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Press Release

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F&C ASSET MANAGEMENT PLC (FCAM) ANNOUNCES COST-REDUCTION PROGRAMME

As a result of a combination of efficiencies arising from the integration of the Company's two legacy operational platforms and additional actions taken to reflect lower market levels and the weaker operating environment, the Company is implementing a further cost reduction programme.

Identified savings will reduce annualised Operating Costs, excluding variable remuneration costs, by approximately £15 million or 10% of the cost base*. These cost reductions are additional to the previously announced cost savings compared to plan that were communicated at the Company's interim results.

Alain Grisay, Chief Executive Officer of F&C, said:

“While F&C is benefiting from its diversity by asset class, client type and geography and the stability of its long-term contracts, we are not immune to the impact of significantly reduced market levels and a challenging outlook for the sector. In order to address the downward pressure on revenues and margins, we are undertaking a targeted cost reduction programme which both reflects this and the economies derived from our investment in new systems and back office consolidation projects. These actions are necessary to ensure that we have a cost base that is appropriate for these tougher trading conditions.”

* Calculated as 2008 interim cost base annualised.

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F&C Asset Management plc is the listed holding company of the F&C Group.

F&C Management Limited is a member of the F&C Group and a subsidiary of F&C Asset Management plc.

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