



Record plc

Half year results

6 months to 30 September 2008

25 November 2008



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, the Annual Report dated 11 June 2008 and the interim management statement dated 21 October 2008. 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.

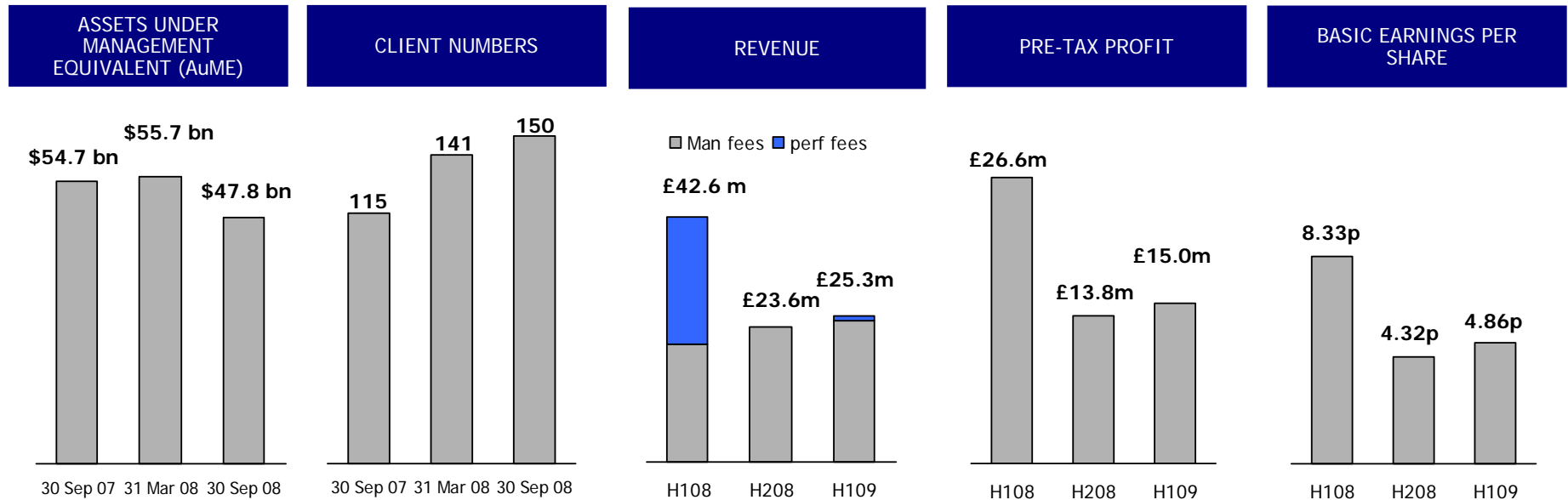
Certain statements included herein, including those regarding customers, costs and other statements that express management's expectations or estimates of the Company's future performance, constitute "forward-looking statements". Forward-looking statements are necessarily based upon a number of estimates 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.

Highlights

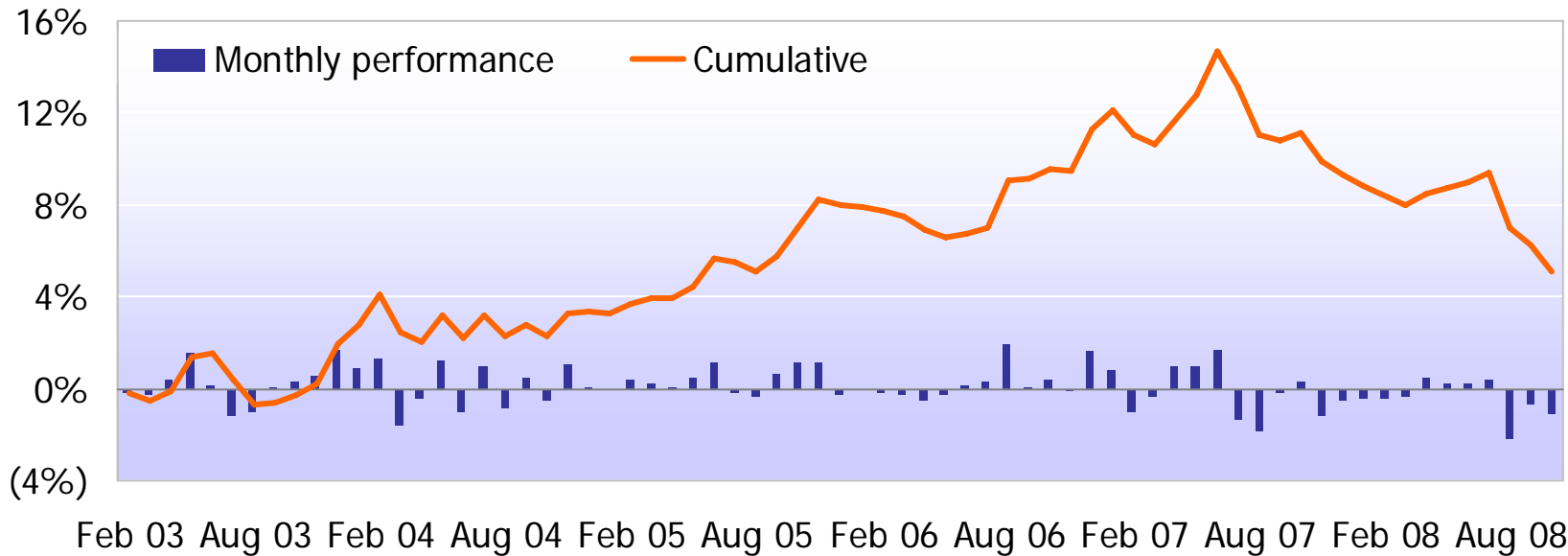
- Sustained growth in client numbers
- Continued increase in management fees
- Negligible performance fees
- pre-tax profits £15.0m
- basic earnings per share 4.86p
- 2.43p per share dividend proposed





