



Mattioli Woods

Pension Consultants
Retirement Wealth Management
Trustees and Administrators

Interim results for the six months
ended 30 November 2007



Financial highlights

Strong performance continues

- Turnover up 22.1% to £5.30m (1H07: £4.34m)
- PBT up 15.8% to £1.83m (1H07: £1.58m)
- EPS up 15.9% to 7.3p (1H07: 6.3p)
- Interim dividend up 17.6% to 1.00p (1H07: 0.85p)
- Core funds under trusteeship £1.1bn (1H07: £0.8bn)
- Cash at period end £2.23m (1H07: £1.59m)
- Acquisition of JB Group for initial consideration of £1.25m in February 2008

Operational highlights

Progress in all areas

- Scheme numbers increased to 2,032 schemes (1H07: 1,492)
- Average scheme value of £0.53m (1H07: £0.51m)
- Strong organic growth:
 - 8.6% increase in SIPP numbers (1H07: 6.4%)
 - 0.8% increase in SSAS numbers (1H07: 1.5%)
- Increasing capacity through investment in:
 - Graduate recruitment
 - Technology
- PCL acquired in July 2007 and fully integrated – JB Group recently announced
- Michael Kershaw appointed as second independent director

Move to SIPP's continues

Increasing appeal to wider audience

- **Disillusionment with pension schemes:**

- Equitable Life and Maxwell
- Deficits and mis-selling
- Poor administration

- **SIPPs give control:**

- Trusteeship
- Banking and authorisation

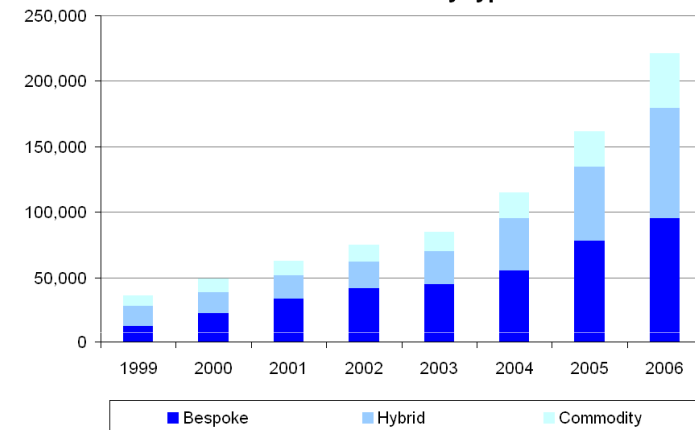
- **SIPPs are cost effective:**

- Fee-based service, no fixed % of fund charges
- Agreed commission offsets

- **Self-investment of Protected Rights:**

- Planned from October 2008

Growth in SIPPs by type



"Not all SIPPs are the same. A Mattioli Woods SIPP is extremely flexible, allowing investment in all areas permitted by HMRC.

Our clients direct how their pension fund is invested and the advisers they use. The client, as co-trustee, is a signatory on all cheques drawn on the scheme account, giving them complete control over their investments.

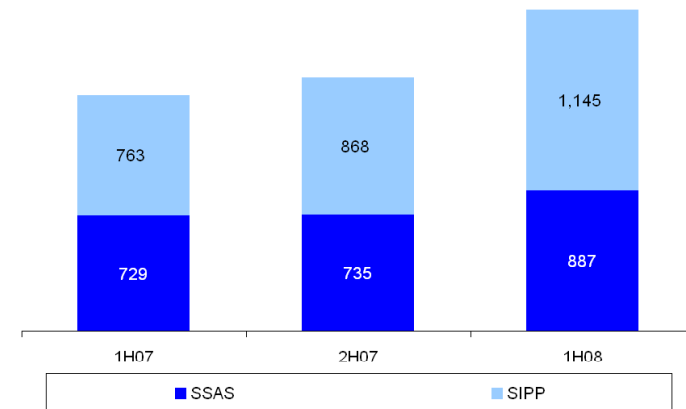
With increasing regulation, robust administration systems represent a significant competitive advantage."

