

INTERIM MANAGEMENT STATEMENT

25 January 2012

QUARTER ENDED 31 DECEMBER 2011

This statement is an Interim Management Statement ("IMS") issued in accordance with the UK Listing Authority's Disclosure and Transparency Rules. It covers the period from 1 October 2011 to 25 January 2012, and includes trading results for the three months ended 31 December 2011.

Charles Stanley Group PLC announces that its third quarter revenues for the three months to 31 December 2011 were £27.3 million (2010/11: £32.3 million). This is a continuation of the trend communicated in the half year statement which set out the downward pressures on revenues, although within this result total fees have increased compared to the same period last year.

Total fees increased by 5.8% to £16.6 million (2010/11: £15.6 million) for the third quarter. Fee income has increased despite the fall in market values since December 2010 reflecting the on-going success in increasing fee income as a proportion of total revenue.

However commission income at £10.6 million (2010/11: £16.6 million) has decreased by £6.0 million compared to the same period last year due to reduced bargain volumes caused by the poor trading environment, Euro uncertainty and depressed UK economy. A continuation of the difficult institutional securities market is also reflected in this result.

Total client funds at £14.48 billion have demonstrated underlying organic growth over the nine months of the financial year to date despite difficult trading conditions, and remain comparable to March 2011 levels (£14.50 billion). Within this result managed funds have been the main driver of organic growth delivering a net increase of 8.6% compared to a market performance of -6.2% in the same period.

Funds under management and administration are analysed below:

	Dec 11 £ billion	Sep 11 £ billion	Change since Sep 11 %	Mar 11 £ billion	Change since Mar 11 %
Discretionary funds	4.70	4.42	6.3%	4.61	2.0%
Advisory managed funds	2.67	2.60	2.7%	2.59	3.1%
Total managed funds	7.37	7.02	5.0%	7.20	2.4%
Advisory dealing funds	2.87	2.79	2.9%	3.03	(5.3%)
Execution only funds	4.24	3.90	8.7%	4.27	(0.1%)
Total administered funds	7.11	6.69	6.3%	7.30	(2.6%)
Total funds under management and administration	14.48	13.71	5.6%	14.50	-
FTSE 100 index	5,572	5,128	8.6%	5,908	(5.7%)
FTSE all share index	2,858	2,654	7.7%	3,067	(6.8%)
APCIMS benchmark	2,894	2,735	5.8%	2,984	(3.0%)

Total managed funds increased by 5.0% during the quarter and by 2.4% since the beginning of the financial period. The change since March 2011 is explained in more detail in the table below:

	Discretionary managed £ bn	Advisory managed £ bn	Total £bn	<i>Change</i> <i>%</i>
Managed funds at 1 April 2011	4.61	2.59	7.20	
<i>Inflows</i>				
New clients of existing investment managers	0.28	0.08	0.36	
Clients of new investment managers	0.01	0.25	0.26	
New funds from existing clients	0.43	0.20	0.63	
Total inflows	0.72	0.53	1.25	17.4%
<i>Outflows</i>				
Lost clients	(0.17)	(0.20)	(0.37)	
Withdrawals by existing clients	(0.17)	(0.09)	(0.26)	
Total outflows	(0.34)	(0.29)	(0.63)	(8.8%)
Net inflow of funds	0.38	0.24	0.62	8.6%
Market movement	(0.29)	(0.16)	(0.45)	(6.2%)
Managed funds at 31 December 2011	4.70	2.67	7.37	
% increase in period		2.0%	3.1%	2.4%

REVENUE

Quarter ended 31 December 2011

	<i>Private Clients £'000</i>	<i>Financial Services £'000</i>	<i>Charles Stanley Securities £'000</i>	<i>Other £'000</i>	<i>Total £'000</i>
Commission	9,808	80	808	-	10,696
Fees					
Investment Management	7,399	107	-	-	7,506
Administration	5,933	2,438	77	-	8,448
Corporate Finance	-	-	612	-	612
Other	-	-	-	5	5
Total fees	13,332	2,545	689	5	16,571
Total	23,140	2,625	1,497	5	27,267

Quarter ended 31 December 2010

	<i>Private Clients £'000</i>	<i>Financial Services £'000</i>	<i>Charles Stanley Securities £'000</i>	<i>Other £'000</i>	<i>Total £'000</i>
Commission	14,332	52	2,274	-	16,658
Fees					
Investment Management	7,386	117	-	-	7,503
Administration	5,608	1,759	-	-	7,367
Corporate Finance	-	-	782	-	782
Other	-	-	-	5	5
Total fees	12,994	1,876	782	5	15,657
Total	27,326	1,928	3,056	5	32,315

Nine months ended 31 December 2011

	<i>Private Clients £'000</i>	<i>Financial Services £'000</i>	<i>Charles Stanley Securities £'000</i>	<i>Other £'000</i>	<i>Total £'000</i>
Commission	34,412	247	3,181	-	37,840
Fees					
Investment Management	22,047	367	-	-	22,414
Administration	17,391	7,808	205	-	25,404
Corporate Finance	-	-	1,813	-	1,813
Other	-	-	-	71	71
Total fees	39,438	8,175	2,018	71	49,702
Total	73,850	8,422	5,199	71	87,542

Nine months ended 31 December 2010

	<i>Private Clients £'000</i>	<i>Financial Services £'000</i>	<i>Charles Stanley Securities £'000</i>	<i>Other £'000</i>	<i>Total £'000</i>
Commission	40,412	176	5,637	-	46,225
Fees					
Investment Management	20,332	331	-	-	20,663
Administration	16,512	5,932	-	-	22,444
Corporate Finance	-	-	2,720	-	2,720
Other	-	-	-	54	54
Total fees	36,844	6,263	2,720	54	45,881
Total	77,256	6,439	8,357	54	92,106

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Notes for editors

Charles Stanley Group PLC has five trading companies, Charles Stanley & Co. Limited, EBS Management PLC, CS Financial Solutions Limited, Garrison Investment Analysis Limited and Jobson James Financial Services Limited

Charles Stanley & Co. Limited provides full-service stockbroking, financial planning and benefit consultancy and small and mid cap advisory and institutional broking.

EBS Management PLC provides specialist pensions administration services. CS Financial Solutions Limited is a specialist provider of corporate employee benefits services. Garrison Investment Analysis Limited markets unit trusts, open-ended investment company units and packaged financial products to private clients, both directly and in wrappers such as ISAs and pensions. Jobson James Financial Services Limited provides wealth management advice and services for both private and corporate clients including pensions and retirement planning.

All five trading companies are regulated by the Financial Services Authority. The Group has 33 offices around the United Kingdom.