

CHARLES STANLEY

# Interim Management and AGM Statement

29<sup>th</sup> July 2011

# Interim Management Statement

for period to 30<sup>th</sup> June 2011

## Revenue

### 1<sup>st</sup> Quarter

+7% to £30.9m (June 2010 £28.9m)

### Total Funds under management and administration

+3.7% to £15.04bn (31 March 2011 £14.5bn)

# Revenue - Quarter ended 30<sup>th</sup> June 2011

	Private Clients	Financial Services	Charles Stanley Securities	Other	Total
	£'000	£'000	£'000	£'000	£'000
Commission	12,412	94	1,259	-	<b>13,765</b>
Fees	-	-	-	-	-
Investment Management	8,717	88	-	-	<b>8,805</b>
Administration	4,600	2,839	-	-	<b>7,439</b>
Corporate Finance	-	-	839	-	<b>839</b>
Other	-	-	-	60	<b>60</b>
<b>Total</b>	<b>25,729</b>	<b>3,021</b>	<b>2,098</b>	<b>60</b>	<b>30,908</b>
Total June 2010	23,881	2,321	2,653		28,855

# Funds Under Management and Administration

	June 2011	March 2011	%Change
	£bn	£bn	
Discretionary Funds under management	4.78	4.61	3.7%
Advisory Funds under management	2.86	2.59	10.4%
<b>Total Funds under management</b>	<b>7.64</b>	<b>7.20</b>	<b>6.1%</b>
Advisory dealing funds	3.09	3.03	2.0%
Execution only funds	4.31	4.27	0.9%
<b>Total administered funds</b>	<b>7.40</b>	<b>7.30</b>	<b>1.4%</b>
<b>Total funds under management and administration</b>	<b>15.04</b>	<b>14.50</b>	<b>3.7%</b>

# CHARLES STANLEY

## **Year to 31<sup>st</sup> March 2011 Presentation**

# Overview of group

## PRIVATE CLIENT WEALTH MANAGEMENT

- Discretionary Portfolio Services
- Advisory Managed and Dealing Services
- Execution only

## FINANCIAL SERVICES

- Garrison
- EBS
- CS Financial Solutions  
(re-brand of Griffiths Armour)
- Matterley Fund Management

## CHARLES STANLEY SECURITIES

- Corporate Finance
- Institutional Broking
  - Bonds

# Changing market place?

## 2010

- *Need for greater individual savings as we live longer*
- *Low interest rates creating a fluid backdrop*
- *Discredited insurance based solutions adding to disenchantment*
- *Mistrust of clearing banks*

