

Mattioli Woods

Retirement Wealth Management

Final results for the
year ended 31 May 2010

Important information

These presentation slides contain forward-looking statements and forecasts with respect to the financial condition and the results of Mattioli Woods plc.

These statements are forecasts involving risk and uncertainty because they relate to events and depend upon circumstances that may occur in the future.

There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements and forecasts. Nothing in this presentation should be construed as a profit forecast.

Nothing in this presentation should be seen as a promotion or solicitation to buy shares in Mattioli Woods plc. It should be remembered that the value of shares can fall as well as rise and therefore you could get back less than you invested.

Information in this presentation reflects the knowledge and information available at the time of its presentation.

Financial highlights

Fifth year of growth on AIM

- Revenue up 3.0% to £13.68m (FY09: £13.28m)
- PBTA¹ up 9.2% to £4.51m (FY09: £4.13m)
- Adjusted EPS² up 9.7% to 18.73p (FY09: 17.08p)
- Total dividend up 11.5% to 4.35p (FY09: 3.90p)
- Acquired CP Pensions and City Trustees:
 - Bolt-on to Mattioli Woods' proposition
 - Separately branded administration platform
- Strong cash position at year-end: £5.79m (FY09: £4.81m)

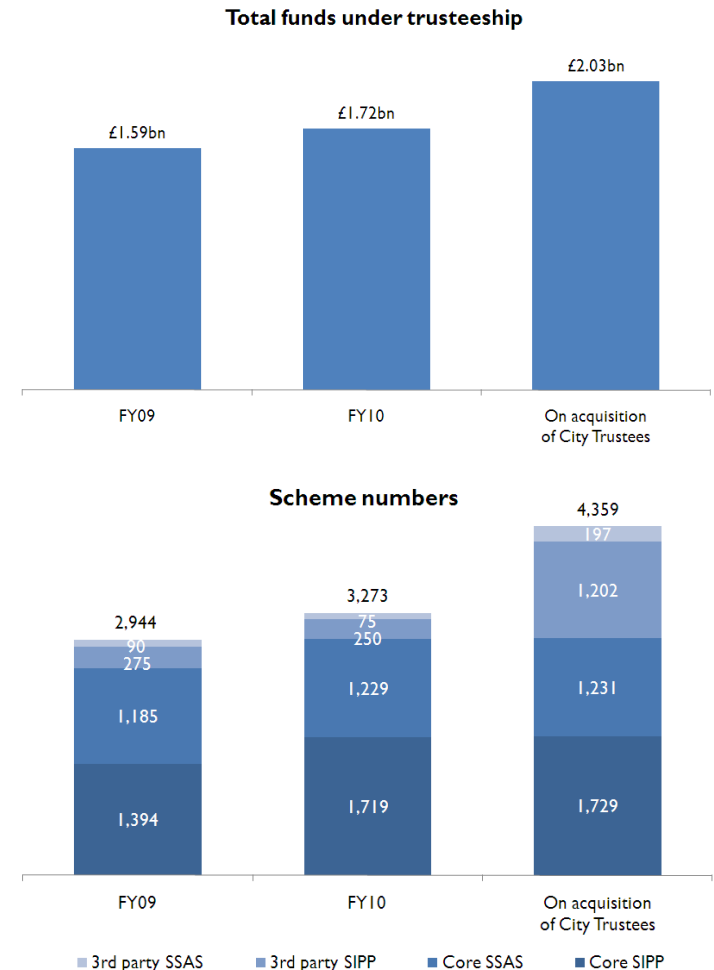
1. Profit Before Tax and Amortisation of intangible assets other than computer software.

2. Before amortisation of intangible assets other than computer software. Basic EPS up 10.1% to 17.32p (FY09: 15.73p).

Operational highlights

'Small to big' delivering results

- EBITDA margin improved to 34.5% (FY09: 32.3%)
- Total FUT¹ up 8.2% to £1.72bn (FY09: £1.59bn)
- Average admin caseload now 47 schemes (FY09: 42)
- Realising value from acquisitions:
 - Migration of acquired clients to time-cost model
 - Absolute revenue growth² of 16.6%
- Extending geographic footprint of operations

