

Embargoed until 0700 hours, Thursday 15 June 2017

**LIONTRUST ASSET MANAGEMENT PLC
FULL YEAR RESULTS FOR THE YEAR ENDED 31 MARCH 2017**

Liontrust Asset Management Plc (“Liontrust”, the “Company”, or the “Group”), the independent fund management group, today announces its results for the year ended 31 March 2017.

Results:

- Adjusted profit before tax of £17.2 million (2016: £14.6 million), an increase of 18%
- Profit before tax of £9.1 million (2016: £9.4 million), a decrease of 3%. This includes costs of £8.1 million (2016: £5.2 million) relating to the amortisation of the related intangible asset and other non-cash and non-recurring costs (see note 5 below)
- Revenues of £51 million (2016: £45 million), an increase of 15%. This includes £4.0 million of performance fee revenues (2016: £7.4 million).

Dividend:

- Second Interim dividend per share of 11.0 pence (2016: 9.0 pence), which will be payable on 19 July 2017. This brings the total dividend per share for the financial year ending 31 March 2017 to 15.0 pence (2016: 12.0 pence), an increase of 25%

Assets under management:

- On 31 March 2017, assets under management (“**AuM**”) were £6.5 billion (2016: £4.8 billion), an increase of 36%. The acquisition of Alliance Trust Investments Limited (“**ATI**”) completed on 1 April 2017 adding £2.5 billion to AuM, taking AuM on 3 April 2017 to £9.1 billion
- Assets under management as at close of business on 13 June 2017 were £9.344 billion

Flows:

- Net inflows for the year to 31 March 2017 of £482 million (2016: £255 million)

Commenting on the results, John Ions, Chief Executive, said:

“It has been another successful year for Liontrust as we have recorded a seventh successive year of positive net flows and have continued to develop the infrastructure of the business.

Our AuM has risen to £9.3 billion on 13 June 2017 and we are well positioned to move forward in an ever-more competitive and demanding environment. The investment we have made in the infrastructure of the Company, client servicing and distribution combined with the broadening of the investment proposition create an excellent platform to continue our growth.

At a time when asset management is up front and central in providing solutions, it is more surprising how confused the industry looks.

Well managed and focused businesses, whether large or small, should benefit from this and continue to grow successfully.”

For further information please contact:

Liontrust Asset Management

John Ions, Vinay Abrol
Simon Hildrey – Chief Marketing Officer

020 7412 1700

www.liontrust.co.uk

Numis Securities Limited

Charles Farquhar, Andrew Holloway

020 7260 1000

Macquarie Capital (Europe) Limited

Advisory – Jonny Allison, Kavita Choitram
Corporate Broking – Alex Reynolds, Nicholas Harland

020 3037 2000

Chairman's Statement

Introduction

In my Chairman's Statement in last year's Annual report, I wrote that "we also face challenges from outside our industry, including yet another year of political uncertainty". It is now clear this was a great understatement and there can be few 12-month periods that have produced such a series of political shocks culminating in last week's General Election.

Stock markets, however, have largely brushed off the vote for Brexit and Donald Trump becoming US President in January to such an extent that the FTSE 100 has reached an all-time high in 2017 and we have been experiencing the second longest bull market in history. I doubt many people would have said this time last year that markets would be where they are today if they had known in advance the result of the UK Referendum and the US Presidential election even if sterling has depreciated as most commentators expected following the Brexit vote.

Now we are faced with a hung Parliament at Westminster with all the political uncertainty that this brings, along with the possibility of another General Election later this year. Once again, at the time of writing, there has been a benign reaction from the stock market in contrast to performance of Sterling.

The last year has been an important reminder of the difficulty of predicting and timing market movements and the benefits and value of financial advice and long-term investment as opposed to knee-jerk reactions. Economies, markets and investors will always be confronted by challenges and potential threats as well as opportunities. Therefore, the key for investors is to stay focused on what will enable them to achieve their long-term goals rather than analyse intra-day movements in equity markets.

At Liontrust, we have brought together a talented group of fund management teams who believe that rigorous investment processes are key to long-term performance and risk control. They do not get distracted by short-term events and noise but stay true to their own documented investment processes. The success of this disciplined approach is shown by our teams' long-term performance records, which also demonstrate the value that active management can deliver for investors. The addition of our new European Income and Sustainable Investment teams over the last year have strengthened further our fund management capability.

