

## INTERIM MANAGEMENT STATEMENT

29 July 2010

### QUARTER ENDED 30 JUNE 2010

As the Chairman will advise shareholders at today's Annual General Meeting, Charles Stanley Group PLC is pleased to announce that its revenue for the three months to 30 June 2010, the first quarter of its financial year 2010-11, was 11.2% higher, at £28.9 million, than the comparable figure of £26.0 million for the three months to 30 June 2009.

Since 31 March 2010 the business has performed solidly against a background of continued market uncertainty.

During the quarter the FTSE 100 fell by 13.4% from 5680 to 4917, whilst the APCIMS Balanced Portfolio Index declined by 7.9%. Against that backdrop total client funds under investment management and administration fell during the quarter by 4.7% from £12.8 billion at 31 March 2010 to £12.2 billion at 30 June 2010.

The Directors have received with much regret the notification by Peter Hurst that he wishes to retire in twelve months' time, in mid-2011, when he will have completed 24 years as Finance Director. Steps are under way to appoint a successor.

The Group is well positioned across all its divisions, subject to some uncertainty about the nature of the economic recovery. With a strong balance sheet Charles Stanley is well placed for future growth opportunities.

**Quarter ended 30 June 2010**

|                       | <i>Private Clients</i><br>£'000 | <i>Financial Services</i><br>£'000 | <i>Charles Stanley Securities</i><br>£'000 | <i>Total</i><br>£'000 |
|-----------------------|---------------------------------|------------------------------------|--|-----------------------|
| Commission            | 13,819                          | 53                                 | 1,540                                      | <b>15,412</b>         |
| Fees                  |                                 |                                    |  |                       |
| Investment Management | 5,983                           | 49                                 | -  | <b>6,032</b>          |
| Administration        | 4,079                           | 2,219                              | -  | <b>6,298</b>          |
| Corporate Finance     | -                               | -                                  | 1,113                                      | <b>1,113</b>          |
|                       | 10,062                          | 2,268                              | 1,113                                      | <b>13,443</b>         |
| <b>Total revenue</b>  | <b>23,881</b>                   | <b>2,321</b>                       | <b>2,653</b>                               | <b>28,855</b>         |

**Quarter ended 30 June 2009**

|                       | <i>Private Clients</i><br>£'000 | <i>Financial Services</i><br>£'000 | <i>Charles Stanley Securities</i><br>£'000 | <i>Total</i><br>£'000 |
|-----------------------|---------------------------------|------------------------------------|--|-----------------------|
| Commission            | 11,893                          | 8                                  | 2,206                                      | <b>14,107</b>         |
| Fees                  |                                 |                                    |  |                       |
| Investment Management | 5,108                           | 51                                 | -  | <b>5,159</b>          |
| Administration        | 4,035                           | 2,123                              | -  | <b>6,158</b>          |
| Corporate Finance     | -                               | -                                  | 543  | <b>543</b>            |
|                       | 9,143                           | 2,174                              | 543  | <b>11,860</b>         |
| <b>Total revenue</b>  | <b>21,036</b>                   | <b>2,182</b>                       | <b>2,749</b>                               | <b>25,967</b>         |

| <b>Funds under management or administration</b>       | 30 Jun<br>2010<br>£bn | 31 Mar<br>2010<br>£bn | Change<br>%   |
|---|-----------------------|-----------------------|---------------|
| Discretionary funds under management                  | 3.7                   | 3.9                   | (5.1)%        |
| Advisory funds under management                       | 2.3                   | 2.4                   | (4.2)%        |
| <b>Total funds under management</b>                   | <b>6.0</b>            | <b>6.3</b>            | <b>(4.8)%</b> |
| Advisory dealing funds                                | 2.6                   | 2.8                   | (7.1)%        |
| Execution only funds                                  | 3.6                   | 3.7                   | (2.7)%        |
| <b>Total administered funds</b>                       | <b>6.2</b>            | <b>6.5</b>            | <b>(4.6)%</b> |
| <b>Total funds under management or administration</b> | <b>12.2</b>           | <b>12.8</b>           | <b>(4.7)%</b> |
| FTSE 100 Index  | 4917                  | 5680                  | (13.4)%       |
| APCIMS Balanced Portfolio Index                       | 2636                  | 2861                  | (7.9)%        |

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**Notes for editors**

Charles Stanley Group PLC has four trading companies, Charles Stanley & Co. Limited, EBS Management Plc, Griffiths & Armour (Financial Services) Limited and Garrison Investment Analysis 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. Griffiths & Armour (Financial Services) 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.

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