Mattioli Woods

Pension Consultants
Retirement Wealth Management
Trustees and Administrators

Interim results for the six months
ended 30 November 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.

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Mattioli Woods' interim results

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Highlights

Delivering double digit growth

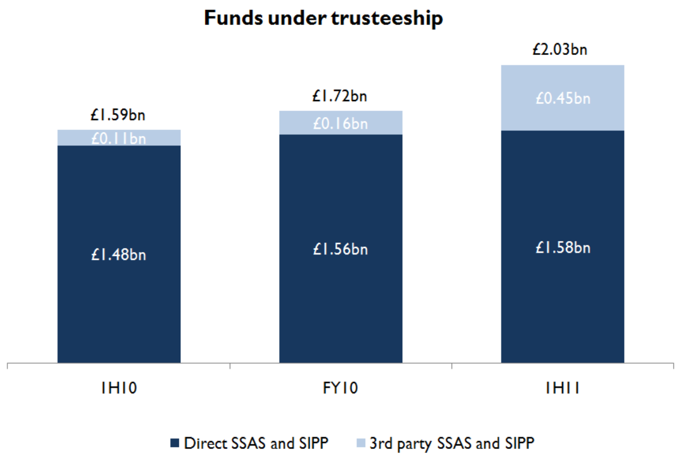
- Revenue up 12.7% to £7.43m (1H10: £6.59m)
- Adjusted PBTA[1] up 12.0% to £2.42m (1H10: £2.16m)
- Adjusted EPS[2] up 17.4% to 10.61p (1H10: 9.04p)
- Interim dividend up 13.8% to 1.65p (1H10: 1.45p)
- Net cash at period end of £1.75m (1H10: £4.66m)

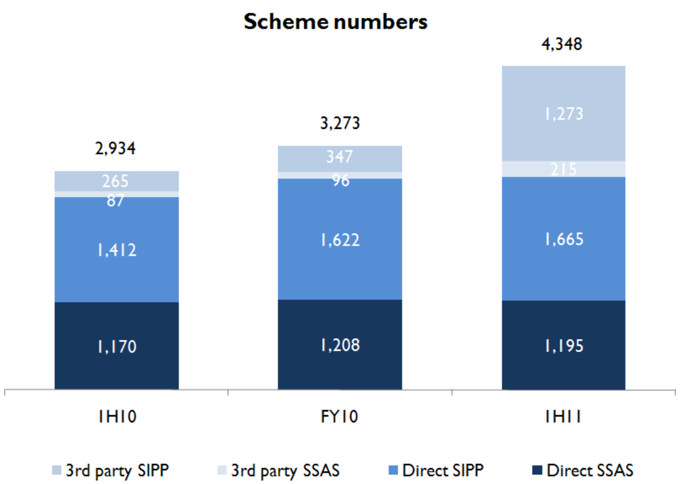
1. Profit before tax, acquisition costs expensed under IFRS3 (Revised), amortisation and impairment of intangible assets other than computer software.
2. Before acquisition costs expensed under IFRS3 (Revised), amortisation and impairment of intangible assets other than computer software.
   Basic EPS up 6.4% to 8.86p (1H10: 8.33p).

Highlights

Enhancing profitability

- EBITDA up 8.4% to £2.46m (1H10: £2.27m)
- Total FUT[1] up 27.7% to £2.03bn (1H10: £1.59bn)
- City Trustees acquired in August 2010:
  - Migration to new banking platform
  - Relocation to new London office
- Scheme numbers up 48.2% to 4,348 (1H10: 2,934)



