



ST. JAMES'S PLACE plc

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PRESS RELEASE

3 May 2012

ST. JAMES'S PLACE WEALTH MANAGEMENT INTERIM MANAGEMENT STATEMENT FOR THREE MONTHS TO 31 MARCH 2012

ST. JAMES'S PLACE ATTRACTS £1.3 BILLION OF NEW FUNDS AS FUNDS UNDER MANAGEMENT GROW TO A RECORD £31.0 BILLION

St. James's Place plc ("SJP"), the wealth management group, today issues its interim management statement for the three months ended 31 March 2012.

Highlights for the three months are:

Resilient New Business

- Total new single investments of £1,256 million (2011: £1,288 million).
- Pension single investment of £522 million (2011: £410 million).
- Total new business on an Annual Premium Equivalent (APE) basis of £152.6 million (2011: £156.7 million).

Growth in Funds under Management

- Net inflow of funds under management of £700 million (2011: £770 million) and continued 95% retention of existing client funds.
- Funds under management of £31.0 billion, an increase of £2.5 billion in the three month period.

David Bellamy, Chief Executive, commented:

"We are pleased to report another strong performance in what remains a difficult period for the retail investment market. Whilst investor confidence remains comparatively low, the breadth of our investment proposition, together with the growing strength and the quality of our distribution has enabled us to attract a further £1.3 billion of new funds in the period.

Combined with the performance of our existing funds in the first quarter, this has given rise to a 9% increase in Funds under Management to a record £31 billion, an increase of £2.5 billion in the three month period.

We continue to maintain 95% retention of existing funds which is a testament to the attractiveness of our investment proposition and the unique nature of the relationship our advisers have with their clients.

Retail investors are naturally sensitive to continued market uncertainty and consequently remain relatively cautious in their appetite for investment. Nevertheless, we are confident about the strength, resilience and predictability of new business flows delivered by our distinct model and are encouraged by recent trends in both new business and recruitment activity."



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**ST. JAMES'S PLACE GROUP
NEW BUSINESS FIGURES
FIRST QUARTER 2012
TOTAL
LONG TERM SAVINGS**

	Unaudited 3 Months to 31 March 2012		
NEW PREMIUMS	2012 £'m	2011 £'m	Change %
New Regular Premiums			
- Pensions	22.1	23.3	(5%)
- Protection	5.0	4.6	9%
	<hr/>	<hr/>	<hr/>
	27.1	27.9	(3%)
	<hr/>	<hr/>	<hr/>
New Single Premiums			
- Investment	409.9	518.0	(21%)
- Pensions	521.6	410.0	27%
	<hr/>	<hr/>	<hr/>
	931.5	928.0	0%
	<hr/>	<hr/>	<hr/>
Unit Trust Sales (including PEPs and ISAs)	324.2	360.3	(10%)

	2012 £'m	2011 £'m	Change %
NEW BUSINESS (RP + 1/10th SP)			
Investment	73.4	87.8	(16%)
Pensions	74.2	64.3	15%
Protection	5.0	4.6	9%
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Total	152.6	156.7	(3%)
	<hr/>	<hr/>	<hr/>

**ST. JAMES'S PLACE GROUP
NEW BUSINESS FIGURES
FIRST QUARTER 2012
MANUFACTURED
LONG TERM SAVINGS**

	Unaudited 3 Months to 31 March 2012		
NEW PREMIUMS	2012 £'m	2011 £'m	Change %
New Regular Premiums			
- Pensions	17.8	18.3	(3%)
- Protection	0.7	1.3	(46%)
	<hr/> 18.5 <hr/>	<hr/> 19.6 <hr/>	<hr/> (6%) <hr/>
New Single Premiums			
- Investment	391.4	506.2	(23%)
- Pensions	466.0	377.0	24%
	<hr/> 857.4 <hr/>	<hr/> 883.2 <hr/>	<hr/> (3%) <hr/>
Unit Trust Sales (including PEPs and ISAs)	324.2	360.3	(10%)

NEW BUSINESS (RP + 1/10th SP)	2012 £'m	2011 £'m	Change %
Investment	71.6	86.6	(17%)
Pensions	64.4	56.0	15%
Protection	0.7	1.3	(46%)
	<hr/> 136.7 <hr/>	<hr/> 143.9 <hr/>	<hr/> (5%) <hr/>
Total			

% of total new business	90%	92%
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**ST. JAMES'S PLACE GROUP
NEW BUSINESS FIGURES
FIRST QUARTER 2012
NON MANUFACTURED
LONG TERM SAVINGS**

- Investment premiums of £18.5 million (2011: £11.9 million), amounting to £1.8 million (2011: £1.2 million) on an APE basis.
- Pension single premiums of £55.6 million (2011: £32.9 million) and regular premiums of £4.3 million (2011: £5.0 million), amounting to £9.8 million (2011: £8.3 million) on an APE basis.
- Protection business of £4.3 million regular premiums (2011: £3.3 million).
- Total new business, on an APE basis, of £15.9 million (2011: £12.8 million).



Commentary

The cautious mood of retail investors seen in the final quarter of 2011 continued into 2012, as the uncertainty around the economic recovery and the on-going euro crisis continued to make news headlines.

Against this backdrop we have continued to attract strong levels of new investments.

Review of new business

Total new single investments for the quarter were £1.26 billion with particularly strong growth in pension investments which at £521.6 million were up 27%.

On the APE measure new business for the quarter was £152.6 million with investment business down 16% reflecting a more cautious appetite among retail investors while pension business was up 15%.

Our manufactured business during the quarter represented 90% of total business.

Funds under management

The £1.26 billion of new investments together with the continued strong retention of existing client funds resulted in a net inflow of £700 million compared with £770 million in the same period last year.

Funds under management increased by £2.5 billion over the three months to a new record of £31.0 billion.

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

	Unaudited	
	3 months to 31 March 2012	3 months to 31 March 2011
	£' bn	£' bn
Opening funds under management	28.5	27.0
New money invested	1.3	1.3
Net investment return	1.8	0.2
	<hr/> 31.6	<hr/> 28.5
Regular income withdrawals & maturities	(0.2)	(0.1)
Surrenders & part surrenders	(0.4)	(0.4)
	<hr/> 31.0	<hr/> 28.0
Annualised surrender rate as a % of average funds under management	<hr/> 5.4%	<hr/> 5.3%

European Embedded Value (EEV) net asset value

The EEV net asset value per share at 31 March 2012 was around 413 pence (408 pence after the payment of the full year dividend).

Capital

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

Outlook

Retail investors are naturally sensitive to continued market uncertainty and consequently remain relatively cautious in their appetite for investment. Nevertheless, we are confident about the strength, resilience and predictability of the new business flows delivered by our distinct model. We are encouraged by recent trends with March 2012 being a record month for new business.

We believe our business model of face to face advice through our growing distribution, together with the increasing breadth of our investment proposition, leaves us well placed for strong growth as retail investors' confidence recovers.