



Record plc

Half year results

Six months to 30 September 2011

18 November 2011



Disclaimer

This confidential presentation has been prepared by Record plc (the "Company") for information purposes only.

This presentation is being made only in the United Kingdom and is directed only at (i) persons having professional experience in matters relating to investments, i.e. investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order"), (ii) high net-worth companies, unincorporated associations and other bodies within the meaning of Article 49 of the Order, and (iii) persons to whom it is otherwise lawful to make this presentation. Persons who fall outside categories (i) or (ii) above must check that they fall within category (iii). If they do not, they should not act or rely on this document or any of its contents and should return it and any document connected to it immediately. This presentation has not been approved or issued for the purposes of section 21 of the Financial Services and Markets Act 2000 ("FSMA") by a person authorised under FSMA.

This presentation does not constitute a prospectus relating to the Company, nor does it form any part of any offer or invitation to purchase, sell or subscribe for, or any solicitation of any such offer to purchase, sell or subscribe for, any securities in the Company nor shall it, or any part of it, form the basis of, or be relied on in connection with any contract or commitment whatsoever.

The attention of potential investors is drawn to the information available on the Company's website www.recordcm.com, in particular the Prospectus dated 28 November 2007 and the RNS of the Interim Results dated 18 November 2011. Potential investors should also carefully consider the risk factors set out within the Prospectus.

The information in this presentation has not been independently verified and no representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information contained in this presentation and no reliance should be placed on such information.

Certain statements included herein, including those regarding customers, costs and other statements that express management's expectations or estimates of the Company's future performance, constitute "forward-looking statements". Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual financial results, performance or achievements of the Company to be materially different from its estimated future results, performance or achievements expressed or implied by those forward-looking statements. The Company's forward-looking statements are not guarantees of future performance. The Company expressly disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, events or otherwise.

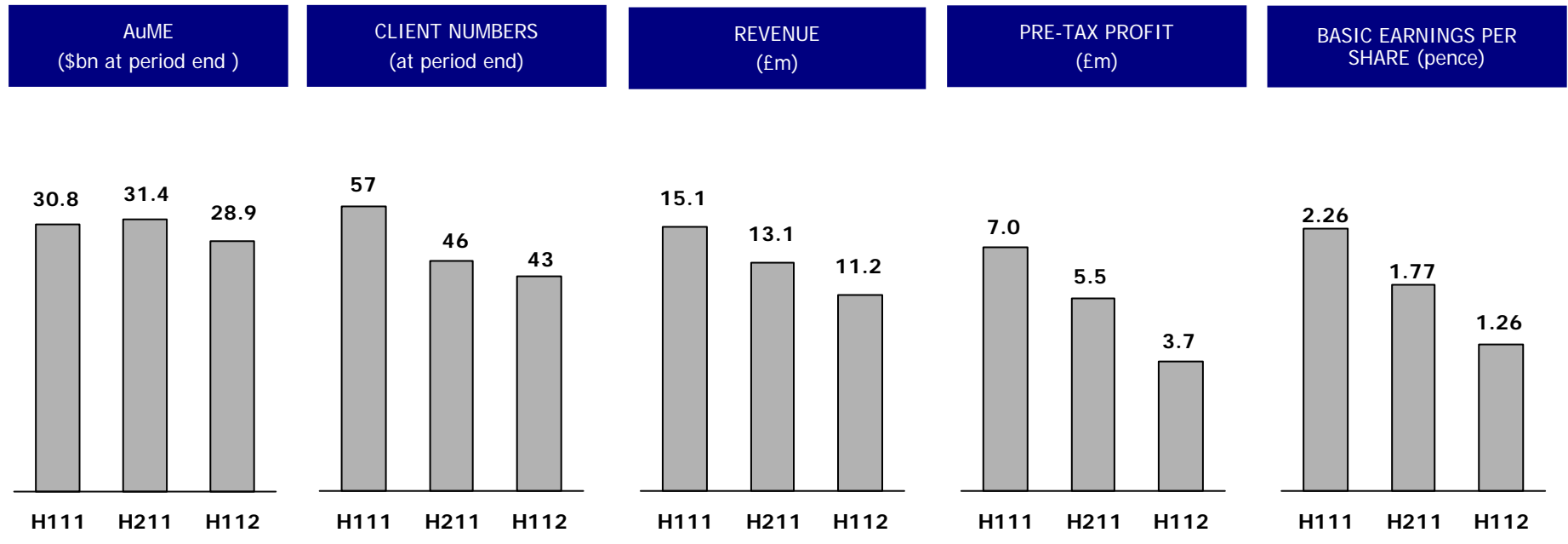
This presentation and its contents are confidential and are being supplied to you solely for your information and may not be copied, reproduced, distributed, disclosed, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

By attending this presentation and/or accepting this document, you agree to be bound by the foregoing terms.



Headlines

- Pre tax profit £3.7m (down 47% on H111)
- Management fee income of £11.3m (down 25% on H111)
- Cash reserves £19.7m (down 20% in H112)
- AuME \$28.9bn at 30 September 2011 (down 8% in H112)
- AuME £18.6bn at 30 September 2011 (down 5% in H112)
- Operating profit margin to 30 September 2011 of 33% compared to 46% for half year ended 30 September 2010
- Basic EPS 1.26 pence per share (H111: 2.26 pence per share, down 44%)
- An interim dividend of 0.75p per share will be paid on 20 December 2011
- Subject to business conditions, intention to pay a final dividend of 0.75p in August 2012





Business strategy



Strategy

- **Focus on sales from expanded product range in FY12**
- **Deliver diversification benefits from expanded product offering**
- **Increased focus on the US through dedicated sales resource**
- **Development of further currency products particularly in Currency Momentum and Currency Value**
- **Continued investment in people and infrastructure, subject to appropriate cost controls**