Currency Absolute Return performance

Currency Alpha Composite - 27 accounts, AuME of \$10.2 billion



At 30 th September 2008	Value added	Tracking Error	Information Ratio
1 year	-4.13%		
3 years	0.14% p.a.	3.19% p.a.	0.05
Since inception (Feb-03)	1.08% p.a.	3.01% p.a.	0.36

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 30 September 2008



Absolute Return performance: commentary

- Q1 modestly positive with improved FRB success rate and some trends in favour of investment currencies – correlations and volumes both fell in June
- Q2 strongly negative – July’s positive performance was more than offset by underperformance of the fund during August (our worst month for the live process since inception in February 2003) and September
- October saw the largest currency moves in some pairs in the history of free-floating exchange rates. It was a negative month for Record’s process but losses were contained by the risk management approach



Financial Performance



Financial highlights – Six months to 30 September 2008

- Client numbers continued to grow to 150
- AuME – declined 14% during H109 – 67% of reduction due to expressing AuME in US\$
- Management fees continued to grow to £24.6m
- Average fee rates firmed to 17.8 bps
- Operating profit margin 57%
- Pre-tax profit £15.0m
- £14.9m cash generated from operating activities
- Interim dividend proposed of 2.43p/share
- Shareholders' funds £24m
- Cash retained after interim dividend £22m - circa 2 years overhead cover



