

NEWS FROM SEI

Investor Contact:

Murray Louis
SEI
(610) 676-1932
mlouis@seic.com
Pages: 10

Media Contact:

Dana Grosser
SEI
(610) 676-2459
dgrosser@seic.com

FOR IMMEDIATE RELEASE

SEI REPORTS THIRD-QUARTER 2010 FINANCIAL RESULTS

OAKS, Pa., October 20, 2010 -- SEI Investments Company (NASDAQ:SEIC) today announced financial results for third-quarter 2010, reporting an increase in net income attributable to SEI and diluted earnings per share compared to third-quarter 2009. Diluted earnings per share were \$0.30. Effective January 1, 2010, company results reflect the deconsolidation of LSV Asset Management (LSV), returning to the equity method of accounting. This change in accounting treatment had no impact on net income attributable to SEI. Without LSV, revenues grew \$3.7 million or two percent compared to third-quarter 2009 (see Proforma Consolidated Overview below).

Consolidated Overview

(In thousands, except earnings per share)

| | For the Three Months | | | For the Nine Months | | |
|--------------------------------|----------------------|-------------|----------|---------------------|-------------|----------|
| | Ended September 30, | | | Ended September 30, | | |
| | <u>2010</u> | <u>2009</u> | <u>%</u> | <u>2010</u> | <u>2009</u> | <u>%</u> |
| Revenues | \$219,513 | \$275,933 | (20%) | \$669,436 | \$776,553 | (14%) |
| Net Income attributable to SEI | 56,389 | 52,727 | 7% | 169,287 | 128,498 | 32% |
| Diluted Earnings Per Share | \$0.30 | \$0.27 | 11% | \$0.89 | \$0.67 | 33% |

"Compared to a year ago, our third-quarter results reflect improved capital markets, improved markets for our services, and the ongoing management of our costs," said Alfred P. West, Jr., SEI Chairman and CEO.

"While our new sales activities are yielding positive results, lengthy sales and installation cycles remain a challenge for the short term. Longer term, we believe we are well positioned in all business segments to achieve growth. We continue to make key investments that will create growth opportunities for us and for our clients."

Proforma Consolidated Overview

(In thousands, except earnings per share)

| | For the Three Months | | | For the Nine Months | | |
|--------------------------------|----------------------|-------------------|----------|---------------------|-------------------|----------|
| | Ended September 30, | | | Ended September 30, | | |
| | <u>2010</u> | <u>2009</u> | <u>%</u> | <u>2010</u> | <u>2009</u> | <u>%</u> |
| | (Actual) | (Proforma) | | (Actual) | (Proforma) | |
| Revenues | \$219,513 | \$215,773 | 2% | \$669,436 | \$627,125 | 7% |
| Net Income attributable to SEI | 56,389 | 52,727 | 7% | 169,287 | 128,498 | 32% |
| Diluted Earnings Per Share | \$0.30 | \$0.27 | 11% | \$0.89 | \$0.67 | 33% |