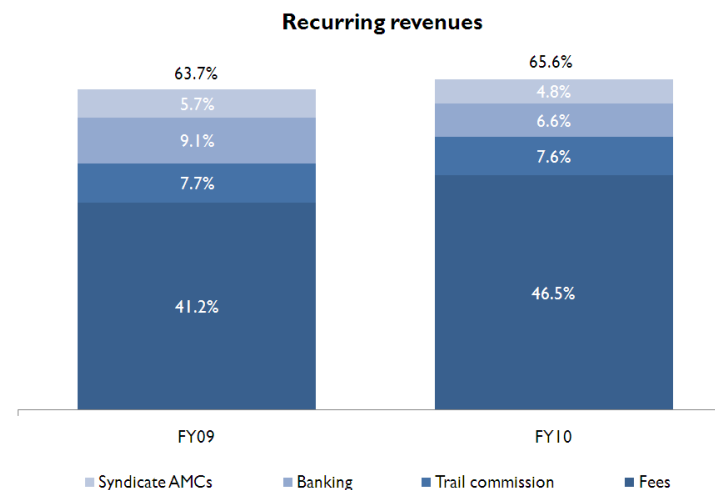
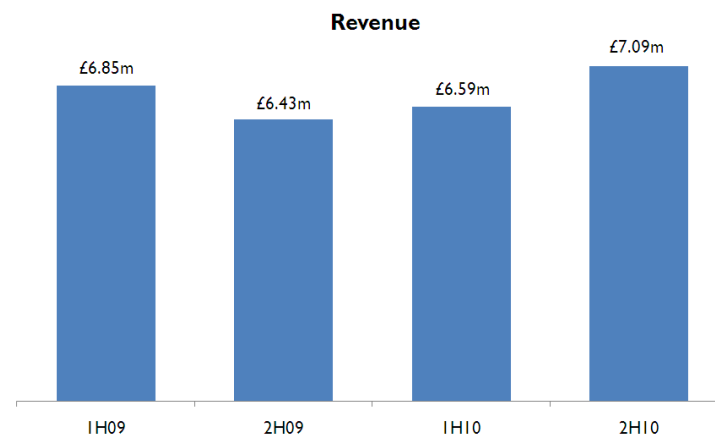


1. Funds Under Trusteeship held within clients' SSAS and SIPP schemes (excludes group pension schemes).
 2. Total fees and commissions (excluding syndicates, banking and structured products) on retained client portfolio.

Revenue analysis

A game of two halves

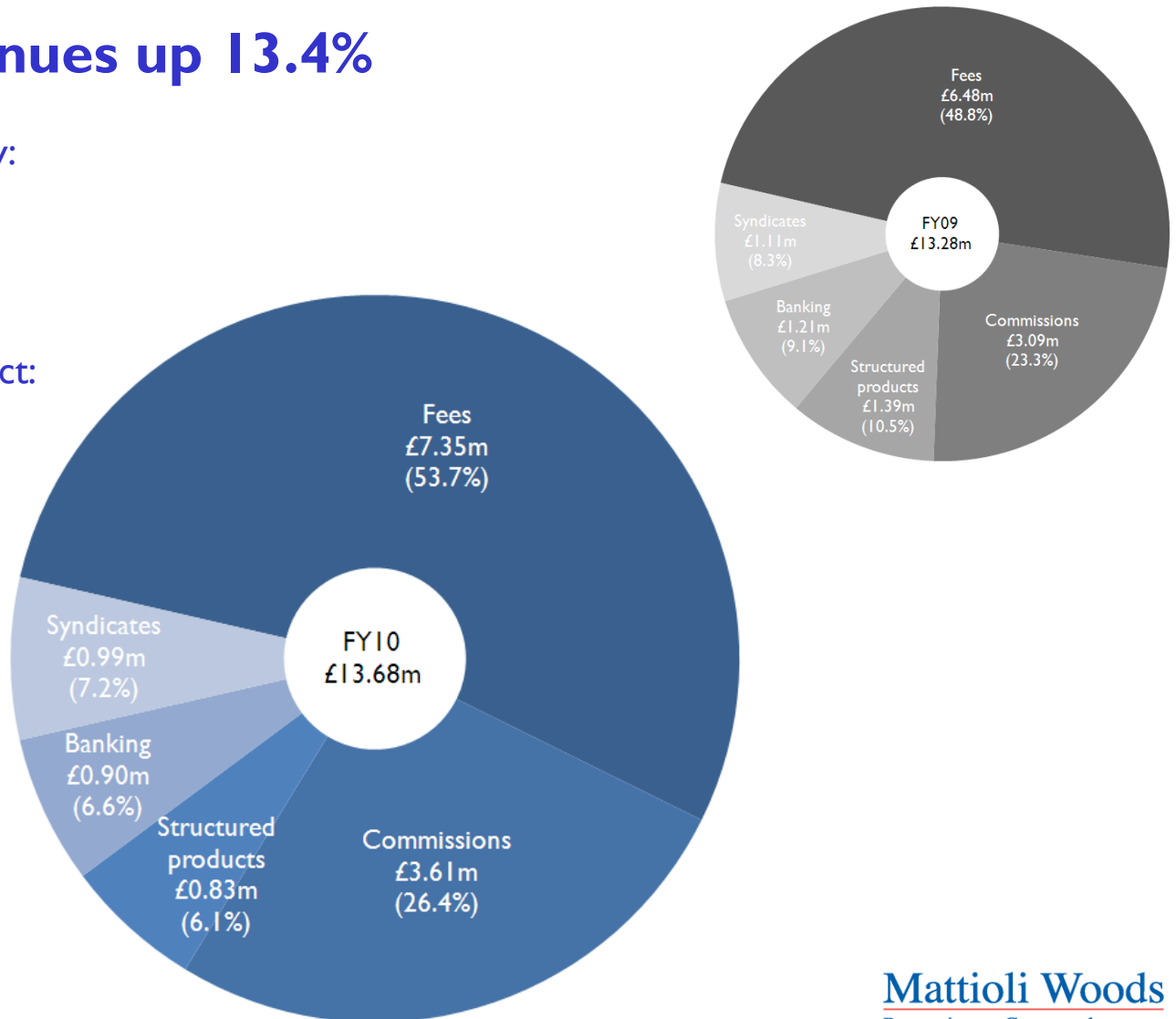
- 1H impacted by difficult investment conditions
- 2H revenues up 10.3% to £7.09m (2H09: £6.43m)
- Increase in fee-based revenues:
 - Demand for advice
 - Migration of acquired clients to time-cost model
- Fall in investment related revenues:
 - Economic outlook has tempered clients' risk appetite
 - Interest rates remain at historic lows
- Strong retention drives recurring revenue of 60%+