Scheme numbers

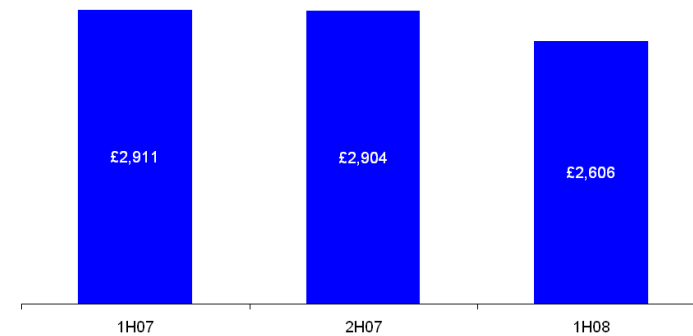
Platform for continued growth

- Advising on 2,032 schemes (1H07: 1,492)
- Strong organic growth in SIPPs
- Enquiry pipeline remains strong
- Mattioli Woods differentiated by:
 - Culture of client care
 - Proactive and personalised service
 - Complete transactional flexibility
 - Robust and innovative administration systems
- Growing revenues from acquired portfolios

Core scheme numbers



Average scheme revenues

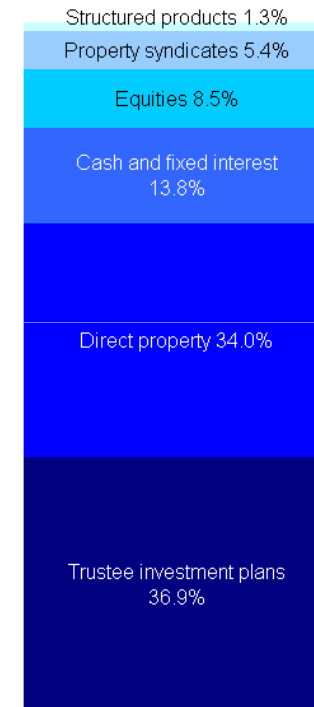


Funds under trusteeship

Pension investment strategy

- Flexible asset management
- Balanced exposure to equity market risk
- Strong growth potential in:
 - Property syndicates
 - Structured products
- Clients' cash now over £145m (2H07: £110m)
- Additional £17m held in treasury accounts
- Funds swelled by contributions and acquisitions

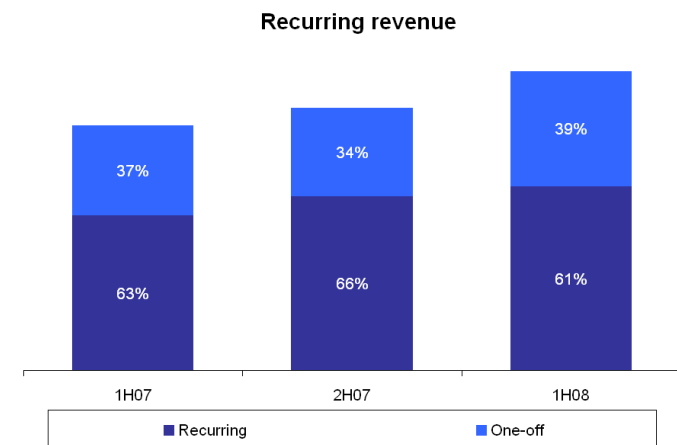
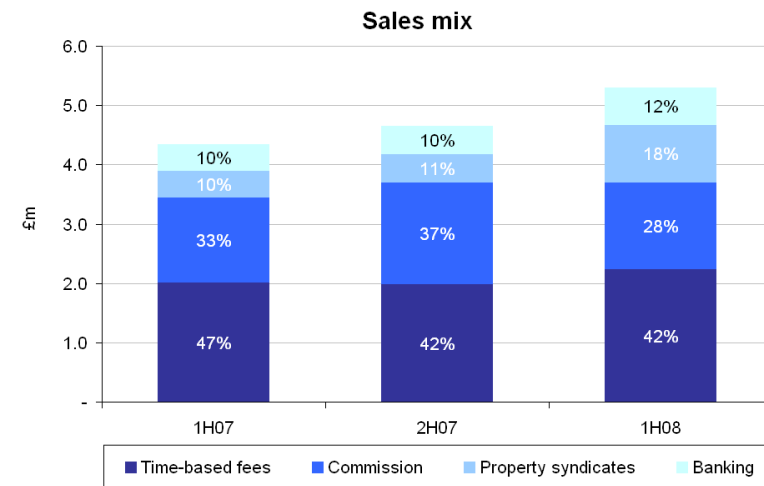
Allocation of core funds under trusteeship