Like investors, asset management businesses are continually confronted by potential challenges and threats along with numerous opportunities. It is easy to list the challenges that the industry is or could be facing, whether it is political uncertainty, current valuations in equity markets, the growth in flows into passive investments or technological disrupters.

None of these are reasons will prevent us from growing Liontrust, however, as we have done so successfully over the past few years through generating net sales and acquisitions. We have shown that sectors do not need to be in favour with investors for us to enjoy net positive sales into our funds.

This growth has been achieved through strong leadership and management, delivering value to investors over the long term and continuing to develop our sales and marketing capability. We focus on our strengths in running the business and are disciplined in enacting our strategy to grow our AuM, earnings and profitability as our Results for the 2016-17 financial year demonstrate.

The general election campaign in the UK has highlighted very clearly yet again the importance of every individual taking on responsibility for ensuring they have sufficient funds for their retirement and to achieve their other financial goals. Financial advice and fund management will become increasingly, not less, important in the future to help people achieve this.

I would like to thank our shareholders, investors and staff for all their support and loyalty to Liontrust. Due to the leadership of the business and the hard work of everyone at the Company, we are in a great position to continue to overcome any challenges and benefit from the tailwinds behind the industry.

Results

Adjusted profit before tax was £17.235 million (2016: £14.623 million). Adjusted profit before tax is disclosed in order to give shareholders an indication of the profitability of the Group excluding non-cash (depreciation, intangible asset amortisation and share incentivisation related) expenses and non-recurring (professional fees relating to acquisition, cost reduction, restructuring, share incentivisation and severance compensation related) expenses (“Adjustments”), see note 5 below for a reconciliation of adjusted profit (or loss) before tax.

Profit before tax is £9.103 million (2016: £9.404 million).

Dividend

The success in fund performance and distribution has resulted in an increase in revenues excluding performance fees of 26% and an 18% increase in our adjusted profit before tax to £17.2 million. This has enabled the Board to declare a Second Interim dividend of 11.0 pence per share (2016: 9.0 pence) which will be payable on 19 July 2017 to shareholders who are on the register as at 23 June 2017, the shares going ex-dividend on 22 June 2017. The total dividend for the financial year ending 31 March 2017 is 15.0 pence per share (2016: 12.0 pence per share), an increase of 25% compared with last year.

Adrian Collins
Chairman
14 June 2017

Chief Executive’s Statement

Introduction

The growth of Liontrust over the past seven years has been driven by the Company focusing on what we can control and not being distracted by events we cannot manage. The core of our strategy has been to generate strong investment performance for our investors over the long term, deliver a first-class service, communicate clearly and frequently with our investors, broaden our distribution, deepen our client relationships and engagement, and raise our brand awareness and profile. The expansion of the Company over the last financial year is evidence of the continued success of this strategy.

We generated gross sales of more than £2 billion and net inflows of £482 million in the financial year to 31 March 2017, with our AuM increasing by 36% to £6.5 billion. The adjusted profit before tax increased by 18% to £17.2 million and revenues were up 15% to £51 million. At a time when the ability of asset managers to grow organically is being questioned, these figures are especially pleasing.

This is even more so when it is considered that our expansion over the past year has been achieved against a challenging background for selling equity funds in general and the UK All Companies sector in particular in the UK. The Investment Association reported that from April 2016 to March 2017, there were net retail outflows from equity funds in eight of the 12 months. The Investment Association's UK All Companies sector was the worst performing for net retail sales in seven of these months although it was the best seller in March 2017.

The continued strength of our fund management capability is evidenced by our long-term performance. Take the Liontrust Special Situations Fund as an example. Since launch on 10 November 2005 to 31 March 2017, the Fund generated a total return of 333.28% compared to 118.64% by the FTSE All-Share index. Our other teams have delivered strong performance as well. The Cashflow Solution's European Growth Fund has returned 153.24% since launch on 15 November 2006 compared to 77.22% by the MSCI Europe ex UK index. These returns demonstrate the mistake of dismissing all active fund management.