Revenue mix

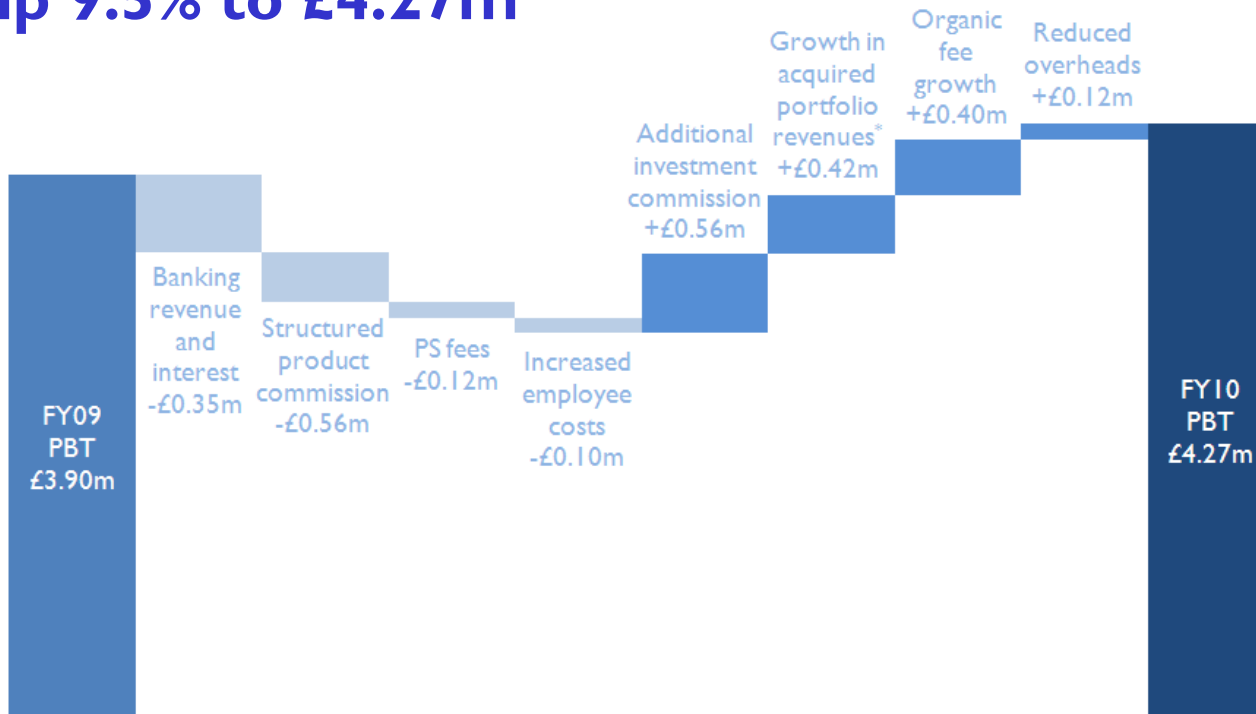
Fee-based revenues up 13.4%

- Demand for consultancy:
 - Acquired portfolios
 - Existing client base
- Low interest rates impact:
 - Banking
 - Structured products



