



ST. JAMES'S PLACE plc

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PRESS RELEASE

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INTERIM MANAGEMENT STATEMENT FOR THREE MONTHS TO 30 SEPTEMBER 2012

RECORD 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 2012.

New Business

- Total single investments of £1.33 billion (2011: £1.26 billion), up 5%
- Total new business on an APE basis of £165.6 million (2011: £153.9 million), up 8%
- Strong new business APE growth of 14% in September

Funds under Management

- Funds under management of £32.8 billion, up 6% over the three months and 15% since the start of the year
- Continue to retain 95% of existing clients' funds

David Bellamy, Chief Executive, commented:

"I am very pleased to be reporting a further set of encouraging new business figures for St. James's Place.

New business in the quarter was up 8% characterised by growth in July and August in line with the first six months of the year, and an encouraging step up in September of 14% growth. That momentum has continued in October with a significant increase in new business year on year.

In addition to the trend in new business, we have also experienced an increase in recruitment activity since the half year such that we are very confident of full year growth of 7-8%.

We have also continued to broaden the range of investment funds available to our clients and are introducing two new internationally based global equity fund managers. Magellan, based in Sydney and EdgePoint in Toronto are managers with excellent records that will add value for our client proposition.

Despite the continuation of a challenging environment, our funds under management have grown by almost £2 billion in the quarter and £4.26 billion for the year to £32.8 billion, representing an increase of 15% in the first nine months of the year.

I am confident that the recent trends in new business and recruitment activity, together with the continued strengthening of our investment proposition bodes well for the rest of the year and importantly our future growth prospects."

The details of the announcement are attached.

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**ST. JAMES'S PLACE WEALTH MANAGEMENT
NEW BUSINESS FIGURES TO 30 SEPTEMBER 2012
TOTAL LONG TERM SAVINGS**

	Unaudited 3 Months to 30 September			Unaudited 9 Months to 30 September		
	2012 £'m	2011 £'m	Change %	2012 £'m	2011 £'m	Change %
NEW PREMIUMS						
New Regular Premiums						
- Investment	3.6	-	-	5.9	-	-
- Pensions	23.2	22.4	4%	89.2	75.9	18%
- Protection	5.7	5.1	12%	15.6	13.9	12%
	32.5	27.5	18%	110.7	89.8	23%
New Single Premiums						
- Investment	473.6	496.0	(5%)	1,354.9	1,523.0	(11%)
- Pensions	556.9	474.5	17%	1,637.0	1,364.0	20%
	1,030.5	970.5	6%	2,991.9	2,887.0	4%
Unit Trust Sales (including PEPs and ISAs)	300.7	292.9	3%	1,096.1	1,109.8	(1%)

	Unaudited 3 Months to 30 September			Unaudited 9 Months to 30 September		
	2012 £'m	2011 £'m	Change %	2012 £'m	2011 £'m	Change %
NEW BUSINESS (RP + 1/10TH SP)						
Investment	81.0	78.9	3%	251.0	263.3	(5%)
Pensions	78.9	69.9	13%	252.9	212.3	19%
Protection	5.7	5.1	12%	15.6	13.9	12%
	165.6	153.9	8%	519.5	489.5	6%
Total	165.6	153.9	8%	519.5	489.5	6%

**ST. JAMES'S PLACE WEALTH MANAGEMENT
NEW BUSINESS FIGURES TO 30 SEPTEMBER 2012
MANUFACTURED LONG TERM SAVINGS**

	Unaudited 3 Months to 30 September			Unaudited 9 Months to 30 September		
	2012 £'m	2011 £'m	Change %	2012 £'m	2011 £'m	Change %
NEW PREMIUMS						
New Regular Premiums						
- Investment	3.6	-	-	5.9	-	-
- Pensions	19.8	19.2	3%	59.8	63.7	(6%)
- Protection	0.7	0.9	(22%)	2.1	3.3	(36%)
	24.1	20.1	20%	67.8	67.0	1%
New Single Premiums						
- Investment	466.1	478.3	(3%)	1,304.3	1,476.5	(12%)
- Pensions	439.3	413.2	6%	1,371.9	1,239.3	11%
	905.4	891.5	2%	2,676.2	2,715.8	(1%)
Unit Trust Sales (including PEPs and ISAs)	300.7	292.9	3%	1,096.1	1,109.8	(1%)

	Unaudited 3 Months to 30 September			Unaudited 9 Months to 30 September		
	2012 £'m	2011 £'m	Change %	2012 £'m	2011 £'m	Change %
NEW BUSINESS (RP + 1/10TH SP)						
Investment	80.2	77.1	4%	245.9	258.7	(5%)
Pensions	63.7	60.5	5%	197.0	187.6	5%
Protection	0.7	0.9	(22%)	2.1	3.3	(36%)
	144.6	138.5	4%	445.0	449.6	(1%)