We have further expanded our fund management capability over the past year by completing the acquisition of the Argonaut European Income business and announcing the purchase of Alliance Trust Investments Limited ("ATI"). The acquisition of ATI was completed on 1 April 2017 and added £2.5 billion to take our AuM to £9.1 billion on 3 April.

The addition of the Sustainable Investment team gives us a strong proposition in an area of investment that we believe will only grow in demand and significance. According to the European SRI Study of 2016, €11 trillion (£9.5 trillion) is currently invested in sustainable and responsible investment across Europe with €1.5 trillion coming from the UK.

We now have a presence in many of the core asset classes for UK investors. These are UK and continental European growth funds; equity income funds; risk-targeted solutions for investors seeking to accumulate wealth and in retirement; and sustainable investment.

We have also strengthened further our distribution capability in the UK and internationally. Ian Chimes joined us in February 2017 as Head of Global Distribution and he has recruited two regional salesmen for the North of England, Scotland and the Midlands. This will enhance our client service further through understanding and engaging with a broader range of clients.

The brand awareness and understanding of Liontrust and the engagement with the Company has grown among intermediaries and consumers, and reflects our distinct identity and strong

messaging. This is being driven particularly by our advertising, press coverage, investor communications and sponsorships. Our new website and expanding digital activity will enhance further our marketing capability and engagement with intermediaries and consumers.

Assets under Management

On 31 March 2017, our AuM stood at £6,523 million (2016: £4,791 million) an increase of 36% over the financial year. A reconciliation of AuM as at 31 March 2017 is as follows:

| <u>Process</u> | <u>Total</u> | <u>Institutional</u> | <u>UK Retail</u> | <u>MPS⁽¹⁾</u> | <u>Offshore Funds</u> |
|--------------------|--------------|----------------------|------------------|--------------------------|-----------------------|
| | <u>(£m)</u> | <u>(£m)</u> | <u>(£m)</u> | <u>(£m)</u> | <u>(£m)</u> |
| Cashflow Solution | 927 | 525 | 307 | - | 95 |
| Economic Advantage | 3,926 | 265 | 3,596 | - | 65 |
| Macro Thematic | 653 | 254 | 369 | - | 30 |
| European Income | 240 | - | 240 | - | - |
| Asia | 94 | - | 85 | - | 9 |
| Structural Opps | 20 | - | - | - | 20 |
| Multi-Asset | 612 | 352 | - | 260 | - |
| Indexed | 51 | - | 51 | - | - |
| Total | 6,523 | 1,396 | 4,648 | 260 | 219 |

⁽¹⁾ Managed Portfolio Services are where we act as discretionary fund manager to a range of model portfolios which are marketed to advisory intermediaries in the UK.

Funds Flows

Liontrust recorded net inflows of £482 million in the financial year to 31 March 2017 (2016: £255 million). A reconciliation of fund flows over the financial year is as follows:-

| | <u>Total</u> | <u>Institutional</u> | <u>UK Retail</u> | <u>MPS⁽¹⁾</u> | <u>Offshore Funds</u> |
|------------------------------------|--------------|----------------------|------------------|--------------------------|-----------------------|
| | <u>£m</u> | <u>£m</u> | <u>£m</u> | <u>£m</u> | <u>£m</u> |
| Opening AuM - 1 April 2016 | 4,791 | 1,138 | 3,330 | 204 | 119 |
| Net flows | 482 | 3 | 368 | 32 | 79 |
| Acquisitions | 272 | - | 272 | - | - |
| Market and Investment performance | 978 | 255 | 678 | 24 | 21 |
| Closing AuM - 31 March 2017 | 6,523 | 1,396 | 4,648 | 260 | 219 |

⁽¹⁾ Managed Portfolio Services are where we act as discretionary fund manager to a range of model portfolios which are marketed to advisory intermediaries in the UK.

Outlook

There has been much discussion about the squeezed middle in the asset management industry. Companies either have to be global players or niche boutiques to survive and prosper, so goes the argument. We believe this is a simplistic and incorrect view of the development of the market.

Liontrust is not alone in showing that you do not have to be a boutique or a global group to be able to generate growth year after year. We have also delivered value for our investors through strong fund performance over the long term.

Following the investment we have made in the infrastructure of the business over the past few years, Liontrust is now both larger and more robust and this will enable us to drive forward the next phase of our growth strategy.