Profit before tax

PBT up 9.5% to £4.27m

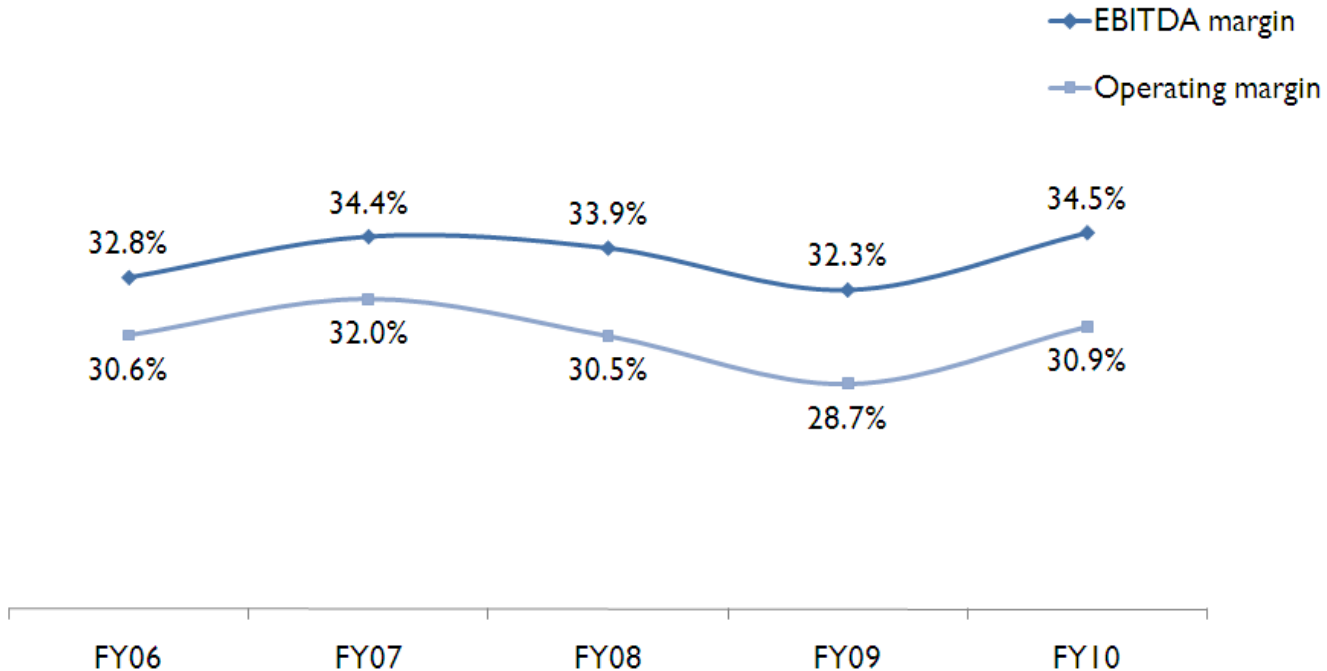


*Time-based fees and investment commissions

- £31.0m of new structured product investment (FY09: £46.7m)
- Employee costs down to 50.5% of revenue (FY09: 51.3%)
- Lower rebates paid to introducers

