

# NEWS FROM SEI

For Immediate Release

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## SEI Reports First-Quarter 2009 Financial Results

OAKS, Pa., April 23, 2009 -- SEI Investments Company (NASDAQ:SEIC) today announced financial results for first-quarter 2009, reporting decreases in revenues, net income and earnings per share compared to first-quarter 2008. Net income attributable to SEI during the first-quarter 2009 was negatively affected by a \$14.4 million pre-tax charge (approximately \$.05 per share post-tax) for previously disclosed structured investment vehicle-related issues.

### Consolidated Overview

(In thousands, except earnings per share)

	For the Three Months		
	Ended March 31,		
	<u>2009</u>	<u>2008</u>	<u>%</u>
Revenues	\$248,611	\$333,908	(26%)
Net Income attributable to SEI	34,200	48,946	(30%)
Diluted Earnings Per Share	\$.18	\$.25	(28%)

“The severe downturn in the capital markets continues to make business conditions challenging and had a significant negative impact on our first-quarter financial results,” said Alfred P. West, Jr., SEI Chairman and CEO.

“In addition to the resizing and cost reductions we accomplished in the first-quarter, we are continuing our efforts to improve overall productivity through process re-engineering. At the same time, our positive cash flow allows us to maintain a strong capital base and balance sheet while we implement our longer term strategies.

“In these times, it is especially important to focus on our clients’ well-being and success. We are firm in our belief that what we are doing today will significantly benefit our clients and SEI both today and in the future.”

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

(In thousands)	For the Three Month Period		
	Ended March 31,		
	<u>2009</u>	<u>2008</u>	<u>%</u>
Private Banks:			
Revenues	\$96,948	\$107,054	(9%)
Expenses	<u>78,798</u>	<u>86,167</u>	(9%)
Operating Profit	\$18,150	\$20,887	(13%)
Operating Margin	19%	20%	
Investment Advisors:			
Revenues	37,508	60,519	(38%)
Expenses	<u>27,109</u>	<u>31,376</u>	(14%)
Operating Profit	10,399	29,143	(64%)
Operating Margin	28%	48%	
Institutional Investors:			
Revenues	39,379	50,689	(22%)
Expenses	<u>24,170</u>	<u>30,140</u>	(20%)
Operating Profit	15,209	20,549	(26%)
Operating Margin	39%	41%	
Investment Managers:			
Revenues	33,332	36,493	(9%)
Expenses	<u>22,867</u>	<u>25,964</u>	(12%)
Operating Profit	10,465	10,529	(1%)
Operating Margin	31%	29%	
Investments in New Businesses:			
Revenues	1,254	1,834	(32%)
Expenses	<u>3,293</u>	<u>4,652</u>	(29%)
Operating Loss	(2,039)	(2,818)	28%
Operating Margin	n/a	n/a	
LSV:			
Revenues	40,190	77,319	(48%)
Expenses (1)	<u>26,446</u>	<u>47,356</u>	(44%)
Operating Profit	13,744	29,963	(54%)
Operating Margin	34%	39%	
Consolidated Segment Totals:			
Revenues	\$248,611	\$333,908	(26%)
Expenses	<u>182,683</u>	<u>225,655</u>	(19%)
Operating Profit	\$65,928	\$108,253	(39%)
Operating Margin	27%	32%	

(1) Includes \$18,862 and \$41,238 for the three-month period ended March 31, 2009 and 2008, of noncontrolling interest to the other partners of LSV.

A reconciliation of the totals reported for the business segments to the applicable line items in the Consolidated Statements of Income for the three-month periods ended March 31, 2009 and 2008 is as follows:

	Three Months Ended March 31,	
	<u>2009</u>	<u>2008</u>
Total operating profit from business segments	\$65,928	\$108,253
Corporate overhead expenses	(9,641)	(10,109)
Noncontrolling interest reflected in segments	19,063	42,188
LSV Employee Group Expenses (1)	<u>(1,820)</u>	<u>(1,821)</u>
Income from operations	\$73,530	\$138,511

(1) Includes \$1,805 for the three-month period ending March 31, 2009 and 2008 of amortization expense related to intangible assets owned by LSV Employee Group LLC. The amortization is offset through noncontrolling interest since SEI does not have any ownership in LSV Employee Group LLC.