Financials – client growth

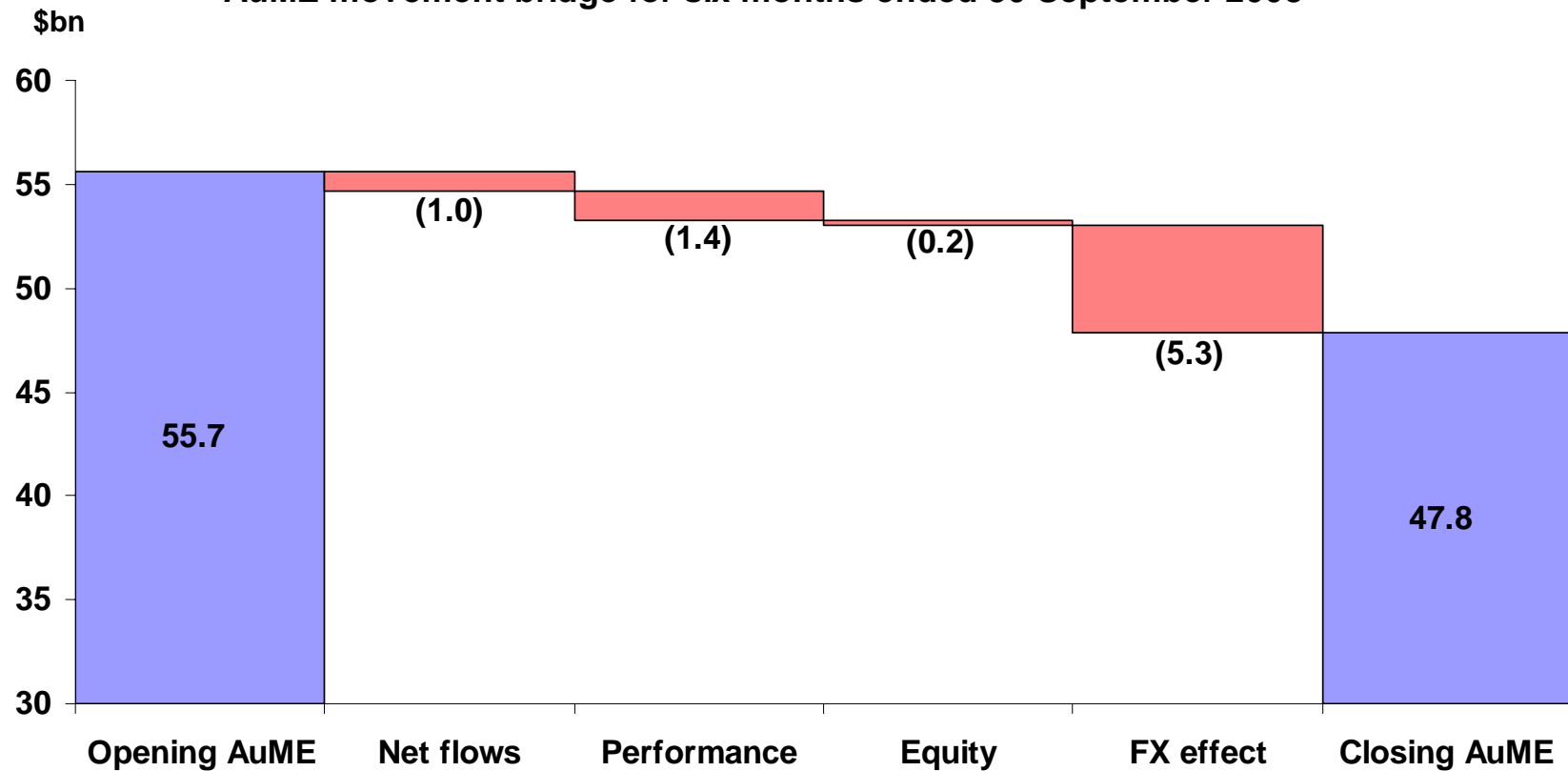
Client numbers

	30 Sep 07	31 Mar 08	30 Sep 08
Segregated funds	27	28	27
Pooled funds	79	106	116
Total Absolute Return	106	134	143
Hedging:			
Active	6	7	8
Passive	32	31	30
Less clients with >1 product	(29)	(31)	(31)
Total	115	141	150

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

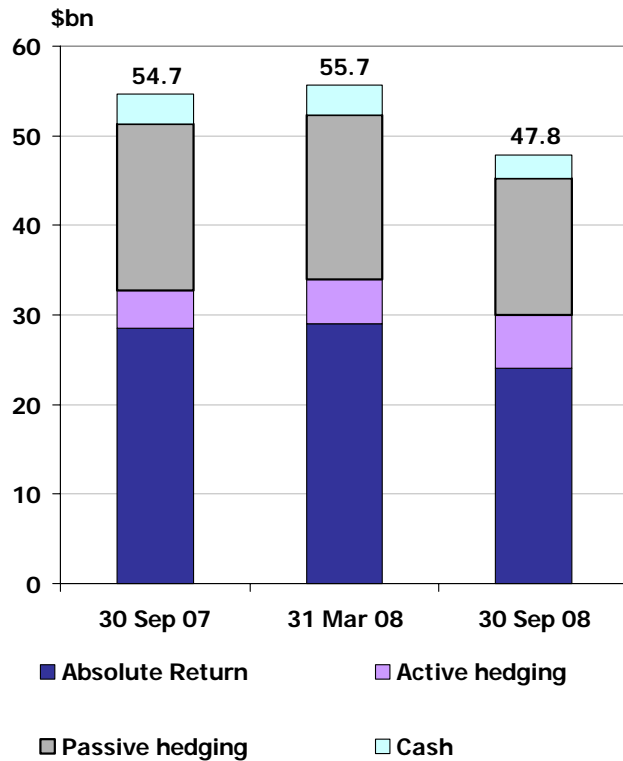
Financials – AuME movement

AuME movement bridge for six months ended 30 September 2008

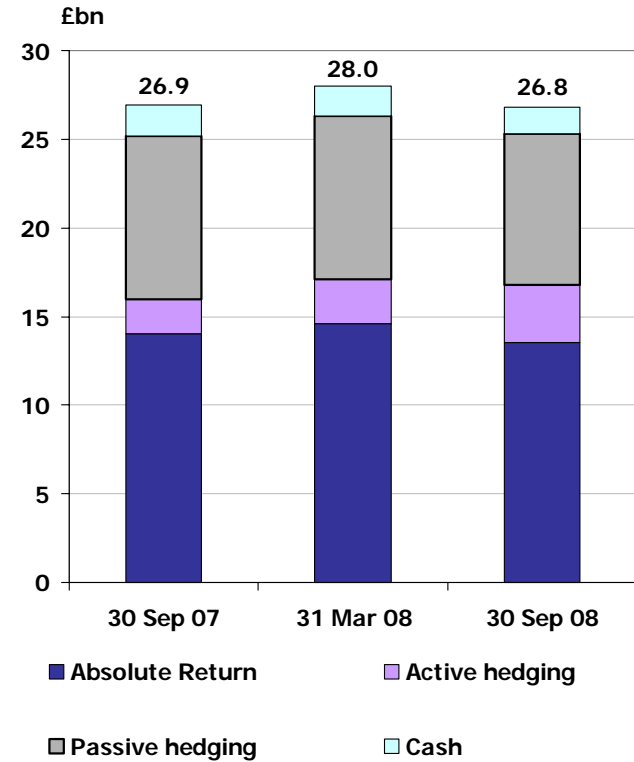


AuME attribution

AuME by product (\$bn)



AuME by product (£bn)





