally for control) and/or private equity.

AuM at 31 December 2009 were US$3.1 billion, a decrease of US$0.2 billion (6%) from 30 June 2009. Net redemptions were US$0.1 billion and there was negative investment performance of US$0.1 billion. Redemptions included an amount of US$0.1 billion in respect of the payment of a first realised profit distribution from the GSSF4 fund in December. During the period the theme contributed £21.2 million in management fees at an average margin of 215 bps, and £4.5 million of performance fees (H1 2008/09: £21.4 million; 185 bps; and £16.2 million).

### Equity

The equity investment theme comprises public equity and equity-related securities. The instruments invested in by the funds can include equities, warrants and equity derivatives.

AuM at 31 December 2009 were US$0.2 billion, an increase of US$0.1 billion from 30 June 2009 with positive investment performance of US$0.1 billion. During the period the theme contributed £0.8 million in management fees at an average margin of 186 bps, and £2.4 million of performance fees (H1 2008/09: £0.9 million; 112 bps; and £0.1 million).

### Corporate high yield

The corporate high yield theme comprises investments in corporate debt within emerging markets. This asset class offers investors a risk – return profile distinct from other segments of emerging markets fixed income.

AuM at 31 December 2009 had increased by 40% to US$0.7 billion from US$0.5 billion at 30 June 2009 including net subscriptions of US$0.2 billion. During the period the theme

### AuM movements by investment theme as classified by mandate

| Investment theme | AuM at 30 June 2009 US$bn | Net subscriptions/ (redemptions) US$bn | Net performance US$bn | **AuM at 31 December 2009 US$bn** | Average management fee margin bps |
|---|---|---|---|---|---|
| External debt | 14.7 | 0.8 | 2.1 | **17.6** | 73 |
| Local currency | 4.2 | 0.9 | 0.6 | **5.7** | 96 |
| Special situations | 3.3 | (0.1) | (0.1) | **3.1** | 215 |
| Equity | 0.1 | – | 0.1 | **0.2** | 186 |
| Corporate high yield | 0.5 | 0.2 | – | **0.7** | 173 |
| Multi-strategy | 2.0 | (0.1) | 0.1 | **2.0** | 145 |
| Other | 0.1 | 2.2 | – | **2.3** | 22 |
| **Total** | **24.9** | **3.9** | **2.8** | **31.6** | **97** |

# Chief Executive Officer's Statement
## continued

contributed £3.4 million in management fees at an average margin of 173 bps, and £0.1 million of performance fees (H1 2008/09: £2.6 million; 192 bps; and nil).

### Multi-strategy
The multi-strategy funds supplement the core product range, investing into the five core themes and any new themes where appropriate. They include Ashmore Global Opportunities Limited, a permanent capital vehicle, which listed on the LSE in December 2007.

AuM at 31 December 2009 were US$2.0 billion, with no change from 30 June 2009. Net redemptions were US$0.1 billion with positive investment performance of US$0.1 billion. During the period the theme contributed £9.2 million in management fees at an average margin of 145 bps, and no performance fees (H1 2008/09: £11.8 million; 132bps; and £0.3 million).

### Other
This includes new themes developed in line with our strategy to diversify our capabilities and investor base. At 31 December 2009 this included fund of third-party funds, real estate, overlay/hedging strategies and liquidity management including the liquidity fund, with its Standard & Poor's "AAAm" rating, which is principally used to manage the cash components of the underlying Ashmore funds retained for liquidity purposes.

AuM at 31 December 2009 were US$2.3 billion, up from US$0.1 billion at 30 June 2009. Net subscriptions were US$2.2 billion which included a significant new currency overlay mandate for a central government pension fund and a first close of a small dedicated real estate fund in December. During the period the theme contributed £1.0 million in management fees at an average margin of 22 bps (H1 2008/09: £0.1 million).