Profitability

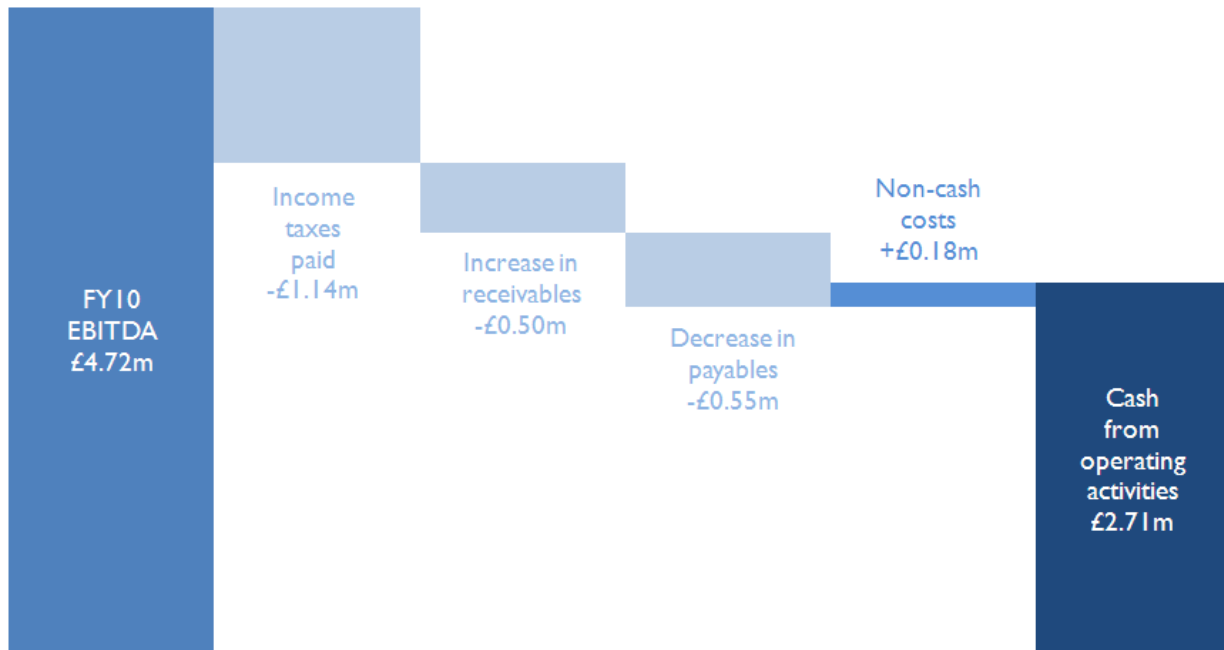
Strong margin improvement



- Integration of acquisitions and investment in platform impacts margin
- Operational efficiencies being realised
- Revenue growth on acquired portfolios

Cash from operating activities

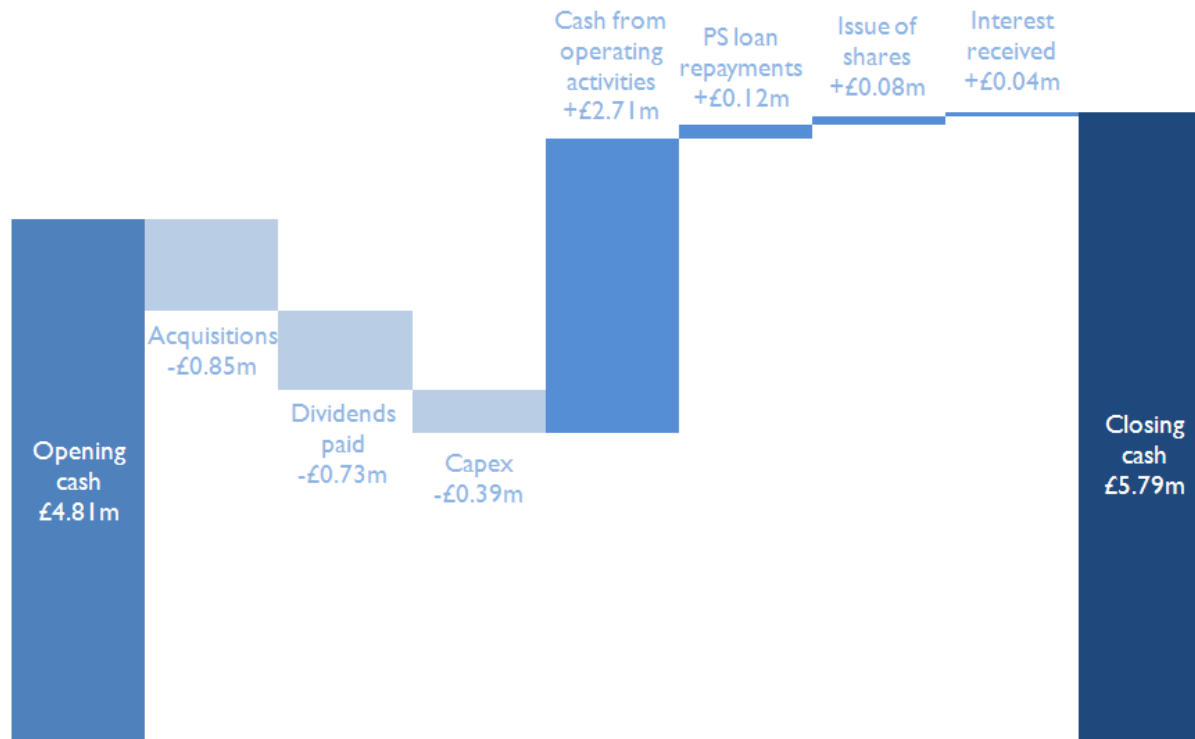
Increase in working capital



- 81.6% EBITDA to cash (FY09: 100.3%)
- Debtors' ratio 71 days (FY09: 70 days)
- Migration of acquired clients to time-cost
- Effective tax rate 29.6% (FY09: 30.1%)
- Early payment of bonuses

