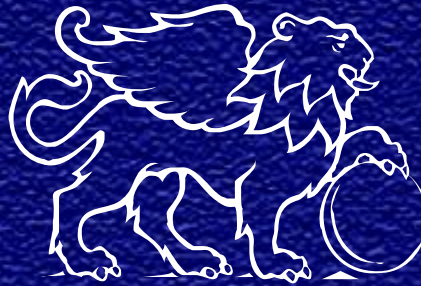


ST. JAMES'S PLACE
WEALTH MANAGEMENT

PRELIMINARY RESULTS

February 2008

ST. JAMES'S PLACE WEALTH MANAGEMENT



Mike Wilson
CHAIRMAN

David Bellamy
CHIEF EXECUTIVE

Andrew Croft
FINANCE DIRECTOR

Ian Gascoigne
SALES DIRECTOR

David Lamb
BUSINESS DEVELOPMENT DIRECTOR

ST. JAMES'S PLACE WEALTH MANAGEMENT

Agenda

Introduction

MIKE WILSON

Financials

ANDREW CROFT

New Business

DAVID BELLAMY

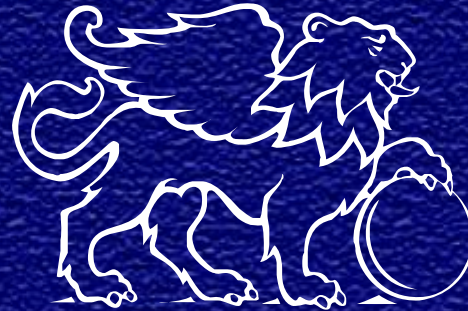
Partnership

IAN GASCOIGNE

Summary

MIKE WILSON





ST. JAMES'S PLACE
WEALTH MANAGEMENT

ANDREW CROFT

Finance Director

ST. JAMES'S PLACE WEALTH MANAGEMENT

EEV Profits

£'m	2007	2006	
Life	189.9	139.0	
Unit trust	59.0	39.9	
Combined life and unit trust	248.9	178.9	
Other operations	(4.2)	(2.9)	
Operating profit	244.7	176.0	+39%
Investment variance	(14.5)	70.8	
Economic changes	0.2	(9.8)	
LAHC	-	7.0	
Pre-tax profit	230.4	244.0	
Normalised tax	(62.1)	(59.8)	
Tax rate change	20.1	-	
Post-tax profit	188.4	184.2	



ST. JAMES'S PLACE WEALTH MANAGEMENT

Analysis of Life & Unit Trust Pre-Tax Operating Profit

£'m	2007	2006	
New business contribution	150.9	115.2	+31%
Profits from existing business			
–expected	77.7	65.5	
–experience variance	16.2	(2.4)	
–operating assumption changes	(2.8)	(5.5)	
Investment income	6.9	6.1	
Operating profit	<u>248.9</u>	<u>178.9</u>	



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2007 New Business Contribution

- Margin as % of APE expanded to 35.2% from 33% achieved for the 2006 full year
- Margin as % of PVNBP increased to 4.5% from 4.3% for the 2006 full year



ST. JAMES'S PLACE WEALTH MANAGEMENT

Development of New Business Contribution

£'m	2007	2000	
APE	428.6	187.3	+129%
New business contribution	150.9	55.0	+174%
Margin	35.2%	29.4%	



ST. JAMES'S PLACE WEALTH MANAGEMENT

Analysis of Life & Unit Trust Pre-Tax Operating Profit

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New business contribution	150.9	115.2	+31%
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Investment income	6.9	6.1	
Operating profit	<u>248.9</u>	<u>178.9</u>	



ST. JAMES'S PLACE WEALTH MANAGEMENT

Net Asset Value per Share

Net asset value

252.5 pence

Fully diluted net asset value

250.3 pence



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Dividend

- Interim dividend 1.75 pence up 17%
- Final dividend 2.55 pence up 19%
- Full year dividend 4.3 pence up 18%



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Analysis of Post Tax Cashflow

£'m	2007	2006	
Net annual management fee	123.2	93.2	
Unwind of surrender penalties	(44.6)	(32.6)	
Loss/profit arising on new business	(7.7)	1.9	
Establishment expenses	(67.3)	(62.1)	
Investment income	10.5	9.4	
Miscellaneous	11.8	12.1	
Underlying cash flow	25.9	21.9	+18%
One offs	7.2	43.5	
	33.1	65.4	



ST. JAMES'S PLACE WEALTH MANAGEMENT

Analysis of Post Tax Cashflow (continued)

£'m	2007	2006	
Arising on in force business	84.7	68.2	+24%
Arising from new business	(58.8)	(46.3)	
One offs	7.2	43.5	
	<u>33.1</u>	<u>65.4</u>	

