



ST. JAMES'S PLACE plc

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PRESS RELEASE

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St. James's Place wealth management **new business figures** **for the year ended 31 December 2008**

Total new single investments £3.1 Billion

St. James's Place plc ("SJP"), the wealth management group, today issues its new business figures for the year ended 31 December 2008.

Highlights for the year are:

New business

- Total new single investments of £3.1 billion (2007: £3.4 billion)
- Total new business, on an APE basis, of £419.0 million (2007: £428.6 million)
- Pensions new business up 13% to £194.9 million (2007: £172.3 million)

Funds under management

- Funds under Management of £16.3 billion down 1% over the final quarter
- Retention of Funds remains strong and has been maintained at 95%

Partnership numbers at 1,340 up 7%

David Bellamy, Chief Executive, commented:

"Given the extraordinary market conditions that prevailed in the final quarter in particular, we are pleased with these results.

"We are particularly pleased with the total new single investments of £3.1 billion and the continued strong retention of funds under management. As a result funds under management were just 10% lower during a period when world markets moved 30-40% lower.

"Looking ahead to 2009, our advisor based approach to wealth management and the third consecutive year of strong growth in the Partnership numbers, will help us continue to outperform in challenging market conditions. Longer term, we remain confident about achieving our ambitious growth target."

The details of the announcement are attached.

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**ST. JAMES'S PLACE WEALTH MANAGEMENT
NEW BUSINESS FIGURES
FOR THE YEAR ENDED
31 DECEMBER 2008**

NEW BUSINESS

NEW PREMIUMS	Unaudited 3 Months to 31 December 2008			Unaudited 12 Months to 31 December 2008		
	2008 £'m	2007 £'m	Change %	2008 £'m	2007 £'m	Change %
New Regular Premiums						
Pensions	19.8	20.6	(4%)	87.8	72.8	21%
Protection	5.0	5.7	(12%)	19.1	20.3	(6%)
	24.8	26.3	(6%)	106.9	93.1	15%
New Single Premiums						
Investment	315.3	445.7	(29%)	1,365.5	1,665.4	(18%)
Pensions	267.4	276.7	(3%)	1,070.7	995.1	8%
	582.7	722.4	(19%)	2,436.2	2,660.5	(8%)
Unit Trust Sales (including PEPs and ISAs)	133.6	146.8	(9%)	685.0	694.6	(1%)

NEW BUSINESS (RP + 1/10th SP)	Unaudited 3 Months to 31 December 2008			Unaudited 12 Months to 31 December 2008		
	2008 £'m	2007 £'m	Change %	2008 £'m	2007 £'m	Change %
Investment	44.9	59.2	(24%)	205.0	236.0	(13%)
Pensions	46.5	48.3	(4%)	194.9	172.3	13%
Protection	5.0	5.7	(12%)	19.1	20.3	(6%)
Total	<u>96.4</u>	<u>113.2</u>	<u>(15%)</u>	<u>419.0</u>	<u>428.6</u>	<u>(2%)</u>

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Notes

1. New business is calculated in accordance with the standard industry measure of adding together new regular premiums and one-tenth of single premiums and unit trust sales ("APE").
2. Sales of manufactured business on an APE basis for the twelve months were 85% of the total reported (2007: 87%).

Sales of non-manufactured pensions including stakeholder by St. James's Place Partnership have been included in the reported figures under Pensions. These amount to £28.2 million regular premiums (2007: £20.6 million) and £30.5 million single premiums (2007: £27.4 million) for the twelve months to 31 December 2008. This equates to £31.2 million new business premiums (2007: £23.3 million).

Sales of annuities by St. James's Place Partnership have been included in the reported figures under Pensions. These amount to £92.3 million single premiums for the twelve months to 31 December 2008 (2007: £79.9 million) and equate to £9.2 million new business premiums (2007: £8.0 million).

Sales of non-manufactured SIPP single premium business by St. James's Place Partnership amounting to £1.1 million have been included in the reported figures under Pensions for the twelve months to 31 December 2008 (2007: £4.9 million). This equates to £0.1 million new business premiums (2007: £0.5 million).

Sales of protection business by St. James's Place Partnership through a panel of providers have been included in the reported figures under New Regular Premiums Protection. This amounts to £12.4 million of new regular premiums (2007: £11.7 million) for the twelve months to 31 December 2008. This equates to £12.4 million new business premiums (2007: £11.7 million).

Sales of non-manufactured single premium investment business by St. James's Place Partnership amounting to £89.4 million have been included in the reported figures under Investments for the twelve months to 31 December 2008 (2007: £113.6 million). This equates to £8.9 million new business premiums (2007: £11.4 million).

3. The Partnership number of 1,340 includes the first 8 new members joining from the St. James's Place Academy.

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NEW BUSINESS FIGURES
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Notes (continued)

4. The table below provides an analysis of the movement in funds under management:

	Unaudited Year Ended 31 December 2008 £'bn	Unaudited Year Ended 31 December 2007 £'bn
Opening funds under management	18.2	15.4
New money invested	3.0	3.1
Net investment return	(3.6)	0.9
	<u>17.6</u>	<u>19.4</u>
Regular income withdrawals & maturities	(0.4)	(0.3)
Surrenders & part surrenders	(0.9)	(0.9)
Closing funds under management	<u>16.3</u>	<u>18.2</u>
Annualised surrender rate as a % of average funds under management	5.2%	5.1%

5. There have been no material changes to solvency capital during the final quarter. The investment policy for non-linked assets remains on a prudent basis, with no exposure to equity investments: non-linked liabilities are matched by government backed gilts and bonds, and surplus assets are invested in AAA rated money market funds. This policy continues to immunise the capital base from stock market falls and both widening spreads and credit defaults on corporate bonds.