John Ions
Chief Executive
14 June 2017

Extracts from the Strategic Report

UK Retail fund performance

Our funds continue to deliver strong long-term performance. Eight out of eleven of our UK unit trusts are in the first or second quartile of their respective sectors since launch or since the current managers took over the running of the funds.

| | Quartile ranking – Since Launch/Manager Appointed | Quartile ranking - 5 year | Quartile ranking - 3 year | Quartile ranking - 1 year | Launch Date/Manager Appointed |
|---|--|---------------------------------|---------------------------------|---------------------------------|-------------------------------------|
| Liontrust UK Growth Fund | 1 | 2 | 1 | 1 | 25/03/2009 |
| Liontrust Special Situations Fund | 1 | 1 | 1 | 1 | 10/11/2005 |
| Liontrust UK Smaller Companies Fund | 1 | 1 | 1 | 1 | 08/01/1998 |
| Liontrust UK Micro Cap Fund | 2 | - | - | 2 | 09/03/2016 |
| Liontrust Macro Equity Income Fund | 1 | 3 | 4 | 3 | 31/10/2003 |
| Liontrust Macro UK Growth Fund | 1 | 4 | 4 | 4 | 01/08/2002 |
| Liontrust European Growth Fund | 1 | 2 | 1 | 1 | 15/11/2006 |
| Liontrust Asia Income Fund | 1 | 1 | 2 | 2 | 05/03/2012 |
| Liontrust European Income Fund | 3 | 3 | 3 | 4 | 15/12/2005 |
| Liontrust European Enhanced Income Fund | 4 | 4 | 4 | 4 | 30/04/2010 |
| Liontrust Global Income Fund | 4 | - | 4 | 3 | 03/07/2013 |

Source: Financial Express, total return, bid to bid, to 31 March 2017 unless otherwise stated, based on primary share classes. The above funds are all UK authorised unit trusts (primary share class). Liontrust FTSE 100 Tracker Fund (index fund) not included. Past performance is not a guide to the future; the value of investments and the income from them can fall as well as rise. Investors may not get back the amount originally subscribed.

Consolidated Statement of Comprehensive Income For the year ended 31 March 2017

| | Year ended 31-Mar-17 | Year ended 31-Mar-16 |
|-------|----------------------------|----------------------------|
| Notes | £'000 | £'000 |

| | | | |
|--|---|---------------------|---------------------|
| Revenue | | 51,508 | 44,991 |
| Cost of sales | | (50) | (51) |
| Gross profit | 3 | <u>51,458</u> | <u>44,940</u> |
| Realised (loss)/profit on sale of financial assets | | 6 | (1) |
| Unrealised profit on financial assets | | 134 | - |
| Administration expenses | 4 | <u>(42,506)</u> | <u>(35,551)</u> |
| Operating profit | | 9,092 | 9,388 |
| Interest receivable | | 11 | 16 |
| Profit before tax | | <u>9,103</u> | <u>9,404</u> |
| Taxation | | <u>(2,275)</u> | <u>(2,094)</u> |
| Profit for the year | | 6,828 | 7,310 |
| Other comprehensive income | | - | - |
| Total comprehensive income | | <u>6,828</u> | <u>7,310</u> |
| | | <i>Pence</i> | <i>Pence</i> |
| Earnings per share | | | |
| Basic | 6 | 15.15 | 16.48 |
| Diluted | 6 | 14.75 | 16.06 |

The notes 1 to 11 form an integral part of this condensed consolidated financial information.

Consolidated Balance Sheet As at 31 March 2017

| | 31-Mar-17 | 31-Mar-16 |
|--------------------------------------|---------------|---------------|
| | <i>£'000</i> | <i>£'000</i> |
| Assets | | |
| Non current assets | | |
| Intangible assets | 3,640 | 2,550 |
| Property, plant and equipment | 195 | 247 |
| Deferred tax assets | 964 | 1,052 |
| Total non current assets | <u>4,799</u> | <u>3,849</u> |
| Current assets | | |
| Trade and other receivables | 68,066 | 35,413 |
| Financial assets | 1,404 | 139 |
| Cash and cash equivalents | 16,956 | 18,967 |
| Total Current assets | <u>86,426</u> | <u>54,519</u> |
| Liabilities | | |
| Non current liabilities | | |
| DBVAP liability | (322) | - |
| Total non current liabilities | <u>(322)</u> | <u>-</u> |