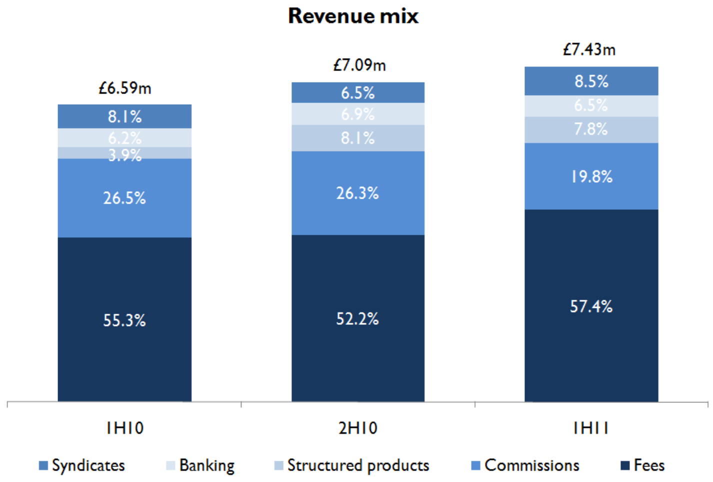


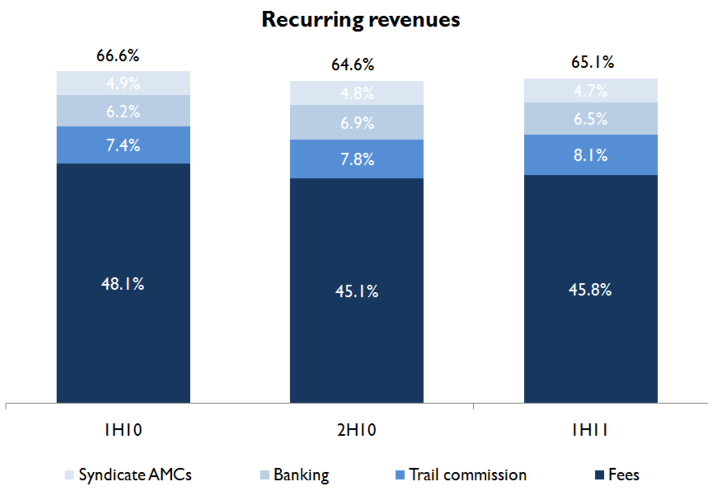
1. Funds under trusteeship in clients' SSAS and SIPP schemes (excludes £157.0m in group pension schemes and £37.2m of personal investment).

Revenue analysis

1H revenue up 12.7% to £7.43m

- Organic revenue growth +6.2% (1H10: -3.8%)
- Revenue of £0.42m from recent acquisitions
- Sustained demand for advice:
  - Volatility in financial markets
  - Economic uncertainty
  - Legislative changes
- Desire for higher returns changing attitude to risk
- Overall client attrition rate[1] of 2.6% (1H10: 2.4%)





1. Core SSAS and SIPP schemes lost as a result of death, annuity purchase, external transfer or cancellation as a percentage of average scheme numbers during the period.

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Direct scheme numbers

Stronger organic growth

- New direct schemes up 39.1% to 121 (1H10: 87)
- Active management of acquired portfolios:
  - Migration to time-based fees
  - Review appropriateness of arrangements
  - Lower average revenues per lost scheme
  - Net SIPP organic growth of 2.7% (1H10: 1.3%)
- Average caseload now 49 schemes (1H10: 45)
- Continued market growth :
  - SIPP is consolidation vehicle of choice
  - SSAS reinvigorated by credit crunch

Average scheme size	SSAS	SIPP
Mattioli Woods - direct	£0.84m	£0.34m
Mattioli Woods – 3rd party	£0.87m	£0.25m
New direct schemes 1H11	£0.72m	£0.29m
City Trustees	£0.70m	£0.21m

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Marketing

Securing future growth

- Increasing capacity in consultancy team:
  - Now 26 consultants (1H11: 22; 1H10: 20)
  - New training programme
- Accelerating marketing to professional connections
- Seminar programme and newsletters:
  - Exploring Pensions and Exploring Pensions Express
  - Exploring Group Pensions
  - Managing Wealth
- Broadening our product offer
- Investing in sales strategy and brand awareness