Revenue analysis

Primarily fee based

- Consistent contribution from fee-based services
- Shift to property investment and cash:
 - £15.9m (1H07: £9.6m) of new syndicates
 - Increase in sale and leaseback activity
- Strong recurring revenue streams:
 - Annual consultancy and administration fees
 - Property syndicate administration
 - Bank and trail commission
- Also advising on:
 - Group schemes
 - Personal investments

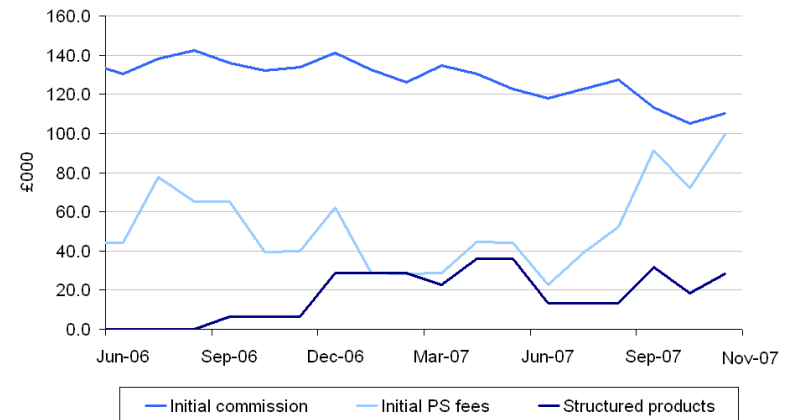
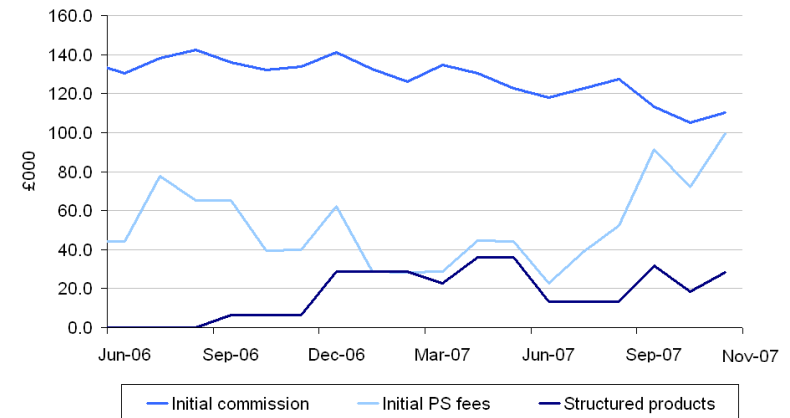


Investment planning

Change in sales mix

- Increasing demand for quality advice
- Funds remain in pension fund:
 - Increased client cash balances
 - Increasing commercial property yields
 - Repositioning of existing equity investments
 - Greater demand for structured products
- Growth in bank and trail commission
- Increase in syndicate annual fees
- Reduction in initial commissions
- Increasing income from structured products