*Therefore – requirement for high quality bespoke solutions.....*

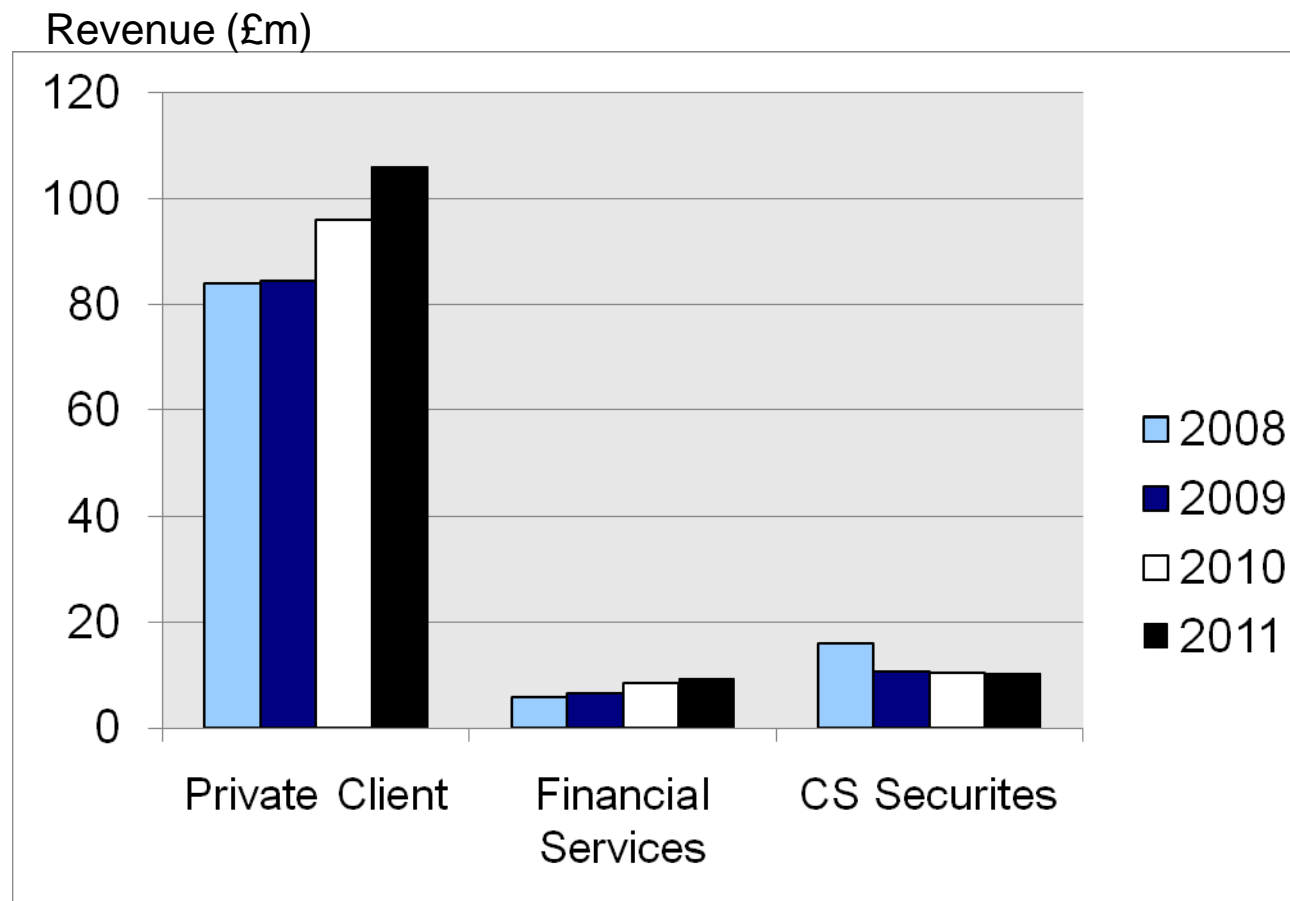
## 2011

- *Not a lot of change.....*

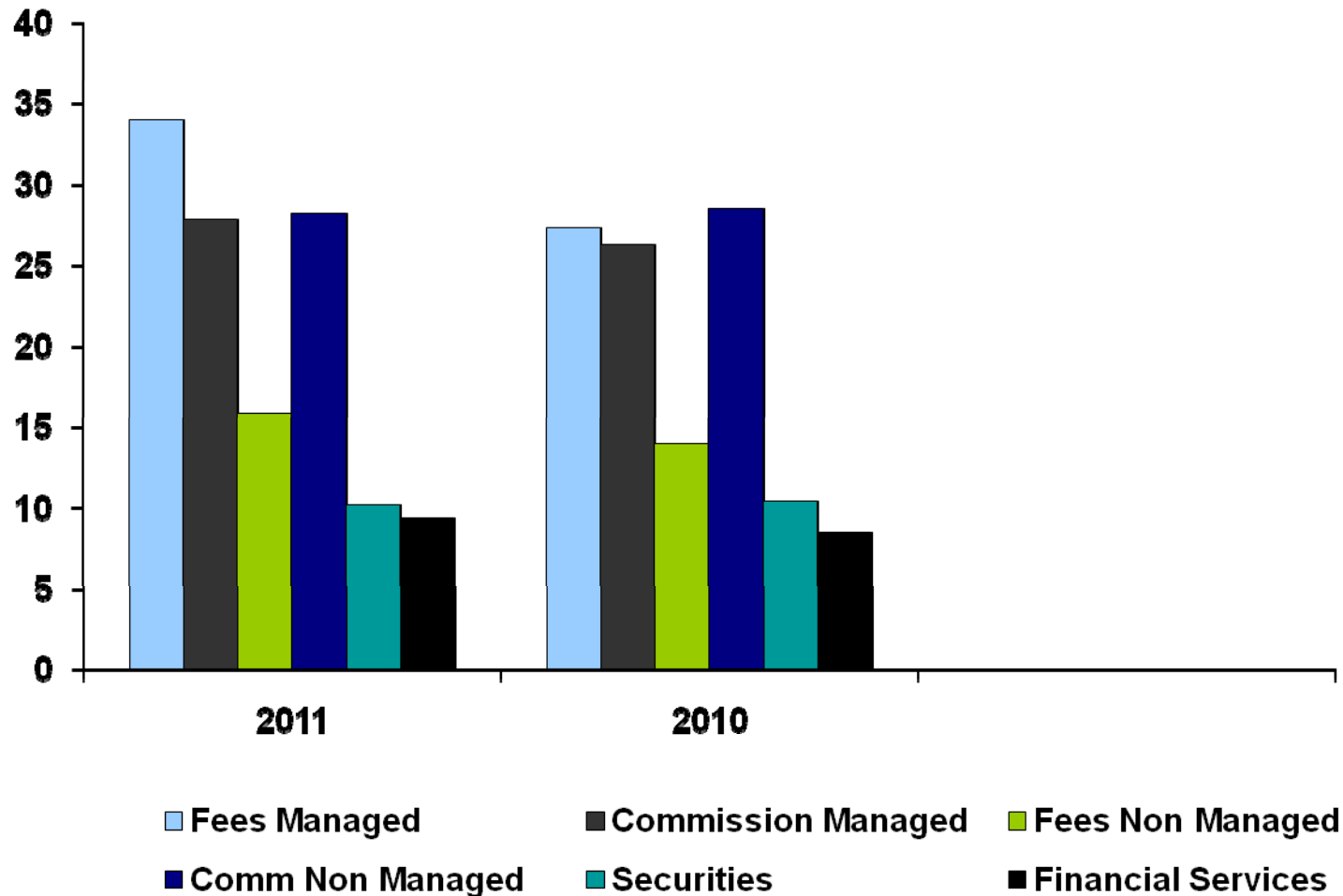
# Financial highlights

- Group Revenues up 9.2% to £125.6m (2010: £115 m)
- Reported Pre Tax Profit £13.4m (2010: £10.3m) increase of 30.1%
- AUM and administration up 13.3% to £14.5 bn (2010:£12.8 bn)
- Reported earnings per share 21.42p (2010: 15.44p)
- Total Dividend up 13.8% to 10.75p (2010: 9.45p)
- Cash balance £45.5m (2010: £36.6m)
- Acquisition of Jobson James Financial Services Limited in May 2011