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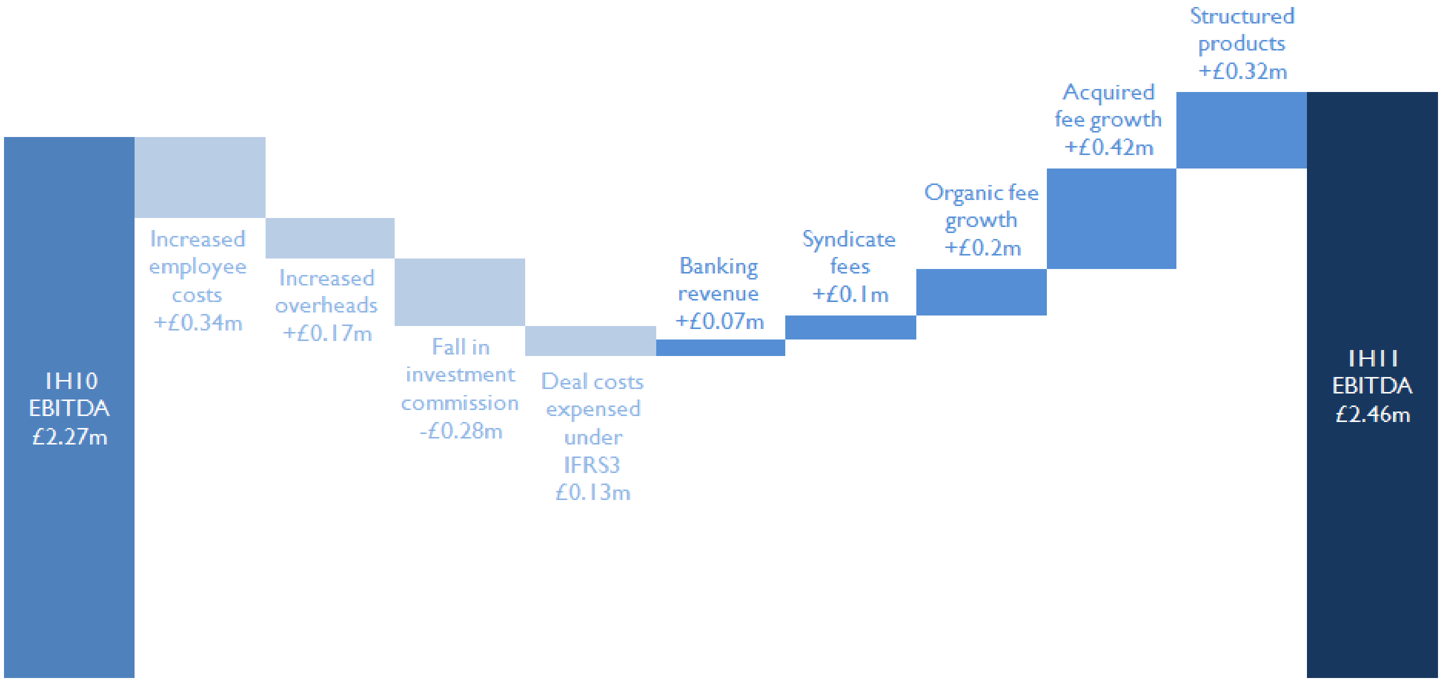
Profit bridge

EBITDA up 8.4% to £2.46m



- Structured product sales £17.1m (1H10: £8.5m)
- £5.7m invested in three new syndicates
- Lower traditional investment activity
- Employee costs 50.4% of revenue (1H10: 51.6%)
- £0.13m of deal costs expensed in period
- Expansion of Leicester and London offices