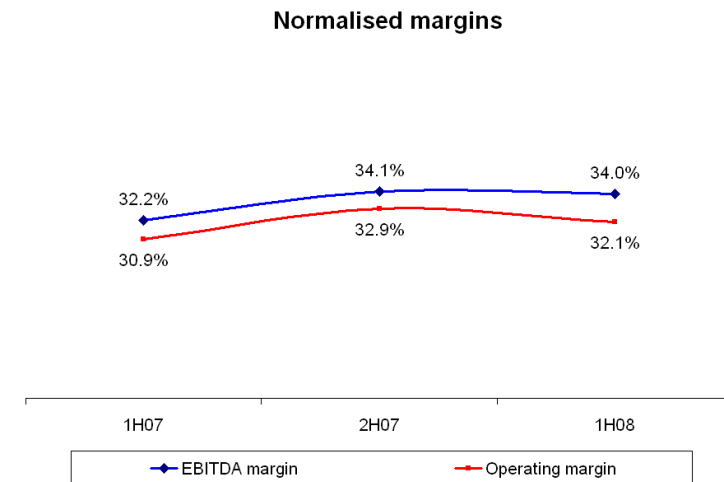
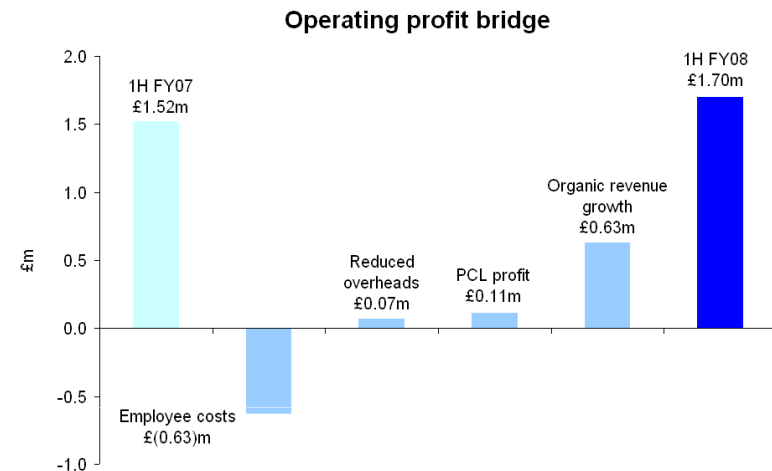
6 month moving average investment revenues



Financial result

EPS up by 15.9%

- Operating profit up £0.2m to £1.7m
- Headcount increased to 123 (1H07: 92):
 - Average employee cost up 7.7% (1H07: 8.2%)
- Margins improved by:
 - Increasing revenues on acquired schemes
 - Operational efficiencies
 - Focus on cost control
- Operating margin impacted by:
 - Integration of PCL during period
 - Increased share option costs
 - Increased amortisation on acquired portfolios



Cash flow

Interim dividend up 17.6%

	1H08 £000	1H07 £000	2007 £000
Cash generated from operations	858	1,791	3,716
Interest paid	(13)	-	(1)
Income taxes paid	(595)	(361)	(874)
Net cash generated from operations	250	1,430	2,841
Interest received	145	53	195
Net capital expenditure	(121)	(62)	(228)
Acquisitions	(1,444)	-	2
Loans to property syndicates	990	99	(38)
Net cash from investing activities	(430)	90	(69)
Net proceeds from issue of share capital	-	225	225
Movement in borrowings	(12)	(6)	21
Dividends paid	(293)	(239)	(385)
Net cash from financing activities	(305)	(20)	(139)
(Decrease)/increase in cash	(485)	1,500	2,633

- Cash conversion 47.7% of EBITDA (1H07: 108.9%)
- Decrease in cash from operations:
 - £0.5m increase in syndicate debtors
 - £0.5m increase in other debtors
 - £0.2m increase in tax paid
- PCL acquisition in July 2007
- Period end cash of £2.2m (1H07: £1.6m)
- Initial consideration of £1.25m for JB Group
- Increased bank facilities to £5.0m