Summary of Third-Quarter and Year to Date Results by Business Segment

| (In thousands) | For the Three Month Period | | | For the Nine Month Period | | |
|---|----------------------------|---------------|----------|---------------------------|----------------|----------|
| | Ended September 30, | | | Ended September 30, | | |
| | <u>2010</u> | <u>2009</u> | <u>%</u> | <u>2010</u> | <u>2009</u> | <u>%</u> |
| Private Banks: | | | | | | |
| Revenues | \$83,518 | \$88,561 | (6%) | \$260,730 | \$272,154 | (4%) |
| Expenses | <u>73,463</u> | <u>79,549</u> | (8%) | <u>229,674</u> | <u>229,108</u> | - |
| Operating Profit | \$10,055 | \$9,012 | 12% | \$31,056 | \$43,046 | (28%) |
| Operating Margin | 12% | 10% | | 12% | 16% | |
| Investment Advisors: | | | | | | |
| Revenues | 43,422 | 43,467 | - | 135,283 | 120,557 | 12% |
| Expenses | <u>26,426</u> | <u>28,001</u> | (6%) | <u>82,129</u> | <u>81,049</u> | 1% |
| Operating Profit | 16,996 | 15,466 | 10% | 53,154 | 39,508 | 35% |
| Operating Margin | 39% | 36% | | 39% | 33% | |
| Institutional Investors: | | | | | | |
| Revenues | 51,036 | 47,458 | 8% | 152,821 | 129,001 | 18% |
| Expenses | <u>25,940</u> | <u>27,369</u> | (5%) | <u>78,896</u> | <u>74,803</u> | 5% |
| Operating Profit | 25,096 | 20,089 | 25% | 73,925 | 54,198 | 36% |
| Operating Margin | 49% | 42% | | 48% | 42% | |
| Investment Managers: | | | | | | |
| Revenues | 40,548 | 35,208 | 15% | 117,598 | 101,911 | 15% |
| Expenses | <u>25,763</u> | <u>23,047</u> | 12% | <u>75,918</u> | <u>68,159</u> | 11% |
| Operating Profit | 14,785 | 12,161 | 22% | 41,680 | 33,752 | 23% |
| Operating Margin | 36% | 35% | | 35% | 33% | |
| Investments in New Businesses: | | | | | | |
| Revenues | 989 | 1,079 | (8%) | 3,004 | 3,502 | (14%) |
| Expenses | <u>4,080</u> | <u>3,171</u> | 29% | <u>9,480</u> | <u>8,789</u> | 8% |
| Operating Loss | (3,091) | (2,092) | (48%) | (6,476) | (5,287) | (22%) |
| Operating Margin | N/A | N/A | | N/A | N/A | |
| LSV: | | | | | | |
| Revenues | - | 60,160 | N/A | - | 149,428 | N/A |
| Expenses (1) | <u>-</u> | <u>38,928</u> | N/A | <u>-</u> | <u>97,083</u> | N/A |
| Operating Profit | - | 21,232 | N/A | - | 52,345 | N/A |
| Operating Margin | - | 35% | | - | 35% | |
| Totals: | | | | | | |
| Revenues | \$219,513 | \$275,933 | (20%) | \$669,436 | \$776,553 | (14%) |
| Expenses | 155,672 | 200,065 | (22%) | 476,097 | 558,991 | (15%) |
| Corporate overhead expenses | 8,981 | 8,897 | 1% | 28,639 | 27,235 | 5% |
| Noncontrolling interest reflected in segments | (279) | (30,168) | N/A | (956) | (73,968) | N/A |
| LSV Employee Group expenses | <u>-</u> | <u>1,836</u> | N/A | <u>-</u> | <u>5,476</u> | N/A |
| Income from operations | \$ 55,139 | \$ 95,303 | (42%) | \$ 165,656 | \$ 258,819 | (36%) |

(1) Includes \$29,829 and \$73,120 for the three and nine month periods ended September 30, 2009, of noncontrolling interest to the other partners of LSV.

Third-Quarter Business Commentary:

- In January 2010, LSV was deconsolidated due to the adoption of newly issued accounting guidance. Our ownership interest in LSV was unchanged and our proportionate share in the earnings of LSV is reflected in "Equity in earnings of unconsolidated affiliate" on our Consolidated Statements of Operations. The deconsolidation of LSV had no impact on net income attributable to SEI or diluted earnings per share.
- Revenues in third-quarter 2009 include \$60.2 million from LSV. Excluding these revenues, revenues in third-quarter 2010 increased \$3.7 million or two percent compared to third-quarter 2009. This increase was primarily due to higher average asset balances under management and administration from existing clients because of improved capital markets.
- Stock-based compensation costs in third-quarter 2010 reflect the reversal of \$6.3 million of previously recognized stock-based compensation costs and the acceleration of \$3.1 million of stock-based compensation costs due to a change in management's estimates of the attainment of certain performance vesting targets. The net effect of these two items was a reduction of \$3.2 million of stock-based compensation costs in third-quarter 2010.
- Third-quarter 2010 includes \$2.1 million in costs associated with operational errors, of which, approximately \$1.0 million is recognized in the Investment Advisors segment and \$900K is recognized in the Investments in New Businesses segment. Also, third-quarter 2009 includes \$2.2 million in costs associated with operational errors which was recognized in the Institutional Investors segment.
- The third-quarter 2010 net income attributable to SEI and diluted earnings per share results include gains of \$8.7 million associated with SIVs, whereas results in third-quarter 2009 included gains of \$14.9 million. Additional information pertaining to SIVs is contained in SEI's 2009 Form 10-K filed February 25, 2010.
- Assets under management increased by \$15.1 billion during the third-quarter 2010 to \$164.0 billion at September 30, 2010, as compared to \$148.9 billion at June 30, 2010, primarily due to market driven appreciation.
- In the third-quarter 2010, SEI purchased 1,989,000 shares of its common stock for \$38.6 million.