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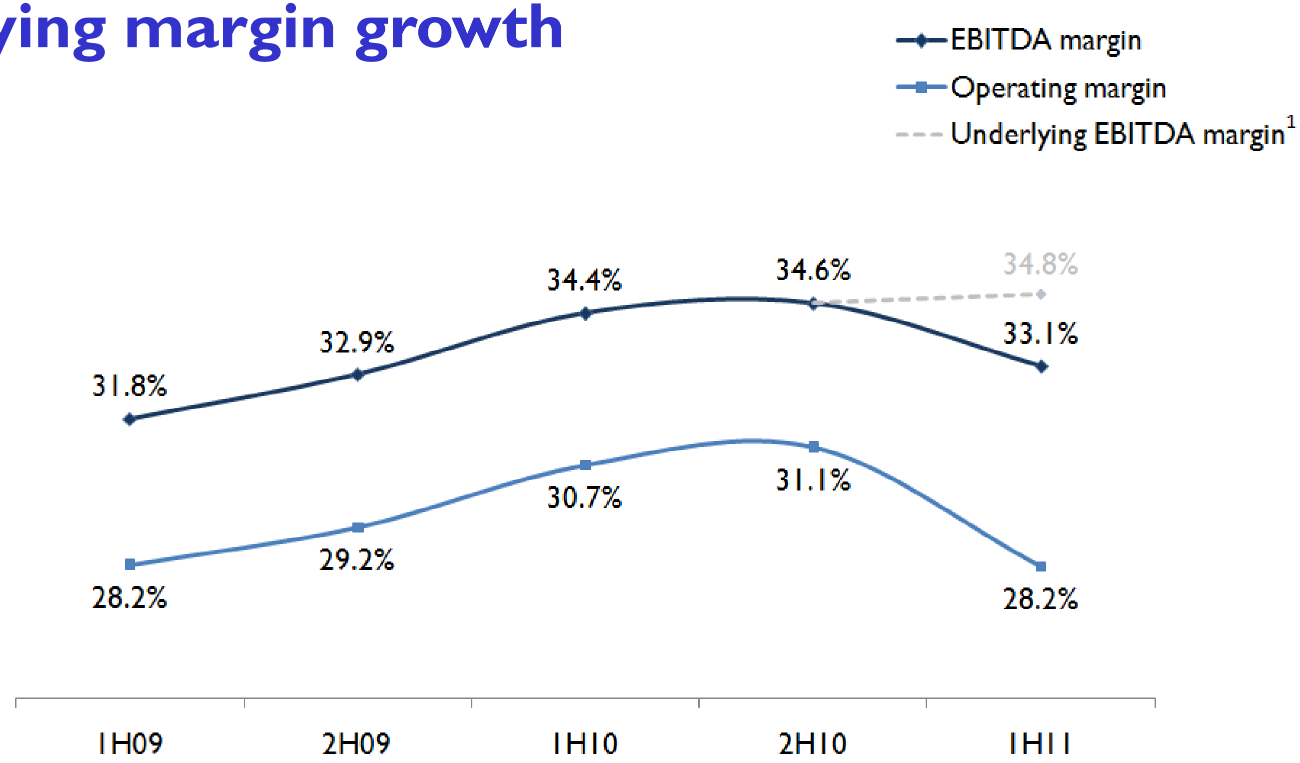
Profitability

Underlying margin growth



- £0.13m of deal costs expensed in period
- Portfolio impairment costs of £0.07m
- Increased amortisation following acquisitions
- City Trustees break-even in 1H11