Acquisition of JB Group

Heads of terms

- Total consideration of up to £2.59m payable as:
 - Initial cash consideration of £1.25m
 - Deferred consideration of £0.64m over next three years
 - Earn-out of up to £0.70m based on incremental revenues for next three years
 - Claw back of up to £0.25m based on client retention targets
- Vendors contracted to remain with Group
- Experienced administration team retained post-acquisition
- Earnings enhancing in first full year of ownership

Acquisition of JB Group

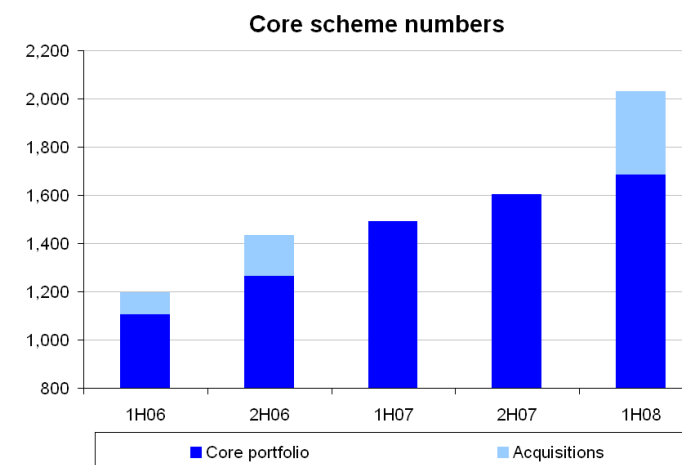
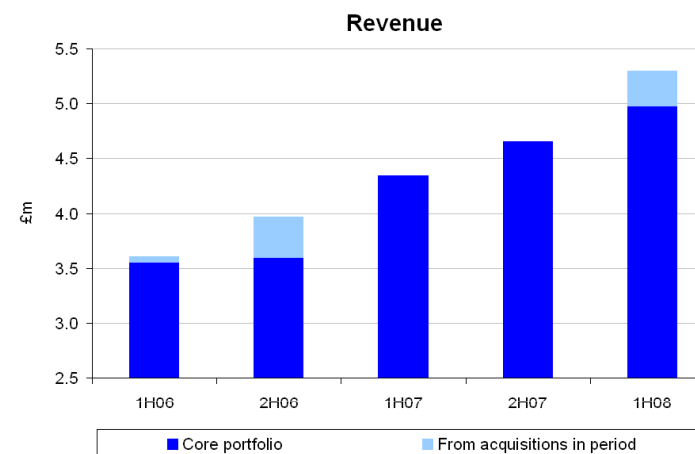
Consolidates strong market position

- JB Group summary:
 - Turnover of £1.37m in year ended 31 March 2007
 - Profit before partners' salaries and drawings of £0.40m
 - Active core schemes of 235 SSASs and 55 SIPPs
 - Average scheme size £0.9m+ for SSAS and £0.3m+ for SIPPs
 - Also provides third party administration services
- Benefits to Mattioli Woods:
 - Total funds under trusteeship of over £400m
 - Acquisition of high-profile industry representatives
 - Scope to offer additional services to acquired clients
 - Opportunity to eliminate duplicated overheads

Previous acquisitions

Earnings and value enhancing

Portfolio	Geoffrey Bernstein	Suffolk Life	PCL
Type of scheme	SSAS	SSAS	SSAS & SIPP
Number of schemes acquired	93	170	348
Schemes retained at end 1H08	82	161	348
Client retention	88.1%	94.7%	100.0%
Acquisition cost	£0.4m	£0.7m	£1.9m
Average "core" revenue per scheme at acquisition	£1,505	£2,353	£2,333
Average "core" revenue per scheme in 1H08 (annualised)	£2,508	£2,947	£2,225
Portfolio revenue in 1H08	£103k	£237k	£323k