Financials – achieved average fee rates

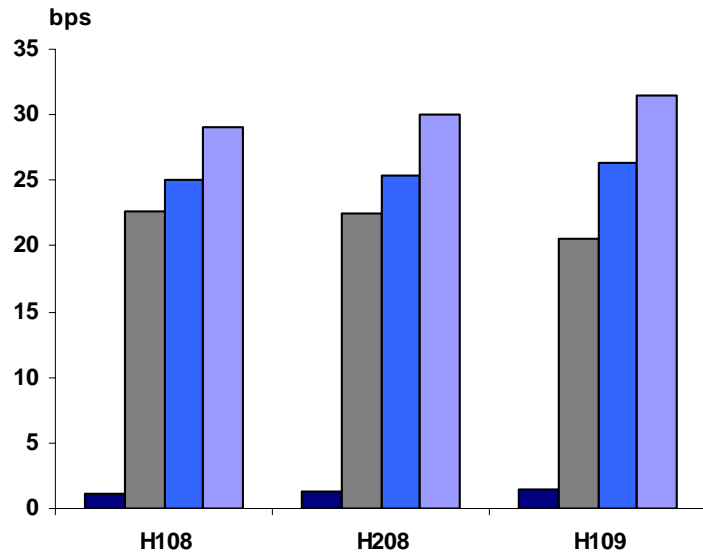
Achieved average management fee rates by product

	H108	H208	H109
	bps	bps	bps
Absolute Return:			
Segregated funds	25.1	25.5	26.3
Pooled funds	29.0	31.0	31.4
Total Absolute Return	27.2	28.4	29.0
Hedging:			
Active	22.7	22.3	20.6
Passive	1.1	1.5	1.4
Combined average	16.7	17.1	17.8

Financials – revenue analysis

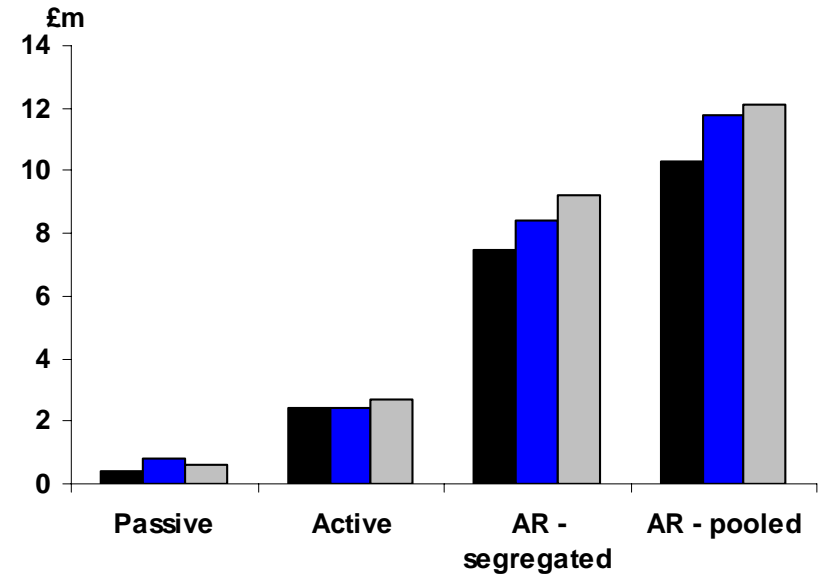
Average management fee rates

■ Passive ■ Active ■ AR - segregated ■ AR - pooled



Management fees by product

■ H108 ■ H208 ■ H109



Financials – revenue analysis - cont'd

Fees analysed by product and fee type

	H109			H108
	Management	Performance	Total	Total
	£m	£m	£m	£m
Absolute Return	21.3	0.6	21.9	39.8
Active	2.7	0.1	2.8	2.3
Passive	0.6	-	0.6	0.5
Total Income	24.6	0.7	25.3	42.6
H108 Comparative	20.6	22.0	42.6	



Financials – income statement

Income statement

	H108	H208	H109
AuME at period end	\$54.7bn	\$55.7bn	\$47.8bn
Clients at period end	115	141	150
	£m	£m	£m
Income:			
Management fees	20.6	23.4	24.6
Performance fees	22.0	0.2	0.7
Total Income	42.6	23.6	25.3
Expenditure:			
Operating costs	(4.2)	(4.6)	(4.7)
Variable remuneration	(11.2)	(5.6)	(6.2)
IPO costs	(1.0)	(0.3)	-
Total expenditure	(16.4)	(10.5)	(10.9)
Operating profit	26.2	13.1	14.4
Operating Profit Margin	61.5%	55.5%	56.9%



Financials - earnings

Shareholders earnings

	H108	H208	H109
	£m	£m	£m
Profit before tax	26.6	13.8	15.0
Tax	(8.3)	(4.2)	(4.3)
Profit after tax	18.3	9.6	10.7
eps – basic	8.33p	4.32p	4.86p
eps – diluted	8.30p	4.32p	4.85p
Proposed final dividend per share	N/A	2.16p	2.43p