Cash flow

Total dividend up 11.5% to 4.35p

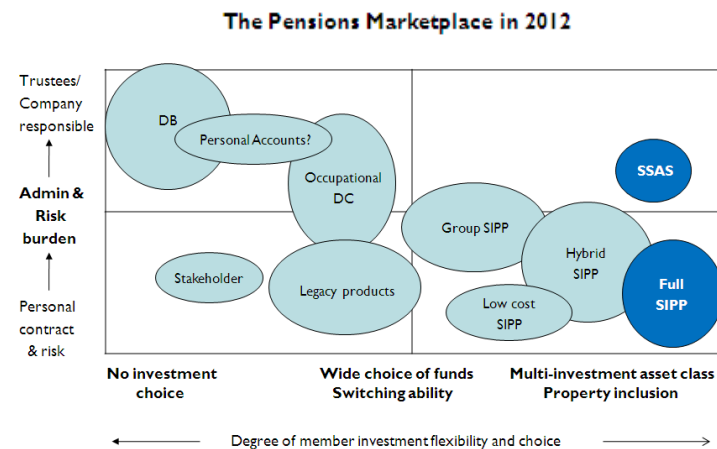


- Acquisition of CP Pensions
- Continuing to invest in platform
- Overdraft facility of £3.00m
- Deferred consideration payable:
 - £0.40m of consideration
 - Estimate £0.49m of earn-outs
 - Final payments in FY12

Key market drivers

Shifting responsibility for retirement

- Demise of defined benefit schemes
- Ageing population
- SIPP market now circa 650,000 schemes
- Historic growth driven by IFA-introductions
- Suitability issues increase need for technical advice
- Anticipated shortage of independent advice post-RDR
- Increased demand for specialist consultancy



Source: Suffolk Life

SIPP product definitions:

- Full SIPP – allows every HMRC-permitted investment
- Hybrid SIPP – may require (or reduce charges for) investment in operator's own funds. More than cash and quoted investments, but not the full range
- Low cost SIPP – platform based proposition limits investments to cash and quoted investments
- Group SIPP - most arrangements are a group personal pension plan (GPP) with a self investment option, but also cases where limited range of funds and no insured investments

Key business drivers

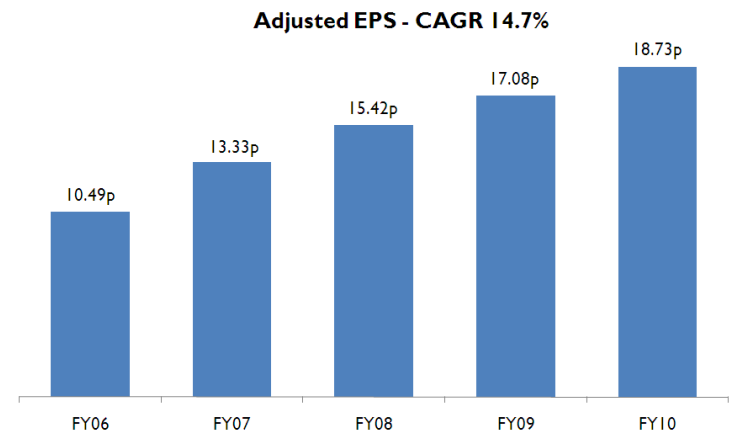
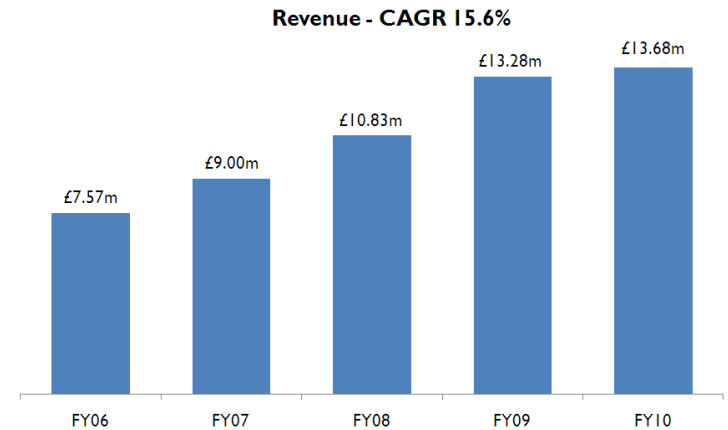
Change brings new opportunities

- Pensions consultation paper:
 - Removing requirement to annuitise by age 75
 - Greater drawdown flexibility (subject to minimum secure pension)
 - Lighter tax regime on death
- Thematic review of SIPPs:
 - Highlights service quality issues at some operators
 - 3rd party administrators responsible for suitability issues
 - Technical advice required from City Trustees
- Focus at the top-end of our markets:
 - Mattioli Woods' advice-led approach
 - City Trustees' bespoke admin-only proposition for IFAs

