

# NEWS FROM SEI

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**FOR IMMEDIATE RELEASE**

## SEI REPORTS FOURTH-QUARTER 2011 FINANCIAL RESULTS

**OAKS, Pa., January 25, 2012** -- SEI Investments Company (NASDAQ:SEIC) today announced financial results for fourth-quarter 2011. Diluted earnings per share were \$.25 in fourth-quarter 2011 compared to \$.33 in fourth-quarter 2010.

### **Consolidated Overview**

(In thousands, except earnings per share)

	For the Three Months			For the Twelve Months		
	Ended December 31,			Ended December 31,		
	<u>2011</u>	<u>2010</u>	%	<u>2011</u>	<u>2010</u>	%
Revenues	<b>\$226,247</b>	\$231,399	(2%)	<b>\$929,727</b>	\$900,835	3%
Net Income attributable to SEI	<b>44,396</b>	62,400	(29%)	<b>204,959</b>	231,687	(12%)
Diluted Earnings Per Share	<b>\$0.25</b>	\$0.33	(24%)	<b>\$1.11</b>	\$1.22	(9%)

“While the headwinds created by third-quarter 2011 market performance had a dampening effect on fourth-quarter results, we continued to make progress in our business development initiatives that will drive long-term growth,” said Alfred P. West, Jr., SEI Chairman and CEO.

“As we enter 2012, we continue to operate in challenging and dynamic markets. We are confident that the solutions we offer and the investments we have made will allow us to succeed in growing our company. In the short-term, we will continue to focus on improving productivity, maintaining a strong and talented workforce and producing strong sales results. In the long-term increasing shareholder value, through strong profit growth, remains our number one goal.”

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

(In thousands)	For the Three Month Period			For the Twelve Month Period		
	Ended December 31,			Ended December 31,		
	<u>2011</u>	<u>2010</u>	<u>%</u>	<u>2011</u>	<u>2010</u>	<u>%</u>
<b>Private Banks:</b>						
Revenues	\$85,843	\$85,938	0%	\$348,122	\$346,668	0%
Expenses	<u>84,769</u>	<u>80,959</u>	5%	<u>339,339</u>	<u>310,633</u>	9%
Operating Profit	\$1,074	\$4,979	(78%)	\$8,783	\$36,035	(76%)
Operating Margin	1%	6%		3%	10%	
<b>Investment Advisors:</b>						
Revenues	45,106	48,095	(6%)	189,780	183,378	3%
Expenses	<u>27,613</u>	<u>28,259</u>	(2%)	<u>110,438</u>	<u>110,388</u>	0%
Operating Profit	17,493	19,836	(12%)	79,342	72,990	9%
Operating Margin	39%	41%		42%	40%	
<b>Institutional Investors:</b>						
Revenues	49,895	53,710	(7%)	210,027	206,531	2%
Expenses	<u>26,702</u>	<u>28,038</u>	(5%)	<u>106,585</u>	<u>106,934</u>	0%
Operating Profit	23,193	25,672	(10%)	103,442	99,597	4%
Operating Margin	46%	48%		49%	48%	
<b>Investment Managers:</b>						
Revenues	44,497	42,561	5%	177,975	160,159	11%
Expenses	<u>29,270</u>	<u>27,503</u>	6%	<u>115,963</u>	<u>103,421</u>	12%
Operating Profit	15,227	15,058	1%	62,012	56,738	9%
Operating Margin	34%	35%		35%	35%	
<b>Investments in New Businesses:</b>						
Revenues	906	1,095	(17%)	3,823	4,099	(7%)
Expenses	<u>3,085</u>	<u>3,196</u>	(3%)	<u>11,559</u>	<u>12,676</u>	(9%)
Operating Loss	(2,179)	(2,101)	4%	(7,736)	(8,577)	(10%)
Operating Margin	N/A	N/A		N/A	N/A	
<b>Totals:</b>						
Revenues	\$226,247	\$231,399	(2%)	\$929,727	\$900,835	3%
Expenses	171,439	167,955	2%	683,884	644,052	6%
Corporate overhead expenses	10,875	12,076	(10%)	43,398	40,715	7%
Noncontrolling interest reflected in segments	<u>(442)</u>	<u>(509)</u>	N/A	<u>(1,620)</u>	<u>(1,465)</u>	N/A
Income from operations	\$44,375	\$51,877	(14%)	\$ 204,065	\$ 217,533	(6%)