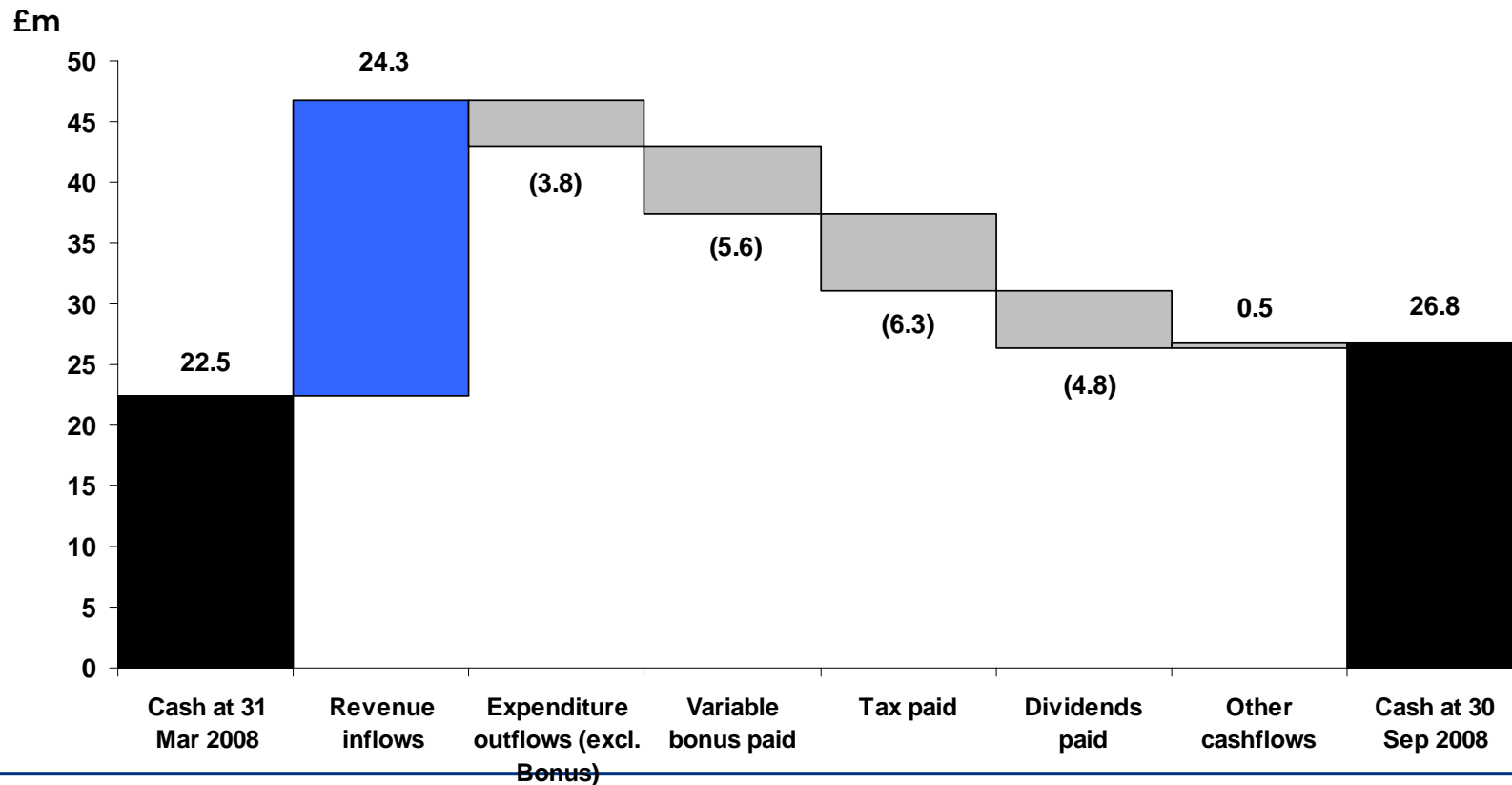
Financials – balance sheet

Balance sheet as at period end

	H108	H208	H109
	£m	£m	£m
Fixed assets	0.7	0.6	0.6
Current assets			
Trade debtors and other receivables	9.3	8.9	9.7
Cash and cash equivalents	34.2	22.5	26.8
Total current assets	43.5	31.5	36.5
Current liabilities	(14.9)	(13.6)	(13.1)
Net current assets	28.6	17.9	23.4
Net assets	29.3	18.5	24.0
Equity	29.3	18.5	24.0

Financials - cash

CASH BRIDGE FOR THE HALF YEAR ENDED 30 SEPTEMBER 2008





Business strategy



Clear strategy continued

- **Seek to maintain and grow currency absolute return where possible and to exploit expected continued growth in demand for currency hedging**
- **Further expand penetration in Europe and North America**
- **Maintain high levels of client service**
- **Develop both existing and new products within currency investment management**
- **Achieve intended benefits of the IPO**

Maintain and grow AuME

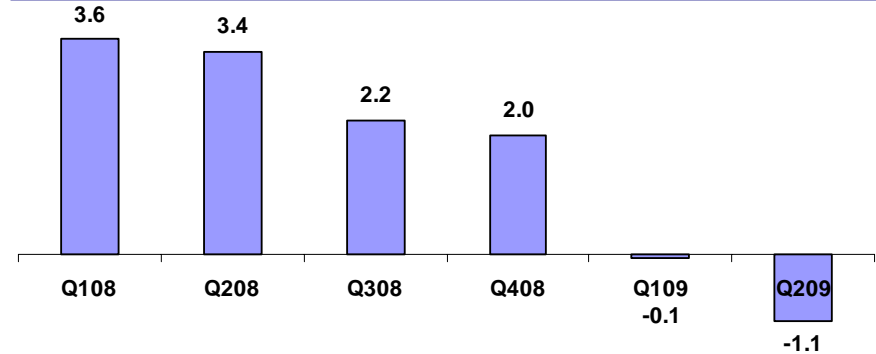
Absolute return

- ✓ Manage consequences of unfavourable market conditions
- ✓ Clients' consultants continue to advocate currency absolute return
- ✓ Continue to promote currency absolute return in the US and continental Europe, in particular as a manager-independent asset class