% of total new business

87%	90%
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86%	92%
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**ST. JAMES'S PLACE WEALTH MANAGEMENT
NEW BUSINESS FIGURES TO 30 SEPTEMBER 2012
NON MANUFACTURED LONG TERM SAVINGS**

For the three months:

- Investment premiums of £7.5 million (2011: £17.8 million), amounting to £0.8 million (2011: £1.8 million) on an APE basis.
- Pension single premiums of £117.6 million (2011: £61.3 million) and regular premiums of £3.4 million (2011: £3.2 million), amounting to £15.2 million (2011: £9.4 million) on an APE basis.
- Protection business of £5.0 million regular premiums (2011: £4.2 million).
- Total new business, on an APE basis, of £21.0 million (2011: £15.4 million).

For the nine months:

- Investment premiums of £50.6 million (2011: £46.5 million), amounting to £5.1 million (2011: £4.6 million) on an APE basis.
- Pension single premiums of £265.1 million (2011: £124.7 million) and regular premiums of £29.4 million (2011: £12.2 million), amounting to £55.9 million (2011: £24.7 million) on an APE basis.
- Protection business of £13.5 million regular premiums (2011: £10.6 million).
- Total new business, on an APE basis, of £74.5 million (2011: £39.9 million).



Commentary

During the third quarter of 2012, world stock markets showed some signs of relative stability despite the on-going uncertainty surrounding European sovereign debt and weak economic data from major world economies.

In these challenging conditions we have continued to generate new business growth and maintain our excellent retention of existing business. As a result, we saw a net inflow of funds of £0.75 billion, which contributed to a 6% increase in the level of funds under management during the quarter to £32.8 billion.

Review of new business

Total single investments increased by 5% during the third quarter to £1.3 billion bringing the year to date single investments to in excess of £4.0 billion, slightly ahead of the corresponding period last year. Within these figures there was particularly strong growth in single pension investments at 17% for the quarter and 20% for the year to date.

On the APE measure, total new business was up 8% at £165.6 million whilst manufactured business, which represented 87% of the Group total, was up 4% to £144.6 million.

The new business performance during the quarter was characterised by growth during July and August at a similar level to the first half of 2012 followed by strong growth of 14% (in APE terms) during September.

In October, growth has accelerated further with new business significantly ahead of the same month last year.

Funds under management

During the third quarter of 2012 we have once again seen a net inflow of funds under management which, at £0.75 billion, brings the total net inflow for the year to date to £2.26 billion (2011: £2.47 billion).

The modest increase in the world stock markets together with these strong net inflows have resulted in funds under management increasing to £32.8 billion, growth of 6% during the quarter and 15% since the start of the year.

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 2012 £'bn	Unaudited 9 Months to 30 September 2011 £'bn
Opening funds under management	28.5	27.0
New money invested	3.9	4.0
Net investment return	2.1	(2.8)
	34.5	28.2
Regular income withdrawals & maturities	(0.5)	(0.4)
Surrenders & part surrenders	(1.2)	(1.1)
Closing funds under management	32.8	26.7
Annualised surrender rate as a % of average funds under management	5.0%	5.2%

Analysis of funds under management

The following table provides an analysis of the funds under management at 30 September split by geography and asset type:

	FUM £'bn	% of total
UK Equities	10.0	30%
European Equities	3.8	12%
North American Equities	4.5	14%
Asia & Pacific Equities	3.7	11%
Property	0.8	2%
Fixed Interest	4.8	15%
Alternative Investments	1.2	4%
Cash	2.7	8%
Other	1.3	4%
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Total	<u>32.8</u>	<u>100%</u>

Net asset value per share

The net asset value per share at 30 September 2012, on a European Embedded Value basis, is estimated to be 433.0 pence.

Capital

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

Corporate Broker

We have today appointed Bank of America Merrill Lynch as our corporate broker, replacing Deutsche Bank, to act alongside JP Morgan Cazenove.

Outlook

During recent months world stock markets have proved less volatile and this has helped to drive an improvement in the confidence of retail investors, evidenced by the strong growth in new business during September and October.

The growing tax burden, low interest rates and increasing life expectancy all increase the need for people to seek advice regarding their long term financial future. Therefore, our strategy of focusing on the provision of trusted face to face advice has a very strong role to play in future wealth management provision. We have also continued to broaden the range of investment funds available to our clients by selecting some of the best fund managers from around the world.

In addition, whilst other companies have withdrawn from the advice market, we have continued to attract new high quality Partners.

We are therefore confident that the strong new business flows and increased recruitment activity that we have seen in recent months, together with the further strengthening of our investment proposition, bodes well for the rest of the year and our future growth prospects.