## Balance sheet, cash flow, seeding and foreign exchange

### Balance sheet
It is the Group's policy to maintain a strong balance sheet in order to support regulatory capital requirements, to meet the commercial demands of current and prospective investors, and to fulfil the development needs across the business including funding the establishment costs of local asset management ventures and seeding new funds. As at 31 December 2009, total equity attributable to shareholders of the parent was £331.9 million (31 December 2008: £262.3 million; 30 June 2009: £308.5 million). There is no debt on the Group's balance sheet and information regarding the principal risks, uncertainties and related party transactions is provided in the accompanying notes to the financial statements.

### Cash flow
Cash has decreased during the six months to 31 December 2009 from £288.4 million to £269.3 million. The Group's operating activities remain highly cash-generative but in contrast to H1 2008/09, the majority of performance fees were related to funds having a 31 December year end and were received in January 2010. These resulted in the significantly increased levels of trade and other receivables and payables at 31 December 2009. Material non-operating cash outflows during the period were dividends (£57.2 million), purchase of available-for-sale investments (£5.6 million), purchase of own shares (£5.1 million) and purchase of non-current assets held for sale (£3.0 million).

### Seeding
The Group supports the creation of new business by seeding new funds where necessary. As at 31 December 2009 the amount invested was £24.9 million (at cost) with a market value of £40.3 million. During the period amounts previously classified as non-current assets held

for sale were reclassified as available-for-sale assets as they are no longer controlled by the Group. Upon this reclassification a profit of £4.6 million was recognised in the income statement which is characterised as finance income, together with the Group's interest income, reflecting the nature of the activity.

**Foreign exchange**

The Group's foreign exchange hedging policy of hedging up to two-thirds of its foreign exchange exposure in connection with net management fees for up to two years forward has remained in force. At the beginning of the period the level of foreign exchange hedges in place was US$180 million and this fell to US$120 million at 31 December 2009 through the contractual expiry of the forward foreign exchange contracts at the effective average exchange rate for the period. No further hedging transactions were undertaken in the period given the less attractive GBP:USD rates available compared with those forecast. The balance at 31 December 2009 consisted of US$60 million forward foreign exchange contracts for the remainder of the financial year, and an option collar protecting the sterling value of US$60 million of management fee revenue from being impacted by currency movements outside the range of GBP1.52-1.70US$ for FY 2010/2011. The current year forwards have been marked to market at the period end rate of GBP:USD1.617, whilst, as designated hedges, the mark-to-market movements in the value of the options continue to be taken through reserves.

**Dividend**

The Board has determined that an interim dividend of 3.66 pence per share (Interim 2009: 3.66 pence per share) will be paid on 1 April 2010 to all shareholders who are on the register on 12 March 2010.

**Strategy and outlook**

Over the last six months the team at Ashmore has maintained its focus on the execution of the Group's stated strategy. Investment performance, underpinned by the strategies employed at the bottom of the cycle, has been strong, with 98% by AuM of those accounts managed to benchmarks outperforming their benchmarks over 12 months. Asset-raising remains a challenge, but work on new opportunities, projects and initiatives that were outlined in September has continued apace. A number of new fund launches have been completed, although at smaller sizes than pre-crisis as always at this time in the cycle. New segregated and dual-brand mandates have also been won. At the current time the quantum and range of activities in progress has increased further, with a number of major institutional RFPs underway.

During the period the world has slowly continued to progress out of the credit crisis and its immediate aftermath. We are seeing clearly that this process is not universal. A number of economies traditionally viewed as developed have taken a major backward step relative to the larger emerging markets. This emphasises the three views we have consistently expressed: the increased importance of the emerging markets' role within the global order; that there will be increased allocations from investors towards emerging markets; and ultimately, that the largest source of capital to manage over the long term remains the capital from within the emerging markets. Ashmore remains well positioned to benefit from the opportunity presented and continues to add the resources necessary to take full advantage over the long term.