1. Adding back deal costs expensed in period.

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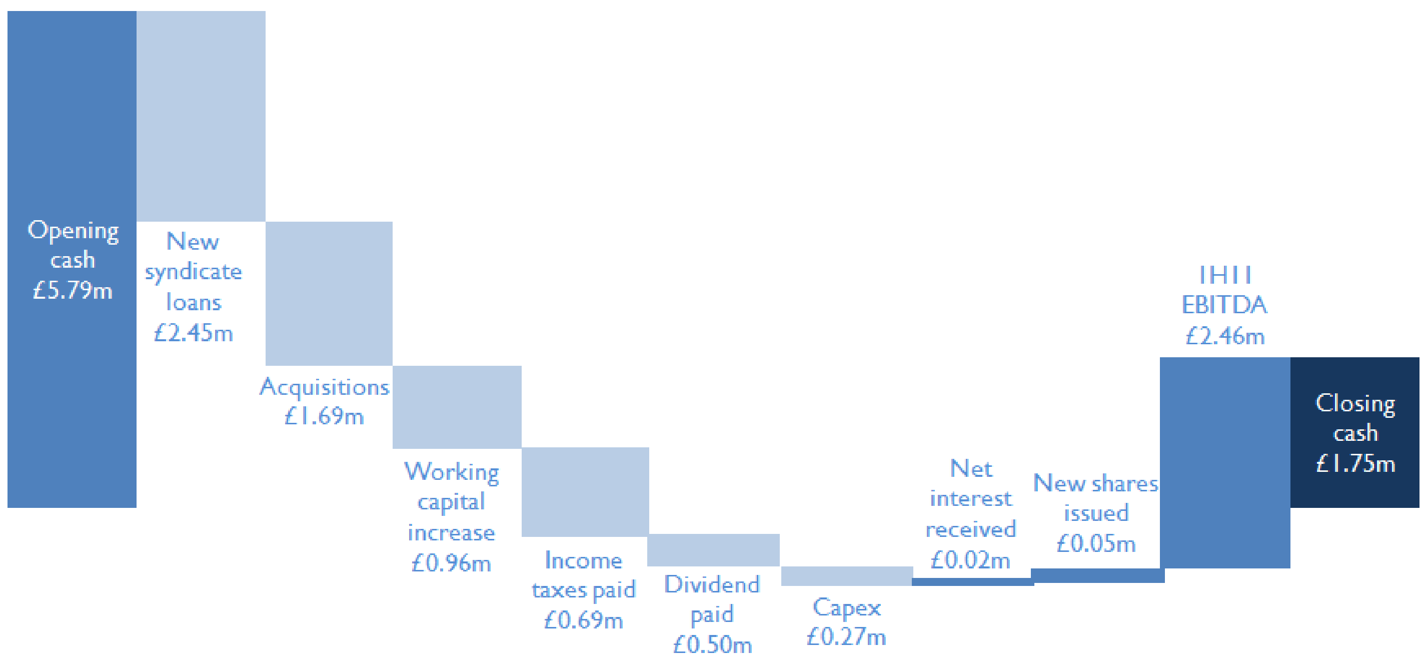
Cash flow

Improved cash generation



- 61.0% EBITDA to cash (1H10: 58.2%)
- Syndicate loans now repaid
- Effective tax rate 27.4% (1H10: 29.4%)
- Increased working capital requirement:
  - Migration of acquired clients to time-cost basis
  - Headline debtors' ratio at 69 days (1H10: 70)

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Dividend and capital position

Interim dividend up 13.8% to 1.65p

- Dividends typically 1/3rd : 2/3rd (interim : final)
- Committed to progressive dividend policy:
  - Cash generative business
  - Increasing dividend ahead of basic earnings growth
- Strong balance sheet:
  - Debt free with on-demand facilities of £3.0m
  - Significant headroom on financial resources requirements
- Scope for further earnings and dividend growth

Market overview

Generational change transforms opportunity

- Fundamental shifts in employee benefits
- New political focus supports pension investment:
  - National Employment Savings Trust (NEST)
  - New contribution allowances
  - Full tax-relief for all
  - Abolition of annuitisation
  - Flexible drawdown
- FSA's Retail Distribution Review (RDR):
  - Implementation from January 2013
  - Expected to endorse fee-based approach
  - Reduced competition within IFA sector

