



# ST. JAMES'S PLACE plc

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## PRESS RELEASE

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### ST. JAMES'S PLACE WEALTH MANAGEMENT INTERIM MANAGEMENT STATEMENT FOR THREE MONTHS TO 30 SEPTEMBER 2011

#### TOTAL NEW INVESTMENTS £1.3 BILLION UP 14%

St. James's Place plc ("SJP"), the wealth management group, today issues its interim management statement for the three months ended 30 September 2011.

Highlights for the three months are:

#### New Business

- Total single investments of £1.3 billion (2010: £1.1 billion), up 14%
- Total new business on an APE basis of £153.9 million (2010: £136.5 million), up 13%
- Our own business represents 90% of the total

#### Funds Under Management

- Net inflow of funds under management of £800 million (2010: £700 million)
- Continue to retain 95% of existing clients' funds
- Funds under management of £26.7 billion, down 8% over the three months.

#### David Bellamy, Chief Executive, commented:

"I am pleased to report another very robust set of new business figures for the third quarter. The £1.3 billion of new investments brings the nine month's gross inflows to £4 billion, up 14% on the same period last year.

Net inflows for the quarter totalled £800 million, resulting from new business and industry-leading fund retention levels.

The extremely volatile markets and uncertainty that has prevailed in recent weeks inevitably affect the timing of clients' investment decisions, and we are not immune from that. Nevertheless, the breadth of our investment proposition, together with the strength of our distribution, continues to give us competitive advantage.

While mindful of the short term challenges, our business is in great shape and we remain confident about continuing to deliver on our ambitious growth targets over the medium term."

The details of the announcement are attached.

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**ST. JAMES'S PLACE WEALTH MANAGEMENT**  
**NEW BUSINESS FIGURES TO 30 SEPTEMBER 2011**  
**TOTAL LONG TERM SAVINGS**

	Unaudited 3 Months to 30 September			Unaudited 9 Months to 30 September		
	2011 £'m	2010 £'m	Change %	2011 £'m	2010 £'m	Change %
<b>NEW PREMIUMS</b>						
<b>New Regular Premiums</b>						
- Pensions	22.4	20.7	8%	75.9	64.8	17%
- Protection	5.1	5.3	(4%)	13.9	14.7	(5%)
	<b>27.5</b>	<b>26.0</b>	<b>6%</b>	<b>89.8</b>	<b>79.5</b>	<b>13%</b>
<b>New Single Premiums</b>						
- Investment	496.0	474.7	4%	1,523.0	1,423.4	7%
- Pensions	474.5	370.2	28%	1,364.0	1,120.0	22%
	<b>970.5</b>	<b>844.9</b>	<b>15%</b>	<b>2,887.0</b>	<b>2,543.4</b>	<b>14%</b>
<b>Unit Trust Sales</b> (including PEPs and ISAs)	<b>292.9</b>	<b>259.6</b>	<b>13%</b>	<b>1,109.8</b>	<b>952.3</b>	<b>17%</b>
	2011	2010	Change	2011	2010	Change
	£'m	£'m	%	£'m	£'m	%
<b>NEW BUSINESS</b> <b>(RP + 1/10<sup>TH</sup> SP)</b>						
<b>Investment</b>	78.9	73.5	7%	263.3	237.6	11%
<b>Pensions</b>	69.9	57.7	21%	212.3	176.8	20%
<b>Protection</b>	5.1	5.3	(4%)	13.9	14.7	(5%)
	<b>153.9</b>	<b>136.5</b>	<b>13%</b>	<b>489.5</b>	<b>429.1</b>	<b>14%</b>
<b>Total</b>						

**ST. JAMES'S PLACE WEALTH MANAGEMENT  
NEW BUSINESS FIGURES TO 30 SEPTEMBER 2011  
MANUFACTURED LONG TERM SAVINGS**

	Unaudited 3 Months to 30 September			Unaudited 9 Months to 30 September		
	2011 £'m	2010 £'m	Change %	2011 £'m	2010 £'m	Change %
<b>NEW PREMIUMS</b>						
<b>New Regular Premiums</b>						
- Pensions	19.2	15.5	24%	63.7	50.3	27%
- Protection	0.9	1.3	(31%)	3.3	3.7	(11%)
	<b>20.1</b>	<b>16.8</b>	<b>20%</b>	<b>67.0</b>	<b>54.0</b>	<b>24%</b>
<b>New Single Premiums</b>						
- Investment	478.3	458.4	4%	1,476.5	1,387.5	6%
- Pensions	413.2	335.1	23%	1,239.3	1,012.0	22%
	<b>891.5</b>	<b>793.5</b>	<b>12%</b>	<b>2,715.8</b>	<b>2,399.5</b>	<b>13%</b>
<b>Unit Trust Sales</b> (including PEPs and ISAs)	<b>292.9</b>	<b>259.6</b>	<b>13%</b>	<b>1,109.8</b>	<b>952.3</b>	<b>17%</b>