#### **First-Quarter Business Commentary:**

- Revenues were down across all segments due to the continued decline in the capital markets. The Institutional Investors and Investment Managers segments partially offset the negative capital market impact with new business growth.
- The first-quarter 2009 results include losses of \$14.4 million associated with SIV-related issues involving SEI-sponsored money market funds. SEI has recognized cumulative losses of \$197.7 million associated with SIV-related issues involving SEI-sponsored money market funds. Additional information related to this, and about the capital support agreements, is contained in SEI's 2008 Form 10-K filed February 25, 2009.
- In March 2009, SEI purchased the remaining Gryphon notes held by SEI-sponsored money market funds for \$194.9 million. SEI borrowed \$195.0 million on its credit facility in order to finance the purchase of the Gryphon notes. As a result of this purchase, SEI's obligation under the Capital Support Agreements was reduced by \$116.0 million to \$57.9 million as of March 31, 2009.
- SEI recognized \$6.3 million of one-time employee termination costs in the first-quarter 2009 associated with a reduction in workforce.
- In the first-quarter 2009, the Private Banks segment recognized \$7.0 million of one-time contractual buyout fees from existing clients involved in bank mergers.
- Assets under management declined by \$11.6 billion during the first-quarter 2009 to \$122.7 billion, primarily due to market depreciation.
- In the first-quarter 2009, SEI's effective tax rate was approximately 21 percent. The effective tax rate was affected by the recognition of certain tax benefits resulting from the conclusion of federal and state income tax audits.
- In the first-quarter, SEI purchased 527,000 shares of its common stock for \$5.9 million.

## **Earnings Conference Call**

A conference call to review earnings is scheduled for 2:00 PM ET on April 23, 2009. Investors may listen to the call at [www.seic.com](http://www.seic.com) (Investor Information section), 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) 1-800-475-6701; (International) 320-365-3844, access code 996579.

## **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 March 31, 2009, through its subsidiaries and partnerships in which the company has a significant interest, SEI administers \$354 billion in mutual fund and pooled assets and manages \$123 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](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 INCOME**  
(In thousands, except per share data)  
(Unaudited)

	<b>Three Months Ended March 31,</b>	
	<b>2009</b>	<b>2008</b>
Asset management, admin. and distribution fees	<b>\$169,364</b>	\$260,059
Information processing and software servicing fees	<b>62,217</b>	60,139
Transaction-based and trade execution fees	<b>17,030</b>	13,710
<b>Total revenues</b>	<b>248,611</b>	333,908
Commissions and fees	<b>37,553</b>	45,295
Compensation, benefits and other personnel	<b>76,868</b>	83,892
Consulting, outsourcing and professional fees	<b>21,150</b>	26,757
Data processing and computer related	<b>11,515</b>	10,548
Facilities, supplies and other costs	<b>15,433</b>	17,385
Depreciation and amortization	<b>12,562</b>	11,520
<b>Total expenses</b>	<b>175,081</b>	195,397
<b>Income from operations</b>	<b>73,530</b>	138,511
Net loss on investments	<b>(14,450)</b>	(24,046)
Interest and dividend income	<b>1,711</b>	4,138
Interest expense	<b>(799)</b>	(967)
<b>Income before taxes</b>	<b>59,992</b>	117,636
Income taxes	<b>8,929</b>	29,175
<b>Net income</b>	<b>51,063</b>	88,461
Less Net Income attributable to the noncontrolling interest	<b>(16,863)</b>	(39,515)
<b>Net income attributable to SEI</b>	<b>\$34,200</b>	\$48,946
Diluted earnings per common share	<b>\$.18</b>	\$.25
Shares used to calculate diluted earnings per common share	<b>191,409</b>	198,211
Basic earnings per common share	<b>\$.18</b>	\$.25
Shares used to calculate basic earnings per common share	<b>191,084</b>	193,629

Note: Effective January 1, 2009 the company adopted the provisions of SFAS No. 160, Non-controlling Interests in Consolidated Financial Statements. Prior period information has been reclassified to conform with current period presentation.

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

	<b>(Unaudited)</b> <b>March 31,</b> <b>2009</b>	<b>December 31,</b> <b>2008</b>
	<u>                    </u>	<u>                    </u>
<b>Assets</b>		
Cash and short-term investments	<b>\$428,084</b>	\$416,643
Restricted cash	<b>16,400</b>	14,000
Receivables	<b>188,882</b>	208,209
Other current assets	<b>88,188</b>	100,819
	<u>                    </u>	<u>                    </u>
Total current assets	<b>721,554</b>	739,671
Property and equipment, net	<b>145,551</b>	148,124
Marketable securities	<b>146,133</b>	86,693
Capitalized software, net	<b>279,368</b>	270,606
Goodwill	<b>22,842</b>	22,842
Intangible assets, net	<b>50,604</b>	52,518
Other assets, net	<b>20,219</b>	21,261
	<u>                    </u>	<u>                    </u>
Total assets	<b><u>\$1,386,271</u></b>	<b><u>\$1,341,715</u></b>
 <b>Liabilities</b>		
Current liabilities (1)	<b>\$169,677</b>	\$329,894
Long-term debt	<b>216,286</b>	24,332
Deferred income taxes	<b>96,118</b>	104,548
Long term liabilities	<b>4,752</b>	4,067
Total SEI Investments Company shareholders' equity	<b>797,544</b>	766,004
Noncontrolling interest	<b>101,894</b>	112,870
	<u>                    </u>	<u>                    </u>
<b>Total Equity</b>	<b>899,438</b>	878,874
	<u>                    </u>	<u>                    </u>
Total liabilities and shareholders' equity	<b><u>\$1,386,271</u></b>	<b><u>\$1,341,715</u></b>

(1) Includes \$57,945 and \$173,983 at March 31, 2009 and December 31, 2008, respectively, of an accrual related to money market funds support agreements.

