

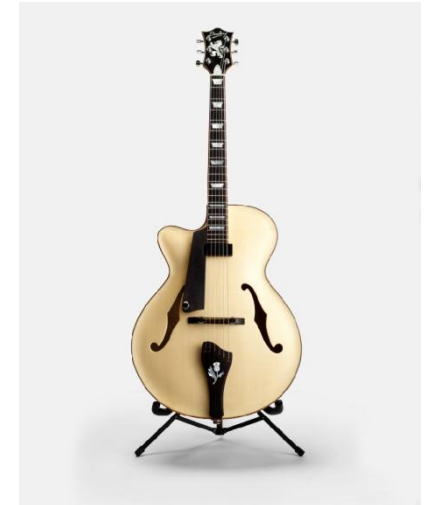
CHARLES STANLEY

Interim Results

Half-year ended 30 September 2011

10 November 2011

Made for You



Mark Bailey started making guitars at the age of 18. By 1998 he'd set up his own company making guitars in a double-decker bus. Mark now produces more than sixty guitars a year. Some acoustic, some electric, some built to a performer's exact requirements. All of them are masterpieces in sound and wood. Once a month his customers can even build their own guitars under his supervision. We can't claim to be as rock 'n' roll, but we do claim the same attention to detail and delivery of a quality that is 'Made for You'.

Highlights

Revenue steady at £60.2 million

Adjusted profit before tax £6.8 million

Funds under management and administration £13.7 billion

Highlights (cont.)

Net Asset value: 178.1p (Sep 10: 175.2p)

EPS adjusted: 11.27p (Sep 10 – 12.92p)

EPS reported: 8.49p (Sep 10 -11.53p)

Organisation

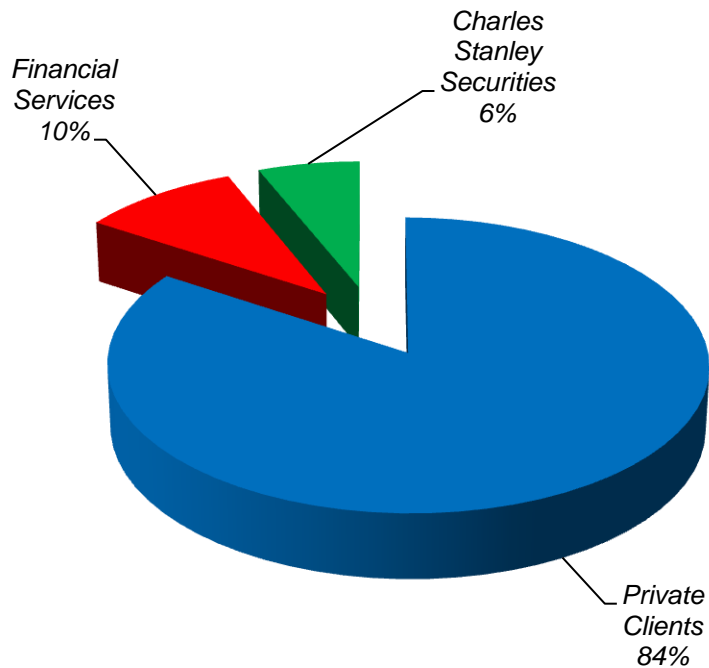
The Group is organised into three divisions