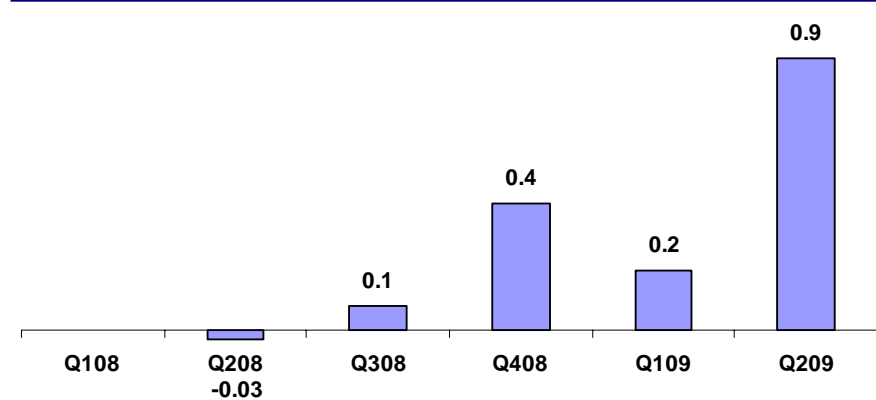
Hedging

- ✓ Growth in demand for active and passive hedging
- ✓ US demand for active hedging – recent wins

ABSOLUTE RETURN NET FLOWS (US\$bn)



ACTIVE NET FLOWS (US\$bn)





Client service

- High levels of client service are supporting the business through a period of disappointing investment performance
- Significant effort being devoted to keeping clients and their consultants informed



Product development

■ Existing products

- ✓ No changes to investment philosophy or process
- ✓ Continue to enhance diversification of pair selections in the absolute return process
- ✓ Risk limitation mechanisms temporarily implemented

■ New products

- ✓ Promoting currency absolute return as a manager-independent asset class may require new 'currency beta' products
- ✓ Emerging Markets: continue to explore opportunities to apply Record's investment processes, appropriately amended, to emerging market currencies, although with caution



Achieve intended benefits of the IPO

- **Higher profile to aid business development and recruitment**

- ✓ Three new senior hires since April 2008 (two in client team)

- **Maintain long-term business continuity**

- ✓ Management succession now a formal goal
- ✓ 'Fast track' stream planned to provide potential senior management
- ✓ Intern programme



Summary

- **Focus in Absolute Return on maintaining existing clients**
 - Consistency of investment process
 - Communicate and maintain relationships with clients and consultants
 - Long-term opportunities strong with 'asset class project'
- **Hedging providing diversified growth, in particular from US**
- **Both existing and new products under development**
- **Benefits of the IPO being delivered**



Appendix



Management and Board

Executive Management

Name	Position	Experience
Neil Record	Chairman Chief Executive	<ul style="list-style-type: none">■ Founded Record in 1983. Principal shareholder and Executive Chairman ever since (25 years at Record)■ Acknowledged as one of the leading figures in the currency investment management industry
Peter Wakefield	Managing Director Chief Operating Officer	<ul style="list-style-type: none">■ Joined Record in 1999 and was appointed Director responsible for product and strategy development and consulting in 2000 (9 years at Record)■ Previously worked at Morgan Grenfell from 1984 to 1999 in various roles in the export financing, structured banking transactions, interest rate swap and options and credit derivatives side
Bob Noyen	Managing Director Chief Investment Officer	<ul style="list-style-type: none">■ Joined Record in 1999 with responsibility for Investment & Research (9 years at Record)■ Previously worked as Assistant Treasurer for Minorco (now part of Anglo American plc)
Leslie Hill	Managing Director Head of Client Team	<ul style="list-style-type: none">■ Joined Record in 1992 and was appointed Head of Sales and Marketing in 1999 (16 years at Record)■ Prior experience includes working at Wells Fargo, Lloyds Bank and Merrill Lynch where she was Director and Head of Corporate Foreign Exchange Sales worldwide
Mike Timmins	Director Chief Financial Officer	<ul style="list-style-type: none">■ Joined Record as Finance Director in 1992 and was appointed to the Group Board in 1995 (16 years at Record)■ Previously served in financial roles at Cadbury Schweppes and as Group Treasurer, Premier Brands Limited
Paul Sheriff	Director Chief Financial Officer [elect]	<ul style="list-style-type: none">■ 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 director, Aviva International; managing director, CGU Insurance; Partner, Coopers & Lybrand■ Currently senior independent director, Brit Insurance Holdings; Chairman, Drive Assist UK; Chairman, Alio Limited
Andrew Sykes	Non-Executive Director	<ul style="list-style-type: none">■ Formerly Chairman, Schroders & Co. Limited■ Currently non-executive director, Gulf International Bank (UK); Smith & Williamson Holdings; JP Morgan Fleming Asian Investment Trust