Expanded product offering

■ Current products range

□ Hedging

- Passive Hedging
- Dynamic Hedging

□ Currency for Return

- FRB Alpha
- FRB Beta
- Emerging Markets
- Euro Stress

■ New products for FY12

□ Currency for Return

- Currency Momentum
 - Currency Value
-

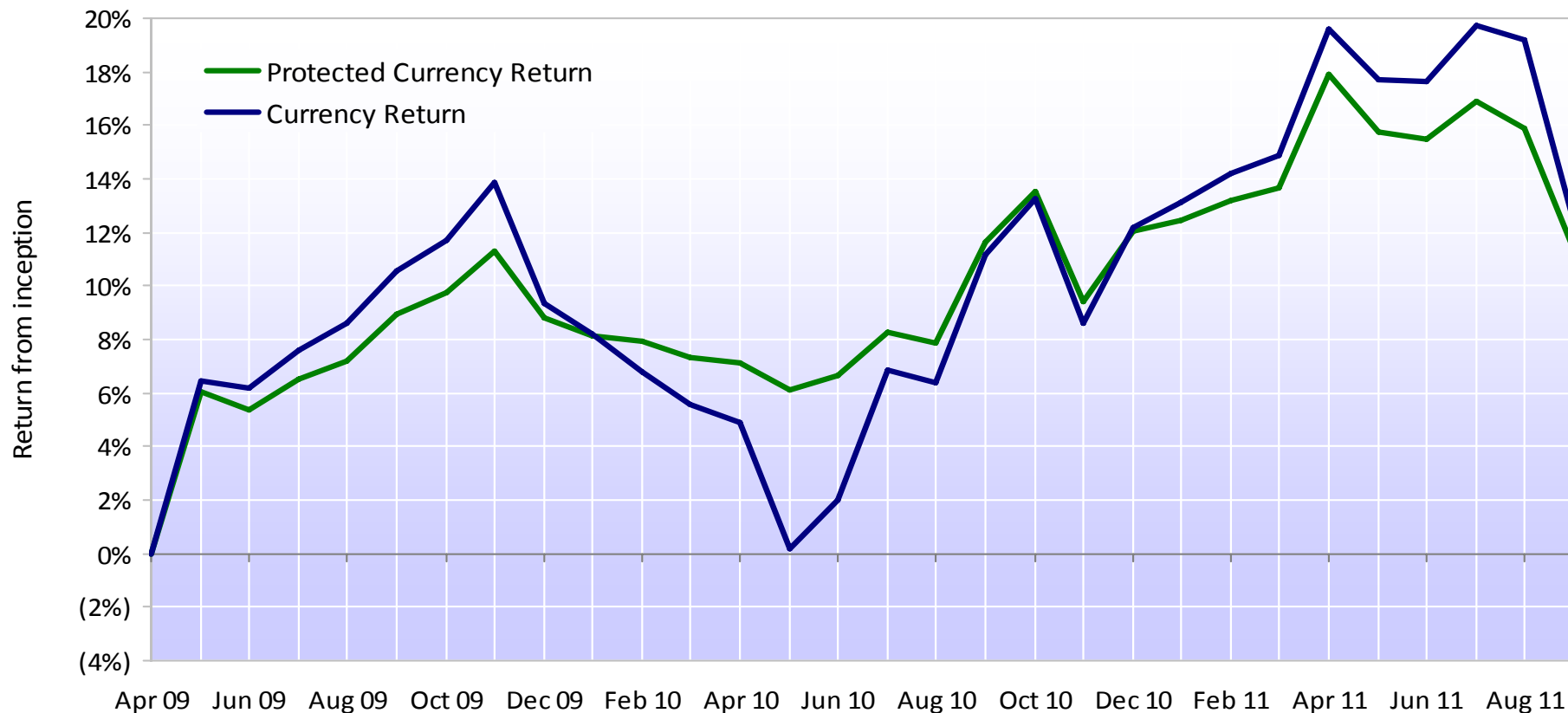


Product Performance

Performance of a US Dynamic Hedging Client



30 April 2009 to 30 September 2011

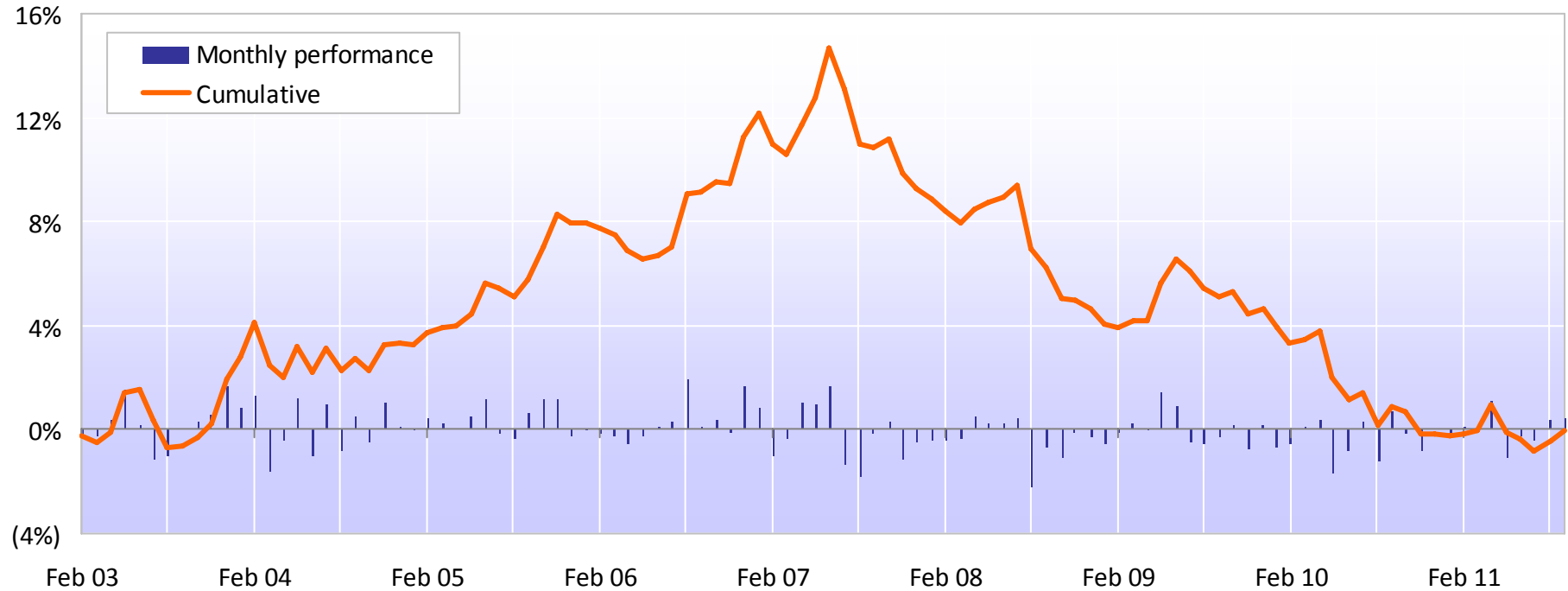


Source: Record Currency Management, WM/Reuters. Protected currency return is calculated as the weighted average currency return plus the contribution from hedging. Results combined for International and Global portfolios. Returns from April 30th 2009 to September 30th 2011.



Eight-year live track record of Currency Alpha

Currency Alpha Composite - 4 accounts, £ 0.48 billion



As at 30 th September 2011	Value added	Tracking Error	Information Ratio
Since inception (Feb-03)	(0.01%) p.a.	2.78%	0.00

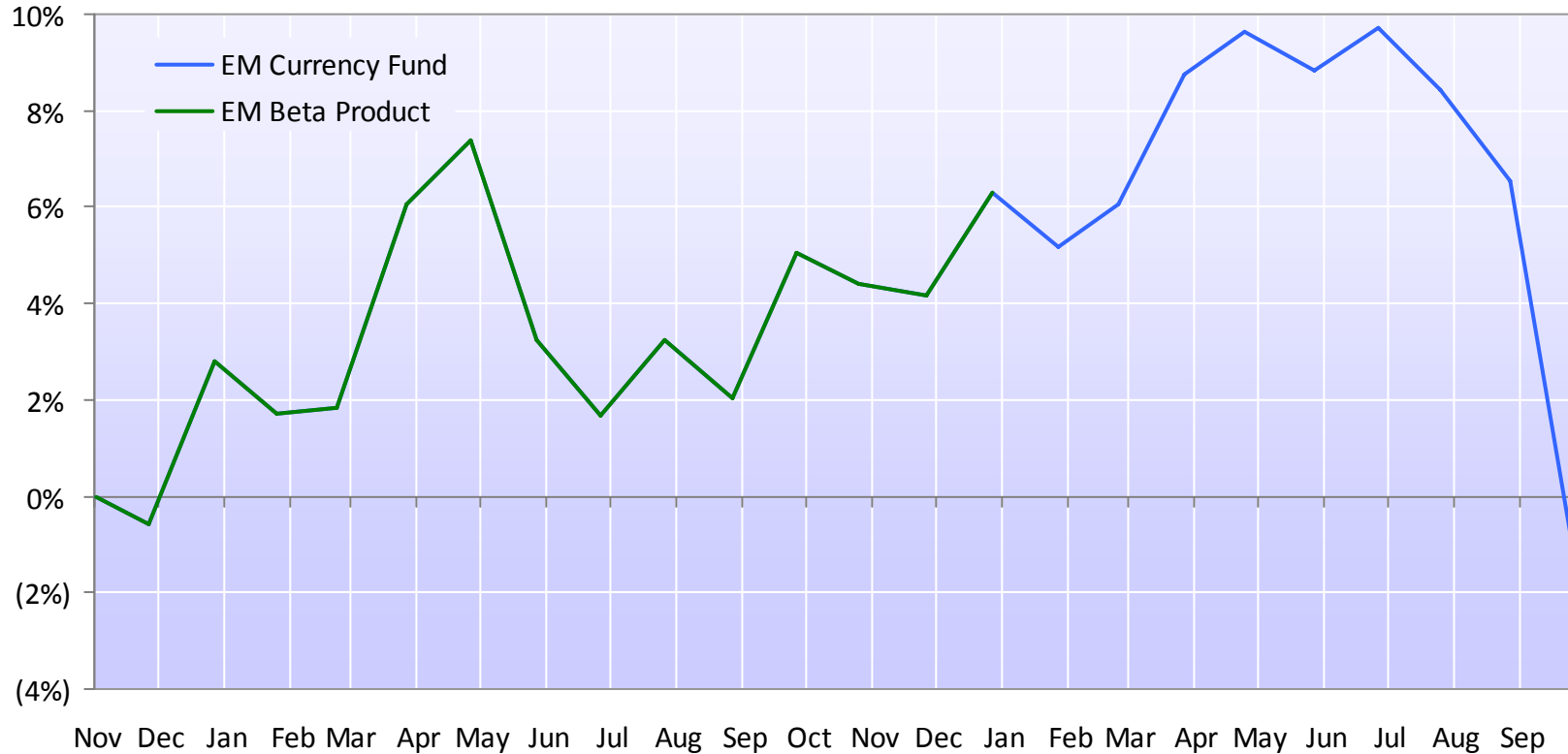
Source: Record Currency Management. Returns of all clients in the composite are weighted in US dollars and scaled to a gearing ratio of one. The volatility of returns will be greater if higher leverage is applied. Client numbers and assets are correct as at September 30th 2011.