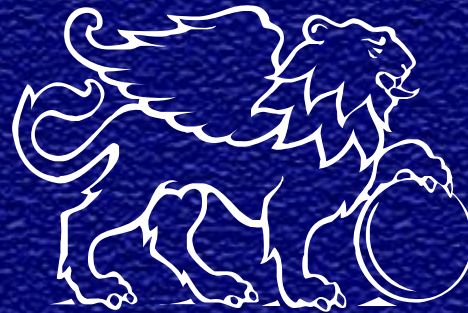


ST. JAMES'S PLACE WEALTH MANAGEMENT

Movement in Funds Under Management

£'bn	2007	2006
Opening funds under management	15.4	12.3
New money invested	3.1	2.4
Investment return	0.9	1.7
	19.4	16.4
Regular income withdrawals / maturities	(0.3)	(0.2)
Surrender / part surrenders	(0.9)	(0.8)
Closing funds under management	18.2	15.4
Implied surrender rate as % of average funds under management	5.4%	5.8%





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DAVID BELLAMY

Chief Executive

ST. JAMES'S PLACE WEALTH MANAGEMENT

Objective

- New Business Growth 15% - 20%pa

Actual

- Average over last ten years 16%pa
- Average over the last five years 23%pa



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2007 Full Year New Business

Highlights

- New Business up 23%
- New Single Investments up 27%
- New Pension Single Investments up 33%
- Funds under Management up 18%
- Partnership numbers up 8%



ST. JAMES'S PLACE WEALTH MANAGEMENT

2007 Full Year New Business

Annual Premium Equivalent

Investment	£236.0m	+27%
Pension	£172.3m	+23%
Protection	£20.3m	(10)%
Total	£428.6m	+23%

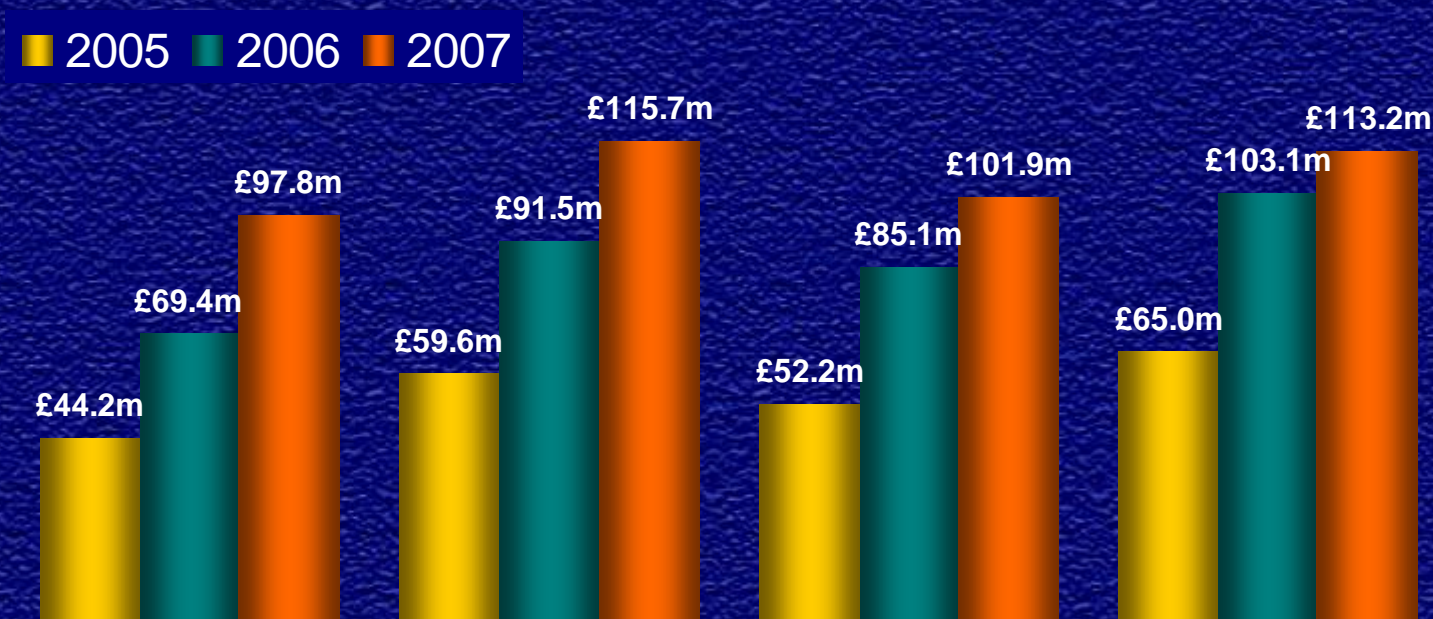
Manufactured business represents 87%



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New Business by Quarter

APE (Annual premiums plus 10% of single premiums)