→ *Substantial increase in demand for advice by the mass affluent...*

→ *...at a time when the IFA sector is predicted to shrink*

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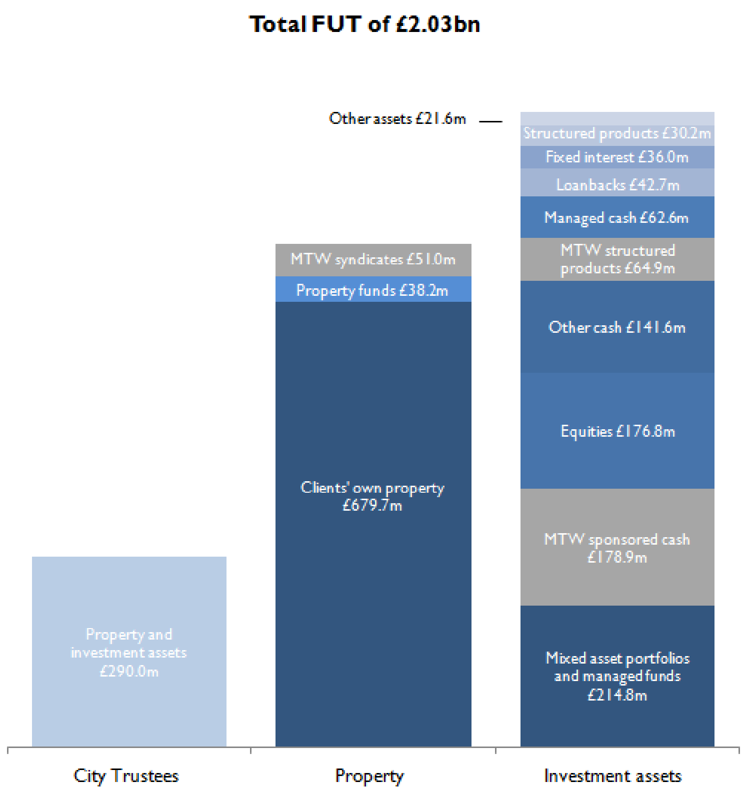
Our market

Changing demographics

- Past and present:
  - Owner managers and senior professionals circa 80%
  - Mass affluent circa 20%
- The future: change in the 80/20 rule
- Clients want:
  - Trusted investment adviser or manager
  - Impartial advice
  - High service standards
  - Personalised delivery
- Are demands well-served by sector ?



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Strategy

Extending the relationship

- Broaden wealth management services:
  - Discretionary portfolio management
  - Custodian Capital Limited
  - Structured products
  - Personal investment
  - Strategic acquisitions
- Extend distribution:
  - Existing marketing initiatives
  - Direct marketing to top-end IFAs via City Trustees
  - Corporate pensions
  - Bolt-on acquisitions

Clients' assets	1H11	1H10
SSAS and SIPP	£2.03bn	£1.59bn
Group schemes	£157.0m	£121.2m
Personal	£37.2m	£18.6m

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Acquisitions

Creating value

- Incremental revenues and strong retention
- City Trustees extends proposition
- CP Pensions fully integrated
- Wind up of Freedom SIPP progressing well
- Future opportunities:
  - Fragmented SSAS and SIPP market
  - Increasing regulatory requirements
  - Corporate pensions

Acquisition	Geoffrey Bernstein	Suffolk Life	PCL	JBFS	Polaris
Plan type	SSAS	SSAS	SSAS & SIPP	SSAS & SIPP	SSAS & SIPP
Date of acquisition	Jun 05	Jan 06	Jul 07	Feb 08	Feb 08
Schemes acquired	93	170	348	290	404
Schemes at 30 Nov 10	62	130	310	247	289
Retention	67%	77%	89%	85%	72%
Annual revenue[1] per scheme at acquisition	£1,505	£2,078	£2,006	£2,356	£808
Annualised 1H11 revenue[1] per scheme	£2,263	£2,699	£2,226	£3,377	£1,864
Estimated total consideration	£0.40m	£0.71m	£1.84m	£1.87m	-
Aggregate revenue since acquisition	£0.91m	£1.97m	£2.73m	£2.12m	£1.20m