# Group revenue split

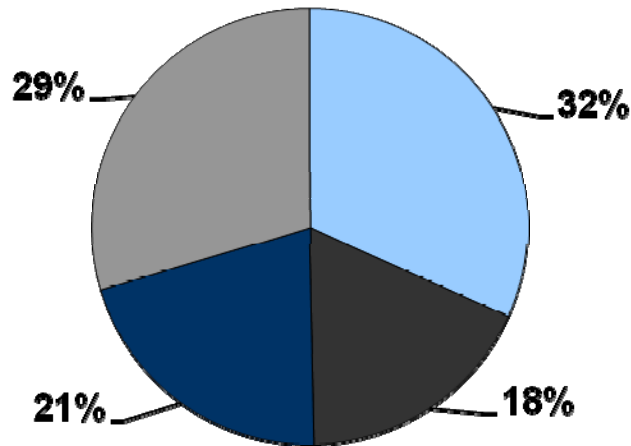


# Financial analysis

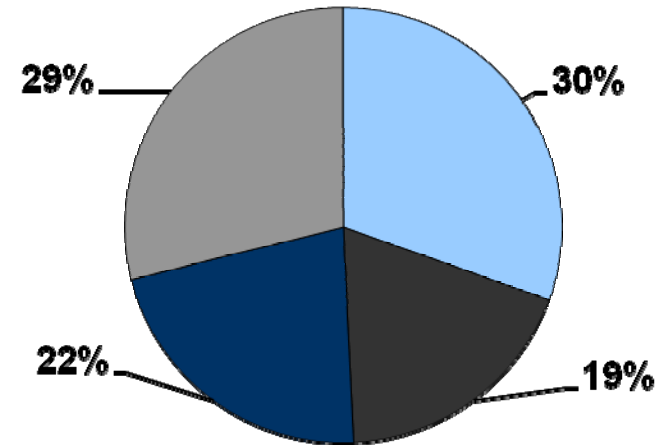


# Funds under management by category

March 2011  
£14.5 billion

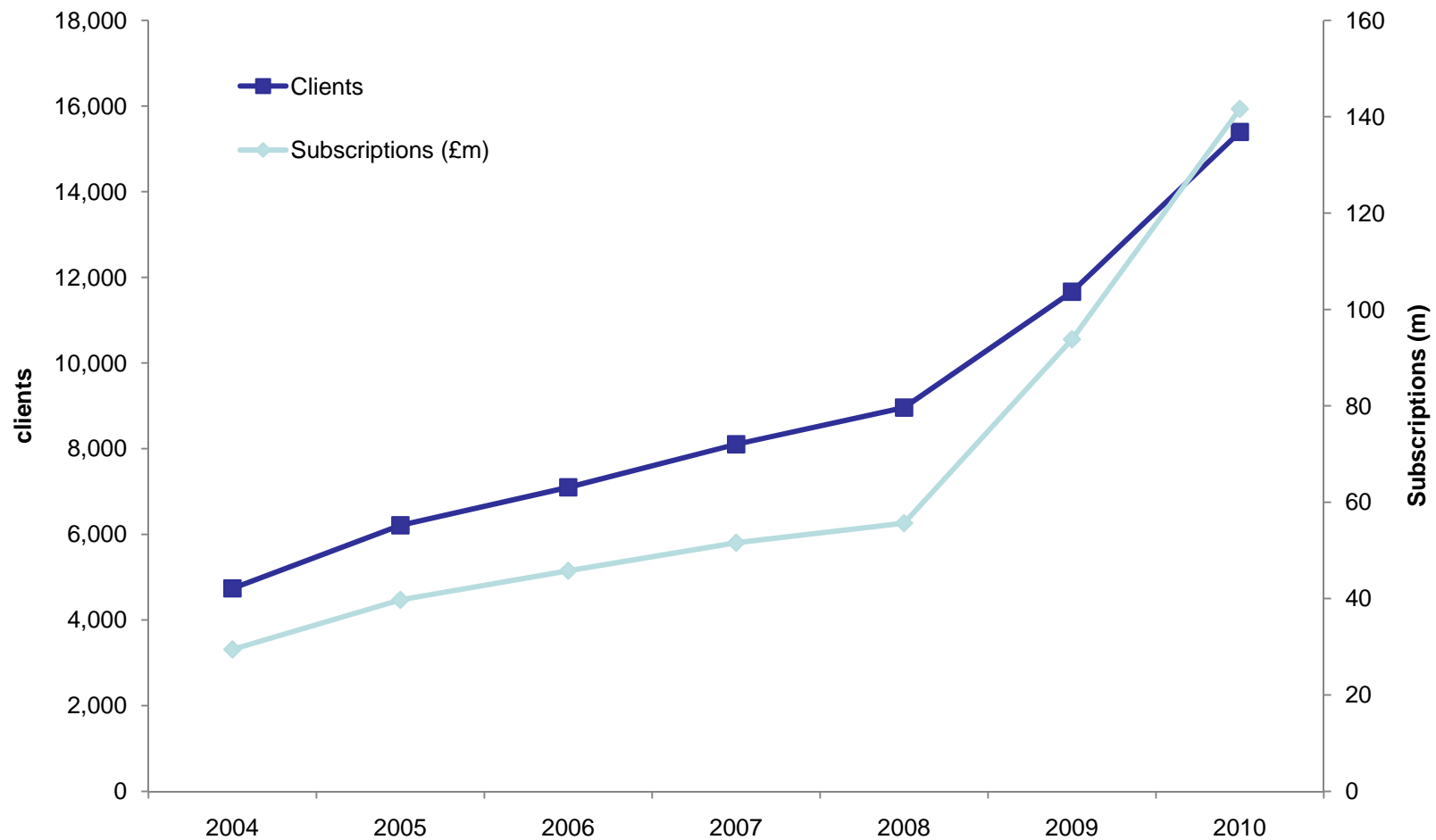


March 2010  
£12.8 billion

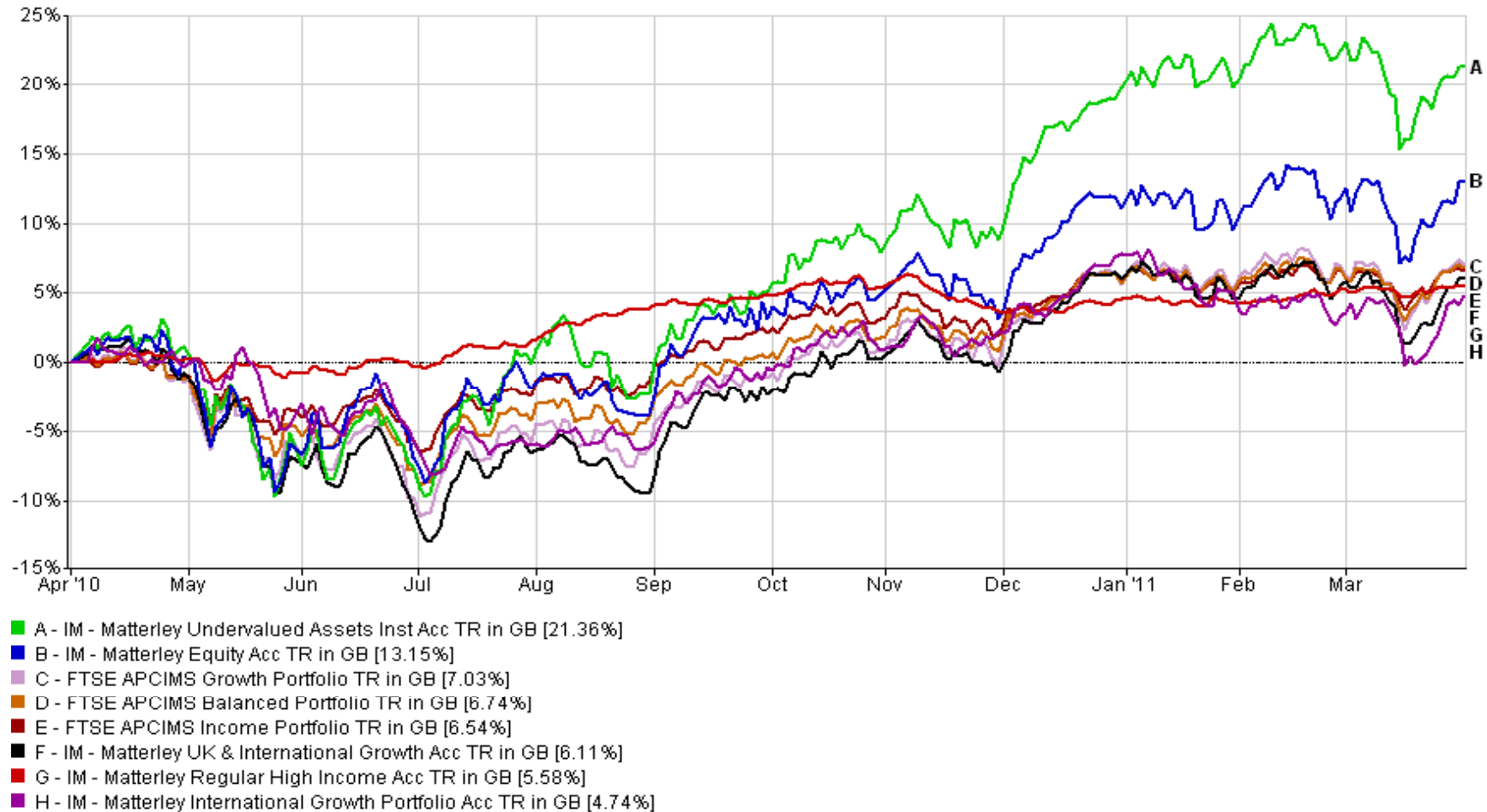


(£m)	Discretionary	Advisory Portfolio	Advisory Dealing	Execution Only
March 2011	4.6	2.6	3.0	4.3
March 2010	3.9	2.4	2.8	3.7

# ISA Subscriptions



# Performance of OEICS



01/04/2010 - 31/03/2011 © Financial Express 2011

# Financial Highlights

	£m	March 2008	March 2009	March 2010	March 2011
Turnover		105.6	101.8	115.0	125.6
Adjusted profit before tax		17.4	12.5	13.7	17.7
Operating profit before one-off costs		14.8	9.5	10.9	12.9
Reported profit before tax		12.4	9.2	10.3	13.4
Operating profit before one-off costs as a % of turnover		14%	9%	9.5%	10.27%
Adjusted Earnings		29.04p	20.00p	21.18p	28..39p
Adjusted EPS before one-off costs		27.20p	17.21p	17.42p	28.39p
Reported EPS		20.89p	14.65p	15.44p	21.42p