Q1

Q2

Q3

Q4

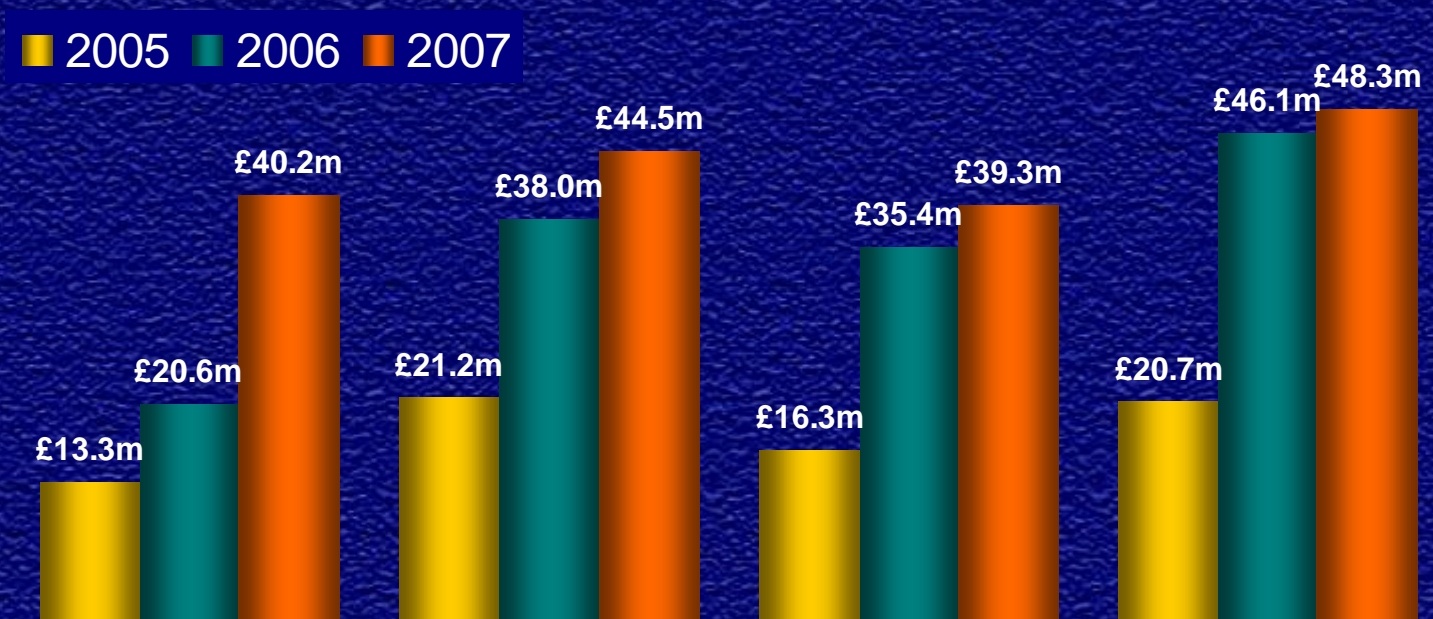
2005 over 2004	+1%	+29%	+29%	+39%
2006 over 2005	+57%	+54%	+63%	+59%
2007 over 2006	+41%	+26%	+20%	+10%



ST. JAMES'S PLACE WEALTH MANAGEMENT

Pension New Business by Quarter

APE (Annual premiums plus 10% of single premiums)