**Mark Coombs**
Chief Executive Officer

25 February 2010

# Consolidated Statement of Comprehensive Income

| | Notes | Unaudited 6 months to 31 December 2009 £m | Unaudited 6 months to 31 December 2008 £m | Audited 12 months to 30 June 2009 £m |
|---|---|---|---|---|
| Management fees | | **89.4** | 104.6 | 186.8 |
| Performance fees | | **53.3** | 48.9 | 52.5 |
| Other revenue | | **4.4** | 3.5 | 6.4 |
| **Total revenue** | 2 | **147.1** | 157.0 | 245.7 |
| Less: Distribution costs | | **(1.0)** | (2.7) | (3.6) |
| Add: Foreign exchange | 3 | **2.7** | (49.8) | (38.6) |
| **Net revenue** | | **148.8** | 104.5 | 203.5 |
| Personnel expenses | | **(32.9)** | (23.2) | (36.0) |
| Other expenses | | **(9.2)** | (8.1) | (16.9) |
| **Operating profit** | | **106.7** | 73.2 | 150.6 |
| Finance income | 4 | **5.7** | 7.1 | 9.2 |
| **Profit before tax** | | **112.4** | 80.3 | 159.8 |
| Tax expense | | **(28.1)** | (23.3) | (44.3) |
| **Profit for the period** | | **84.3** | 57.0 | 115.5 |
| **Other comprehensive income:** | | | | |
| Exchange adjustments on translation of foreign operations | | **–** | 0.7 | 0.5 |
| Net gains on available-for-sale financial assets including deferred tax | | **6.2** | 0.6 | 2.3 |
| Gains on available-for-sale financial assets previously recognised directly in equity | | **(4.6)** | – | – |
| **Total comprehensive income for the period** | | **85.9** | 58.3 | 118.3 |
| **Attributable to:** | | | | |
| Equity holders of the parent | | **85.5** | 58.2 | 117.8 |
| Minority interest | | **0.4** | 0.1 | 0.5 |
| **Total comprehensive income for the period** | | **85.9** | 58.3 | 118.3 |
| **Earnings per share:** | | | | |
| Basic | 5 | **12.51p** | 8.48p | 17.12p |
| Diluted | 5 | **11.74p** | 7.90p | 15.99p |

# Consolidated Balance Sheet

| | Notes | Unaudited As at 31 December 2009 £m | Unaudited As at 31 December 2008 £m | Audited As at 30 June 2009 £m |
|---|---|---|---|---|
| **Assets** | | | | |
| Property, plant and equipment | | **4.3** | 4.0 | 4.6 |
| Intangible assets | | **6.7** | 6.7 | 6.7 |
| Deferred acquisition costs | | **10.3** | 12.4 | 11.3 |
| Other receivables | | **0.7** | 1.0 | 0.9 |
| Deferred tax assets | | **18.1** | 8.0 | 14.0 |
| **Total non-current assets** | | **40.1** | 32.1 | 37.5 |
| Trade and other receivables | | **157.4** | 32.9 | 33.1 |
| Available-for-sale financial assets | 7 | **36.2** | – | 4.8 |
| Derivative financial instruments | | **0.2** | – | 0.8 |
| Cash and cash equivalents | | **269.3** | 301.8 | 288.4 |
| **Total current assets** | | **463.1** | 334.7 | 327.1 |
| Non-current assets held for sale | 8 | **16.9** | 16.6 | 34.8 |
| **Total assets** | | **520.1** | 383.4 | 399.4 |
| **Equity** | | | | |
| Issued capital | | **–** | – | – |
| Share premium | | **0.3** | 0.3 | 0.3 |
| Retained earnings | | **331.6** | 262.0 | 308.2 |
| **Total equity attributable to equity holders of the parent** | | **331.9** | 262.3 | 308.5 |
| Minority interests | | **2.1** | 2.4 | 2.0 |
| **Total equity** | | **334.0** | 264.7 | 310.5 |
| **Liabilities** | | | | |
| Deferred tax liabilities | | **4.1** | 2.1 | 1.5 |
| **Total non-current liabilities** | | **4.1** | 2.1 | 1.5 |
| Current tax | | **24.9** | 20.3 | 24.0 |
| Derivative financial instruments | | **2.6** | 41.4 | 5.0 |
| Trade and other payables | | **149.2** | 54.9 | 51.0 |
| **Total current liabilities** | | **176.7** | 116.6 | 80.0 |
| Non-current liabilities held for sale | 8 | **5.3** | – | 7.4 |
| **Total liabilities** | | **186.1** | 118.7 | 88.9 |
| **Total equity and liabilities** | | **520.1** | 383.4 | 399.4 |