New Product Performance

Emerging Market Currency Fund

EM Strategy - inception 5th November, 2009



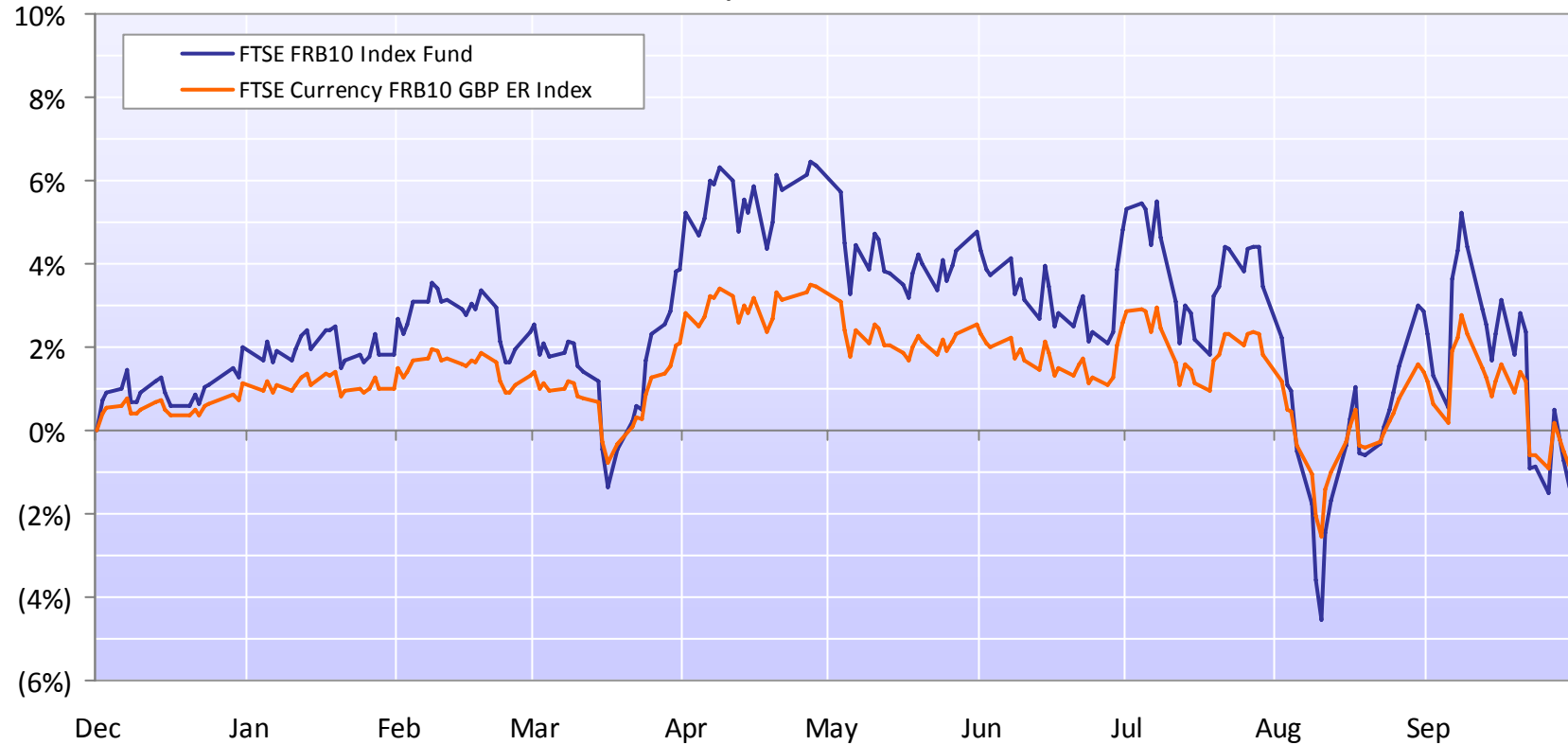
As at 30 th September 2011	ITD
EM Currency Strategy	(1.27%)

Source: Record Currency Management. Total returns based on EM Beta product from November 5th 2009 to December 31st 2010, EM currency fund from January 1st 2011 to September 30th 2011.

New Product Performance

FRB10 Index Fund

FRB10 - inception 1st December, 2010



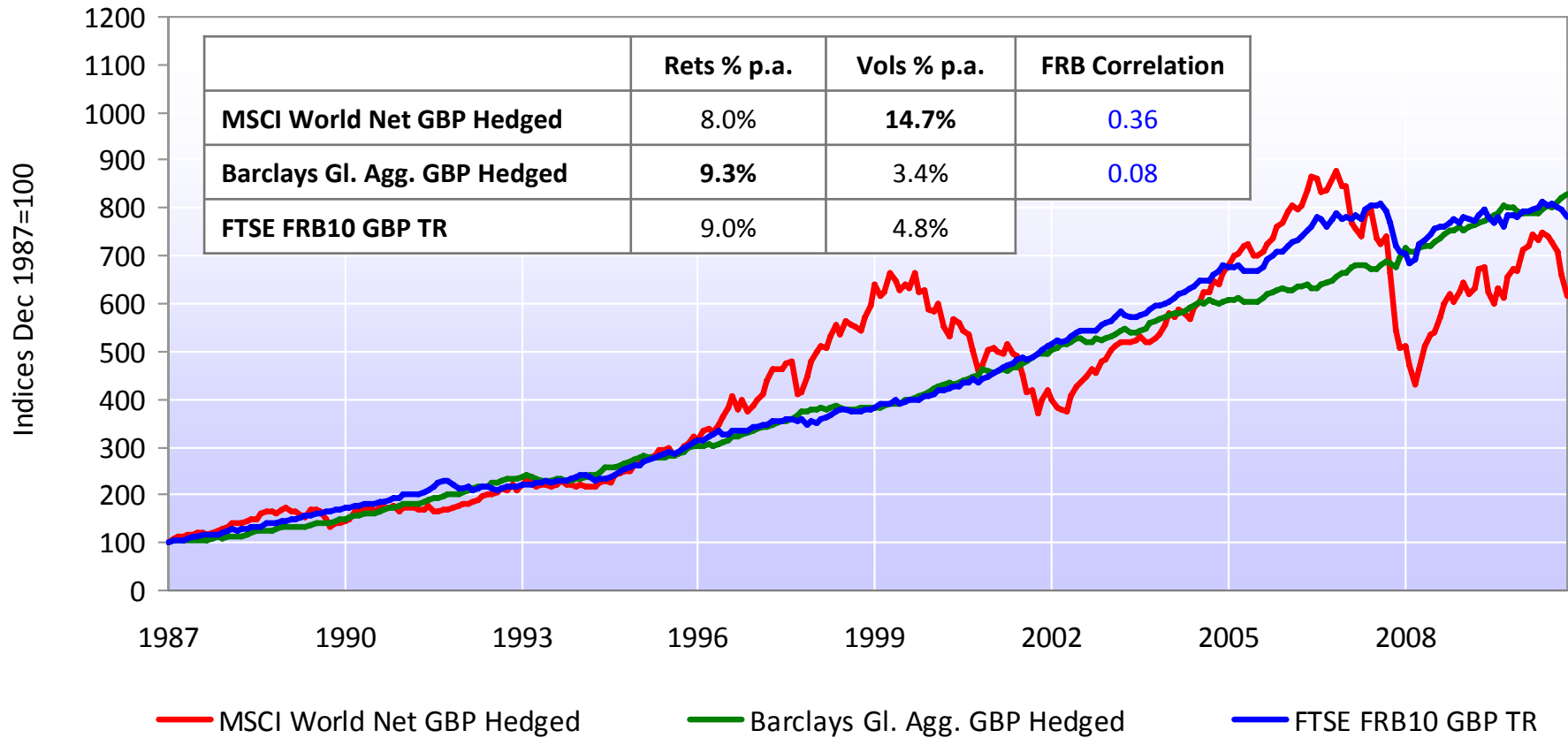
As at 30 th September 2011	ITD
FTSE FRB10 Index Fund (gearing 1.8x)	(1.37%)