Q1

Q2

Q3

Q4

2005 over 2004 +11%

+39%

+15%

+41%

2006 over 2005 +55%

+79%

+117%

+123%

2007 over 2006 +95%

+17%

+11%

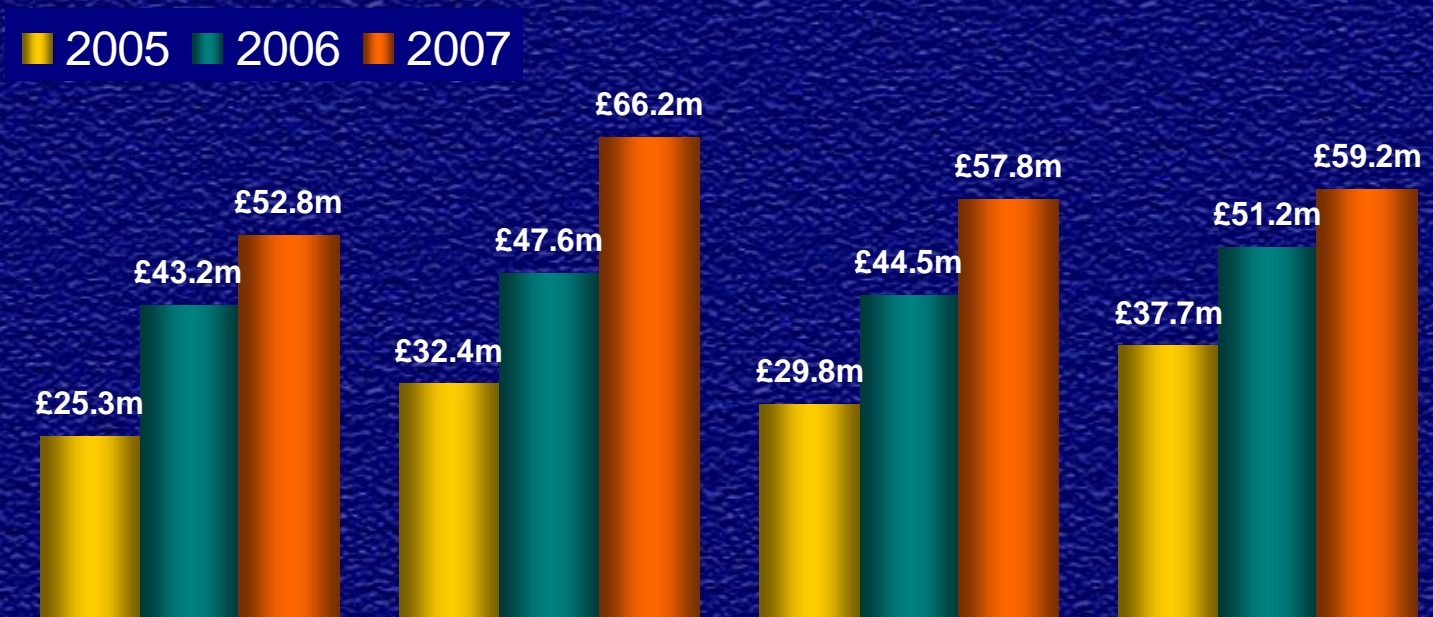
+5%



ST. JAMES'S PLACE WEALTH MANAGEMENT

Investment New Business by Quarter

APE (Annual premiums plus 10% of single premiums)