Regulation

FSA Review of Retail Distribution

- Most fundamental review since 1986
- ‘Customer agreed remuneration’
- Increased regulatory and professional requirements:
 - Restricted use of the term ‘independent’
- ‘Primary Advice’ - new regulated service:
 - Less detailed analysis of consumer’s needs
 - Point consumer towards a limited range of products
- Implementation expected 2009/10
- **May lead to further consolidation**
- **Mattioli Woods well placed due to fee-based model**

*“although Primary Advice might not always lead to the **most** suitable product recommendation, it should lead to a consumer purchasing a product that would provide more benefit than if they had made no purchase at all”*

Source: Financial Services Authority
DP07/1: Retail Distribution Review (June 2007)

Market opportunity

Increased demand for advice in difficult times

- Changing needs in retirement
- Growth opportunities for investment planning
- Accelerating wind-down of Defined Benefit schemes
- Self-investment of Protected Rights
- Expansion of retirement wealth management:
 - Personal investment
 - IHT planning

“...the SIPP market now exceeds £50 billion having grown at over 25% during 2007...it seems likely that by the end of 2008 the total number of SIPPs will exceed 400,000...”

Source: Suffolk Life Group plc
14 January 2008

“...the number of private sector final-salary pension schemes open to new members has tumbled to an all-time low of 31%...in what appears to be the death knell for defined benefit schemes...”

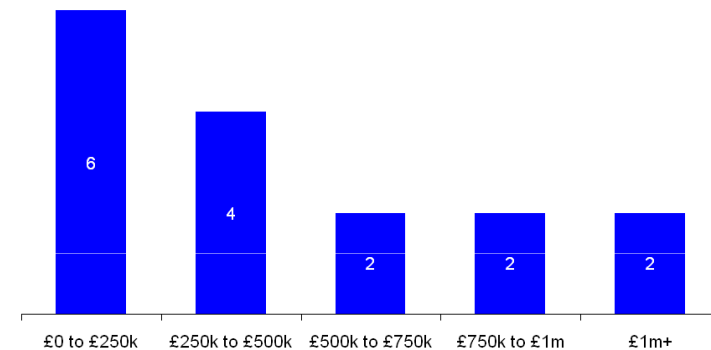
Source: Daily Telegraph report on National Association of Pension Funds survey
4 January 2008

Market opportunity

Capitalising on the opportunity

- Broadening routes to market:
 - Seminars and intermediary presentations
 - Maturing and expanding consultancy team
 - Increasing brand awareness
- Investment in graduate recruitment and training:
 - Increasing capacity
- Broadening employee equity participation
- Development of MWeb administration platform

Consultants' historic annual* revenue profile



*Based on revenues for the year ended 31 May 2007



Outlook

Lead through innovation

- SPPs becoming the pension vehicle of choice for a wider market
- Accelerated contraction of Defined Benefit market
- Build upon recurring revenue streams
- Investing in capacity and systems
- Acquisitions offer potential for future growth
- Trading continues in line with expectations



Appendices

Executive directors

Bob Woods

Executive Chairman

- Co-founder in 1991
- 30 years' experience in pensions industry
- Developed UK's second SIPP

Ian Mattioli

Chief Executive

- Co-founder in 1991
- 25 years' experience in pensions industry
- Previously with Pointon York and Phoenix Assurance

Nathan Imlach

Finance Director

- Joined in September 2005
- Previously with Johnston Carmichael Corporate Finance and Ernst & Young
- 15 years' corporate finance experience

Murray Smith

Sales and Marketing Director

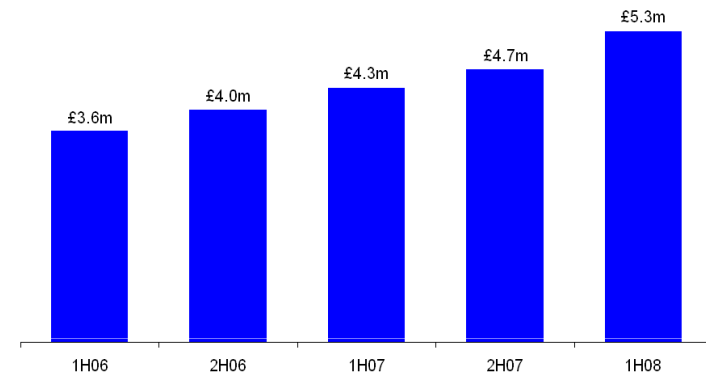
- Appointed in 1995
- Pension transfer specialist with over 15 years' experience in financial services
- Manages consultancy team