Proforma Consolidated Statement of Operations

The following proforma Consolidated Statements of Operations presents third quarter 2009 and Year to Date September 2009 for comparative purposes only as if LSV and LSV Employee Group was deconsolidated on January 1, 2009. This report is being provided for informational purposes only and is not a restatement or reclassification of previously filed reports. Our interest in LSV is presented as a single line item in the Consolidated Statements of Operations titled "Equity in earnings of unconsolidated affiliate." For additional information, we refer you to Note 2 to the Consolidated Financial Statements included in our 2009 Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 25, 2010.

SEI INVESTMENTS COMPANY
PROFORMA CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)
(Unaudited)

| | Three Months Ended September 30, | | |
|---|--|--|-------|
| | As Reported SEI Consolidated 2010 | Proforma SEI without LSV and LSVEG 2009 | % |
| Total revenues | 219,513 | 215,773 | 2% |
| Total expenses | 164,374 | 169,694 | (3%) |
| Income from operations | 55,139 | 46,079 | 20% |
| Net gain from investments | 9,362 | 15,616 | (40%) |
| Interest, net | 1,285 | 1,219 | 5% |
| Equity in earnings of unconsolidated affiliate | 25,246 | 21,240 | 19% |
| Income before taxes | 91,032 | 84,154 | 8% |
| Income taxes | 34,311 | 31,109 | 10% |
| Net income | 56,721 | 53,045 | 7% |
| Less Net Income attributable to noncontrolling interest | (332) | (318) | 4% |
| Net income attributable to SEI | \$56,389 | \$52,727 | 7% |
| Diluted earnings per share | \$0.30 | \$0.27 | 11% |
| Diluted shares outstanding | 189,521 | 192,325 | (1%) |

SEI INVESTMENTS COMPANY
PROFORMA CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)
(Unaudited)

| | Nine Months Ended September 30, | | |
|---|--|--|------|
| | As Reported SEI Consolidated 2010 | Proforma SEI without LSV and LSVEG 2009 | % |
| Total revenues | 669,436 | 627,125 | 7% |
| Total expenses | 503,780 | 488,294 | 3% |
| Income from operations | 165,656 | 138,831 | 19% |
| Net gain (loss) from investments | 30,435 | (1,367) | N/A |
| Interest, net | 3,601 | 3,795 | (5%) |
| Other income | 1,070 | - | N/A |
| Equity in earnings of unconsolidated affiliate | 72,839 | 52,370 | 39% |
| Income before taxes | 273,601 | 193,629 | 41% |
| Income taxes | 103,183 | 64,250 | 61% |
| Net income | 170,418 | 129,379 | 32% |
| Less Net Income attributable to noncontrolling interest | (1,131) | (881) | 28% |
| Net income attributable to SEI | \$169,287 | \$128,498 | 32% |
| Diluted earnings per share | \$0.89 | \$0.67 | 33% |
| Diluted shares outstanding | 190,694 | 191,905 | (1%) |

Earnings Conference Call

A conference call to review earnings is scheduled for 2:00 PM ET on October 20, 2010. Investors may listen to the call at www.seic.com/investors or listen at www.earnings.com, a service of Thomson Streetevents. The call may also be accessed at numerous financial services web sites including AOL and Yahoo. Investors may also listen to replays at these web sites, or by telephone at (USA) 1-800-475-6701; (International) 320-365-3844, access code 174401.