#### **Fourth-Quarter Business Commentary:**

- Revenues declined in fourth-quarter 2011 as compared to fourth-quarter 2010 and to third-quarter 2011 due to a decrease in Asset management, administration, and distribution fee revenues from the market decline experienced at the end of third-quarter 2011. Although ending assets increased during the fourth-quarter 2011, SEI's average assets under management (which SEI uses to calculate revenue) decreased during fourth-quarter 2011 compared to fourth-quarter 2010 as well as to third-quarter 2011 (See attached Ending and Average Asset Balances schedules for further details).
- Revenues in fourth-quarter 2011 compared to fourth-quarter 2010 also declined due to lower information processing fees due to a decline in one-time revenues.
- Sales events, net of client losses, during fourth-quarter 2011 totaled approximately \$20.0 million and are expected to generate net annualized recurring revenues of approximately \$16.0 million when contract values are fully realized.
- Net income attributable to SEI includes losses from SIV securities of \$0.7 million in fourth-quarter 2011 compared to gains of \$14.3 million in fourth-quarter 2010. In addition fourth-quarter 2010 included gains of \$3.8 million relating to sales of other assets.
- Diluted earnings per share in fourth-quarter 2011 declined versus third-quarter 2011 due mainly to the revenue decreases mentioned above. Diluted earnings per share declined versus fourth-quarter 2010 due to the revenue decreases above, in addition to SIV and other gains recorded on investments in fourth-quarter 2010.
- The effective tax rates were 34.7 percent in the fourth-quarter 2011 as well as in the fourth-quarter 2010. The tax rate in the fourth-quarter 2011 benefited from tax planning strategies while fourth-quarter 2010 benefited from a year-to-date adjustment to reflect the reinstatement of the research and development tax credit.
- In the fourth-quarter 2011, SEI purchased 3.2 million shares of its common stock for \$52.5 million.
- In the fourth-quarter 2011, SEI made a \$20.0 million payment on its outstanding debt. As of December 31, 2011, SEI no longer carries any debt.

## **Earnings Conference Call**

A conference call to review earnings is scheduled for 2:00 PM ET on January 25, 2012. Investors may listen to the call at [www.seic.com/investors](http://www.seic.com/investors) or listen at [www.earnings.com](http://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) 1-866-206-5917; (International) 703-639-1106, access code 234129.

## **About SEI**

SEI (NASDAQ:SEIC) is a leading global provider of investment processing, fund processing, and investment management business outsourcing solutions that help corporations, financial institutions, financial advisors, and ultra-high-net-worth families create and manage wealth. As of December 31, 2011, through its subsidiaries and partnerships in which the company has a significant interest, SEI manages or administers \$404 billion in mutual fund and pooled or separately managed assets, including \$172 billion in assets under management and \$232 billion in client assets under administration. For more information, visit [www.seic.com](http://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)

	<b>Three Months Ended December 31,</b>	
	<b>2011</b>	<b>2010</b>
Asset management, admin. and distribution fees	<b>\$162,126</b>	\$165,024
Information processing and software servicing fees	<b>54,882</b>	56,381
Transaction-based and trade execution fees	<b>9,239</b>	9,994
	<hr/>	<hr/>
Total revenues	<b>226,247</b>	231,399
Subadvisory, distribution and other asset mgmt costs	<b>25,921</b>	26,302
Software royalties and other information processing costs	<b>6,529</b>	5,923
Brokerage commissions	<b>6,816</b>	6,221
Compensation, benefits and other personnel	<b>74,609</b>	70,243
Stock-based compensation	<b>3,146</b>	10,380
Consulting, outsourcing and professional fees	<b>27,592</b>	23,783
Data processing and computer related	<b>11,774</b>	10,552
Facilities, supplies and other costs	<b>13,105</b>	14,455
Amortization	<b>7,257</b>	6,153
Depreciation	<b>5,123</b>	5,510
	<hr/>	<hr/>
Total expenses	<b>181,872</b>	179,522
Income from operations	<b>44,375</b>	51,877
Net (loss) gain on investments	<b>(552)</b>	18,098
Interest and dividend income	<b>1,449</b>	1,503
Interest expense	<b>(100)</b>	(256)
Other expense, net	<b>-</b>	(1,660)
Equity in earnings of unconsolidated affiliate	<b>23,431</b>	26,618
	<hr/>	<hr/>
Net income before income taxes	<b>68,603</b>	96,180
Income taxes	<b>23,750</b>	33,278
	<hr/>	<hr/>
Net income	<b>44,853</b>	62,902
	<hr/>	<hr/>
Less: Net income attributable to the noncontrolling interest	<b>(457)</b>	(502)
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Net income attributable to SEI	<b>\$44,396</b>	\$62,400
	<hr/>	<hr/>
Diluted earnings per common share	<b>\$0.25</b>	\$0.33
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Shares used to calculate diluted earnings per common share	<b>178,412</b>	189,200
	<hr/>	<hr/>
Basic earnings per common share	<b>\$0.25</b>	\$0.33
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Shares used to calculate basic earnings per common share	<b>178,098</b>	186,602
	<hr/>	<hr/>