Source: Record Currency Management. Returns to September 30th 2011

Equity-like return, bond-like volatility

Equities, Fixed Income and FRB

GBP base; Cum total returns; 31 Dec 1987 - 30 Sep 2011



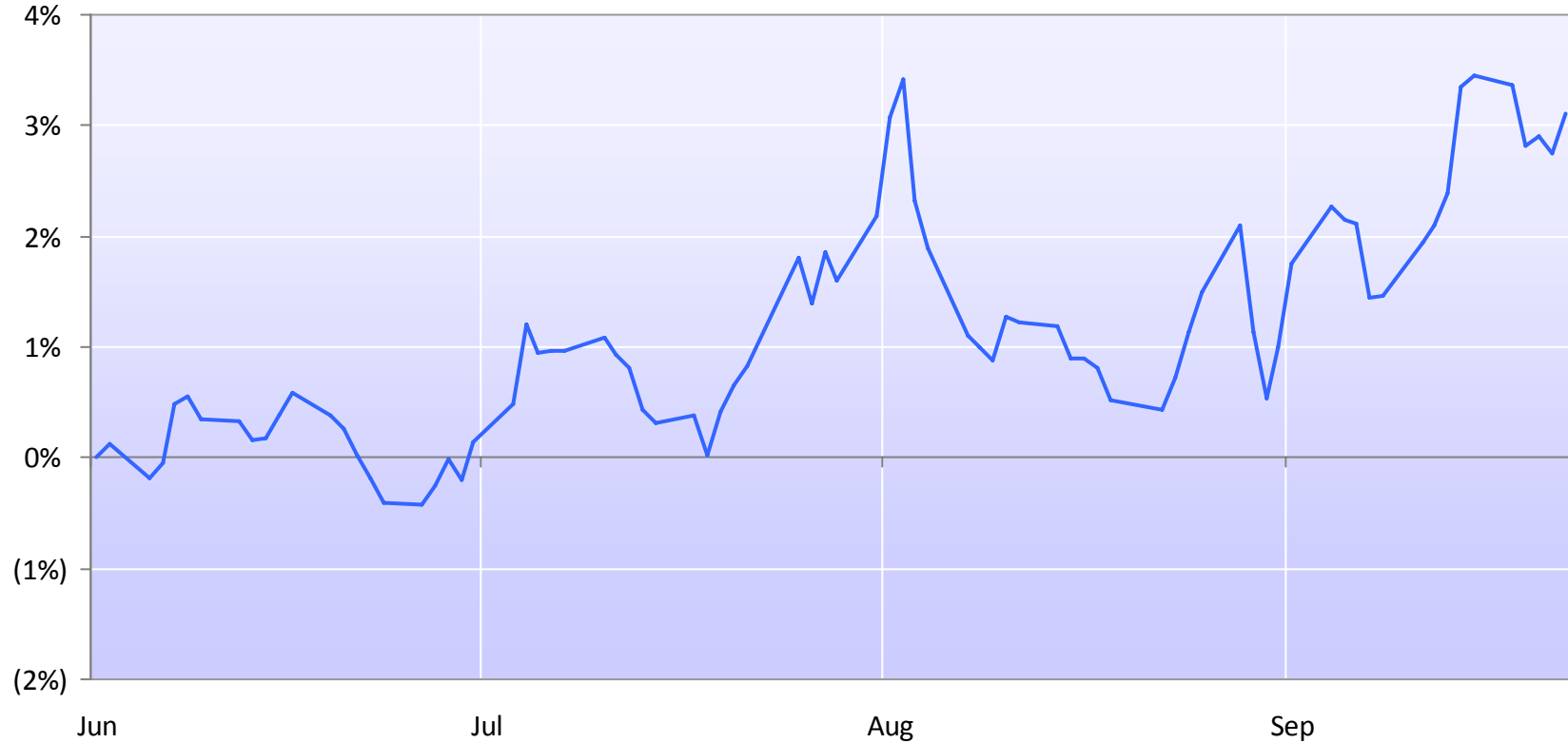
Note: Barclays (ex-Lehman) US Aggregate used as proxy for Lehman Global Aggregate prior to 1990. Source: Record Currency Management Limited



New Product Performance

Euro Stress Fund

Euro Stress Fund - inception 9th June, 2011



As at 30 th September 2011	ITD
Euro Stress Fund	3.11%

Source: Record Currency Management. Returns to September 30th 2011

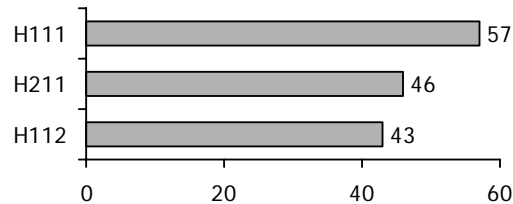


Financial Performance

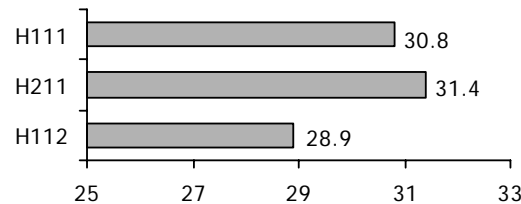


Financial KPIs – Six months ended 30 September 2011

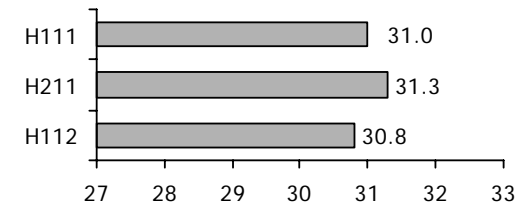
Client numbers at period end



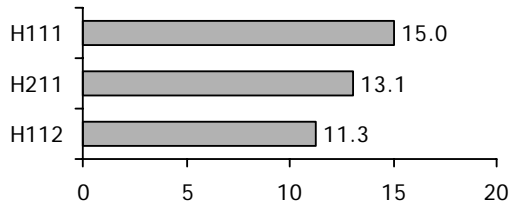
AuME at period end (\$bn)



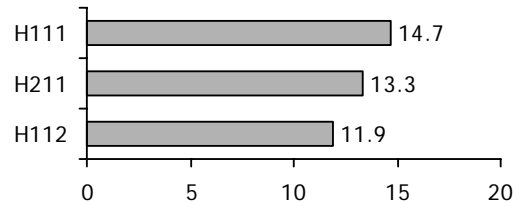
Average AuME (\$bn)