| | | |
|--|-----------------|-----------------|
| Current liabilities | | |
| Trade and other payables | (63,960) | (31,279) |
| Corporation tax payable | (393) | (911) |
| Total Current liabilities | <u>(64,353)</u> | <u>(32,190)</u> |
| Net current assets | <u>22,073</u> | <u>22,329</u> |
| Net assets | <u>26,550</u> | <u>26,178</u> |
| Shareholders' equity attributable to owners of the parent | | |
| Ordinary shares | 454 | 454 |
| Share premium | - | 17,692 |
| Capital redemption reserve | 19 | 19 |
| Retained earnings | 28,936 | 9,330 |
| Own shares held | (2,859) | (1,317) |
| Total equity | <u>26,550</u> | <u>26,178</u> |

The notes 1 to 11 form an integral part of this condensed consolidated financial information.

Consolidated Cash Flow Statement For the year ended 31 March 2017

| | Year ended 31-Mar-17 £'000 | Year ended 31-Mar-16 £'000 |
|--|-------------------------------------|-------------------------------------|
| Cash flows from operating activities | | |
| Cash received from operations | 56,460 | 48,614 |
| Cash paid in respect of operations | (42,489) | (38,337) |
| Net cash paid for changes in unit trust receivables and payables | (363) | (583) |
| Net cash generated from operations | <u>13,608</u> | <u>9,694</u> |
| Interest received | 11 | 16 |
| Tax paid | (2,705) | (1,833) |
| Net cash generated from operating activities | <u>10,914</u> | <u>7,877</u> |
| Cash flows from investing activities | | |
| Purchase of property and equipment | (73) | (93) |
| Acquisition of investment management contracts | (4,083) | - |
| Purchase of ICIs | (95) | (207) |
| Purchase of DBVAP Financial Asset | (940) | - |
| Purchase of seeding investments | (252) | (98) |
| Sale of seeding investments | 151 | 191 |
| Net cash used in investing activities | <u>(5,292)</u> | <u>(207)</u> |
| Cash flows from financing activities | | |
| Purchase of own shares | (1,738) | (1,136) |
| Dividends paid | (5,895) | (3,960) |
| Net cash used in financing activities | <u>(7,633)</u> | <u>(5,096)</u> |

| | | |
|---|---------------|---------------|
| Net (decrease)/increase in cash and cash equivalents | (2,011) | 2,574 |
| Opening cash and cash equivalents* | 18,967 | 16,393 |
| Closing cash and cash equivalents | 16,956 | 18,967 |

* Cash and cash equivalents consists only of cash balances.

The notes 1 to 11 form an integral part of this condensed consolidated financial information.

Consolidated Statement of Change in Equity For the year ended 31 March 2017

| | <i>Ordinary shares</i> | <i>Share premium</i> | <i>Capital redemption</i> | <i>Retained earnings</i> | <i>Own shares held</i> | <i>Total Equity</i> |
|--|----------------------------|--------------------------|-------------------------------|------------------------------|--------------------------------|-------------------------|
| | <i>£ '000</i> | <i>£ '000</i> | <i>£ '000</i> | <i>£ '000</i> | <i>£ '000</i> | <i>£ '000</i> |
| Balance at 1 April 2016 brought forward | 454 | 17,692 | 19 | 9,330 | (1,317) | 26,178 |
| Profit for the year | - | - | - | 6,828 | - | 6,828 |
| Total comprehensive income for the year | - | - | - | 6,828 | - | 6,828 |
| Dividends paid | - | - | - | (5,895) | - | (5,895) |
| Capital reduction | - | (17,692) | - | 17,692 | - | - |
| Purchase of own shares | - | - | - | - | (1,738) | (1,738) |
| Purchase of ICI's | - | - | - | (95) | - | (95) |
| EBT share option settlement | - | - | - | (133) | 196 | 63 |
| Equity share options issued | - | - | - | 1,209 | - | 1,209 |
| Balance at 31 March 2017 | 454 | - | 19 | 28,936 | (2,859) | 26,550 |