Accelerating growth

Organically and by acquisition

- Sustained growth throughout recession
- Improving margins and increasing capacity
- Expanding investment services
- Marketing of property syndicates to non-MTW clients
- Proactive acquisition strategy:
 - Fragmented market
 - Anticipate increased capital adequacy requirements
 - Broadening presence in SIPP arena via City Trustees
- Retention of key staff through new LTIP



Expanding investment services

Retirement wealth management

- Development of discretionary proposition:
 - Advice-led service at heart of Mattioli Woods' approach
 - Demand for discretionary service from longstanding clients
 - Offers new recurring revenue stream
 - Targeting launch in mid-2011
- Structured products:
 - Low interest rates driving increased appetite for risk
- Strong demand for high yield investments

Property syndicates

Developing the initiative externally

- Proven model with Mattioli Woods' clients:
 - 41 properties under administration
 - Portfolio value of c.£80m
 - Revenues of £0.99m (FY09: £1.11m)
- Attractive pension investment for high earners
- New appointments strengthen team
- Developing the wider sales channel:
 - Separate brand: Custodian Capital
 - IFAs dominate SIPP distribution: strategic partnership with Lighthouse Group plc
 - Seminars to intermediaries and direct to clients

City Trustees

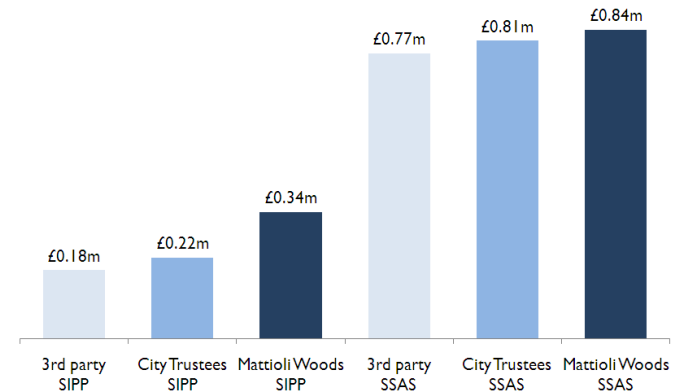
Expands our range of services

- Separately branded administration proposition
- Immediate opportunities to grow revenues:
 - Improve invoicing process
 - Enhance banking proposition
 - Provide technical advice to IFAs and clients
 - Review unadvised clients' schemes
- IFA-channel for bespoke investment products
- Extends geographic presence to London
- Expected to be earnings enhancing in first full year

Transaction highlights:

- Net cash consideration of £1.75m
- Revenue of £0.78m in year ended 31 Dec 2009
- Portfolio of 965 SIPP's and 123 SSAS's
- FUT of £300m+
- 15 experienced employees
- Strategic Partnership with Lighthouse Group plc

Average scheme values



CP Pensions

Opportunity to develop client offering

- Scope to offer additional services to acquired clients:
 - Consultancy initiatives
 - Alternative investment products
- Retention of experienced administrators
- Adds scale to existing employee benefits operations
- Expected to be earnings enhancing in first full year

Transaction highlights:

- Cash consideration of up to £1.175m
 - £0.575m on completion
 - £0.60m deferred (£0.30m earn-out)
- Revenue of £0.43m in year ended 30 Apr 2010
- Portfolio of 239 SIPPs and 51 SSAs
- FUT of £110m+
- Ongoing relationship with Cooper Parry



Outlook

Accelerating growth

- Enhanced acquisition opportunities
- Age 75 consultation is positive message from the Coalition
- RDR will heighten demand for impartial advice
- Compulsory enrolment via NEST will increase pension awareness
- Strong SIPP growth set to continue
- Current trading in line with expectations

Appendices

Executive directors

Bob Woods

Executive Chairman

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

Ian Mattioli

Chief Executive

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

Nathan Imlach

Finance Director

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

Murray Smith

Sales and Marketing Director

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

Mark Smith

Operations Director

- Joined in 2000
- Compliance and Money Laundering Officer
- Over 20 years' financial services experience



Overview

Retirement wealth management

- Full-service pension consultancy formed in 1991
- Developing complementary services around core
- Experienced management team
- High net-worth clients
- Robust fee-based model
- Strong client retention
- Strong balance sheet – no debt
- Cash generative and dividend paying