# Consolidated Statement of Changes in Equity

| | Issued capital £m | Share premium £m | Retained earnings £m | Total equity attributable to equity holders of the parent £m | Minority interest £m | Total equity £m |
|---|---|---|---|---|---|---|
| **Audited balance at 1 July 2008** | – | 0.3 | 271.5 | 271.8 | 1.5 | 273.3 |
| Total comprehensive income for the period | – | – | 58.2 | 58.2 | 0.1 | 58.3 |
| Issue of share capital | – | – | – | – | 0.8 | 0.8 |
| Treasury shares | – | – | (6.5) | (6.5) | – | (6.5) |
| Share-based payments | – | – | 0.9 | 0.9 | – | 0.9 |
| Current tax related to share-based payments | – | – | 0.2 | 0.2 | – | 0.2 |
| Deferred tax related to share-based payments | – | – | (5.3) | (5.3) | – | (5.3) |
| Dividends to equity holders | – | – | (57.0) | (57.0) | – | (57.0) |
| **Unaudited balance at 31 December 2008** | – | 0.3 | 262.0 | 262.3 | 2.4 | 264.7 |
| Total comprehensive income for the period | – | – | 59.6 | 59.6 | 0.4 | 60.0 |
| Own shares | – | – | (0.8) | (0.8) | – | (0.8) |
| Treasury shares | – | – | (0.4) | (0.4) | – | (0.4) |
| Share-based payments | – | – | 7.3 | 7.3 | – | 7.3 |
| Deferred tax related to share-based payments | – | – | 5.4 | 5.4 | – | 5.4 |
| Dividends to equity holders | – | – | (24.9) | (24.9) | – | (24.9) |
| Other movement | – | – | – | – | (0.8) | (0.8) |
| **Audited balance at 30 June 2009** | – | 0.3 | 308.2 | 308.5 | 2.0 | 310.5 |
| Total comprehensive income for the period | – | – | 85.5 | 85.5 | 0.4 | 85.9 |
| Own shares | – | – | (12.4) | (12.4) | – | (12.4) |
| Share-based payments | – | – | 4.3 | 4.3 | – | 4.3 |
| Deferred tax related to share-based payments | – | – | 3.2 | 3.2 | – | 3.2 |
| Dividends to minority interests | – | – | – | – | (0.3) | (0.3) |
| Dividends to equity holders | – | – | (57.2) | (57.2) | – | (57.2) |
| **Unaudited balance at 31 December 2009** | **–** | **0.3** | **331.6** | **331.9** | **2.1** | **334.0** |

# Consolidated Cash Flow Statement

| | Notes | **Unaudited 6 months to 31 December 2009 £m** | Unaudited 6 months to 31 December 2008 £m | Audited 12 months to 30 June 2009 £m |
|---|---|---|---|---|
| **Operating activities** | | | | |
| Cash receipts from customers | | **100.6** | 159.2 | 198.9 |
| Cash paid to suppliers and employees | | **(27.2)** | (51.1) | (48.0) |
| Cash generated from operations | | **73.4** | 108.1 | 150.9 |
| Taxes paid | | **(26.0)** | (28.2) | (47.7) |
| **Net cash from operating activities** | | **47.4** | 79.9 | 103.2 |
| **Investing activities** | | | | |
| Interest received | | **1.2** | 6.6 | 9.3 |
| Acquisition of subsidiary | | **–** | (3.7) | (3.7) |
| Net purchase of non-current assets held for sale | | **(3.0)** | – | (6.9) |
| Net purchase of available-for-sale financial assets | | **(5.6)** | – | (4.7) |
| Purchase of property, plant and equipment | | **(0.4)** | (1.1) | (2.1) |
| **Net cash (used in)/from investing activities** | | **(7.8)** | 1.8 | (8.1) |
| **Financing activities** | | | | |
| Dividends paid to equity holders | 6 | **(57.2)** | (57.0) | (81.9) |
| Dividends paid to minority interests | | **(0.3)** | | |
| Net purchase of own shares | | **(5.1)** | – | (0.9) |
| Purchase of treasury shares | 9 | **–** | (6.5) | (6.9) |
| **Net cash used in financing activities** | | **(62.6)** | (63.5) | (89.7) |
| **Net (decrease)/increase in cash and cash equivalents** | | **(23.0)** | 18.2 | 5.4 |
| **Cash and cash equivalents at beginning of period** | | **288.4** | 279.2 | 279.2 |
| Effect of exchange rate changes on cash and cash equivalents | | **3.9** | 4.4 | 3.8 |
| **Cash and cash equivalents at end of period** | | **269.3** | 301.8 | 288.4 |
| **Cash and cash equivalents comprise:** | | | | |
| Cash at bank and in hand | | **269.3** | 301.8 | 288.4 |
| | | **269.3** | 301.8 | 288.4 |