AuME

- **Currency for absolute return mandates:**

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

- **Active 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:**

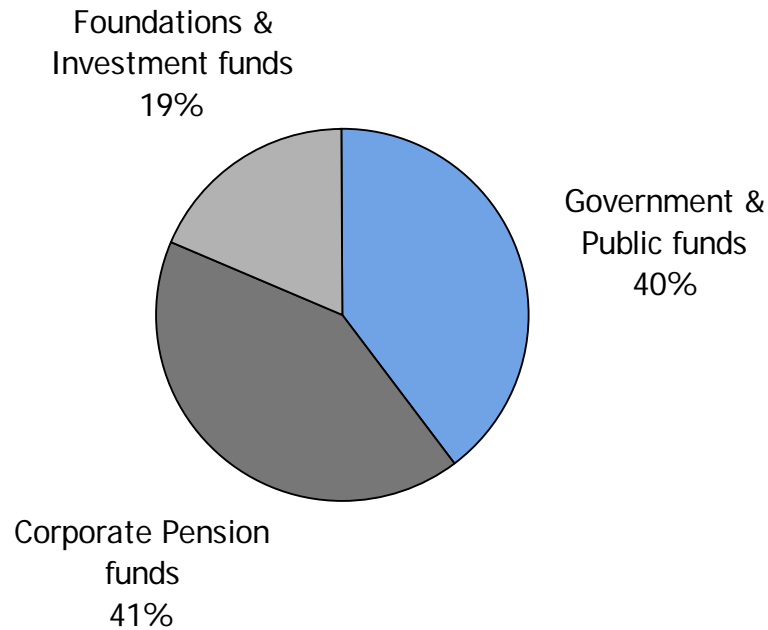
- = the aggregate nominal amount of passive hedges actually outstanding in respect of each client, plus

- **Cash:**

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

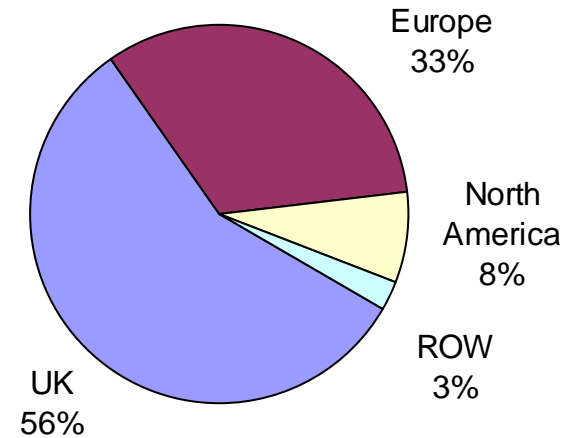
AuME analysis

Split of AuME by client type — 30 September 2008



Total: US\$47.8 billion

Split of AuME by country/region — 30 September 2008



Total: US\$47.8 billion

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



Financials – fee structure

Fee structure analysed by AuME as at 30 September 2008

	Segregated \$ billion	Pooled \$ billion	Total \$ billion	
Management only	9.2	5.4	14.6	61%
Management with Performance	2.8	6.6	9.4	39%
Absolute Return	12.0	12.1	24.1	100%



Financials – concentration

Largest clients by H109 fees

	AuME	Management	Performance	Total	
	\$bn	£m	£m	£m	%
Clients 1-10	15.6	8.3	-	8.3	33%
Clients 11-20	7.9	7.2	-	7.2	23%
Other clients	24.3	9.1	0.7	9.8	44%
Total Income	47.8	24.6	0.7	25.3	100%