Q1

Q2

Q3

Q4

2005 over 2004

-2%

+34%

+49%

+50%

2006 over 2005

+71%

+47%

+49%

+36%

2007 over 2006

+22%

+39%

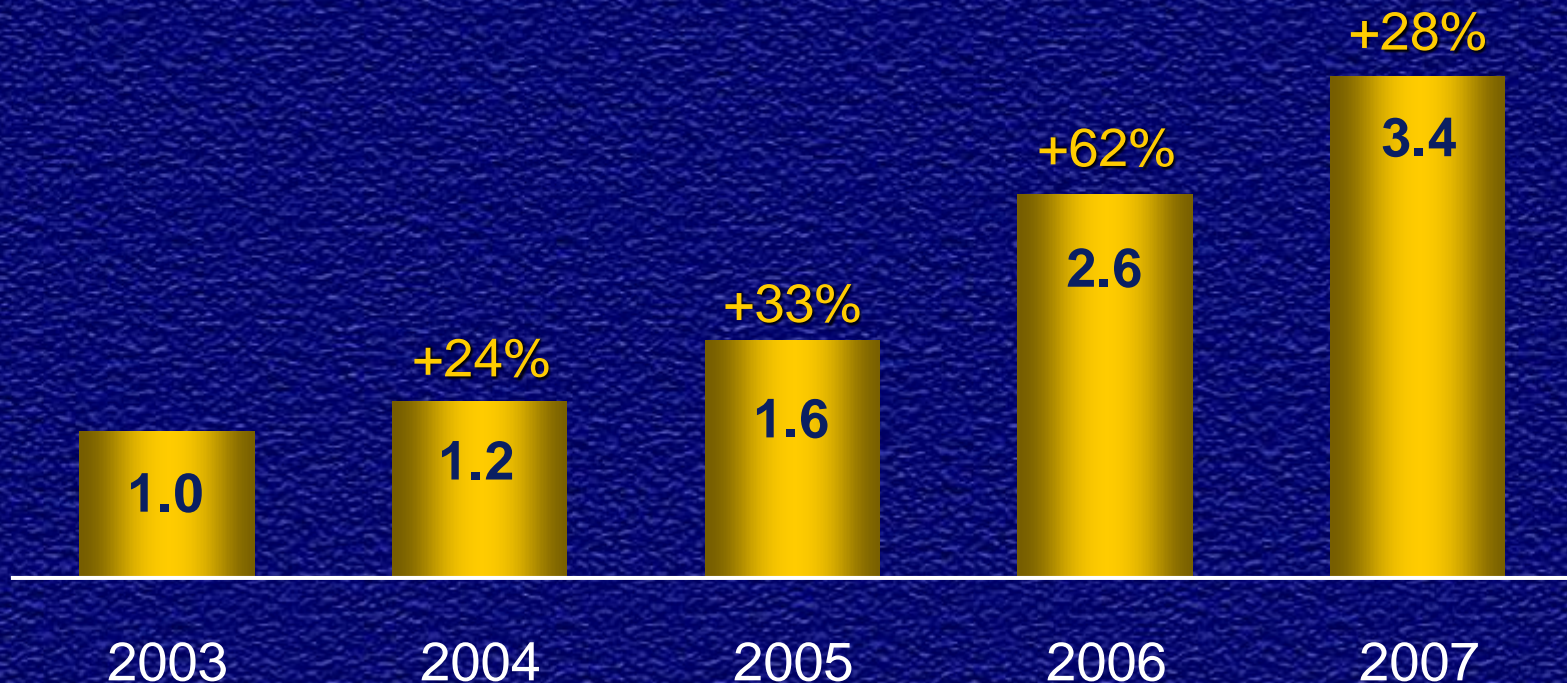
+30%

+16%



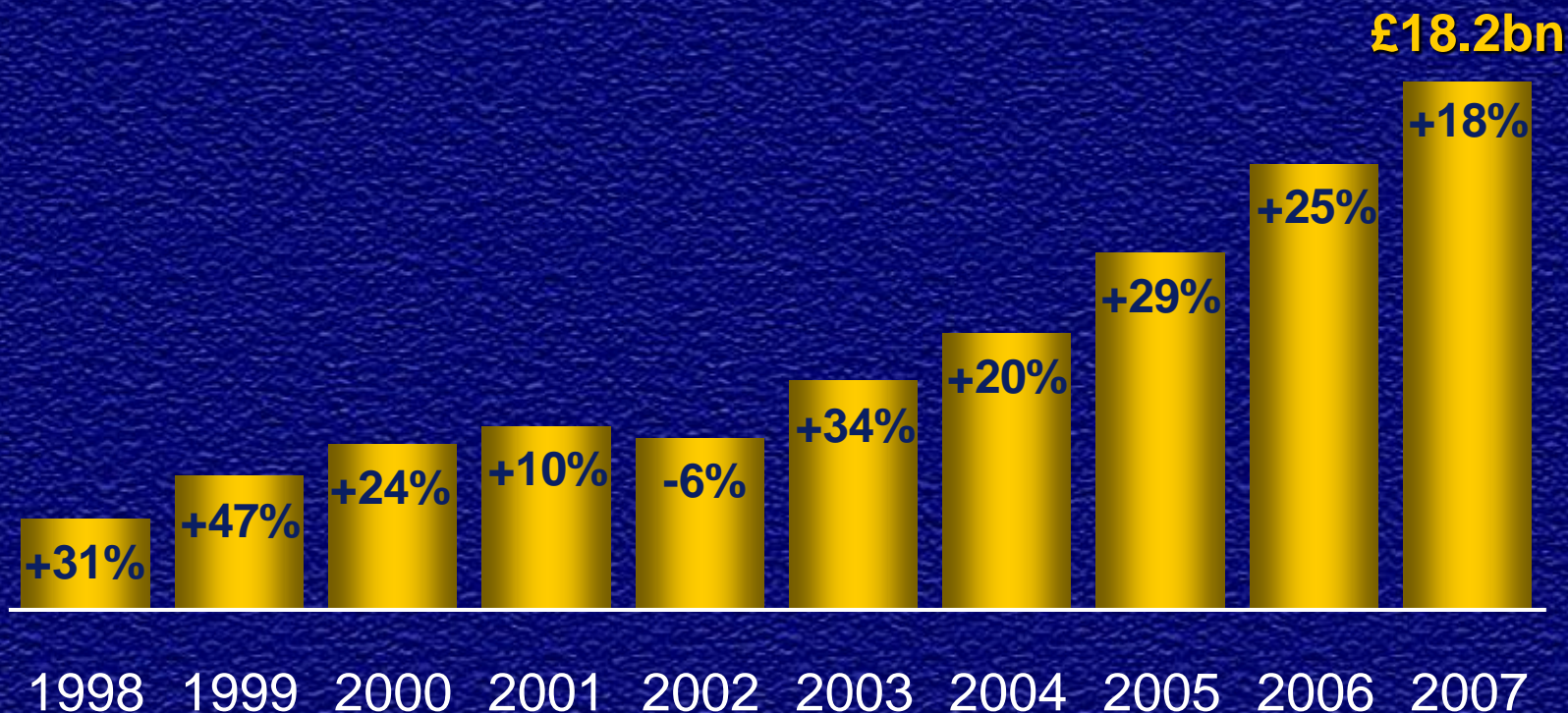
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Growth in Single Investments (£bn)



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Funds Under Management (£bn)



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Investment Management Approach

- 37 Funds
- 15 Fund Managers
- Investment Committee – Chair Sir Mark Weinberg
- Stamford Associates – leading independent consultants



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Investment Management Approach

Top Quartile Performance in 2007

- THSP, Newton, Jupiter & AXA Framlington (Managed Funds)
- Invesco Perpetual & Schroders (Income Funds)
- MPC (UK Growth Unit Trust)
- Neil Woodford (UK Equity Fund)