- Private Clients
- Financial Services
- Charles Stanley Securities

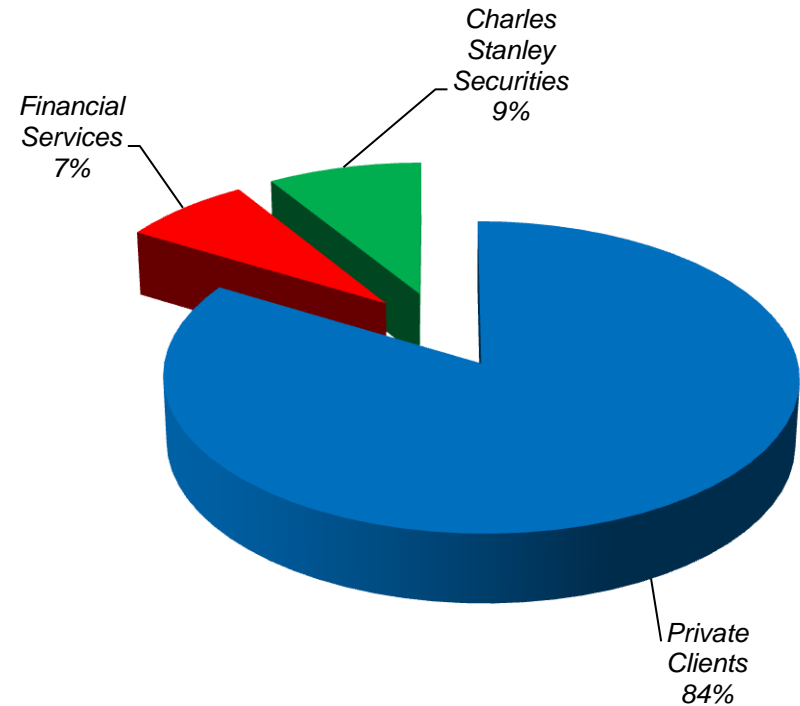


Revenue by division

September 2011



September 2010



Charles Stanley Securities

Charles Stanley Securities has been impacted by the market downturn in small and-mid cap equity fundraisings together with lower trading activities in both equity and bond markets.

Reduction in head count

New clients taken on

Well positioned going forward with a pipeline of transactional activity

Financial Services

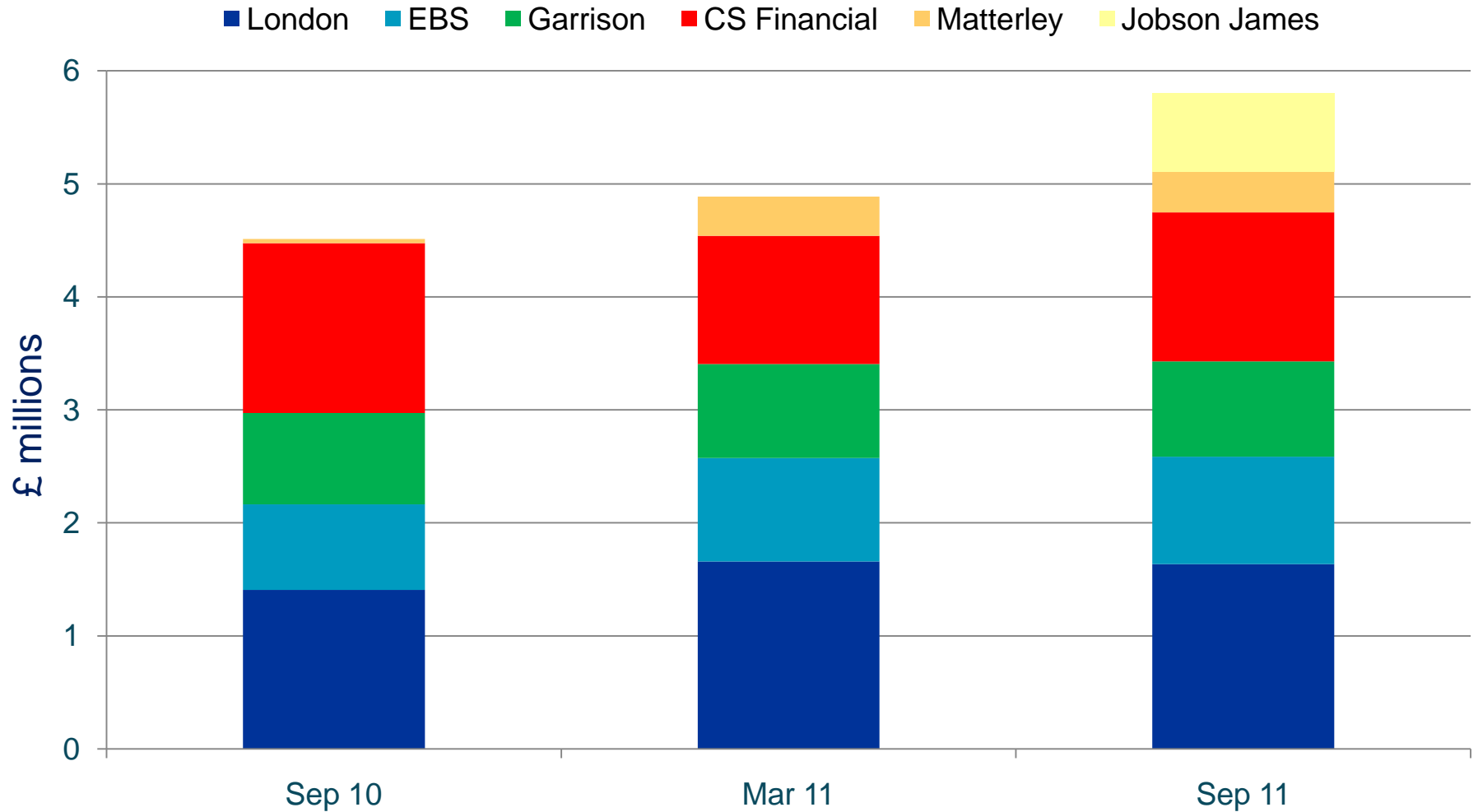
We have been building our financial services offering and have achieved a positive outcome