Group overview

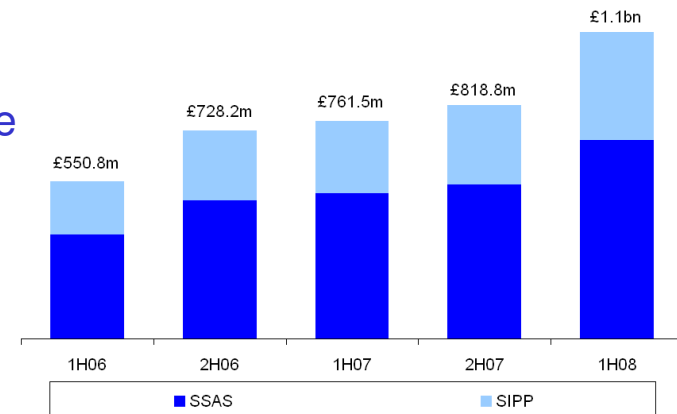
Securing your pension

- 17 year history of profitability and turnover growth
- Focus at top-end of SIPP and SSAS market:
 - Average SIPP is £0.3m+
 - Average SSAS is £0.7m+
- Cash generative and dividend paying
- Fee-based revenue model
- High level of repeat and recurring income
- Impartial consultancy and wealth management advice
- Strong client retention
- Successful integration of three acquisitions

Revenue



Core funds under trusteeship



Mattioli Woods' services

TROUBLESHOOTING

Non-recurring income
Problem solving
Court settlements
Divorce
Professional opinions

PROPERTY CONSULTANCY

Recurring / Non-recurring income
Commercial and residential
Property projects
Business property requirements

COMPANY INVESTMENTS

Recurring / Non-recurring income
Deposits
Unit trusts
Offshore

PERSONAL INVESTMENTS

Recurring / Non-recurring income
PEP/ISA
Property syndicates
Bonds
IHT Trusts
Life assurance
FURBS
Private Equity / VCT
Structured products

SSAS/SIPP

CORE BUSINESS

Recurring income
Annual scheme fees
Compliance
Revenue returns
Banking
Investment fees and commissions/renewals
Actuarial and legal
Property syndicate management fees
PAYE
Documentation updates

Non-recurring income
Initial scheme establishment
Retained benefit reviews
Consultancy
Investment fees and commissions
Retirement planning
Lump sum planning
Structured products

AVERAGE ANNUAL REVENUE PER CLIENT

Core business income	£3,000+
Ancillary business income	£2,000+
Total income per client	£5,000+

GROUP PENSION

Recurring income
Fees for planning
Fees for administration
Fees for investment documentation
 Non-recurring income
Personal advice leading to:
 - **SSAS/SIPP, personal planning**
 - **Business advice on acquisitions and**

KEY EXECUTIVES

PENSION AND INVESTMENTS

Recurring / Non-recurring income
EPPs
Personal pensions
SIPPs
SSAS
Bonds
PEP/ISA
Life assurance
IHT