Consolidated Statement of Change in Equity For the year ended 31 March 2016

| | <i>Ordinary shares</i> | <i>Share premium</i> | <i>Capital redemption</i> | <i>Retained earnings</i> | <i>Own shares held</i> | <i>Total Equity</i> |
|--|----------------------------|--------------------------|-------------------------------|------------------------------|--------------------------------|-------------------------|
| | <i>£ '000</i> | <i>£ '000</i> | <i>£ '000</i> | <i>£ '000</i> | <i>£ '000</i> | <i>£ '000</i> |
| Balance at 1 April 2015 brought forward | 454 | 17,692 | 19 | 11,395 | (5,812) | 23,748 |
| Profit for the year | - | - | - | 7,310 | - | 7,310 |
| Total comprehensive income for the year | - | - | - | 7,310 | - | 7,310 |

| | | | | | | |
|---------------------------------|------------|---------------|-----------|--------------|----------------|---------------|
| Dividends paid | - | - | - | (3,960) | - | (3,960) |
| Purchase of own shares | - | - | - | - | (1,136) | (1,136) |
| Purchase of ICI's | - | - | - | (5,838) | 5,631 | (207) |
| Equity share options issued | - | - | - | 423 | - | 423 |
| Balance at 31 March 2016 | 454 | 17,692 | 19 | 9,330 | (1,317) | 26,178 |

The notes 1 to 10 form an integral part of this condensed consolidated financial information.

Notes to the Financial Statements

1. Accounting policies

The Group's accounting policies are consistent with those set out in the Annual Report and Accounts for the year ended 31 March 2016.

2. Segmental reporting

The Group's operates only in one business segment - Investment management.

The Group offers different fund products through different distribution channels. All financial, business and strategic decisions are made centrally by the Board, which determines the key performance indicators of the Group. The Board reviews financial information presented at a Group level. The Board, is therefore, the chief operating decision-maker for the Group. The information used to allocate resources and assess performance is reviewed for the Group as a whole. On this basis, the Group considers itself to be a single-segment investment management business.

3. Revenue (Gross Profit)

| | Year Ended 31-Mar-17 £'000 | Year ended 31-Mar-16 £'000 |
|---------------------------|-------------------------------------|-------------------------------------|
| - Revenue ¹ | 47,459 | 37,634 |
| - Performance fee revenue | 4,049 | 7,357 |
| Gross Profit | 51,508 | 44,991 |

(1) Revenue includes investment management fees, initial charges and commissions and box profits.

4. Administration expenses

| | <i>Year ended</i> 31-Mar-17 £'000 | <i>Year ended</i> 31-Mar-16 £'000 |
|----------------------------------|---|---|
| Employee related expenses | | |
| Director and employee costs | 5,721 | 4,459 |
| Pensions | 305 | 217 |

| | | |
|---|--------|--------|
| Share incentivisation expense | 1,487 | 671 |
| DBVAP expense | 188 | - |
| Severance compensation | 53 | 93 |
| | <hr/> | <hr/> |
| | 7,754 | 5,440 |
| Non-employee related expenses | | |
| Members drawings charged as an expense | 19,062 | 17,665 |
| Share incentivisation expense members | 1,762 | - |
| Members severance compensation | 165 | - |
| Professional services (restructuring, acquisition related and other)* | 1,359 | 1,884 |
| Depreciation and Intangible asset amortisation | 3,118 | 2,571 |
| Other administration expenses | 9,286 | 7,991 |
| | <hr/> | <hr/> |
| | 42,506 | 35,551 |
| | <hr/> | <hr/> |

* Includes legal expense relating to a claim made by a former member (see note 8)

5. Adjusted profit before tax

Adjusted profit before tax is disclosed in order to give shareholders an indication of the profitability of the Group, non-cash (depreciation, intangible asset amortisation and share incentivisation related) expenses and non-recurring (acquisition, cost reduction, restructuring, share incentivisation and severance compensation related) expenses (“Adjustments”), and is reconciled in the table below.