Revenue up 28% to £5.8 million

Matterley funds grown to £129 million

Positive contribution from Jobson James

Financial Services Revenue



Private Clients

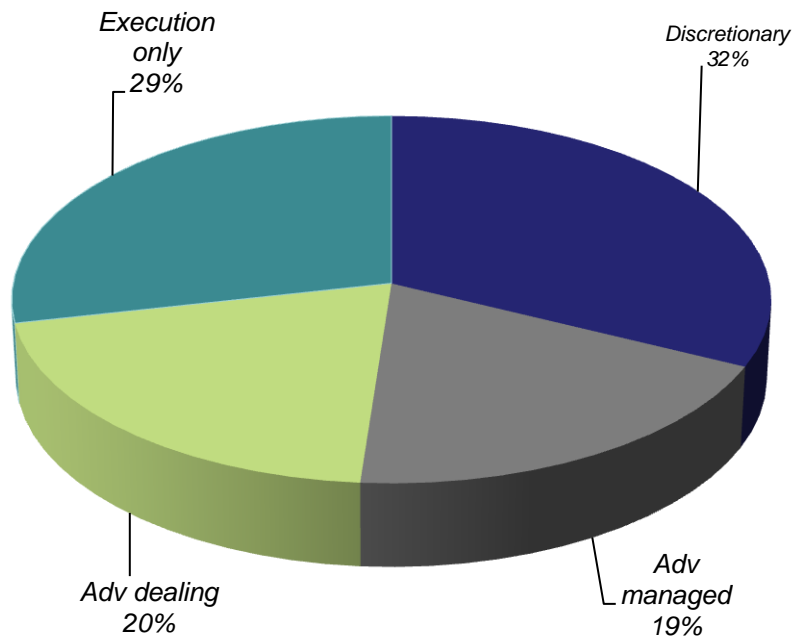
In a volatile market core business income has remained steady

- Total division revenue up 1%
- Net inflow of £770 million to managed funds
- Net organic funds under management growth of 13%*
- Investment management fee increase of 13% while commission down 6%
- Whilst APCIMS Balanced Index is down 8.3% our funds under management were only down 2.5%
- Total funds under management and administration down 5.5%

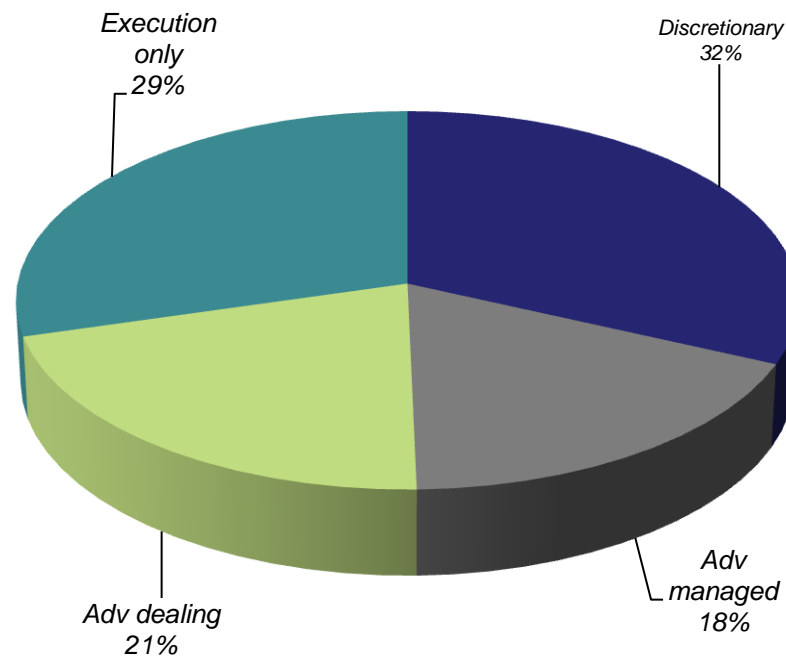
* Organic growth is annualised and does not include purchased or inflow of new investment managers