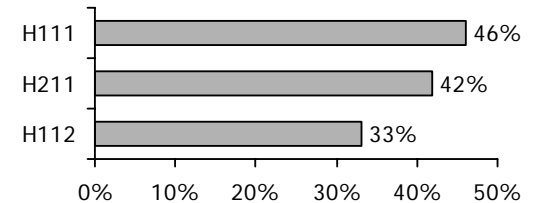
Management fees (£m)



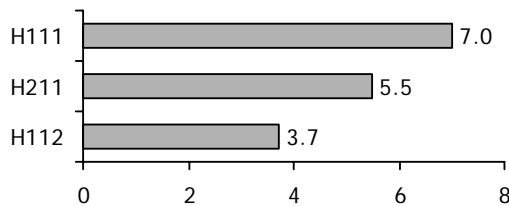
Average management fee rates (bps)



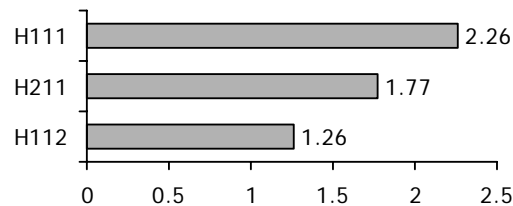
Operating margin



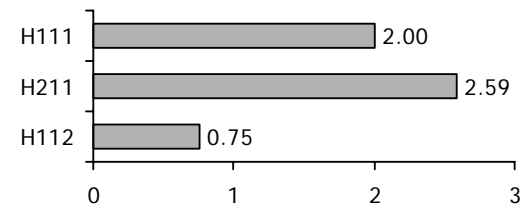
Profit before tax £m



EPS (pence)



Dividend (pence per share)





Financials – client numbers

Client numbers

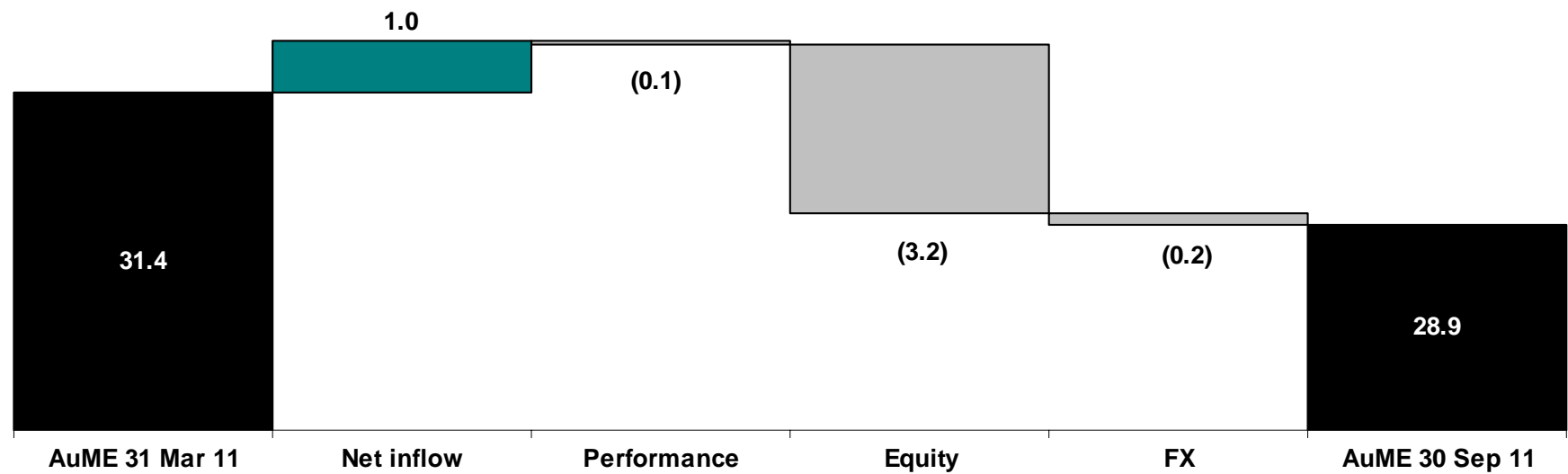
	31 Mar 11	30 Sep 11
Dynamic Hedging	10	11
Passive Hedging	24	22
Hedging	34	33
Currency for Return - segregated	8	7
Currency for Return - pooled funds	13	10
Currency for Return	21	17
Less clients with >1 product	(9)	(7)
Total	46	43

Note: total of client numbers by product type is greater than total client numbers due to many clients having more than one account; for pooled fund client numbers look through pooled funds to individual investor level.



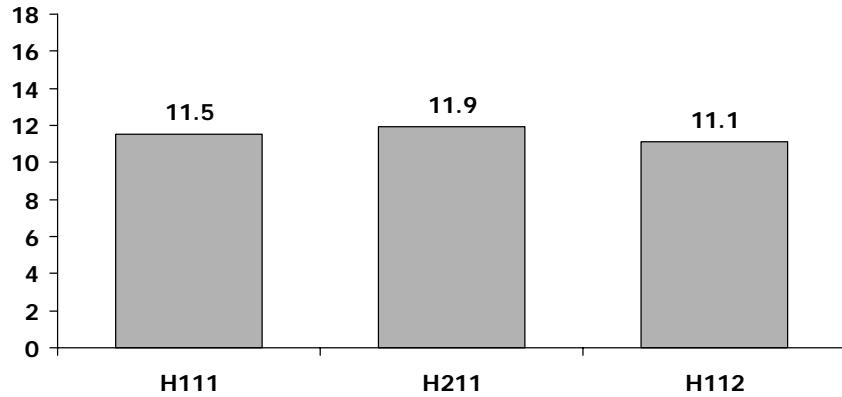
Financials – AuME movement

AuME bridge for the six months ended 30 September 2011 (\$billion)

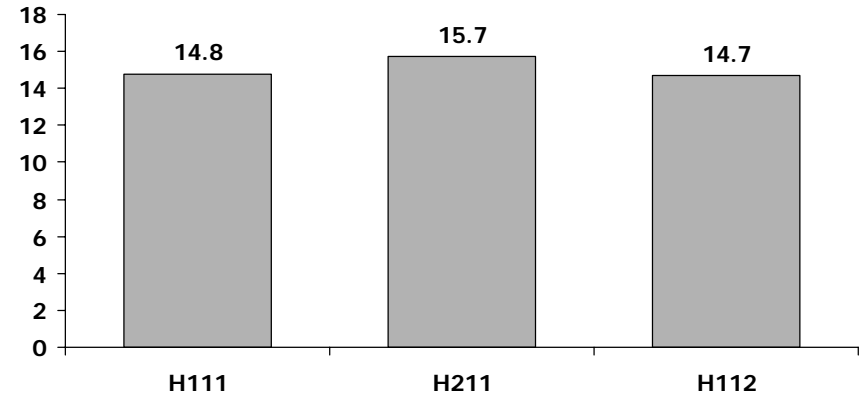


AuME at period end by product

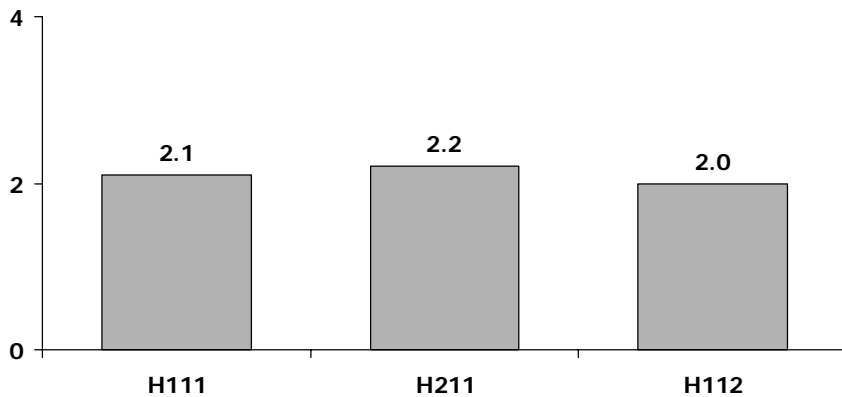
Dynamic Hedging (\$bn)