# Notes to the Financial Statements

## 1) Basis of preparation and significant accounting policies

The Interim report is unaudited and does not constitute statutory accounts within the meaning of Section 435 of the Companies Act 2006. The financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and the Disclosure Rules and Transparency Rules of the Financial Services Authority ('FSA').

The comparative figures for the financial year ended 30 June 2009 are not the Company's statutory accounts for that financial year. Those accounts have been reported on by the Company's auditors and delivered to the registrar of companies. The report of the auditors (i) was unqualified, (ii) did not include a reference to any matters to which the auditors 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 accounting policies applied in these interim financial statements are consistent with those applied in the Group's Annual Report and Accounts for the year ended 30 June 2009, except that with effect from 1 July 2009 the Group adopted the following new standards and interpretations:

### IFRS 2 Revised: Share-based Payments

This standard has been amended to clarify the definition of vesting conditions. The amended standard also requires a cancellation of a share-based award, whether by the entity or other parties, to be accounted for as an acceleration or modification of the vesting period. The adoption of this amendment has not had a material impact on the financial performance or position of the Group.

### IFRS 3 Revised: Business Combinations

This revised standard changes the accounting applied to the acquisition of non-controlling interests and the loss of control of subsidiaries. Adoption of this revised standard has had no impact on the financial performance or position of the Group.

### IFRS 8: Operating Segments

This standard requires disclosure of information about the Group's operating segments and replaces the requirement to determine primary and secondary reporting segments of the Group. Additional disclosures are also required for single-segment businesses, including information about major customers and the location of material non-current assets. Adoption of this standard had no material impact on the disclosure in the accounts since management continue to regard the Group's services as comprising one business segment (being provision of investment management services) and that its operations are not run on a discrete geographic basis. Disclosure regarding significant revenue sources is given in note 2. No additional disclosure is required for non-current assets on the basis that all material non-current assets are held in the UK.

### IAS 1 Revised: Presentation of Financial Statements

This revised standard introduces the Statement of Comprehensive Income, which presents all items of recognised income and expense, either in one single statement, or in two linked statements. The Group has elected to present a single statement in the form of a Consolidated Statement of Comprehensive Income.

**IAS 27 Revised: Consolidated and Separate Financial Statements**
Changes to IAS 27 and IFRS 3 work together such that a business combination leading to acquisition accounting applies only at the point where control is achieved. The revised standard also identifies that changes in a parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for within shareholders' equity. Adoption of this revised standard has had no impact on the financial performance or position of the Group.

The Annual Report and Accounts are available on the Group's website.

## 2) Revenue
Management fees are accrued throughout the period in line with fluctuations in the levels of assets under management. Periodic performance fees are recognised only if performance hurdles have been achieved in a period. The Group is not reliant on any single source of revenue and no individual fund provides more than 5% of total revenue through management fees. Two of the Group's funds provided 16.0% and 10.2% of total revenue in the reporting period when considering management fees and performance fees on a combined basis.

