



ST. JAMES'S PLACE plc

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PRESS RELEASE

28 April 2009

ST. JAMES'S PLACE WEALTH MANAGEMENT
INTERIM MANAGEMENT STATEMENT
FOR THREE MONTHS TO 31 MARCH 2009

TOTAL NEW SINGLE INVESTMENTS OF £711 MILLION

St. James's Place plc ("SJP"), the wealth management group, today issues its interim management statement for the three months ended 31 March 2009.

Highlights for the three months are:

New Business

- Total new single investments of £711 million (2008: £759m)
- Total new business, on an APE basis, of £93.8 million (2008: £98.7m)
- Pensions new business of £46.4 million (2008: £43.5m)
- Unit Trust and ISA investments of £160.7 million (2008: £158.2m)
- Own manufactured business, on an APE basis, of £83.3 million (2008: £84.4m)

Funds under Management

- Funds under management of £15.3 billion, down 6% for the year to date
- Net inflows of £470 million
- Retention of funds under management maintained at 95%

David Bellamy, Chief Executive, commented:

"We are very pleased with the growth in Pensions, Unit Trust and ISA business despite very challenging market conditions. The retention figures were also once again very good.

"We were also delighted to receive, for the second year running, the FT and Investors Chronicle 'Wealth Manager of the Year' award last week. It is great to get this external recognition for the quality of our proposition and the strength of our Partners' relationships with clients.

"Looking forward, while the short term outlook for our business remains challenging, the fundamentals remain the same. We have a strong business, quality advisers want to join us and there are more people than ever who need advice. This is why we continue to be optimistic about our medium to long term growth prospects."

The details of the announcement are attached.

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**ST. JAMES'S PLACE GROUP
NEW BUSINESS FIGURES
FIRST QUARTER 2009
TOTAL
LONG TERM SAVINGS**

	Unaudited 3 Months to 31 March 2009		
NEW PREMIUMS	2009 £'m	2008 £'m	Change %
New Regular Premiums			
- Pensions	18.4	18.3	1%
- Protection	4.3	4.5	(4%)
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	22.7	22.8	0%
	<hr/>	<hr/>	<hr/>
New Single Premiums			
- Investment	270.3	349.2	(23%)
- Pensions	280.1	251.8	11%
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	550.4	601.0	(8%)
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Unit Trust Sales (including PEPs and ISAs)	160.7	158.2	2%

	2009 £'m	2008 £'m	Change %
NEW BUSINESS (RP + 1/10th SP)			
Investment	43.1	50.7	(15%)
Pensions	46.4	43.5	7%
Protection	4.3	4.5	(4%)
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Total	93.8	98.7	(5%)
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**ST. JAMES'S PLACE GROUP
NEW BUSINESS FIGURES
FIRST QUARTER 2009
MANUFACTURED
LONG TERM SAVINGS**

	Unaudited 3 Months to 31 March 2009		
NEW PREMIUMS	2009 £'m	2008 £'m	Change %
New Regular Premiums			
- Pensions	14.0	13.1	7%
- Protection	1.1	1.8	(39%)
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	15.1	14.9	1%
	<hr/>	<hr/>	<hr/>
New Single Premiums			
- Investment	269.1	308.5	(13%)
- Pensions	252.3	227.6	11%
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	521.4	536.1	(3%)
	<hr/>	<hr/>	<hr/>
Unit Trust Sales (including PEPs and ISAs)	160.7	158.2	2%

NEW BUSINESS (RP + 1/10th SP)	2009 £'m	2008 £'m	Change %
Investment	43.0	46.7	(8%)
Pensions	39.2	35.9	9%
Protection	1.1	1.8	(39%)
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Total	83.3	84.4	(1%)
	<hr/>	<hr/>	<hr/>

% of total new business	89%	85%
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**ST. JAMES'S PLACE GROUP
NEW BUSINESS FIGURES
FIRST QUARTER 2009
NON MANUFACTURED
LONG TERM SAVINGS**

- Investment premiums of £1.2 million (2008: £40.7 million), amounting to £0.1 million (2008: £4.0 million) on an APE basis.
- Pension single premiums of £27.8 million (2008: £24.2 million) and regular premiums of £4.4 million (2008: £5.2 million), amounting to £7.2 million (2008: £7.6 million) on an APE basis.
- Protection business of £3.2 million regular premiums (2008: £2.7 million).
- Total new business, on an APE basis, of £10.5 million (2008: £14.3 million).



Commentary

During the first quarter of 2009 we have continued to witness volatile stock markets. These conditions continue to make for a difficult trading environment for SJP and other wealth management businesses.

Nevertheless we are very pleased with the growth in pensions, unit trust and ISA business. The retention of business was also once again very good and consequently we are pleased to report net inflows of funds under management of £0.5 billion (2008: £0.4 billion).

Review of new business

Whilst our own manufactured new business was 1% lower than last year we continue to see strong growth in pensions business - up 9% - as clients invest for their long term future and utilise the tax advantages of pension savings.

Investment business during the quarter - at £430 million - was some 8% lower than 2008 reflecting the difficult investment market. Within total investment business, new ISA business continued to grow.

The non manufactured new business, which represented 11% of total sales, was down 27% during the quarter as we ceased selling third party cash bonds.

Finally, gross fees from other wealth management services amounted to £2.8 million for the three months (2008: £6.2 million).

Funds under management

Global stock markets have continued to fall since the start of the year. The FTSE All Share, for example, dropped by a further 10% in the quarter. By contrast, our funds under management at 31 March 2009 - at £15.3 billion - were down 6%.

The table below provides an analysis of the movement in funds under management for the three months.

	Unaudited	
	3 months to 31 March 2009	3 months to 31 March 2008
	£' bn	£' bn
Opening funds under management	16.3	18.2
New money invested	0.8	0.7
Net investment return	(1.5)	(1.4)
	<hr/> 15.6	<hr/> 17.5
Regular income withdrawals & maturities	(0.1)	(0.1)
Surrenders & part surrenders	(0.2)	(0.2)
	<hr/> 15.3	<hr/> 17.2
Closing funds under management		
Annualised surrender rate as a % of average funds under management	<hr/> 4.5%	<hr/> 5.0%

The fall in the stock markets has resulted in a further negative investment variance within the European Embedded Value basis of reporting. The net asset value per share at 31 March 2009 was around 220 pence.

Capital

There have been no material changes to group solvency capital during the period.

Outlook

Looking forward, while the short term outlook for our business remains challenging, the fundamentals remain strong.

With regards to changes introduced by the recent budget, we anticipate some high earners will redirect pension contributions towards our other investment products such as unit trusts. We also expect clients to take advantage of the new ISA limits. Importantly, more people than ever are looking for advice about managing their wealth. Taking all these factors into account, we currently believe the impact of the budget on new business to be broadly neutral.

We have a strong business with quality advisers wanting to join and we therefore continue to be optimistic about our medium to long term growth prospects.