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

	<b>Twelve Months Ended December 31,</b>	
	<b>2011</b>	<b>2010</b>
Asset management, admin. and distribution fees	<b>\$669,788</b>	\$628,535
Information processing and software servicing fees	<b>222,417</b>	231,529
Transaction-based and trade execution fees	<b>37,522</b>	40,771
	<hr/>	<hr/>
Total revenues	<b>929,727</b>	900,835
Subadvisory, distribution and other asset mgmt costs	<b>103,134</b>	101,722
Software royalties and other information processing costs	<b>27,437</b>	24,419
Brokerage commissions	<b>27,022</b>	28,882
Compensation, benefits and other personnel	<b>289,445</b>	269,165
Stock-based compensation	<b>14,112</b>	26,783
Consulting, outsourcing and professional fees	<b>113,171</b>	89,033
Data processing and computer related	<b>47,003</b>	41,064
Facilities, supplies and other costs	<b>55,579</b>	56,284
Amortization	<b>27,288</b>	24,048
Depreciation	<b>21,471</b>	21,902
	<hr/>	<hr/>
Total expenses	<b>725,662</b>	683,302
Income from operations	<b>204,065</b>	217,533
Net gain on investments	<b>3,360</b>	48,533
Interest and dividend income	<b>5,829</b>	6,326
Interest expense	<b>(585)</b>	(1,478)
Other expense, net	<b>-</b>	(590)
Equity in earnings of unconsolidated affiliate	<b>105,818</b>	99,457
	<hr/>	<hr/>
Net income before income taxes	<b>318,487</b>	369,781
Income taxes	<b>111,837</b>	136,461
	<hr/>	<hr/>
Net income	<b>206,650</b>	233,320
Less: Net income attributable to the noncontrolling interest	<b>(1,691)</b>	(1,633)
	<hr/>	<hr/>
Net income attributable to SEI	<b>\$204,959</b>	\$231,687
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Diluted earnings per common share	<b>\$1.11</b>	\$1.22
	<hr/>	<hr/>
Shares used to calculate diluted earnings per common share	<b>184,127</b>	190,321
	<hr/>	<hr/>
Basic earnings per common share	<b>\$1.12</b>	\$1.23
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Shares used to calculate basic earnings per common share	<b>182,547</b>	188,468
	<hr/>	<hr/>

**SEI INVESTMENTS COMPANY**  
**CONDENSED BALANCE SHEETS**  
(In thousands)

	<b>(Unaudited)</b>	
	<b>December 31,</b>	<b>December 31,</b>
	<b>2011</b>	<b>2010</b>
	<u>                    </u>	<u>                    </u>
<b>Assets</b>		
Cash and short-term investments	<b>\$420,986</b>	\$496,292
Restricted cash	<b>6,000</b>	4,000
Receivables, net	<b>167,909</b>	165,772
Securities owned	<b>20,949</b>	-
Other current assets	<b>19,107</b>	17,655
	<u>                    </u>	<u>                    </u>
Total current assets	<b>634,951</b>	683,719
Property and equipment, net	<b>129,548</b>	140,568
Marketable securities	<b>139,333</b>	179,364
Capitalized software, net	<b>309,133</b>	294,332
Investment in unconsolidated affiliate	<b>60,954</b>	64,409
Other assets, net	<b>20,640</b>	14,831
	<u>                    </u>	<u>                    </u>
Total assets	<b><u>\$1,294,559</u></b>	<b><u>\$1,377,223</u></b>
 <b>Liabilities</b>		
Current liabilities	<b>\$151,073</b>	\$127,600
Long-term debt	-	95,000
Deferred income taxes	<b>93,751</b>	92,253
Other Long-term liabilities	<b>8,276</b>	5,645
Total SEI Investments Company shareholders' equity	<b>1,025,316</b>	1,041,570
Noncontrolling interest	<b>16,143</b>	15,155
	<u>                    </u>	<u>                    </u>
<b>Total Equity</b>	<b>1,041,459</b>	1,056,725
	<u>                    </u>	<u>                    </u>
Total liabilities and equity	<b><u>\$1,294,559</u></b>	<b><u>\$1,377,223</u></b>