## 3) Foreign exchange
The only foreign exchange rate which has a material impact on the reporting of the Group's results is the US dollar.

| | **Closing rate as at 31 December 2009** | Closing rate as at 31 December 2008 | Closing rate as at 30 June 2009 | **Average rate six months ended 31 December 2009** | Average rate six months ended 31 December 2008 | Average rate year ended 30 June 2009 |
|---|---|---|---|---|---|---|
| US dollar | **1.6170** | 1.4593 | 1.6458 | **1.6338** | 1.6984 | 1.6044 |

## Analysis of foreign exchange

| | **6 months to 31 December 2009 £m** | 6 months to 31 December 2008 £m | 12 months to 30 June 2009 £m |
|---|---|---|---|
| Realised and unrealised hedging losses | **(1.1)** | (54.2) | (42.4) |
| Translation gains on non-sterling-denominated monetary assets and liabilities | **3.8** | 4.4 | 3.8 |
| **Total foreign exchange gains/(losses)** | **2.7** | (49.8) | (38.6) |

## 4) Finance income
**Analysis of finance income**

| | **6 months to 31 December 2009 £m** | 6 months to 31 December 2008 £m | 12 months to 30 June 2009 £m |
|---|---|---|---|
| Interest on cash and cash equivalents | **0.8** | 7.1 | 9.2 |
| Finance income | **4.9** | – | – |
| **Total finance income** | **5.7** | 7.1 | 9.2 |

Included within finance income is £4.6 million in relation to the reclassification of two of the Group's seed capital investments from non-current assets held for sale to available-for-sale financial assets (note 8).

# Notes to the Financial Statements
## continued

### 5) Earnings per share

Basic earnings per share is calculated by dividing the profit for the period attributable to equity holders of the parent of £83.9 million (H1 2008/09: £56.9 million) by the weighted average number of ordinary shares in issue during the period.

Diluted earnings per share is calculated as for basic earnings per share with an adjustment to the weighted average number of ordinary shares to reflect the effects of all dilutive potential ordinary shares. There is no difference in the profit for the period attributable to equity holders of the parent used in the basic and diluted earnings per share calculations.

A reconciliation of the figures used in calculating basic and diluted earnings per share is shown below:

| | **6 months to 31 December 2009** | 6 months to 31 December 2008 | 12 months to 30 June 2009 |
|---|---|---|---|
| Weighted average number of ordinary shares used in calculation of basic earnings per share | **670,680,026** | 670,469,341 | 671,667,998 |
| Effect of dilutive potential ordinary shares – share options | **44,151,164** | 49,804,829 | 47,330,538 |
| **Weighted average number of ordinary shares used in calculation of diluted earnings per share** | **714,831,190** | 720,274,170 | 718,998,536 |

### 6) Dividends

An analysis of dividends is as follows:

| | **6 months to 31 December 2009** | 6 months to 31 December 2008 | 12 months to 30 June 2009 |
|---|---|---|---|
| *Dividends declared/proposed in respect of the period:* | | | |
| Interim dividend declared per share (p) | **3.66** | 3.66 | 3.66 |
| Final dividend proposed/declared per share (p) | **–** | – | 8.34 |
| *Dividends paid in the period:* | | | |
| Interim dividend paid (£m) | **–** | – | 24.9 |
| Interim dividend per share (p) | **–** | – | 3.66 |
| Final dividend paid (£m) | **57.2** | 57.0 | 57.0 |
| Final dividend per share (p) | **8.34** | 8.34 | 8.34 |

Dividends are recognised in the accounts in the year in which they are paid, or in the case of a final dividend when approved by the shareholders.

The Board has approved an interim dividend for the six months to 31 December 2009 of 3.66 pence per share (Interim 2009: 3.66 pence). This will be payable on 1 April 2010 to shareholders on the register on 12 March 2010.