About SEI

SEI (NASDAQ:SEIC) is a leading global provider of outsourced asset management, investment processing and investment operations solutions. The company's innovative solutions help corporations, financial institutions, financial advisors, and affluent families create and manage wealth. As of September 30, 2010, through its subsidiaries and partnerships in which the company has a significant interest, SEI administers \$402 billion in mutual fund and pooled assets and manages \$164 billion in assets. SEI serves clients, conducts or is registered to conduct business and/or operations, from numerous offices worldwide. For more information, visit www.seic.com.

Many of the statements in this release may be considered "forward looking statements" and include discussions about future operations, strategies and financial results. Forward-looking statements are based upon estimates and assumptions that involve risks and uncertainties, many of which are beyond our control or are subject to change. Although we believe our assumptions are reasonable, they could be inaccurate. Our actual future revenues and income could differ materially from our expected results. We have no obligation to publicly update or revise any forward-looking statements.

SEI INVESTMENTS COMPANY
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)
(Unaudited)

| | Three Months Ended September 30, | |
|--|---|-------------|
| | 2010 | 2009 |
| Asset management, admin. and distribution fees | \$155,799 | \$206,235 |
| Information processing and software servicing fees | 55,226 | 56,241 |
| Transaction-based and trade execution fees | 8,488 | 13,457 |
| | <hr/> | <hr/> |
| Total revenues | 219,513 | 275,933 |
| Subadvisory, distribution and other asset mgmt costs | 21,900 | 21,998 |
| Brokerage commissions and royalties | 12,402 | 14,421 |
| Compensation, benefits and other personnel | 64,694 | 70,204 |
| Stock based compensation | 3,468 | 3,418 |
| Consulting, outsourcing and professional fees | 21,841 | 20,173 |
| Data processing and computer related | 10,167 | 11,235 |
| Facilities, supplies and other costs | 18,302 | 18,817 |
| Amortization | 5,998 | 15,042 |
| Depreciation | 5,602 | 5,322 |
| | <hr/> | <hr/> |
| Total expenses | 164,374 | 180,630 |
| Income from operations | 55,139 | 95,303 |
| Net gain on investments | 9,362 | 15,616 |
| Interest and dividend income | 1,621 | 1,897 |
| Interest expense | (336) | (1,034) |
| Equity in earnings of unconsolidated affiliate | 25,246 | - |
| | <hr/> | <hr/> |
| Income before taxes | 91,032 | 111,782 |
| Income taxes | 34,311 | 31,109 |
| | <hr/> | <hr/> |
| Net income | 56,721 | 80,673 |
| | <hr/> | <hr/> |
| Less: Net income attributable to noncontrolling interest | (332) | (27,946) |
| | <hr/> | <hr/> |
| Net income attributable to SEI | \$56,389 | \$52,727 |
| | <hr/> | <hr/> |
| Diluted earnings per common share | \$0.30 | \$0.27 |
| | <hr/> | <hr/> |
| Shares used to calculate diluted earnings per common share | 189,521 | 192,325 |
| | <hr/> | <hr/> |
| Basic earnings per common share | \$0.30 | \$0.28 |
| | <hr/> | <hr/> |
| Shares used to calculate basic earnings per common share | 187,964 | 190,850 |
| | <hr/> | <hr/> |

SEI INVESTMENTS COMPANY
CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except per share data)
(Unaudited)