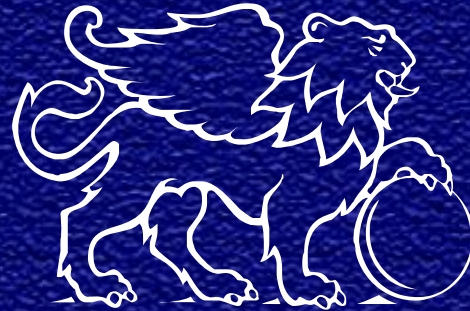
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Investment Management Approach

Over the longer term

- Two thirds of all funds under Management in top quartile over 5 years
- Pension funds managed by THSP & GAM achieved out-performance of 4% pa since launch

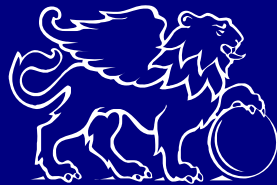




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ST. JAMES'S PLACE WEALTH MANAGEMENT

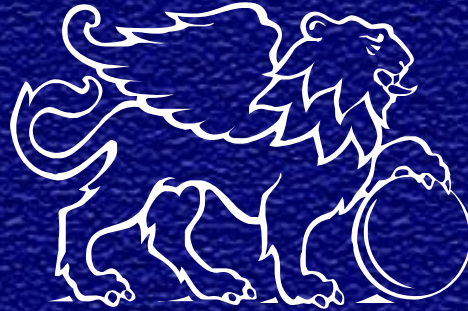
Winner



ST. JAMES'S PLACE
WEALTH MANAGEMENT

Winner
The Daily Telegraph
Wealth Manager
of the Year 2007





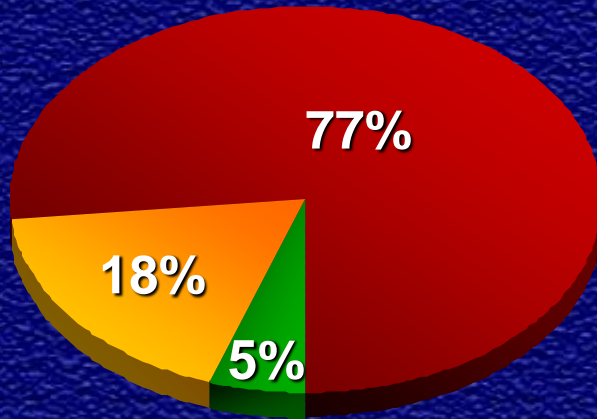
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IAN GASCOIGNE
Sales Director

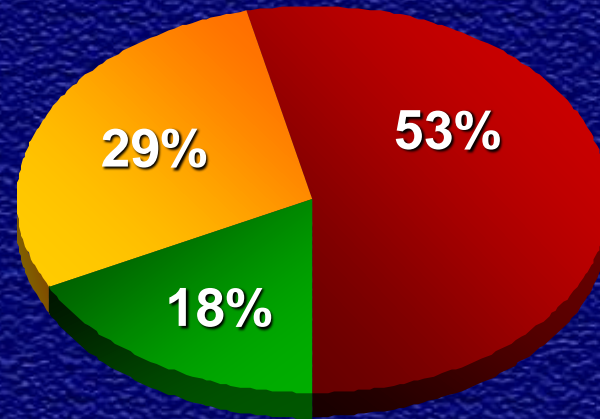
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The Partnership Develops