Funds under management and administration

September 2011

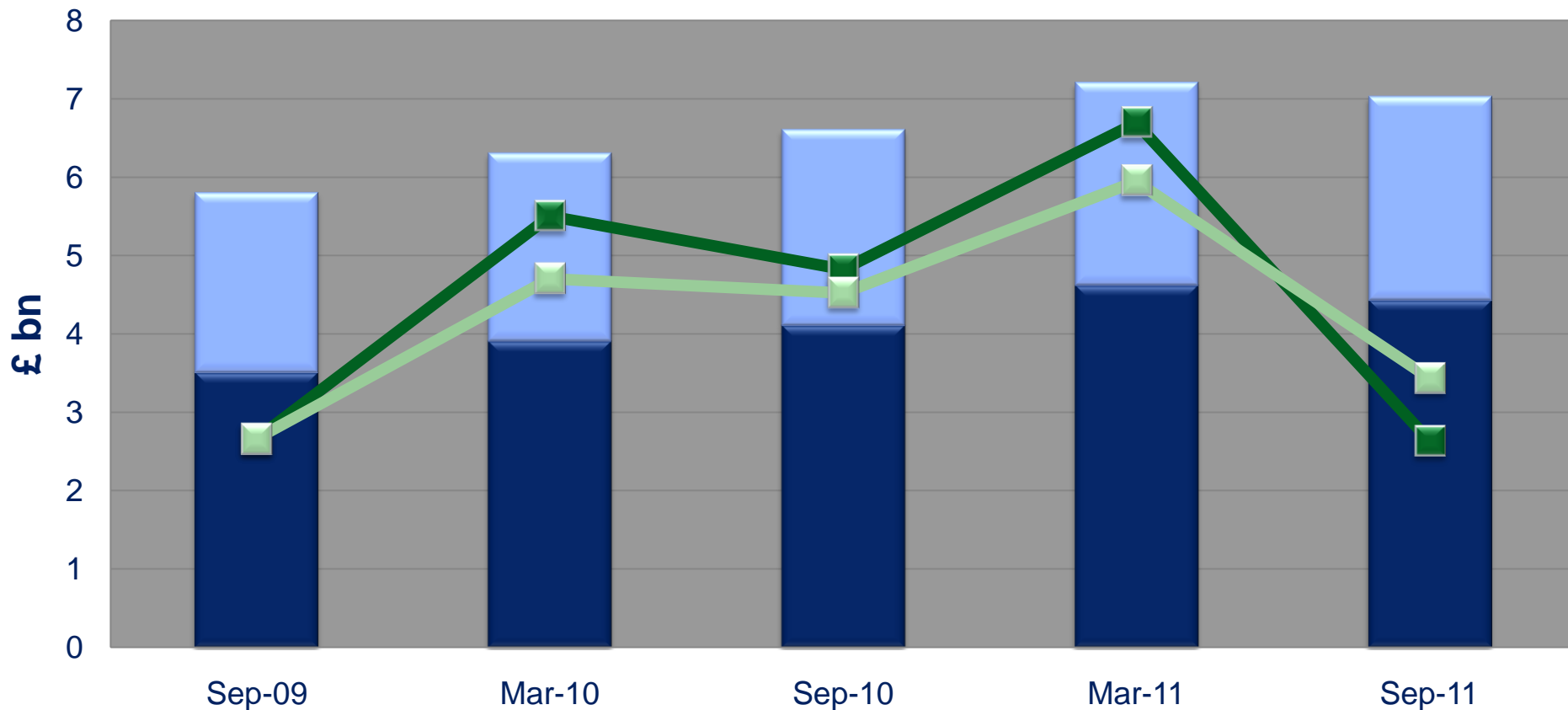


March 2011



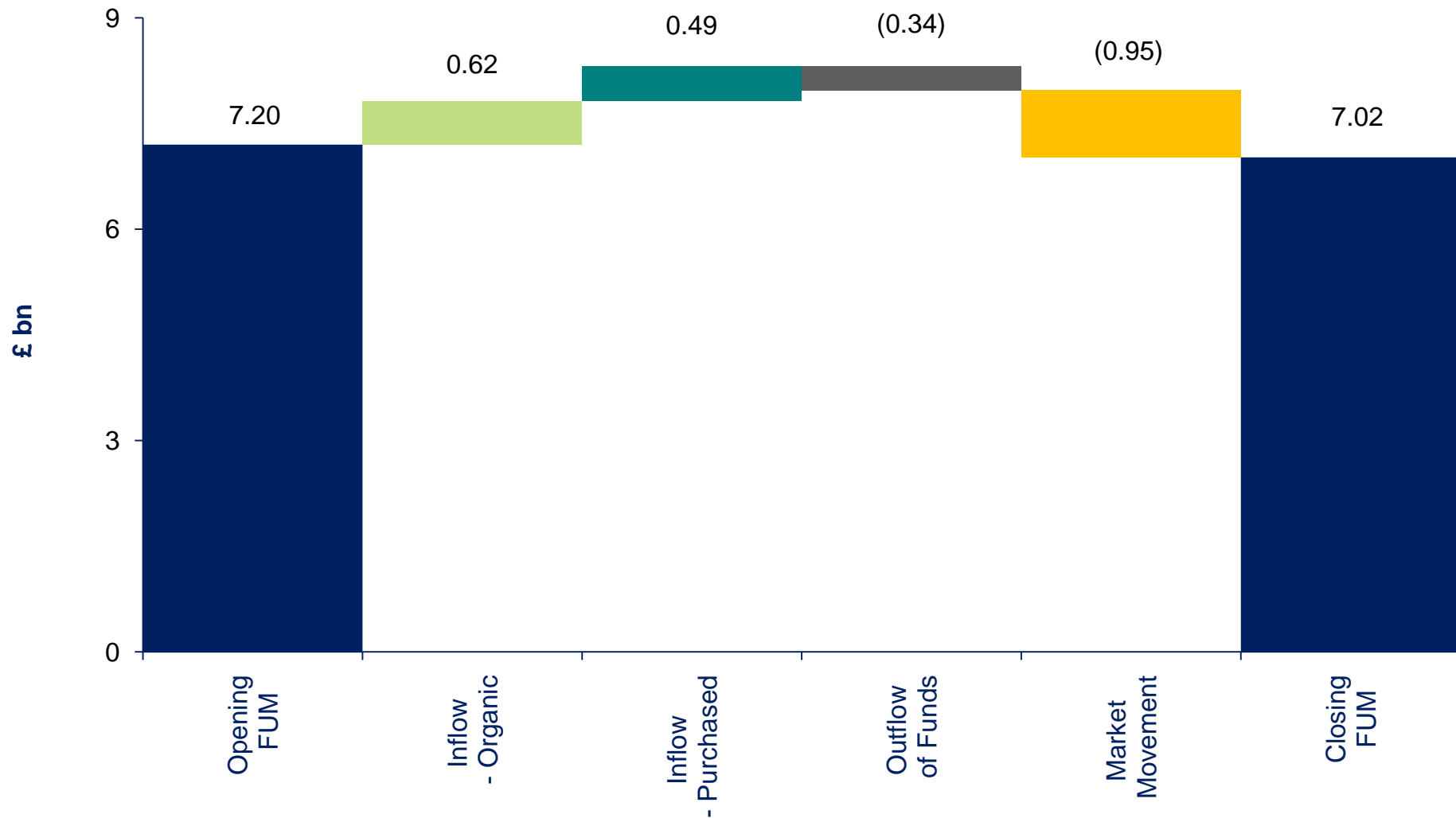
Funds under management

Discretionary Advisory Managed FTSE 100 APCIMS Balanced Index



* FTSE 100 and APCIMS Balanced lines show how funds under management would have changed between Sep 2009 to Sep 2011 if they had tracked to each index