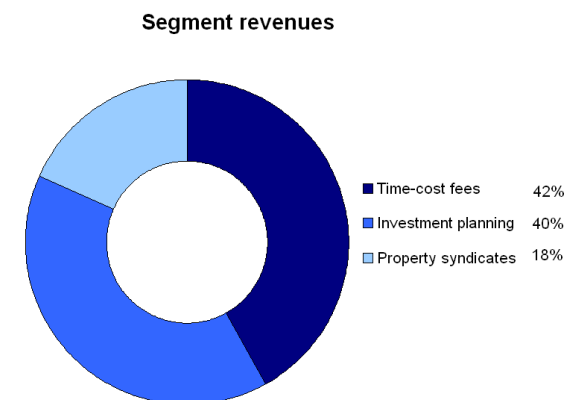
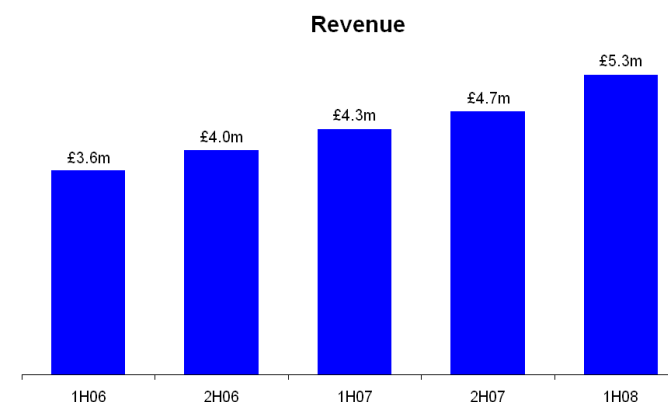
CORPORATE PLANNING

Recurring income
Business consultancy
Advice provided in respect of:
 - **Sale and business succession**
 Non-recurring income
One-off business project/s
Corporate finance
Insolvency advice

Income statement

PBT increased by 16.0% to £1.8m

	1H08 £000	1H07 £000	2007 £000
Revenue	5,296	4,343	8,997
Employee benefits expense	(2,666)	(1,879)	(4,219)
Other administrative expenses	(763)	(770)	(1,606)
Depreciation and amortisation	(164)	(166)	(214)
Profit/(loss) on disposal	(5)	(4)	(7)
Operating profit before financing	1,698	1,524	2,951
Net financing income/(costs)	132	53	194
Profit before tax	1,830	1,577	3,145
Income tax expense	(568)	(496)	(952)
Profit for the period	1,262	1,081	2,193
EBITDA	1,862	1,690	3,165
Earnings per ordinary share:			
Basic and diluted	7.3p	6.3p	12.8p
Dividend per share	1.00p	0.85p	2.55p



Normalised operating profit

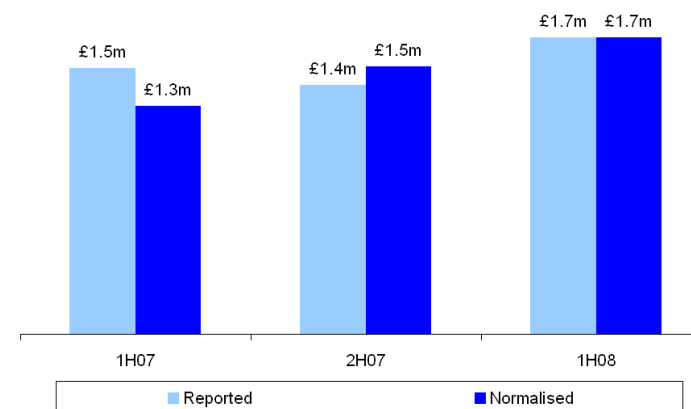
Profit margins maintained

	1H08 £000	1H07 £000	2007 £000
Reported operating profit before financing	1,698	1,524	2,951
Adjust under-accrual of staff bonus costs	-	(165)	-
Deduct "one-off" A-Day deeds revenue	-	(112)	(112)
Adjust amortisation as per IAS38	-	59	-
Normalised operating profit before financing	1,698	1,306	2,839

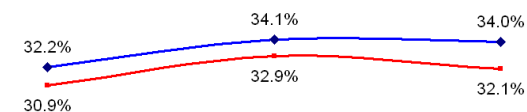
Note:

1. Normalised margins have been calculated using normalised operating profit/EBITDA and reported turnover adjusted to eliminate the impact of one-off revenues from A-Day deeds in FY07.

Operating profit



Normalised margins



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