## 7) Available-for-sale financial assets

**Investments at fair value**

| | **6 months to 31 December 2009 £m** | 6 months to 31 December 2008 £m | 12 months to 30 June 2009 £m |
|---|---|---|---|
| Equities – listed | **7.4** | – | 4.8 |
| Equities – unlisted | **7.4** | – | – |
| Debt securities – unlisted | **21.4** | – | – |
| **Total** | **36.2** | – | 4.8 |

## 8) Non-current assets and non-current liabilities held for sale

Where Group companies inject seed capital into funds operated and controlled by the Group, then the fund is classified as being held for sale. Typically, if the fund remains under the control of the Group for more than one year from the original investment date it will cease to be classified as held for sale, and will be consolidated line by line. In determining whether to execute the reclassification, the Group will have regard to the proximity of loss of control, and the extent to which consolidation of the fund on a line-by-line basis would be material to the presentation of the Group's financial statements.

| | **6 months to 31 December 2009 £m** | 6 months to 31 December 2008 £m | 12 months to 30 June 2009 £m |
|---|---|---|---|
| Non-current assets held for sale | **16.9** | 16.6 | 34.8 |
| Non-current liabilities held for sale | **(5.3)** | – | (7.4) |
| **Seed capital classified as being held for sale** | **11.6** | 16.6 | 27.4 |

In the six months ended 31 December 2009, two funds in which the Group held seed capital investments at the start of the year ceased to be classified as non-current assets held for sale as they no longer met the conditions within IFRS 5 regarding such classifications. Investments cease to be classified as held for sale when they are no longer controlled by the Group or have been held for more than one year. A loss of control may happen either through sale of the investment and/or dilution of the Group's holding. When investments cease to be classified as held for sale they are reclassified to available-for-sale financial assets in accordance with IAS 39 (note 7).

The effect of reclassifying the two funds to available-for-sale financial assets on the results of the Group is to increase profit before tax by £4.6 million in the six months ended 31 December 2009 (H1 2008/09: nil). This is included in finance income (note 4).

The Group's maximum exposure to credit, liquidity, interest rate, foreign exchange and price risk in respect of these assets and liabilities is represented by their carrying value.

# Notes to the Financial Statements
## continued

### 9) Treasury shares
In line with authorities granted at the Annual General Meeting in October 2008 the Company purchased shares which are held in treasury. An analysis of treasury shares is as follows:

| Treasury shares held by Ashmore Group plc | **As at 31 December 2009 £m** | As at 31 December 2008 £m | As at 30 June 2009 £m |
|---|---|---|---|
| Cost of treasury shares: | | | |
| Ashmore Group plc ordinary shares | **6.9** | 6.5 | 6.9 |
| | **Number** | Number | Number |
| Ashmore Group plc ordinary shares | **5,368,331** | 4,966,587 | 5,368,331 |
| Reconciliation of treasury shares | **Number** | Number | Number |
| At beginning of year | **5,368,331** | – | – |
| Purchase of treasury shares | **–** | 4,966,587 | 5,368,331 |
| **At end of year** | **5,368,331** | 4,966,587 | 5,368,331 |
| | **£m** | £m | £m |
| Market value of treasury shares: | | | |
| Ashmore Group plc | **14.6** | 6.6 | 10.2 |

### 10) Group risks
The Group's principal risks remain as detailed within the Business review and Corporate governance report in the Group's Annual Report and are categorised as strategic and business, investment, and operational.

### 11) Related party transactions
There were no material changes to the related party transactions during the six months to 31 December 2009.

### 12) Post balance sheet events
There are no post balance sheet events for the six months to 31 December 2009.

# Responsibility Statement of the Directors in respect of the half-yearly financial report

We confirm that to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS 34 “Interim Financial Reporting” as adopted by the EU; and
- 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 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.

**Mark Coombs**
Chief Executive Officer

25 February 2010

# Independent Review Report to Ashmore Group 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 December 2009 which comprises the consolidated statement of comprehensive income, consolidated balance sheet, consolidated statement of changes in equity, 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 Services Authority ("the UK FSA"). 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 FSA.

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 December 2009 is not prepared, in all material respects, in accordance with IAS 34 as adopted by the EU and the DTR of the UK FSA.

**Paul Furneaux**
**for and on behalf of KPMG Audit Plc**

Chartered Accountants

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25 February 2010

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