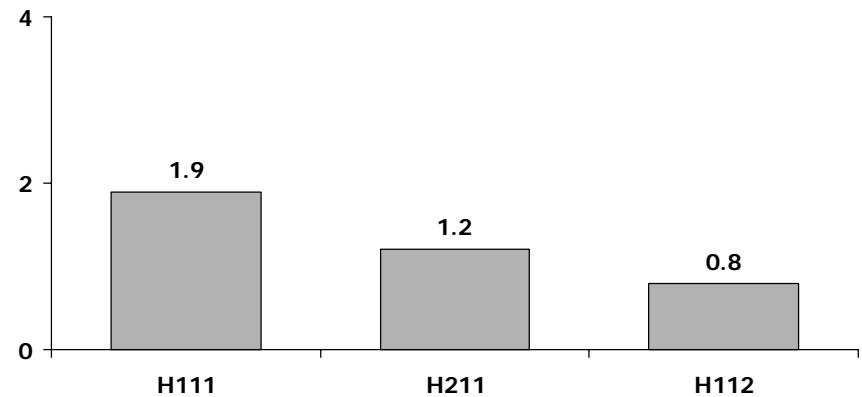
Passive Hedging (\$bn)



Segregated Currency for Return (\$bn)

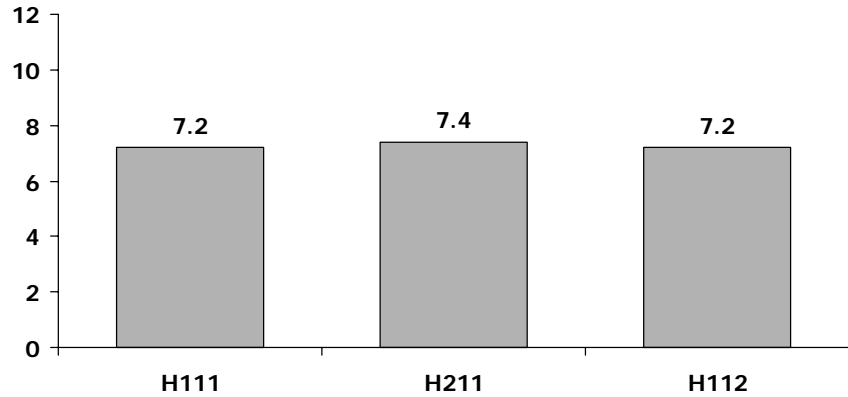


Pooled Currency for Return (\$bn)

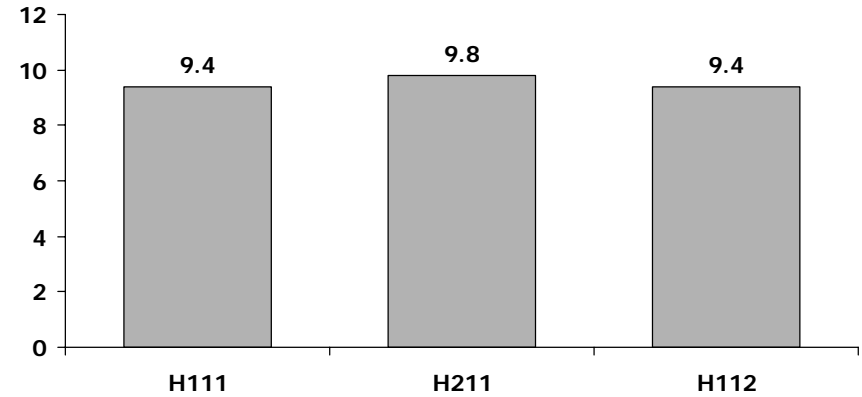


AuME at period end by product

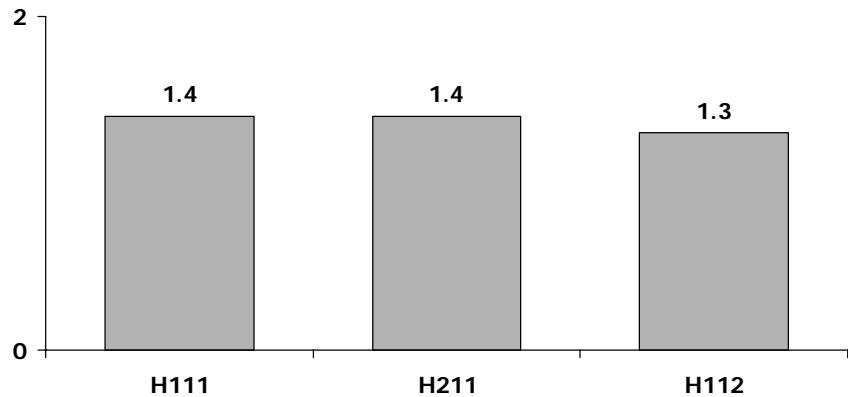
Dynamic Hedging (£bn)



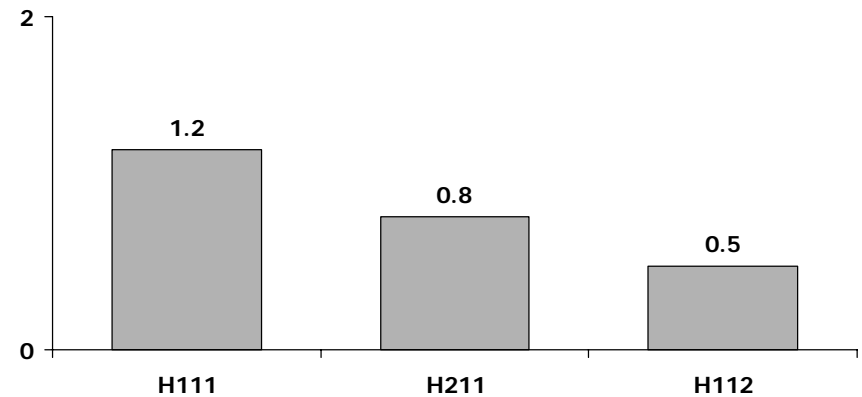
Passive Hedging (£bn)



Segregated Currency for Return (£bn)



Pooled Currency for Return (£bn)



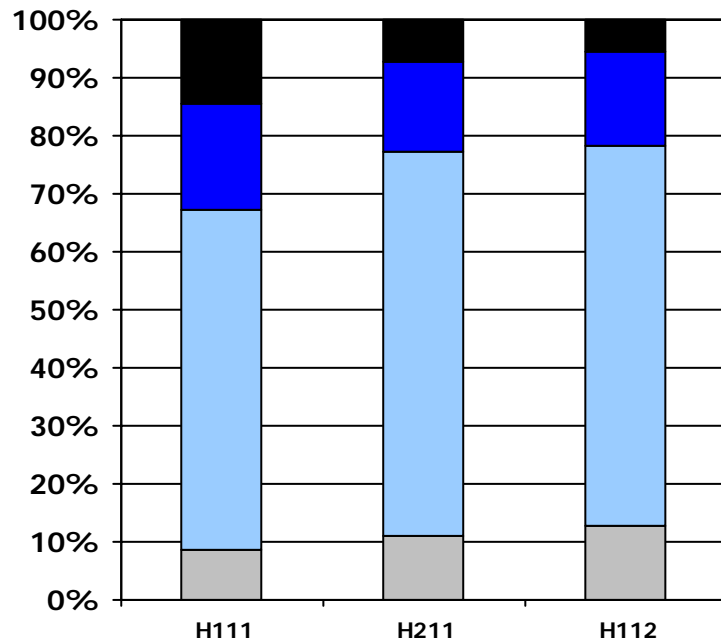


Financials – Average AuME, management fee rates & fees

	Year ended 31 March 2011			Six months ended 30 September 2011		
	Av. AuME (\$bn)	Av. mgmt. fee rates (bps)	Mgmt. Fee (£m)	Av. AuME (\$bn)	Av. mgmt. fee rates (bps)	Mgmt. Fee (£m)
Hedging						
Dynamic Hedging	11.5	23.9	17.5	11.8	20.2	7.4
Passive Hedging	14.6	2.9	2.7	15.4	3.1	1.5
Currency for Return:						
Segregated funds	2.6	28.3	4.8	2.1	27.6	1.8
Pooled funds	2.1	23.4	3.1	1.1	18.7	0.6
Total Currency for Return	4.7	25.4	7.9	3.2	24.5	2.4
Cash	0.5	-	-	0.4	-	-
Combined average	31.3	14.0	28.1	30.8	11.9	11.3