| | <i>Year ended</i> 31-Mar-17 £'000 | <i>Year ended</i> 31-Mar-16 £'000 |
|---|---|---|
| Profit for the year | 6,828 | 7,310 |
| Taxation | 2,275 | 2,094 |
| Profit | <hr/> 9,103 | <hr/> 9,404 |
| Share incentivisation expense | 3,249 | 671 |
| DBVAP expense | 188 | - |
| Severance compensation | 218 | 93 |
| Professional services (restructuring, acquisition related and other) ⁽¹⁾ | 1,359 | 1,884 |
| Depreciation and Intangible asset amortisation | 3,118 | 2,571 |
| Adjustments | <hr/> 8,132 | <hr/> 5,219 |
| Adjusted profit before tax | <hr/> 17,235 | <hr/> 14,623 |
| Interest receivable | (11) | (16) |
| Adjusted operating profit | <hr/> 17,224 | <hr/> 14,607 |
| Adjusted basic earnings per share ⁽²⁾ | 30.60 | 26.38 |
| Adjusted basic earnings per share (excluding performance fees) ⁽²⁾⁽³⁾ | 28.19 | 22.07 |
| Adjusted diluted earnings per share ⁽²⁾ | 29.79 | 25.70 |
| Adjusted diluted earnings per share (excluding performance fees) ⁽²⁾⁽³⁾ | <hr/> 27.45 | <hr/> 21.50 |

(1) Includes legal expense relating to a claim made by a former member (see note 8)

(2) Assumes a tax rate of 20% (2016: 20%)

(3) Performance fee revenues contribution calculated in line with operating margin of 33% (2016: 33%)

6. Earnings per share

The calculation of basic earnings per share is based on profit after taxation for the year and the weighted average number of Ordinary Shares in issue for each year. The weighted average number of Ordinary Shares was 45,059,188 for the year (2016:44,346,674). Shares held by the Liontrust Asset Management Employee Trust are not eligible for dividends and are treated as cancelled for the purposes of calculating earnings per share.

Diluted earnings per share are calculated on the same bases as set out above, after adjusting the weighted average number of Ordinary Shares for the effect of options to subscribe for new Ordinary Shares or Ordinary Shares held in the Liontrust Asset Management Employee Trust that were in existence during the year ended 31 March 2017. The adjusted weighted average number of Ordinary Shares so calculated for the year was 46,285,217 (2016: 45,518,720). This is reconciled to the actual weighted number of Ordinary Shares as follows:

| | <i>2017</i> <i>number</i> | <i>2016</i> <i>number</i> |
|---|------------------------------|------------------------------|
| Weighted average number of Ordinary Shares | 45,059,188 | 44,346,674 |
| Weighted average number of dilutive Ordinary shares under option: | | |
| - to the Liontrust Long Term Incentive Plan | 789,963 | - |
| - to the Liontrust Option Plan | 30,949 | 37,062 |
| - to the Deferred Bonus and Variable Allocation Plan | 395,144 | 324,602 |
| - to the Liontrust Members Incentive Plan | 9,973 | 810,382 |
| Adjusted weighted average number of Ordinary Shares | <u>46,285,217</u> | <u>45,518,720</u> |

7. Financial assets

The Group holds financial assets that have been categorised within one of three levels using a fair value hierarchy that reflects the significance of the inputs into measuring the fair value. These levels are based on the degree to which the fair value is observable and are defined as follows:

- a) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets and liabilities;
- b) Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- c) Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

As at the balance sheet date all financial assets are categorised as Level 1.

Assets held at fair value through profit and loss:

The Group's assets held at fair value through profit and loss represent shares in the Liontrust GF Global Strategic Equity Fund, and units in the Liontrust Global Income Fund, the Liontrust Macro Equity Income Fund, the Liontrust UK Growth Fund and the Liontrust Asia Income Fund. Any

Foreign currency assets are translated at rates of exchange ruling at the balance sheet date and any exchange rate differences arising are shown in note 6 of the financial statements.

Assets held as available-for-sale:

The Group's assets held as available-for-sale represent shares in the Liontrust GF Water & Agriculture Fund, the GF Global Strategic Equity Fund, the GF European Smaller Companies Fund, the GF European Strategic Equity Fund, The GF Asia Income Fund, the GF Macro Equity Income Fund and the GF UK Growth Fund (all sub-funds of Liontrust Global Funds PLC) and are valued at bid price); and units in the Liontrust Global Income Fund, The Liontrust Macro Equity Income Fund, the Liontrust Asia Income Fund and the Liontrust UK Growth Fund. The gain on the fair value adjustments during the year net of tax was £nil (2016:£nil). Any Foreign currency assets are translated at rates of exchange ruling at the balance sheet date and any exchange rate differences arising are shown in other comprehensive income.