2003



2007



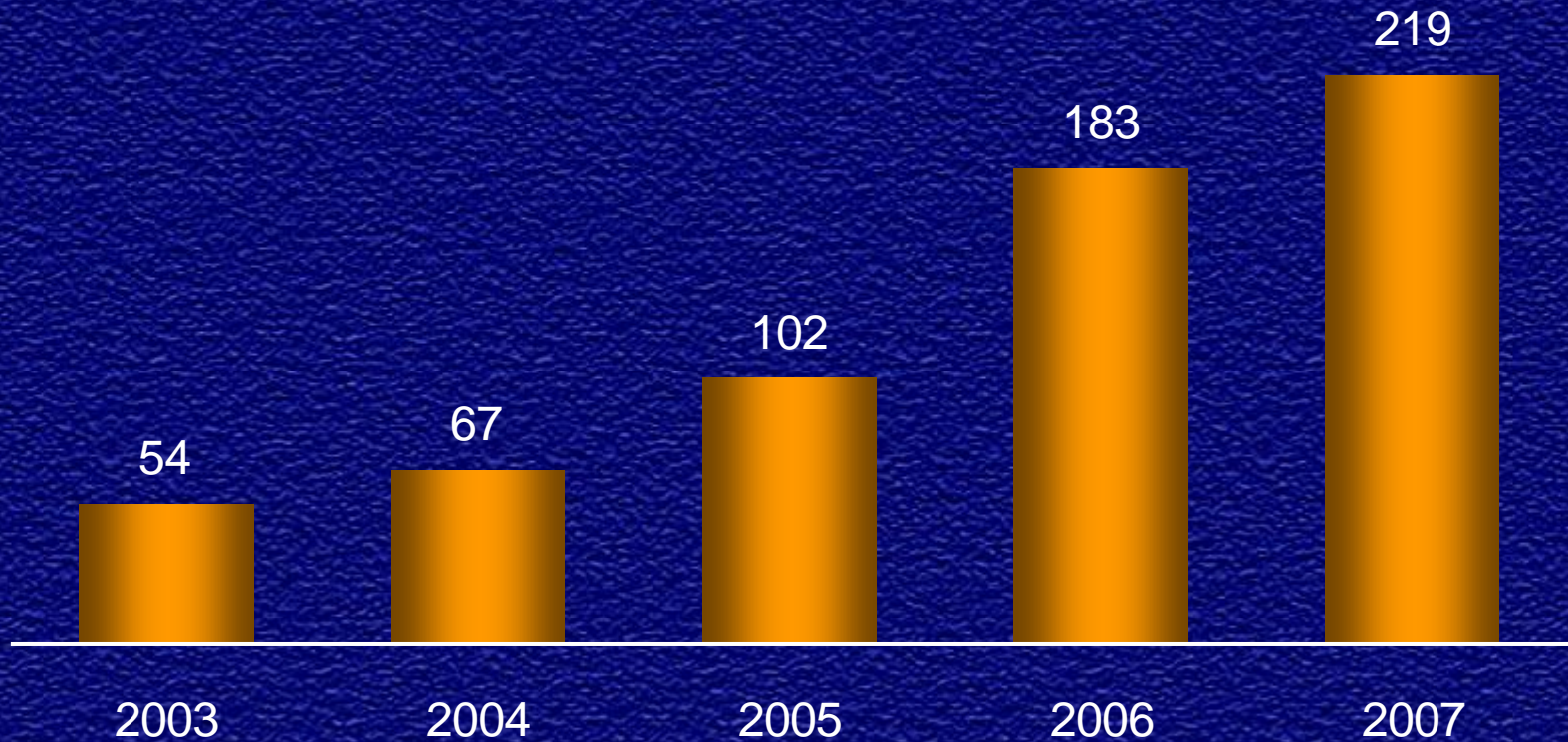
● Below Partner ● Partner ● Double Partner+