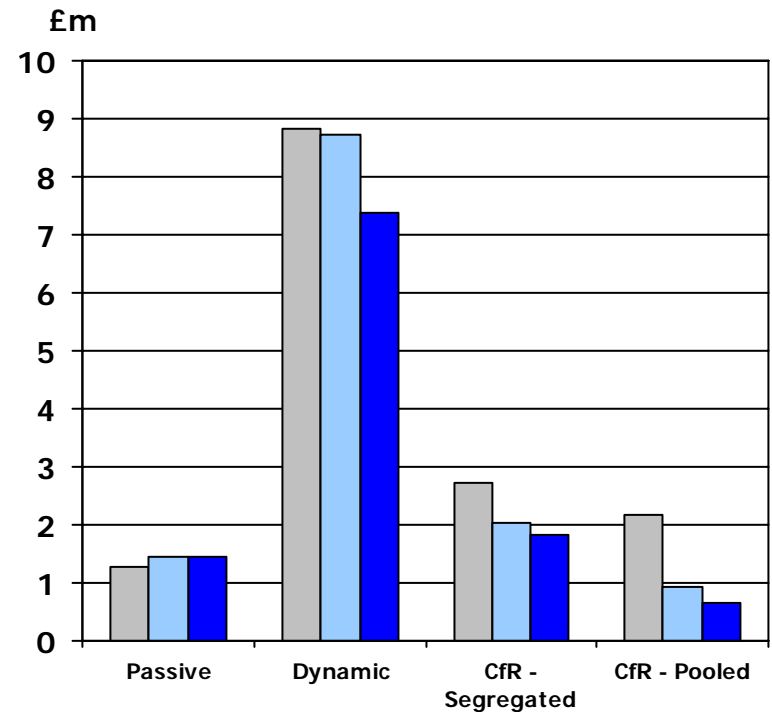
Financials – revenue analysis

Management fees by product



Passive
 CfR Segregated
 Dynamic
 CfR Pooled

Management fees by product



H111
 H211
 H112



Financials – income statement

	H111	H211	H112
AuME at period end	\$30.8bn	\$31.4bn	\$28.9bn
Clients at period end	57	46	43
Income:	£m	£m	£m
Management fees	15.0	13.1	11.3
Performance fees	-	-	-
Other income	0.1	-	(0.1)
Total Income	15.1	13.1	11.2
Cost of sales	-	(0.1)	(0.1)
Gross Profit	15.1	13.0	11.1
Expenditure:			
Operating costs	(5.1)	(5.3)	(5.6)
Variable remuneration	(3.0)	(2.3)	(1.6)
Loss on financial instruments held for sale	(0.1)	0.1	(0.2)
Total expenditure	(8.2)	(7.5)	(7.4)
Operating profit	6.9	5.5	3.7
Operating Profit Margin	46%	42%	33%
Finance income	0.1	-	-
Profit before tax	7.0	5.5	3.7



Group profit share

- **An average of 30% Operating Profit over the medium term (ability to flex 25-35% in the short term)**
- **Shared amongst all staff based on 'profit share units'**
- **The main bonus scheme in the Group – future commissions or individual arrangements to be paid from within the scheme**
- **For all senior employees including Board Directors:**
 - 1/3rd Shares
 - 1/3rd Cash
 - 1/3rd Cash or Shares. Shares attract a 1x matching award (funded from within the scheme)
- **Options scheme for a small group of employees that does not include main Board Directors established**



Financials - earnings

Shareholders earnings

	H111	H211	H112
	£m	£m	£m
Profit before tax	7.0	5.5	3.7
Tax	(2.0)	(1.6)	(1.0)
Profit after tax	5.0	3.9	2.7
eps – basic	2.26p	1.77p	1.26p
eps – diluted	2.25p	1.78p	1.26p
Interim/final dividend per share	2.00p	2.59	0.75p