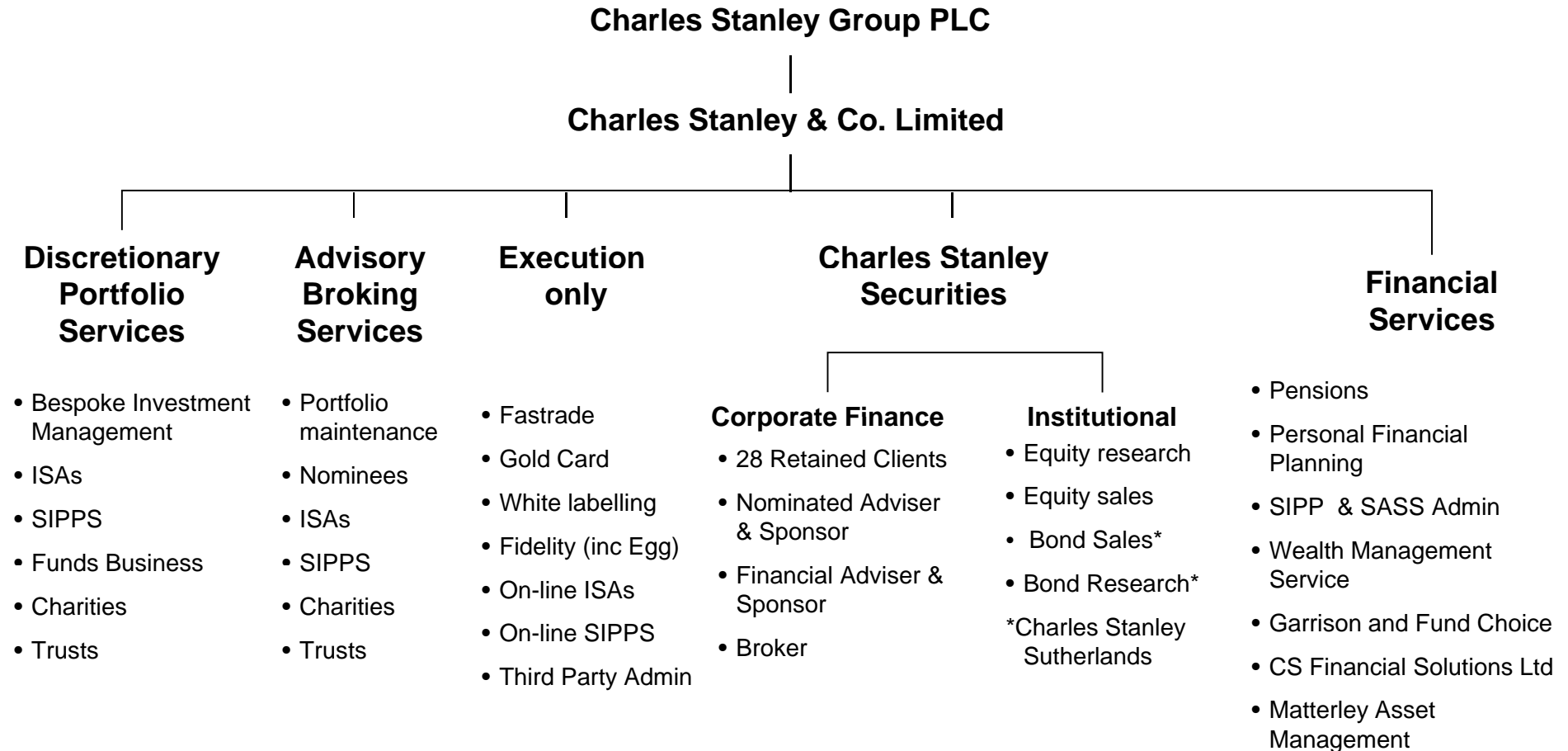
Cash resources up £45.6m (2010: £36.6m) after £1.8m on acquisitions, earn-outs and FSCS levy £2.6m (2010 £0.7m)

# Opportunities and outlook

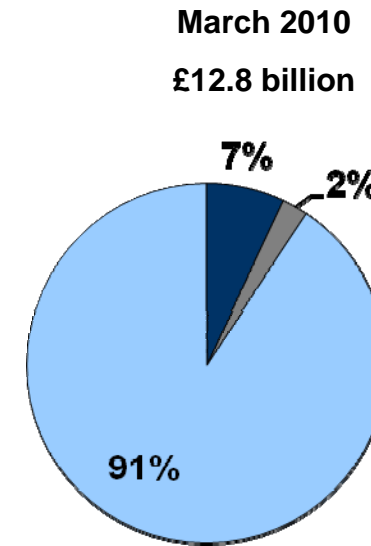
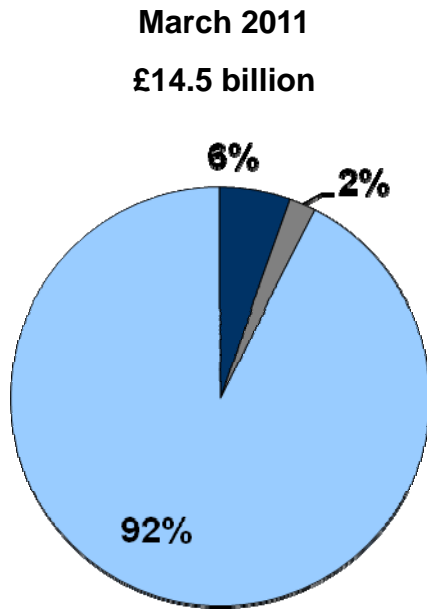
- Organic growth is still the focus
- Sales Team now in place to exploit RDR opportunities
- Fund Management division capable of rapid growth from small base
- Future confidence reflected in dividend growth
- Updated websites for Charles Stanley, Charles Stanley Securities & 32 branch websites well advanced. Matterley APP launching autumn 2011
- New client website launching autumn 2011