Mattioli Woods

Track record of profitable growth



2010	£2bn+ FUT with acquisition of CP Pensions and City Trustees
2009	£13m+ revenue
2008	JB Group acquisition and £10m+ revenue
2007	Funds Under Trusteeship (FUT) of £1bn+
2007	Introduction of SIPP regulation and PCL acquisition
2006	Suffolk Life SSAS portfolio acquired and “A-Day”
2005	First acquisition, move to Leicester and admission to AIM
2003	Mattioli Woods Pension Consultants Limited incorporated
2001	FSA regulation of investment firms
1998	First graduate recruit qualifies as a consultant
1997	£1m+ revenue
1992	Initiated graduate recruitment model
1991	Established as a Partnership

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**

KEY EXECUTIVES

PENSION AND INVESTMENTS

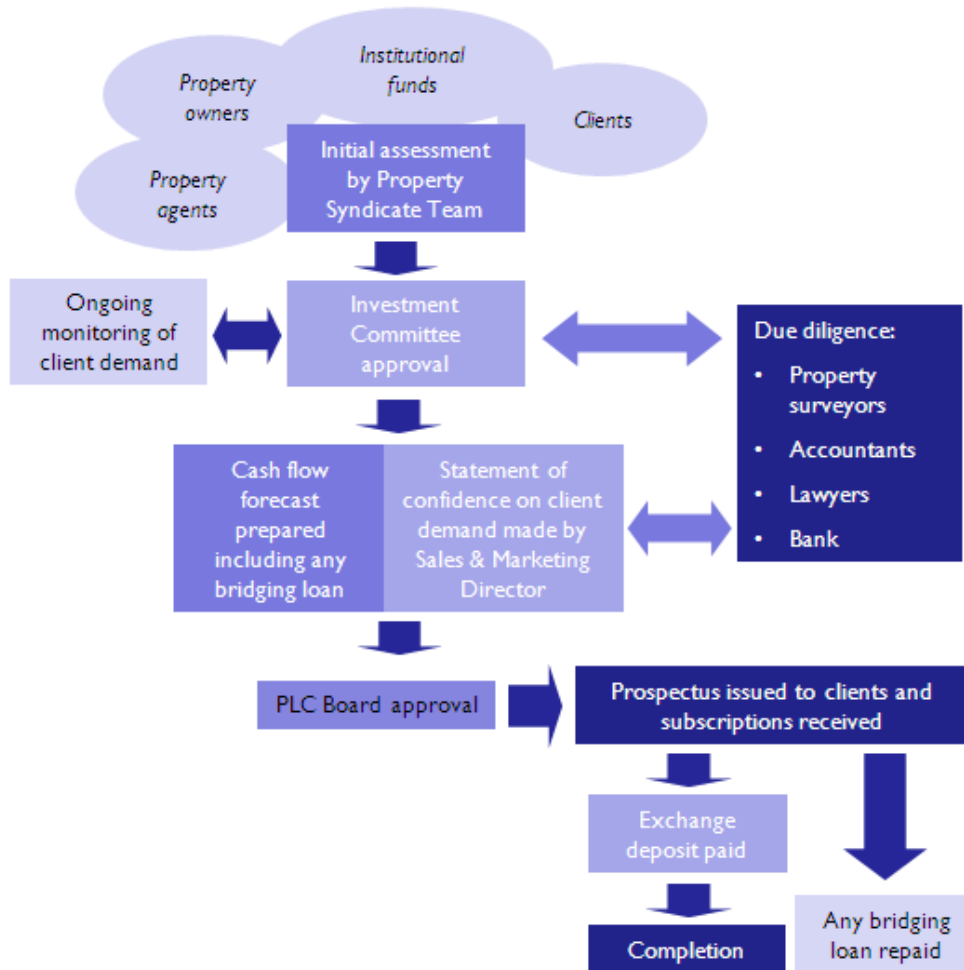
Recurring / Non-recurring income
EPPs
Personal pensions
SIPPs
SSAS
Bonds
PEP/ISA
Life assurance
IHT

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

Property syndicates

Creating a secure income stream for clients



- Long term, low volatility income stream
- Capital value creation
- Direct ownership and control by clients
- Client investment needs assessed quarterly
- Deposits funded by:
 - Short term loan from company
 - Short term loan from clients
 - Short term loan from third party underwriters
- Prime UK commercial properties
- Strong recurring revenue stream



LTIP

To attract and retain key staff

- Follows external review of executive remuneration
- Plan replaces existing option schemes
- Being introduced with modifications to existing bonus packages
- Maximum individual award will not exceed 100% of salary
- Awards subject to demanding performance conditions:
 - 65% linked to EBITDA target
 - 35% linked to Absolute TSR target
- EBT may never hold more than 5% of the Company's shares
- Value of unexercised options must not exceed £3 million
- No award if would breach 10% limit over preceding 10 years
- Requires shareholder approval