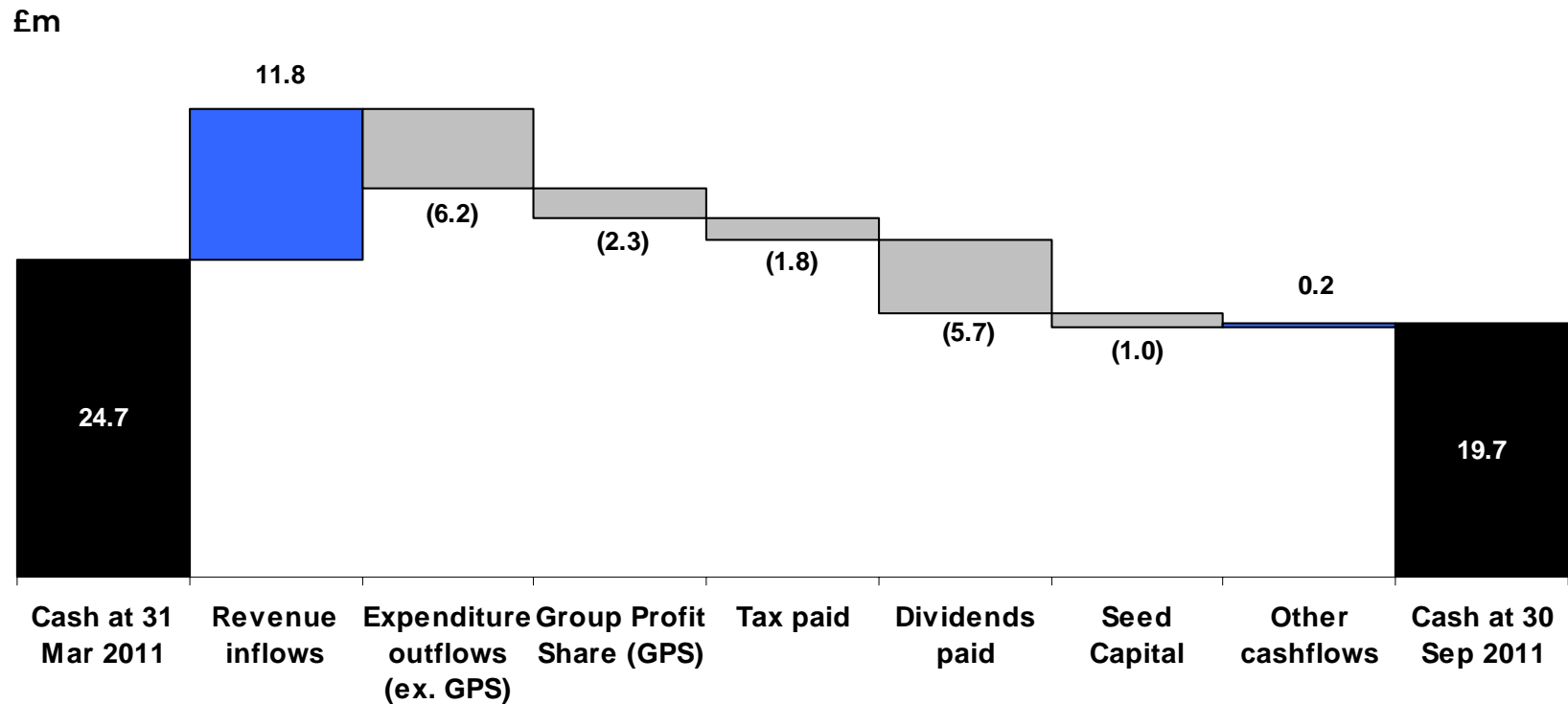
Financials – balance sheet

Balance sheet as at period end

	H111	H211	H112
	£m	£m	£m
Non-current assets	1.1	1.4	1.4
Current assets			
Trade debtors and other receivables	6.9	6.9	6.2
Derivative financial assets	0.1	-	-
Cash and cash equivalents	27.1	24.7	19.7
Total current assets	34.1	31.6	25.9
Current assets held for sale	0.8	3.0	4.4
Current liabilities	(6.4)	(5.9)	(4.3)
Net assets	29.6	30.1	27.4
Equity attributable to owners of the parent	29.6	29.1	25.9
Non-controlling interest	-	1.0	1.5
Total equity	29.6	30.1	27.4

Financials - cash

CASH BRIDGE FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2011





Appendix



Management and Board

Executive Management

Name	Position	Experience
Neil Record	Chairman	<ul style="list-style-type: none">■ Founded Record in 1983. Principal shareholder and Executive Chairman ever since■ Acknowledged as one of the leading figures in the currency investment management industry
James Wood-Collins	Chief Executive Officer	<ul style="list-style-type: none">■ Joined Record in 2008. Previously a Managing Director at JP Morgan Cazenove advising financial institutions on M&A, IPOs and related corporate finance transactions
Bob Noyen	Chief Investment Officer	<ul style="list-style-type: none">■ Joined Record in 1999 with responsibility for Investment & Research■ Previously worked as Assistant Treasurer for Minorco (now part of Anglo American plc)
Leslie Hill	Head of Client Team	<ul style="list-style-type: none">■ Joined Record in 1992 and was appointed Head of Sales and Marketing in 1999■ Prior experience includes working at Lloyds Bank and Merrill Lynch, where she was Director and Head of Corporate Foreign Exchange Sales worldwide
Paul Sheriff	Chief Operating Officer / Chief Financial Officer	<ul style="list-style-type: none">■ Joined Record in 2008. Previously Group Finance Director for Arbutnot Banking Group PLC and prior to that Commercial Finance Director of the Prudential's UK and European business

Non-Executive Directors

Name	Position	Experience
Cees Schrauwers	Senior Independent Director	<ul style="list-style-type: none">■ Formerly Managing Director, Aviva International; Managing Director, CGU Insurance; Partner, Coopers & Lybrand; Senior Independent Director Brit Insurance Holdings■ Currently Senior Independent Director, Chairman, Drive Assist Holdings Ltd; Commissioner, Guernsey Financial Services Commission
Andrew Sykes	Non-Executive Director	<ul style="list-style-type: none">■ Formerly director, Schroders plc■ Currently non-executive director, Gulf International Bank (UK); Smith & Williamson Holdings; SVG Capital plc; Chairman Invista Foundation Property Trust Limited; Absolute Return Trust Limited; investment committee of the Schroder Retirement Benefits Scheme
David Morrison	Non-Executive Director	<ul style="list-style-type: none">■ A director of PayPoint plc, several private companies and a Non-executive director of N P Record plc between 1987 - 1996■ Founder and Chief Executive of Prospect Investment Management



AuME

- **Currency for Return mandates:**

- = the maximum aggregate nominal amount of outstanding forward contracts for each client, plus

- **Dynamic hedging mandates:**

- = total amount of clients' investment portfolios denominated in liquid foreign currencies, and hence capable (under the terms of the relevant mandate) of being hedged, plus

- **Passive hedging mandates:**

- = the aggregate nominal amount of passive hedges actually outstanding in respect of each client, plus

- **Cash:**

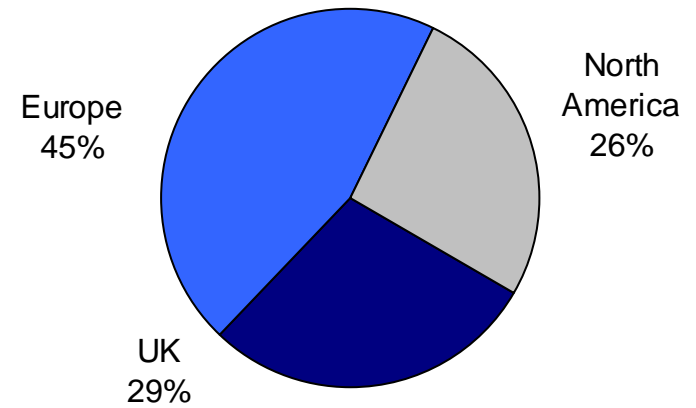
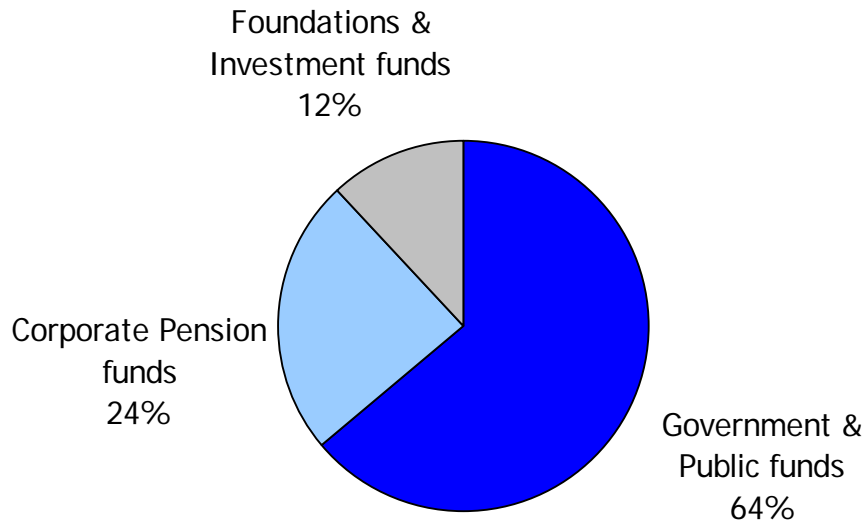
- = the total set aside by clients and managed and/or 'equitised' using futures by Record



AuME analysis

Split of AuME by client type — 30 September 2011

Split of AuME by country/region — 30 September 2011



Total: US\$28.9 billion

Total: US\$28.9 billion

Note: both pie charts look through pooled funds to individual investor level



Financials – fee structure

Currency for Return Fee structure analysed by AuME as at 30 September 2011

	Segregated \$ billion	Pooled \$ billion	Total \$ billion	
Management only	2.0	0.5	2.5	89%
Management with Performance	-	0.3	0.3	11%
Currency for Return	2.0	0.8	2.8	100%

Financials – cost analysis

Emphasis on cost control

	H111	H211	H112
	£m	£m	£m
Personnel (excluding Group Profit Share)	3.0	3.1	3.2
Non-personnel cost	2.1	2.2	2.4
Expenditure before Group Profit Share	5.1	5.3	5.6
Group Profit Share Scheme	3.0	2.3	1.6
Total administrative expenditure	8.1	7.6	7.2
Loss/(gain) on assets held for sale	0.1	(0.1)	0.2
Total expenditure	8.2	7.5	7.4



Financials – concentration

Largest clients by H112 fees

	AuME	Management	Performance	Total	
	\$bn	£m	£m	£m	%
Clients 1-10	20.1	9.2	-	9.2	81%
Clients 11-20	4.6	1.4	-	1.4	13%
Other clients	4.2	0.7	-	0.7	6%
Total Fee Income	28.9	11.3	-	11.3	100%