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

	Dec. 31, <u>2010</u>	Mar. 31, <u>2011</u>	Jun. 30, <u>2011</u>	Sept. 30, <u>2011</u>	Dec. 31, <u>2011</u>
Private Banks:					
Equity/Fixed Income prgms.	\$13,512	\$14,809	\$16,720	\$15,442	\$16,435
Collective Trust Fund prgms.	626	576	504	476	450
Liquidity funds	<u>5,120</u>	<u>5,217</u>	<u>4,918</u>	<u>5,529</u>	<u>5,553</u>
Total assets under mgmt.	\$19,258	\$20,602	\$22,142	\$21,447	\$22,438
Client assets under admin.	<u>10,672</u>	<u>11,227</u>	<u>10,994</u>	<u>9,845</u>	<u>10,355</u>
Total assets	\$29,930	\$31,829	\$33,136	\$31,292	\$32,793
Investment Advisors:					
Equity/Fixed Income prgms.	\$27,680	\$28,296	\$28,410	\$24,757	\$26,639
Collective Trust Fund prgms.	1,820	1,618	1,499	1,392	1,298
Liquidity funds	<u>1,641</u>	<u>1,551</u>	<u>1,651</u>	<u>2,653</u>	<u>2,505</u>
Total assets under mgmt.	\$31,141	\$31,465	\$31,560	\$28,802	\$30,442
Institutional Investors:					
Equity/Fixed Income prgms.	\$48,699	\$51,287	\$51,180	\$46,259	\$49,051
Collective Trust Fund prgms.	623	608	482	510	492
Liquidity funds	<u>3,382</u>	<u>3,202</u>	<u>3,146</u>	<u>3,356</u>	<u>3,888</u>
Total assets under mgmt.	\$52,704	\$55,097	\$54,808	\$50,125	\$53,431
Investment Managers:					
Equity/Fixed Income prgms.	\$1	\$37	\$50	\$64	\$57
Collective Trust Fund prgms.	8,177	8,841	10,372	10,896	11,255
Liquidity funds	<u>313</u>	<u>139</u>	<u>179</u>	<u>195</u>	<u>152</u>
Total assets under mgmt.	\$8,491	\$9,017	\$10,601	\$11,155	\$11,464
Client assets under admin. (A)	<u>233,079</u>	<u>238,335</u>	<u>238,432</u>	<u>223,620</u>	<u>221,198</u>
Total assets	\$241,570	\$247,352	\$249,033	\$234,775	\$232,662
Investments in New Businesses:					
Equity/Fixed Income prgms.	\$569	\$598	\$558	\$490	\$515
Liquidity funds	<u>65</u>	<u>56</u>	<u>41</u>	<u>41</u>	<u>37</u>
Total assets under mgmt.	\$634	\$654	\$599	\$531	\$552
LSV Asset Management					
Equity/Fixed Income prgms.	\$60,058	\$62,369	\$60,626	\$49,444	\$53,712
Consolidated:					
Equity/Fixed Income prgms (B)	\$150,519	\$157,396	\$157,544	\$136,456	\$146,409
Collective Trust Fund prgms.	11,246	11,643	12,857	13,274	13,495
Liquidity funds	<u>10,521</u>	<u>10,165</u>	<u>9,935</u>	<u>11,774</u>	<u>12,135</u>
Total assets under mgmt.	\$172,286	\$179,204	\$180,336	\$161,504	\$172,039
Client assets under admin. (C)	<u>243,751</u>	<u>249,562</u>	<u>249,426</u>	<u>233,465</u>	<u>231,553</u>
Total assets	\$416,037	\$428,766	\$429,762	\$394,969	\$403,592

- (A) Client assets under administration in the Investment Managers segment include \$39.5 billion of assets balances that require limited services and therefore are at fee levels below our normal full service assets (as of December 31, 2011).
- (B) Equity/Fixed Income programs include \$2.3 billion of assets invested in various asset allocation funds at December 31, 2011.
- (C) In addition to the numbers presented, SEI also administers an additional \$4.4 billion in Funds of Funds assets (as of December 31, 2011) on which SEI does not earn an administration fee.