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

	Mar. 31, <u>2008</u>	Jun. 30, <u>2008</u>	Sep. 30, <u>2008</u>	Dec. 31, <u>2008</u>	Mar. 31, <u>2009</u>
<b>Private Banks:</b>					
Equity/Fixed Income prgms.	\$18,904	\$18,163	\$14,436	\$10,573	\$9,679
Collective Trust Fund prgm.	1,008	955	1,028	1,145	1,198
Liquidity funds	<u>9,198</u>	<u>8,345</u>	<u>9,253</u>	<u>9,194</u>	<u>8,929</u>
Total assets under mgmt.	\$29,110	\$27,463	\$24,717	\$20,912	\$19,806
Client assets under admin.	<u>13,897</u>	<u>13,242</u>	<u>12,301</u>	<u>10,622</u>	<u>9,920</u>
Total assets	\$43,007	\$40,705	\$37,018	\$31,534	\$29,726
<b>Investment Advisors:</b>					
Equity/Fixed Income prgms.	\$32,736	\$31,938	\$27,817	\$21,631	\$18,832
Collective Trust Fund prgm.	2,310	2,259	2,471	2,606	2,716
Liquidity funds	<u>2,461</u>	<u>2,410</u>	<u>2,859</u>	<u>3,436</u>	<u>3,458</u>
Total assets under mgmt.	\$37,507	\$36,607	\$33,147	\$27,673	\$25,006
<b>Institutional Investors:</b>					
Equity/Fixed Income prgms.	\$43,134	\$43,608	\$39,775	\$34,966	\$32,565
Collective Trust Fund prgm.	924	947	1,001	942	791
Liquidity funds	<u>4,077</u>	<u>3,950</u>	<u>3,930</u>	<u>4,582</u>	<u>3,802</u>
Total assets under mgmt.	\$48,135	\$48,505	\$44,706	\$40,490	\$37,158
<b>Investment Managers:</b>					
Equity/Fixed Income prgms.	\$20	\$19	\$10	\$8	\$3
Collective Trust Fund prgm.	6,571	6,572	6,453	5,974	6,917
Liquidity funds	<u>571</u>	<u>438</u>	<u>699</u>	<u>869</u>	<u>898</u>
Total assets under mgmt.	\$7,162	\$7,029	\$7,162	\$6,851	\$7,818
Client assets under admin. (C)	<u>225,005</u>	<u>228,722</u>	<u>256,553</u>	<u>234,628</u>	<u>221,798</u>
Total assets	\$232,167	\$235,751	\$263,715	\$241,479	\$229,616
<b>Investments in New Businesses:</b>					
Equity/Fixed Income prgms.	\$869	\$838	\$704	\$519	\$472
Liquidity funds	<u>77</u>	<u>98</u>	<u>115</u>	<u>153</u>	<u>157</u>
Total assets under mgmt.	\$946	\$936	\$819	\$672	\$629
<b>LSV Asset Management</b>					
Equity/Fixed Income prgms.	\$61,765	\$57,692	\$51,296	\$37,714	\$32,308
<b>Consolidated:</b>					
Equity/Fixed Income prgms (A)	\$157,428	\$152,258	\$134,038	\$105,411	\$93,859
Collective Trust Fund prgm.	10,813	10,733	10,953	10,667	11,622
Liquidity funds	<u>16,384</u>	<u>15,241</u>	<u>16,856</u>	<u>18,234</u>	<u>17,244</u>
Total assets under mgmt.	\$184,625	\$178,232	\$161,847	\$134,312	\$122,725
Client assets under admin. (B)	<u>238,902</u>	<u>241,964</u>	<u>268,854</u>	<u>245,250</u>	<u>231,718</u>
Total assets	\$423,527	\$420,196	\$430,701	\$379,562	\$354,443

(A) Equity/Fixed Income programs include \$1,855 of assets invested in various asset allocation funds at March 31, 2009.

(B) In addition to the numbers presented, SEI also administers an additional \$6,902 in Funds of Funds assets (as of March 31, 2009) on which SEI does not earn an administration fee.

(C) Client assets under administration in the Investment Managers segment include \$78.3 billion of assets balances that require limited services and therefore are at fee levels below our normal service assets.