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The Partnership Develops

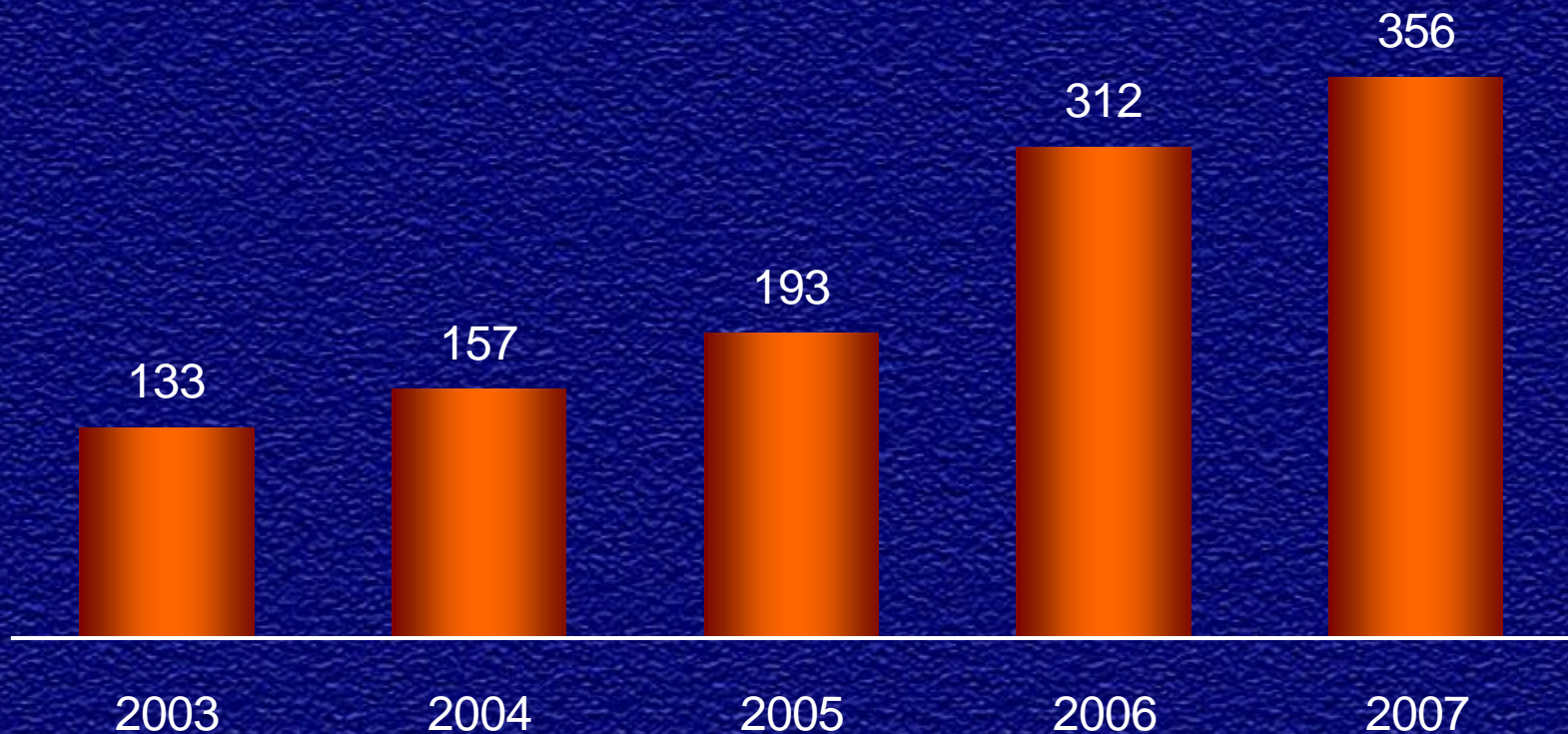
Double Partner Qualifiers



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The Partnership Develops

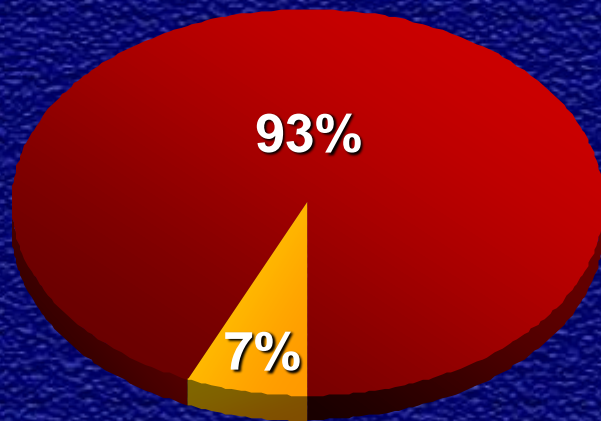
Average APE per Partner (£k)



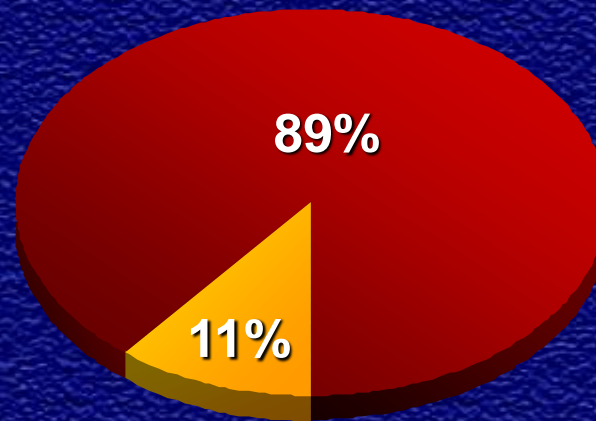
ST. JAMES'S PLACE WEALTH MANAGEMENT

Impact of the City

2003



2007



● Other Offices ● City



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The Partnership Grows

- 8% growth in 2007 best result since 1999
- IFAs concerned about interplay between TCF, RDR and CAR
- Relationship based top-end bancassurers tired of being micro-managed in banking environment
- Increased awareness and acceptance of SJP as a proven model and credible alternative
- Brand recognition and Daily Telegraph award
- Business Acquisition Team becoming more effective

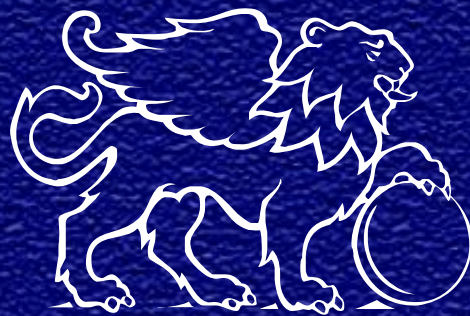


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The SJP Academy

- Intake one trained and 'live'
- Intake two in training
- Intake three in selection and assessment
- Intake four will be a 'succession intake' (July)
- At mid year should have circa 50 individuals in process
- Anticipate selected 'graduates' moving into Partnership in Q4 2008
- Supplement not replacement to normal recruitment





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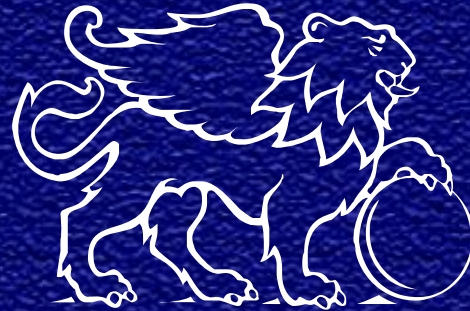
MIKE WILSON
Chairman

ST. JAMES'S PLACE WEALTH MANAGEMENT

Our Competitive Advantage

- Manufacturer and distributor
- Investment Management Approach
- St. James's Place Partnership





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