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

	4th Qtr <u>2010</u>	1st Qtr <u>2011</u>	2nd Qtr <u>2011</u>	3rd Qtr <u>2011</u>	4th Qtr <u>2011</u>
<b>Private Banks:</b>					
Equity/Fixed Income prgms.	\$13,200	\$14,170	\$16,176	\$16,592	\$16,624
Collective Trust Fund prgms.	618	593	543	505	464
Liquidity funds	<u>4,966</u>	<u>5,058</u>	<u>4,909</u>	<u>5,210</u>	<u>5,401</u>
Total assets under mgmt.	\$18,784	\$19,821	\$21,628	\$22,307	\$22,489
Client assets under admin.	<u>10,749</u>	<u>10,921</u>	<u>11,114</u>	<u>10,364</u>	<u>10,290</u>
Total assets	\$29,533	\$30,742	\$32,742	\$32,671	\$32,779
<b>Investment Advisors:</b>					
Equity/Fixed Income prgms.	\$27,121	\$27,841	\$28,502	\$26,658	\$26,094
Collective Trust Fund prgms.	1,893	1,687	1,544	1,442	1,314
Liquidity funds	<u>1,729</u>	<u>1,580</u>	<u>1,576</u>	<u>2,224</u>	<u>2,499</u>
Total assets under mgmt.	\$30,743	\$31,108	\$31,622	\$30,324	\$29,907
<b>Institutional Investors:</b>					
Equity/Fixed Income prgms.	\$48,310	\$50,392	\$51,567	\$49,115	\$48,504
Collective Trust Fund prgms.	638	608	554	505	500
Liquidity funds	<u>3,450</u>	<u>3,418</u>	<u>3,515</u>	<u>3,416</u>	<u>3,461</u>
Total assets under mgmt.	\$52,398	\$54,418	\$55,636	\$53,036	\$52,465
<b>Investment Managers:</b>					
Equity/Fixed Income prgms.	\$1	\$1	\$38	\$52	\$65
Collective Trust Fund prgms.	7,986	8,288	9,560	11,292	10,773
Liquidity funds	<u>406</u>	<u>210</u>	<u>165</u>	<u>200</u>	<u>219</u>
Total assets under mgmt.	\$8,393	\$8,499	\$9,763	\$11,544	\$11,057
Client assets under admin.	<u>233,680</u>	<u>237,376</u>	<u>241,423</u>	<u>236,953</u>	<u>224,633</u>
Total assets	\$242,073	\$245,875	\$251,186	\$248,497	\$235,690
<b>Investments in New Businesses:</b>					
Equity/Fixed Income prgms.	\$551	\$579	\$561	\$525	\$515
Liquidity funds	<u>70</u>	<u>61</u>	<u>42</u>	<u>42</u>	<u>42</u>
Total assets under mgmt.	\$621	\$640	\$603	\$567	\$557
<b>LSV Asset Management</b>					
Equity/Fixed Income prgms.	\$57,523	\$62,212	\$63,000	\$54,679	\$54,021
<b>Consolidated:</b>					
Equity/Fixed Income prgms	\$146,706	\$155,195	\$159,844	\$147,621	\$145,823
Collective Trust Fund prgms.	11,135	11,176	12,201	13,744	13,051
Liquidity funds	<u>10,621</u>	<u>10,327</u>	<u>10,207</u>	<u>11,092</u>	<u>11,622</u>
Total assets under mgmt.	\$168,462	\$176,698	\$182,252	\$172,457	\$170,496
Client assets under admin.	<u>244,429</u>	<u>248,297</u>	<u>252,537</u>	<u>247,317</u>	<u>234,923</u>
Total assets	\$412,891	\$424,995	\$434,789	\$419,774	\$405,419