



ST. JAMES'S PLACE plc

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PRESS RELEASE

3 November 2009

ST. JAMES'S PLACE WEALTH MANAGEMENT INTERIM MANAGEMENT STATEMENT FOR THREE MONTHS TO 30 SEPTEMBER 2009

RECORD THIRD QUARTER NEW BUSINESS AND FUNDS UNDER MANAGEMENT

St. James's Place plc ("SJP"), the wealth management group, today issues its interim management statement for the three months ended 30 September 2009.

Highlights for the three months are:

New Business

- Total new business on an APE basis of £104.6 million (2008: £101.9 million), up 3%
- Total single investments of £834.8 million (2008: £743.8 million), up 12%
- Manufactured new business on an APE basis of £95.7 million (2008: £85.7 million), up 12%
- Our own manufactured business represents 91% of new business

Funds Under Management

- Net inflow of funds under management of £600 million (2008: £500 million)
- Continue to retain over 95% of existing clients' funds
- Funds under management of £20.3 billion, up £3.4 billion over the three months

David Bellamy, Chief Executive, commented:

"We are very pleased that we have returned to growth in the third quarter and in particular with the strong performance in our manufactured business and the growth in investment business.

"Funds under management have exceeded £20 billion for the first time, which is a testament to the strength of the relationship between our advisers and their clients, as well as our approach to investment management.

"The strong recovery in the world stock markets and improving investor confidence, together with the continuing growth in the Partnership underpin our longer term growth target."

The details of the announcement are attached.

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**ST. JAMES'S PLACE WEALTH MANAGEMENT
NEW BUSINESS FIGURES TO 30 SEPTEMBER 2009
MANUFACTURED LONG TERM SAVINGS**

	Unaudited 3 Months to 30 September 2009			Unaudited 9 Months to 30 September 2009		
	2009 £'m	2008 £'m	Change %	2009 £'m	2008 £'m	Change %
NEW PREMIUMS						
New Regular Premiums						
- Pensions	14.4	15.2	(5%)	46.7	44.0	6%
- Protection	1.3	1.6	(19%)	3.5	5.3	(34%)
	15.7	16.8	(7%)	50.2	49.3	2%
New Single Premiums						
- Investment	345.6	306.5	13%	920.2	964.9	(5%)
- Pensions	252.5	239.1	6%	741.8	705.5	5%
	598.1	545.6	10%	1,662.0	1,670.4	(1%)
Unit Trust Sales (including PEPs and ISAs)	201.2	143.1	41%	609.5	551.4	11%

	Unaudited 3 Months to 30 September 2009			Unaudited 9 Months to 30 September 2009		
	2009 £'m	2008 £'m	Change %	2009 £'m	2008 £'m	Change %
NEW BUSINESS (RP + 1/10TH SP)						
Investment	54.7	45.0	22%	153.0	151.6	1%
Pensions	39.7	39.1	2%	120.9	114.6	5%
Protection	1.3	1.6	(19%)	3.5	5.3	(34%)
Total	95.7	85.7	12%	277.4	271.5	2%

% of total new business

91%	84%
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90%	84%
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**ST. JAMES'S PLACE WEALTH MANAGEMENT
NEW BUSINESS FIGURES TO 30 SEPTEMBER 2009
NON MANUFACTURED LONG TERM SAVINGS**

- Investment premiums of £14.0 million (2008: £85.2 million), amounting to £1.4 million (2008: £8.5 million) on an APE basis.
- Pension single premiums of £88.1 million (2008: £97.8 million) and regular premiums of £9.3 million (2008: £24.1 million), amounting to £18.1 million (2008: £33.9 million) on an APE basis.
- Protection business of £10.7 million regular premiums (2008: £8.7 million).
- Total new business, on an APE basis, of £30.2 million (2008: £51.1 million).



Commentary

During the third quarter of 2009 we have seen a strong recovery in world stock markets and improving economic conditions. This has led to improving investor sentiment and we are very pleased that our new business returned to growth during the quarter.

The level of new business combined with the continuing excellent retention of existing business resulted in a strong net inflow of funds under management for the quarter.

Review of new business

Total new business for the three months, on the APE measure, was up 3% at £104.6 million whilst the manufactured business was up 12% to £95.7 million.

The combined single investment and pension business, including unit trusts, increased by 12% during the third quarter to £834.8 million. There was particularly strong growth in investment business as clients returned to the market, with unit trust business up 41%.

Total regular premium business declined during the quarter principally due to the inclusion of a large stakeholder scheme within the comparative figure for last year. Finally protection business, which represents a small part of our business, was up 13% during the quarter and 1% for the nine months.

Funds under management

The recovery in stock markets together with positive fund flows has led to funds under management at 30 September of £20.3 billion – up £4.0 billion (25%) since the start of the year and £3.4 billion in the last three months.

We are continuing to develop our range of funds and have recently strengthened our investment team with the appointment today of a Chief Investment Officer to lead the further development of our investment business and growth in funds under management. We have also announced the appointment of two new members of our Investment Committee. The Committee, together with advice from independent consultants, Stamford Associates, is responsible for the selection and monitoring of managers.

The table below provides an analysis of the movement in funds under management for the nine months to the end of September.

	Unaudited 9 Months to 30 September 2009 £'bn	Unaudited 9 Months to 30 September 2008 £'bn
Opening funds under management	16.3	18.2
New money invested	2.4	2.3
Net investment return	2.4	(3.0)
	<hr/> 21.1	<hr/> 17.5
Regular income withdrawals & maturities	(0.3)	(0.3)
Surrenders & part surrenders	(0.5)	(0.7)
Closing funds under management	<hr/> 20.3 <hr/>	<hr/> 16.5 <hr/>
Annualised surrender rate as a % of average funds under management	3.9%	5.2%

The rise in stock markets during the third quarter has resulted in a significant positive investment variance in the three months. The net asset value per share at 30 September 2009 on a European Embedded Value basis, was around 270 pence.

Capital

There have been no material changes to solvency capital during the third quarter. The investment policy for non unit-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 volatility and corporate bond spreads.

Outlook

The strong recovery in the world stock markets and improving economic conditions are encouraging for the outlook for our business.

These improving conditions, the strength and growth in the St. James's Place Partnership, and the increasing need for quality advice underpin our longer term growth target.