# APPENDICES

# Group Structure

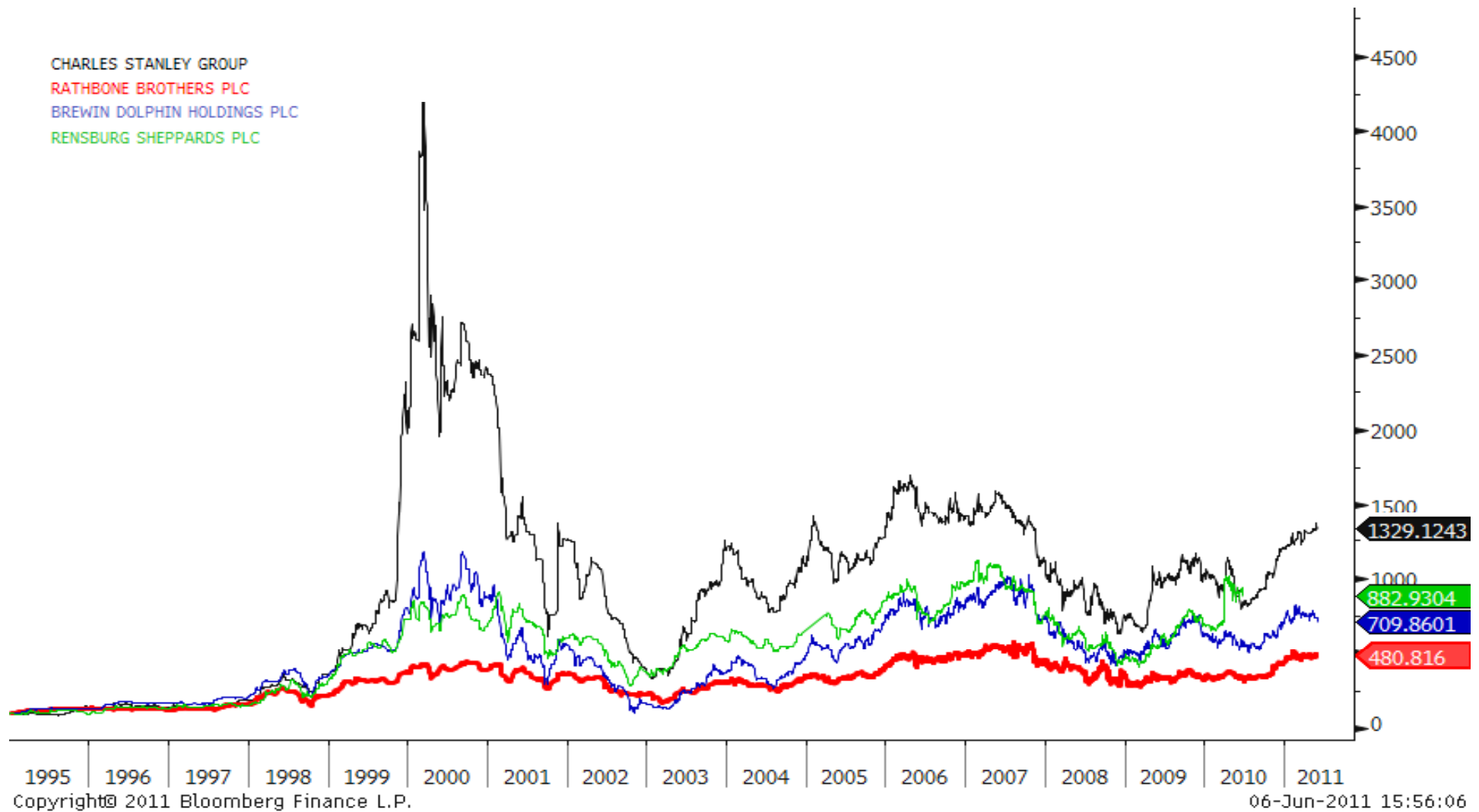


# Breakdown of Funds Under Management and Administration (by type)



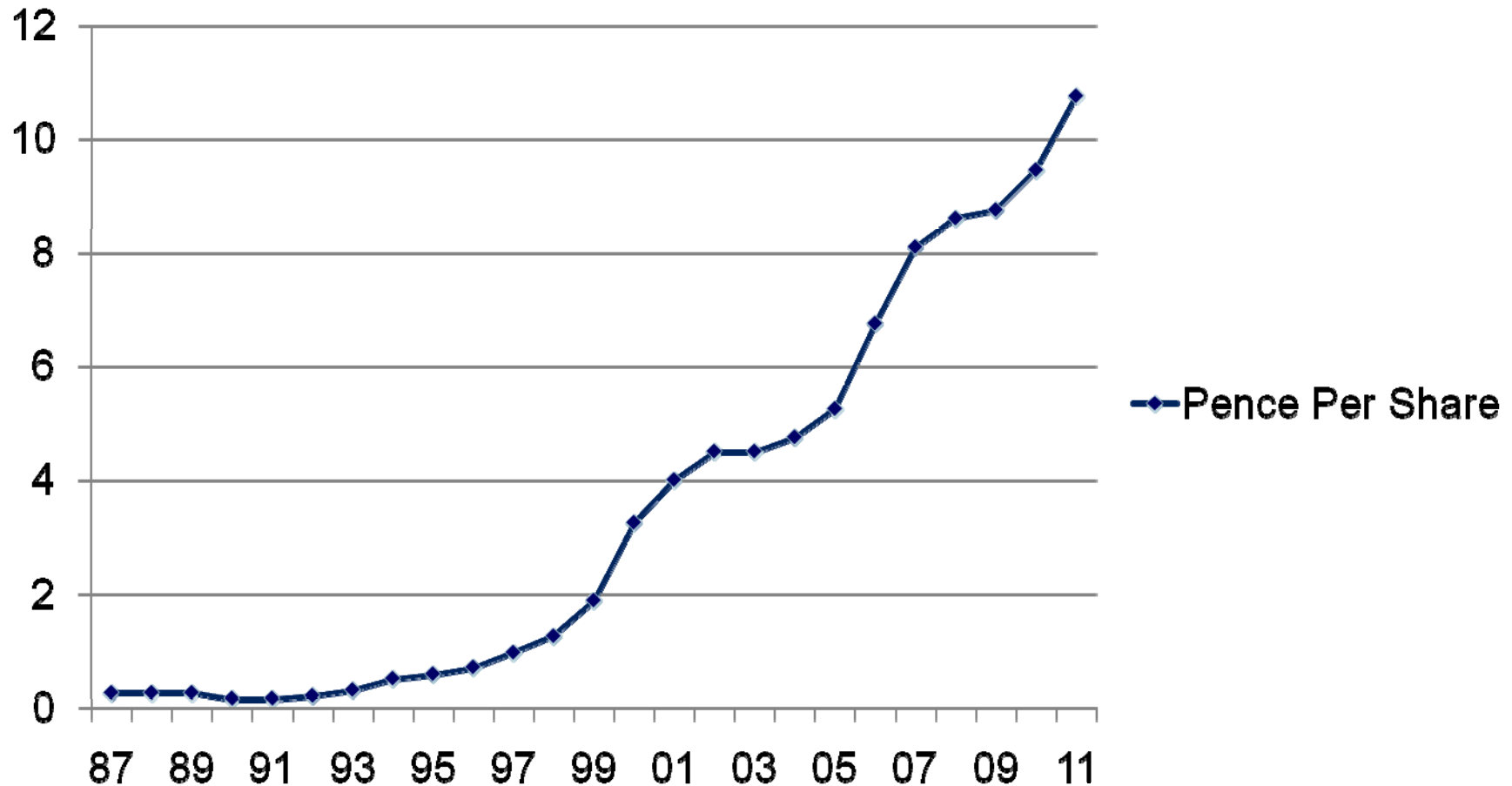
	Cash	Paper (fee paying)	Nominees
March 2011	£0.8bn	£0.2bn	£13.5bn
March 2010	£0.9bn	£0.3bn	£11.6bn

# Share Price Chart



# Charles Stanley Dividends

1987 -2011 (adjusted for Bonuses)



# Corporate Development

- 1967 Acquisition of Gastrell & Co.
- 1974 Acquisition of Ransford & Co.
- 1975 Acquisition of Burt, Jones, Ley & Gaskarth.
- 1980 First branch, Cambridge
- 1990 Acquisition of part of Schaverien & Co.
- 1997 Acquisition of R.N. McKean
- 1997 Acquisition of Shaw & Co.
- 2002 Acquisition of Torrie & Co.
- 2002 Acquisition of Robson Cotterell Limited
- 2003 Acquisition of Employee Benefit Services
- 2003 Acquisition of Durlacher private client-business
- 2004 Acquisition of Sutherlands Group Limited
- 2005 Opens new office in Birmingham with team from Gerrard
- 2005 Taking on of 15 strong Dryden team in London
- 2007 Exeter Branch opens
- 2007 Guildford Branch opens
- 2007 Court Protection team joins
- 2007 Acquired Garrison Investment Analysis in Beverley
- 2007 Bristol Branch opened
- 2008 Acquisition of Truro Stockbrokers
- 2008 Acquisition of Insinger de Beaufort Private Client Business
- 2008 Leeds Branch opens
- 2008 Acquisition of Griffiths & Armour (Financial Services) Ltd
- 2009 Matterley Funds Team joins
- 2011 Acquisition of Jobson James

# Regional Offices

Bath	Bedford	Birmingham	Bournemouth
Brighton & Hove	Bristol	Cambridge	Cirencester
Dorchester	Eastbourne	Edinburgh	Exeter
Guildford	Ipswich	Isle of Wight	Leeds
London	Manchester	Milton Keynes	Newbury
Nottingham	Norwich	Oxford	Plymouth
Reading	Southampton	Southend on Sea	Truro

Tunbridge Wells

Garrison Investment Analysis  
(Beverley)

Wimborne

CS Financial Solutions Ltd  
(Liverpool & Watford)