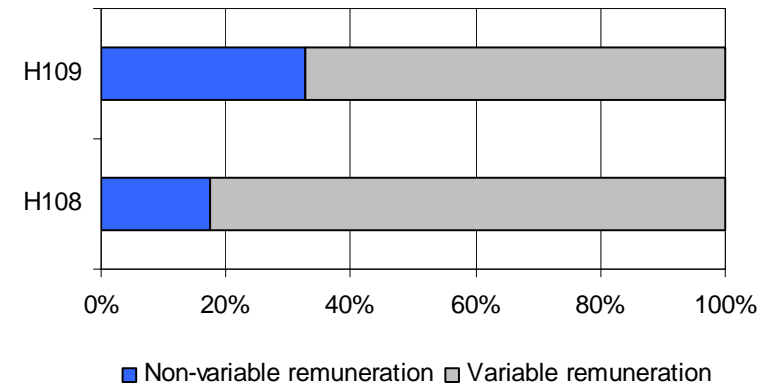
Financials - expenses

KPIs

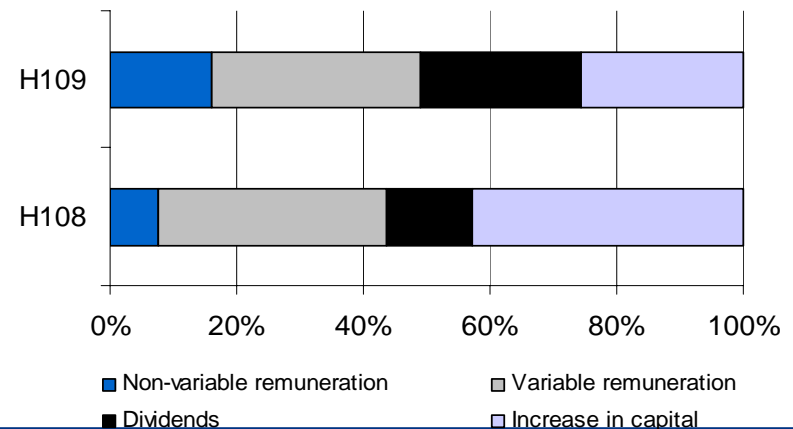
	H108	H109
Number of employees at 30 September	48	59
Operating *: management costs	5.0 times	5.2 times
fees cover		
Total : total income remuneration** cover	3.1 times	2.8 times
Operating profit margin (pre IPO costs)	62%	57%
Basic eps	8.33 p	4.66 p

* excluding profit related bonus and IPO costs
 ** including variable remuneration

Remuneration analysis

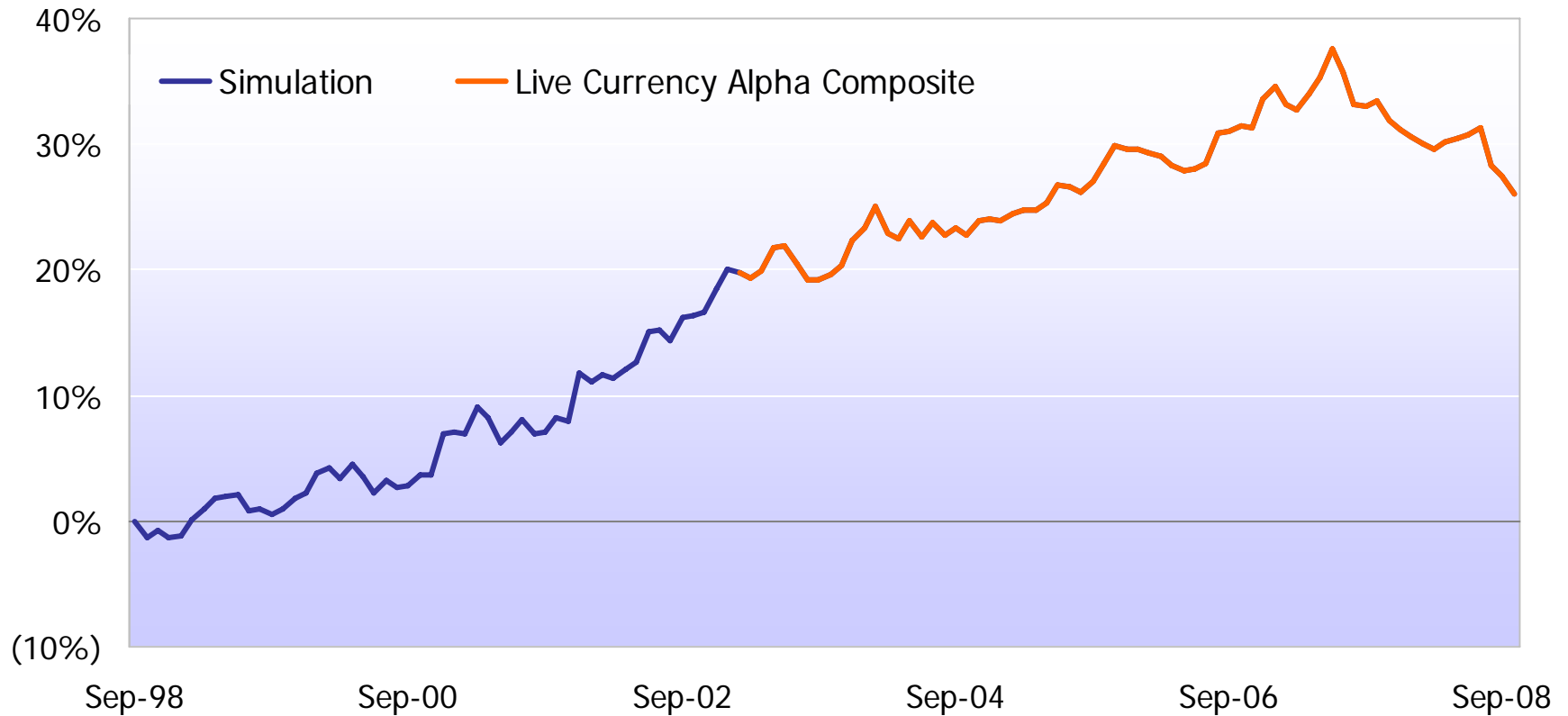


Utilisation of net profit before remuneration costs





Absolute Return track record Sep 98-Oct 08



Note: the simulated returns are for information only