| | Nine Months Ended September 30, | |
|--|--|-------------|
| | 2010 | 2009 |
| Asset management, admin. and distribution fees | \$463,511 | \$558,808 |
| Information processing and software servicing fees | 175,148 | 173,152 |
| Transaction-based and trade execution fees | 30,777 | 44,593 |
| | <hr/> | <hr/> |
| Total revenues | 669,436 | 776,553 |
| Subadvisory, distribution and other asset mgmt costs | 66,826 | 62,466 |
| Brokerage commissions and royalties | 40,747 | 47,645 |
| Compensation, benefits and other personnel | 198,922 | 207,312 |
| Stock based compensation | 16,403 | 10,209 |
| Consulting, outsourcing and professional fees | 65,250 | 60,034 |
| Data processing and computer related | 30,512 | 33,927 |
| Facilities, supplies and other costs | 50,833 | 50,453 |
| Amortization | 17,895 | 29,493 |
| Depreciation | 16,392 | 16,195 |
| | <hr/> | <hr/> |
| Total expenses | 503,780 | 517,734 |
| Income from operations | 165,656 | 258,819 |
| Net gain (loss) on investments | 30,435 | (1,367) |
| Interest and dividend income | 4,823 | 5,545 |
| Interest expense | (1,222) | (2,884) |
| Other income | 1,070 | - |
| Equity in earnings of unconsolidated affiliate | 72,839 | - |
| | <hr/> | <hr/> |
| Income before taxes | 273,601 | 260,113 |
| Income taxes | 103,183 | 64,250 |
| | <hr/> | <hr/> |
| Net income | 170,418 | 195,863 |
| Less: Net income attributable to the noncontrolling interest | (1,131) | (67,365) |
| | <hr/> | <hr/> |
| Net income attributable to SEI | \$169,287 | \$128,498 |
| | <hr/> | <hr/> |
| Diluted earnings per common share | \$0.89 | \$0.67 |
| | <hr/> | <hr/> |
| Shares used to calculate diluted earnings per common share | 190,694 | 191,905 |
| | <hr/> | <hr/> |
| Basic earnings per common share | \$0.90 | \$0.67 |
| | <hr/> | <hr/> |
| Shares used to calculate basic earnings per common share | 189,090 | 190,986 |
| | <hr/> | <hr/> |

SEI INVESTMENTS COMPANY
CONDENSED BALANCE SHEETS
(In thousands)

| | (Unaudited) September 30, 2010 | December, 31 2009 |
|--|--------------------------------------|-----------------------------|
| Assets | <u> </u> | <u> </u> |
| Cash and short-term investments | \$451,778 | \$590,877 (a) |
| Restricted cash | 19,000 | 20,000 |
| Receivables | 171,709 | 212,451 (a) |
| Other current assets | 19,930 | 18,075 |
| | <u> </u> | <u> </u> |
| Total current assets | 662,417 | 841,403 |
| Property and equipment, net | 144,026 | 146,053 |
| Marketable securities | 177,889 | 181,897 |
| Capitalized software, net | 289,604 | 278,656 |
| Investment in unconsolidated affiliate | 63,096 | - |
| Goodwill | - | 22,842 |
| Intangible assets, net | - | 44,859 |
| Other assets, net | 16,993 | 18,098 |
| | <u> </u> | <u> </u> |
| Total assets | <u>\$1,354,025</u> | <u>\$1,533,808</u> |
| | | |
| Liabilities | | |
| Current liabilities | \$116,340 | \$163,055 (b) |
| Long-term debt | 120,000 | 247,152 (b) |
| Deferred income taxes | 91,108 | 86,257 |
| Long-term liabilities | 5,836 | 5,726 |
| Total SEI Investments Company shareholders' equity | 1,006,391 | 909,723 |
| Noncontrolling interest | 14,350 | 121,895 |
| Total Equity | <u>1,020,741</u> | <u>1,031,618</u> |
| | <u> </u> | <u> </u> |
| Total liabilities and equity | <u>\$1,354,025</u> | <u>\$1,533,808</u> |

(a) Includes \$57,061 of cash and cash equivalents and \$66,392 of receivables of LSV Asset Management.

(b) Includes \$20,552 of debt of LSV Employee Group of which \$6,400 is included in Current liabilities and the remaining \$14,152 is included in Long-term debt.

SEI INVESTMENTS COMPANY
ASSET BALANCES
(In millions)
(Unaudited)