1 Fees and investment commissions (excludes banking, property syndicates and structured products).

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Outlook

Capitalise on the opportunity

- Accelerate organic growth:
  - Growing awareness of pension issues
  - Marketing and brand development
- Strengthen investment-related revenues:
  - Less fragile markets
  - Discretionary portfolio management
  - Increasing interest rates ?
- Pursue strategic acquisitions
- Current trading in line with board’s expectations

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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

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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

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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

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Strategy

Addressing the opportunity

Service offering	
Advice	Specialist consultancy
	Investment
Administration and trusteeship	Mattioli Woods
	City Trustees
Investment products	Banking
	Structured products
	Property syndicates
Investment management	Custodian Capital Limited
	Discretionary portfolio management

Existing channels
Direct marketing and referral
IFAs and other intermediaries
Existing clients
Property syndicates
Referred externally

Target market
Owner managers Senior professionals IFAs Other intermediaries Corporates Mass affluent

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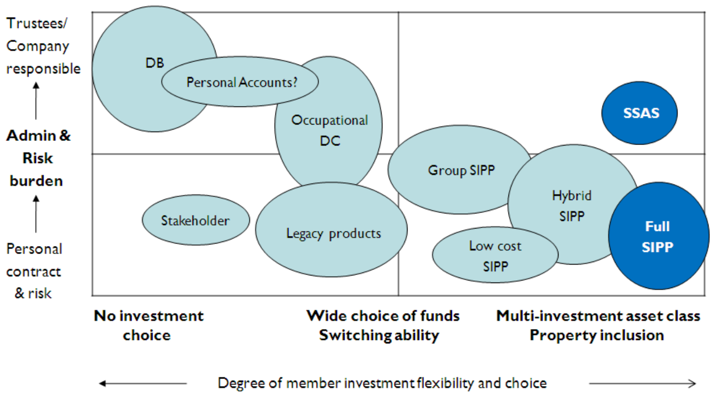
Key market drivers

Shifting responsibility for retirement

- Demise of defined benefit schemes
- Ageing population
- SIPP market now 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

The Pensions Marketplace in 2012



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

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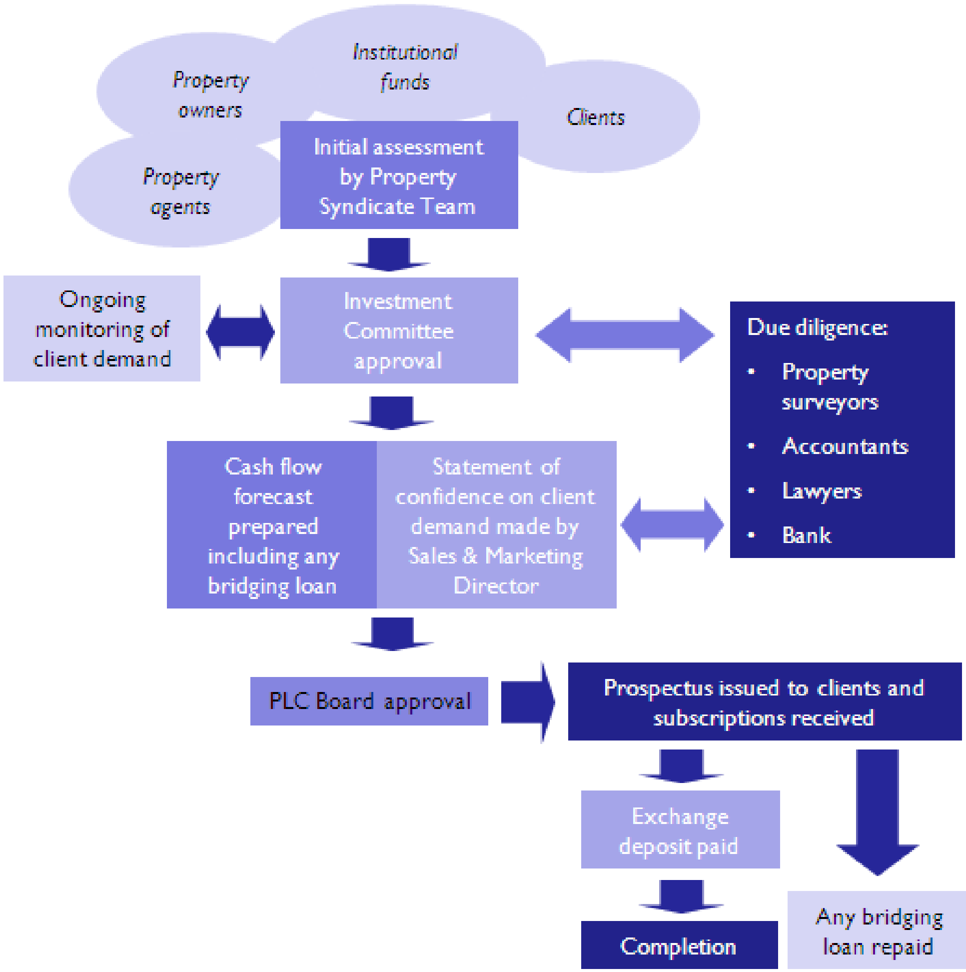
Property syndicates