Private Clients – funds under management bridge chart



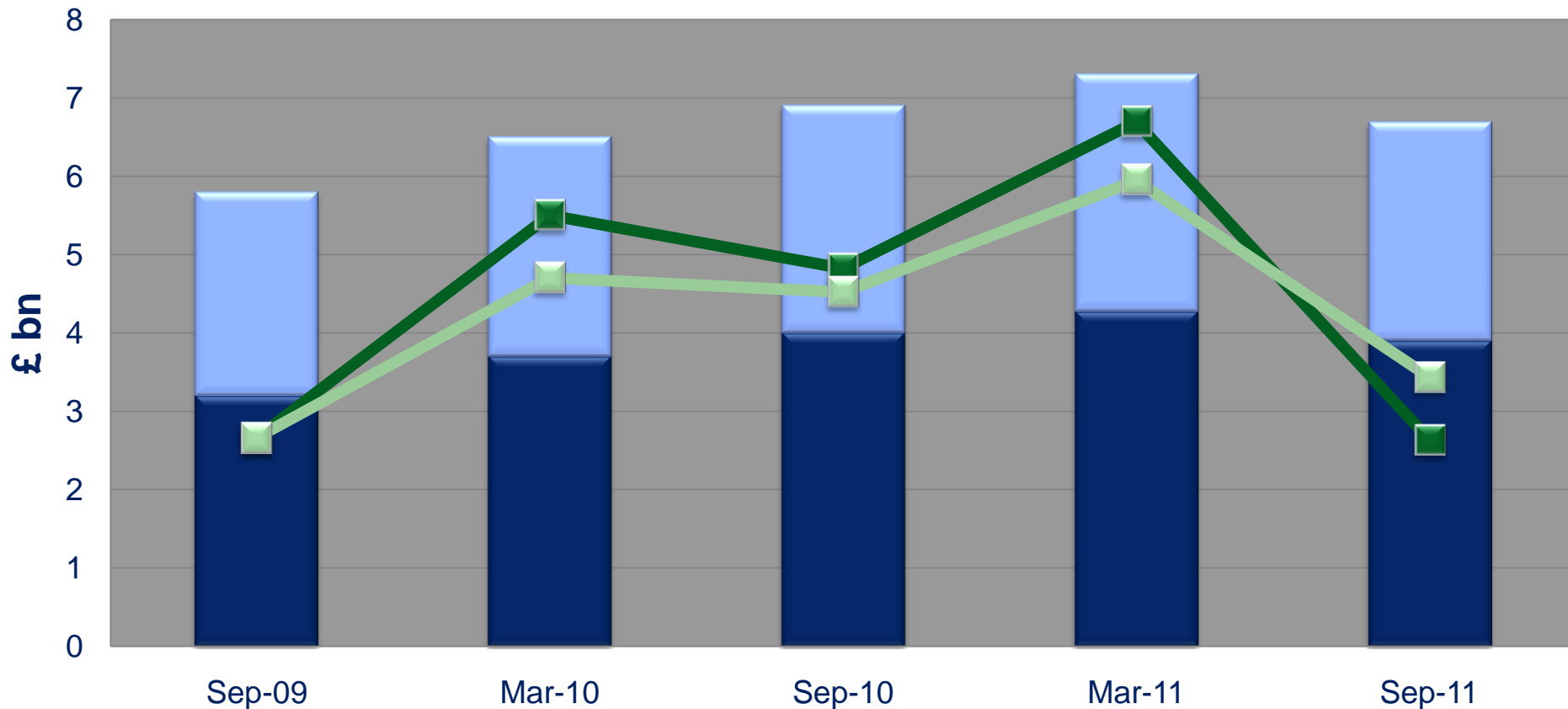
Private Clients – funds under management

Revenue margin on funds under management

	Sept 2011	Sept 2010	March 2011
Discretionary	1.00bps	1.02bps	0.99bps
Advisory managed	0.70bps	0.73bps	0.77bps

Funds under administration

Execution only Advisory dealing FTSE 100 APCIMS Balanced Index



* FTSE 100 and APCIMS Balanced lines show how funds under management would have changed between Sep 2009 to Sep 2011 if they had tracked to each index