| | Sep. 30, <u>2009</u> | Dec. 31, <u>2009</u> | Mar. 31, <u>2010</u> | Jun. 30, <u>2010</u> | Sep. 30, <u>2010</u> |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Private Banks: | | | | | |
| Equity/Fixed Income prgms. | \$12,479 | \$12,690 | \$12,635 | \$11,769 | \$12,842 |
| Collective Trust Fund prgm. | 1,098 | 1,067 | 1,023 | 640 | 615 |
| Liquidity funds | <u>6,524</u> | <u>6,035</u> | <u>5,329</u> | <u>5,175</u> | <u>5,034</u> |
| Total assets under mgmt. | \$20,101 | \$19,792 | \$18,987 | \$17,584 | \$18,491 |
| Client assets under admin. | <u>10,941</u> | <u>11,213</u> | <u>11,429</u> | <u>10,335</u> | <u>10,557</u> |
| Total assets | \$31,042 | \$31,005 | \$30,416 | \$27,919 | \$29,048 |
| Investment Advisors: | | | | | |
| Equity/Fixed Income prgms. | \$24,739 | \$25,392 | \$26,222 | \$23,699 | \$26,091 |
| Collective Trust Fund prgm. | 2,521 | 2,423 | 2,284 | 2,066 | 2,028 |
| Liquidity funds | <u>2,243</u> | <u>1,929</u> | <u>1,731</u> | <u>2,635</u> | <u>2,253</u> |
| Total assets under mgmt. | \$29,503 | \$29,744 | \$30,237 | \$28,400 | \$30,372 |
| Institutional Investors: | | | | | |
| Equity/Fixed Income prgms. | \$43,672 | \$44,322 | \$45,891 | \$43,506 | \$47,667 |
| Collective Trust Fund prgm. | 707 | 684 | 657 | 643 | 641 |
| Liquidity funds | <u>4,624</u> | <u>3,370</u> | <u>3,198</u> | <u>2,558</u> | <u>3,475</u> |
| Total assets under mgmt. | \$49,003 | \$48,376 | \$49,746 | \$46,707 | \$51,783 |
| Investment Managers: | | | | | |
| Equity/Fixed Income prgms. | \$4 | \$4 | \$2 | \$1 | \$1 |
| Collective Trust Fund prgm. | 7,075 | 7,428 | 7,639 | 7,366 | 7,781 |
| Liquidity funds | <u>528</u> | <u>412</u> | <u>447</u> | <u>428</u> | <u>423</u> |
| Total assets under mgmt. | \$7,607 | \$7,844 | \$8,088 | \$7,795 | \$8,205 |
| Client assets under admin. (A) | <u>216,222</u> | <u>221,680</u> | <u>220,807</u> | <u>220,459</u> | <u>227,777</u> |
| Total assets | \$223,829 | \$229,524 | \$228,895 | \$228,254 | \$235,982 |
| Investments in New Businesses: | | | | | |
| Equity/Fixed Income prgms. | \$473 | \$520 | \$534 | \$496 | \$533 |
| Liquidity funds | <u>93</u> | <u>75</u> | <u>72</u> | <u>74</u> | <u>82</u> |
| Total assets under mgmt. | \$566 | \$595 | \$606 | \$570 | \$615 |
| LSV Asset Management | | | | | |
| Equity/Fixed Income prgms. | \$49,349 | \$52,488 | \$54,189 | \$47,822 | \$54,492 |
| Consolidated: | | | | | |
| Equity/Fixed Income prgms (B) | \$130,716 | \$135,416 | \$139,473 | \$127,293 | \$141,626 |
| Collective Trust Fund prgm. | 11,401 | 11,602 | 11,603 | 10,715 | 11,065 |
| Liquidity funds | <u>14,012</u> | <u>11,821</u> | <u>10,777</u> | <u>10,870</u> | <u>11,267</u> |
| Total assets under mgmt. | \$156,129 | \$158,839 | \$161,853 | \$148,878 | \$163,958 |
| Client assets under admin. (C) | <u>227,163</u> | <u>232,893</u> | <u>232,236</u> | <u>230,794</u> | <u>238,334</u> |
| Total assets | \$383,292 | \$391,732 | \$394,089 | \$379,672 | \$402,292 |
| (A) Client assets under administration in the Investment Managers segment include \$59.6 billion of assets balances that require limited services and therefore are at fee levels below our normal full service assets (as of September 30, 2010). | | | | | |
| (B) Equity/Fixed Income programs include \$2,386 million of assets invested in various asset allocation funds at September 30, 2010. | | | | | |
| (C) In addition to the numbers presented, SEI also administers an additional \$4,534 million in Funds of Funds assets (as of September 30, 2010) on which SEI does not earn an administration fee. | | | | | |