	Unaudited 3 Months to 30 September			Unaudited 9 Months to 30 September		
	2011 £'m	2010 £'m	Change %	2011 £'m	2010 £'m	Change %
<b>NEW BUSINESS (RP + 1/10<sup>TH</sup> SP)</b>						
<b>Investment</b>	77.1	71.8	7%	258.7	234.0	11%
<b>Pensions</b>	60.5	49.0	23%	187.6	151.5	24%
<b>Protection</b>	0.9	1.3	(31%)	3.3	3.7	(11%)
<b>Total</b>	<b>138.5</b>	<b>122.1</b>	<b>13%</b>	<b>449.6</b>	<b>389.2</b>	<b>16%</b>

% of total new business

90%	89%
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92%	91%
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**ST. JAMES'S PLACE WEALTH MANAGEMENT  
NEW BUSINESS FIGURES TO 30 SEPTEMBER 2011  
NON MANUFACTURED LONG TERM SAVINGS**

For the three months:

- Investment premiums of £17.8 million (2010: £16.3 million), amounting to £1.8 million (2010: £1.6 million) on an APE basis.
- Pension single premiums of £61.3 million (2010: £35.1 million) and regular premiums of £3.2 million (2010: £5.2 million), amounting to £9.4 million (2010: £8.7 million) on an APE basis.
- Protection business of £4.2 million regular premiums (2010: £4.0 million).
- Total new business, on an APE basis, of £15.4 million (2010: £14.3 million).

For the nine months:

- Investment premiums of £46.5 million (2010: £35.9 million), amounting to £4.6 million (2010: £3.6 million) on an APE basis.
- Pension single premiums of £124.7 million (2010: £108.0 million) and regular premiums of £12.2 million (2010: £14.5 million), amounting to £24.7 million (2010: £25.3 million) on an APE basis.
- Protection business of £10.6 million regular premiums (2010: £11.0 million).
- Total new business, on an APE basis, of £39.9 million (2010: £39.9 million).



## Commentary

During the third quarter of 2011 world stock markets fell sharply given the uncertainty surrounding European sovereign debt and weak economic data from the major world economies.

Despite these conditions we have continued to experience strong new business growth and continuing excellent retention of existing business. These two key drivers of the business have combined to give a net inflow of funds of £800 million during the quarter.

### Review of new business

Total new business for the three months, on the APE measure, was up 13% at £153.9 million whilst the manufactured business, which represented 90% of the business, was also up 13% to £138.5 million. Within this figure Investment business was up 7% and pensions up 21%.

Total single investments increased by 14% during the third quarter to £1,263.4 million with particularly strong growth of 28% in single pension investments.

### Funds under management

The fall in the world stock markets – the FTSE 100 as an example was down c14% - has been the major contributor to an 8% reduction in the level of funds under management during the period to £26.7 billion.

There were positive net inflows of £800 million during the quarter, up 14% over the same period last year.

We are continuing to develop our range of funds and have recently launched a new global equity fund which will be run by five fund managers, US managers Sands Capital Management and Tweedy, Browne Company together with London based BlackRock, Majedie Asset Management and Taube Hodson Stonex Partners.

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

	<b>Unaudited 9 Months to 30 September 2011 £'bn</b>	<b>Unaudited 9 Months to 30 September 2010 £'bn</b>
Opening funds under management	27.0	21.4
New money invested	4.0	3.5
Net investment return	(2.8)	1.2
	28.2	26.1
Regular income withdrawals & maturities	(0.4)	(0.4)
Surrenders & part surrenders	(1.1)	(0.9)
<b>Closing funds under management</b>	<b>26.7</b>	<b>24.8</b>
Annualised surrender rate as a % of average funds under management	5.2%	5.2%

The large falls in the world stock markets during the last three months, together with the payment of the interim dividend has reduced the net asset value per share at 30 September 2011, on a European Embedded Value basis, by some 8% from 379.6p to around 348.0 pence.

**Capital**

There have been no material changes to solvency capital during the third quarter.

**Outlook**

The extremely volatile markets and uncertainty that has prevailed in recent weeks inevitably affect the timing of clients' investment decisions, and we are not immune from that. Nevertheless, the breadth of our investment proposition, together with the strength of our distribution, continues to give us competitive advantage.

While mindful of the short term challenges, our business is in great shape and we remain confident about continuing to deliver on our ambitious growth targets over the medium term.