Opportunities and outlook

RDR

E commerce – CS Direct

Industry movement



Network of offices



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

Contacts

James Rawlingson

Mike Lilwall

Charles Stanley Group Plc

25 Luke Street

London EC2A 4AR

Telephone 0207 739 8200



Appendices

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- Results Highlights

Slide 20

- Profit before tax

Slide 21

- Analysing the balance sheet

Slide 22

- Financial Services revenue

Slide 23

- Private Client funds flow

Results Highlights

	Sep 2011	Sep 2010	March 2011
Funds Under Management	£13.7bn	£13.5bn	£14.5bn
Total rate of net growth in funds under management	13%	11%	7%
Adjusted profit before tax	£6.8m	£8.2m	£17.7m
Adjusted basic earnings per share	11.27p	12.92p	28.39p
Basic earnings per share	8.49p	11.53p	21.42p
Dividend per share	2.75p	2.50p	10.75p

Profit before tax

	Sep 2011 (£ m)	Sep 2010 (£ m)	% change	FY 2011 (£ m)
<i>Average FTSE 100 index¹</i>	5,128	5,614		5,908
<i>Commission</i>	27.1	29.6	(8.4%)	63.3
<i>Investment management fee and other</i>	26.1	23.8	9.7%	50.3
<i>Financial services</i>	5.8	4.5	28.9%	9.1
<i>Corporate fees</i>	1.2	1.8	(33.3%)	2.9
Total income	60.2	59.7	0.8%	125.6
Operating costs	(53.6)	(51.8)	(3.5%)	(112.2)
Net interest and investment income	0.2	0.2	-	0.4
Adjusted profit before tax	6.8	8.2	(17.1)%	13.8
Amortisation of client relationship	(1.0)	(0.9)	(11.1%)	(1.7)
FSCS levy	(0.6)	-		(2.6)
One off costs (Jobson James)	(0.1)	-		-
Reported profit before tax	5.1	7.3	(30.0)%	9.5

¹ Based on March 11 and Sept 2011

Analysing the balance sheet

	Sep 2011 £'000	Sep 2010 £'000
Assets		
Intangible asset	35,948	34,872
Property, plant and equipment	6,622	6,020
Deferred tax assets	1,294	755
Available for sale financial assets	5,191	6,526
Non- current trade and other receivables	1,522	1,623
Current trade and other receivables	150,343	199,602
Financial assets at fair value through p&l	296	382
Cash and cash equivalents	39,656	35,113
Total assets	240,872	284,893

	Sep 2011 £'000	Sep 2010 £'000
Equity		
Ordinary shares	11,309	11,159
Share premium	2,545	1,749
Revaluation reserve	1,435	2,393
Retained earnings	65,006	62,361
Non- controlling interest	53	53
Liabilities		
Trade and other receivables	500	-
Borrowings	-	12
Retirement benefit obligations	6,672	4,956
Current – liability trade other payables	151,887	199,464
Borrowing	10	341
Current tax liabilities	1,455	2,405
Total equity and liabilities	240,872	284,893

Working capital
 Financing related
 Equity capital related

Financial Services Revenue

	Sept 2011 £'000	Mar 2011 £'000	Sept 2010 £'000
Jobson James	692	-	-
Matterley	358	346	
CS Financial	1,319	1,135	1,501
Garrison	844	832	808
EBS	950	916	758
London FP	1,634	1,658	1,444
<i>Total financial service revenue</i>	5,797	4,887	4,511

Private Clients – funds under management

	Sept 2011 £ bn	Sept 2010 £ bn	Mar 2011 £ bn
<i>Opening funds under management</i>	7.20	6.35	6.35
Inflows	1.11	0.74	1.30
-Organic	0.62	0.51	0.58
-Purchased	0.49	0.23	0.72
Outflow of funds	(0.34)	(0.33)	(0.69)
-Organic	0.15	0.16	0.26
-Other	0.19	0.18	0.43
Market movement	(0.95)	(0.15)	(0.24)
<i>Closing funds under management</i>	7.02	6.61	7.20
<i>Net inflow of funds</i>	0.77	0.41	0.61
<i>Annualised underlying rate of net organic growth</i>	13%	11%	7%

Disclaimer

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