8. Contingent assets and liabilities

The Group can earn performance fees on some of the segregated and fund accounts that it manages. In some cases a proportion of the fee earned is deferred until the next performance fee is payable or offset against future underperformance on that account. As there is no certainty that such deferred fees will be collectable in future years, the Group's accounting policy is to include performance fees in income only when they become due and collectable and therefore the element (if any) deferred beyond 31 March 2017 has not been recognised in the results for the year.

In the normal course of business a contingent liability has arisen in relation to a claim made by a former member against Liontrust Asset Management Plc, Liontrust Investment Partners LLP ("LIP"), Liontrust Investment Services Limited and the individual members of LIP. As the timing and amount of any potential liability is unknown and cannot be reliably estimated at this stage they are not disclosed.

9. Key risks

The Directors have identified the risks and uncertainties that affect the Group's business and believe that they are substantially the same for this year as the current risks as identified in the 2016 Annual Report and Accounts. These can be broken down into risks that are within the management's influence and risks that are outside it.

Risks that are within management's influence include areas such as the expansion of the business, prolonged periods of under-performance, loss of key personnel, human error, poor communication and service leading to reputational damage and fraud.

Risks outside the management's influence include falling markets, terrorism, a deteriorating UK economy, investment industry price competition and hostile takeovers.

Management monitor all risks to the business, they record how each risk is mitigated and have warning flags to identify increased risk levels. Management recognise the importance of risk management and view it as an integral part of the management process which is tied into the business model.

10. Directors responsibility statement

To the best of their knowledge and belief, the Directors confirm that:

The consolidated financial statements of Liontrust Asset Management PLC, prepared on a going concern basis in accordance with IFRS as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit of Liontrust Asset Management PLC and the undertakings included in the consolidation taken as a whole;

The announcement includes a fair summary of the development and performance of the business and the position of Liontrust Asset Management PLC and the undertakings included in the consolidation taken as a whole and a description of the principal risks and uncertainties that they face.

11. Events after the reporting period

On 1 April 2017, the Company acquired all of the ordinary shares in Alliance Trust Investments Limited (subsequently renamed Liontrust Investments Limited) for £29.14 million, satisfied partly in cash and partly by means of an issue of the Company's ordinary share capital.

The equity instruments issued on completion date comprise of 4.06 million of the Company's ordinary shares and the fair value is £15.84 million.

Additionally, the group has agreed to pay the seller additional consideration which will be satisfied by the allotment and issue of 1.02m of the Company's ordinary shares valued at the date of exchange of the shares. The fair value of the deferred consideration is £3.96 million at the acquisition date.

The net assets acquired on 1 April 2017 is £9.34m.

The difference between the consideration and net assets acquired is due to intangibles and/or goodwill but at the date of issue of these financial statements, the valuation of these is not complete. An updated disclosure, including the valuation of the balances, will be included in the Half- Yearly Report.

Forward Looking Statements

This Full Year Results announcement contains certain forward-looking statements with respect to the financial condition, results of operations and businesses and plans of the Group. These statements and forecasts involve risk and uncertainty because they relate to events and depend upon circumstances that have not yet occurred. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements and forecasts. As a result, the Group's actual future financial condition, results of operations and business and plans may differ materially from the plans, goals and expectations expressed or implied by these forward-looking statements. Liontrust undertakes no obligation publicly to update or revise forward-looking statements, except as may be required by applicable law and regulation (including the Listing Rules of the Financial Conduct Authority). Nothing in this announcement should be construed as a profit forecast or be relied upon as a guide to future performance.

The Annual Report and Accounts is expected to be posted to shareholders on or around 28 June 2017.

The release, publication, transmission or distribution of this announcement in jurisdictions other than the United Kingdom may be restricted by law and therefore persons in such jurisdictions into which this announcement is released, published, transmitted or distributed should inform

themselves about and observe such restrictions. Any failure to comply with the restrictions may constitute a violation of the securities laws of any such jurisdiction.

END