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

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Property syndicates

Developing the initiative externally

- Proven model with Mattioli Woods' clients:
  - 44 properties under administration
  - Portfolio value of circa £80m
  - Revenues of £0.63m (1H10: £0.53m)
- Attractive pension investment for high earners
- Developing the wider sales channel:
  - Separate brand: Custodian Capital
  - Unregulated collective investment scheme
  - IFAs dominate SIPP distribution: strategic partnership with Lighthouse Group plc
  - Seminars to intermediaries and direct to clients

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Acquisitions

Creating value

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1. Fees and investment commissions (excludes banking, property syndicates and structured products).

Regulation

Increasing financial resources requirement

<table>
<tr><th>Date</th><th>Review of Retail Distribution (RDR)</th><th>Actions</th><th>IPRU-INV Chapters 1 and 13</th><th>IPRU-INV Chapters 1 and 5</th><th>MiFID</th></tr>
<tr><td>Current</td><td>Policy statements and final rules</td><td>Respond to consultation and consider impacts on business model</td><td rowspan="6">Mattioli Woods is categorised as an exempt CAD firm and therefore falls under the requirements of Interim Prudential sourcebook for Investment Businesses (IPRU-INV) Chapters 1 and 13.</td><td rowspan="6">City Pensions Limited is categorised as an investment management firm and therefore falls under the requirements of IPRU-INV Chapters 1 and 5.</td><td rowspan="6">Mattioli Woods needs to comply with MiFID because it provides regulated investment advice for individuals resident in EEA states.

City Pensions Limited does not need to comply with MiFID as it provides no relevant services.</td></tr>
<tr><td>End 2011</td><td>Prudential Rules for Personal Investment Firms (PIFs)</td><td>• Own funds requirement increasing from £10,000 to £20,000 in 2011
• Extension of Expenditure Based Requirements (EBR) to all firms
• EBR increases from 4 weeks to 13 weeks over next three years
• Professional Indemnity excess concession requires further £86,172 of own funds</td></tr>
<tr><td rowspan="3">End 2012</td><td>Professionalism</td><td>Depending on existing qualifications, advisers need to qualify at the new level or complete any additional CPD top up</td></tr>
<tr><td>Remuneration</td><td>All advisers and product providers must prepare and be ready to operate Adviser Charging and meet associated requirements from January 2013</td></tr>
<tr><td>Description of services</td><td>• All advisers and product providers must prepare to describe services as independent or restricted advice from January 2013
• All advisers must prepare and start complying with new independence and product requirements from January 2013</td></tr>
<tr><td>End 2013</td><td>Prudential Rules for PIFs</td><td>PIFs must comply fully with the new rules from 31 Dec 2013</td></tr>
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