Hargreaves Lansdown PLC

Unaudited preliminary results for the year ended 30 June 2012

5 September 2012

Forward-looking statements

These presentation slides contain forward-looking statements and forecasts with respect to the financial condition and the results of Hargreaves Lansdown 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 Hargreaves Lansdown PLC shares. 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.

Contents

Overview and financial results

Tracey Taylor
Group Finance Director

2012 highlights

Strong growth continues

Excellent results, robust model

- Pre-tax profits up 21%, EPS up 23%
- 20% increase to total dividend at 22.59p per share (final dividend 17.49p)
- Conditions are still challenging – robust business model

Improved our position during difficult conditions

- Increased stockbroking market share
- New products, service and tariff improvements
- Cost ratio reduced by 4bps

Strong organic growth + very high client retention

- Record AUA of £26.3bn (+7%)
- Share dealing volumes +15%
- 425,000 active Vantage clients (+12%), 45,000 new clients
- £3.2bn of assets gathered (2011: £3.5bn), 13% organic growth

Revenue
+15%
(£238.7m vs. £207.9m)

Operating profit
+21%
(£150.6m vs. £124.4m)

Operating margin
+3.3pts
(63.1% vs. 59.8%)

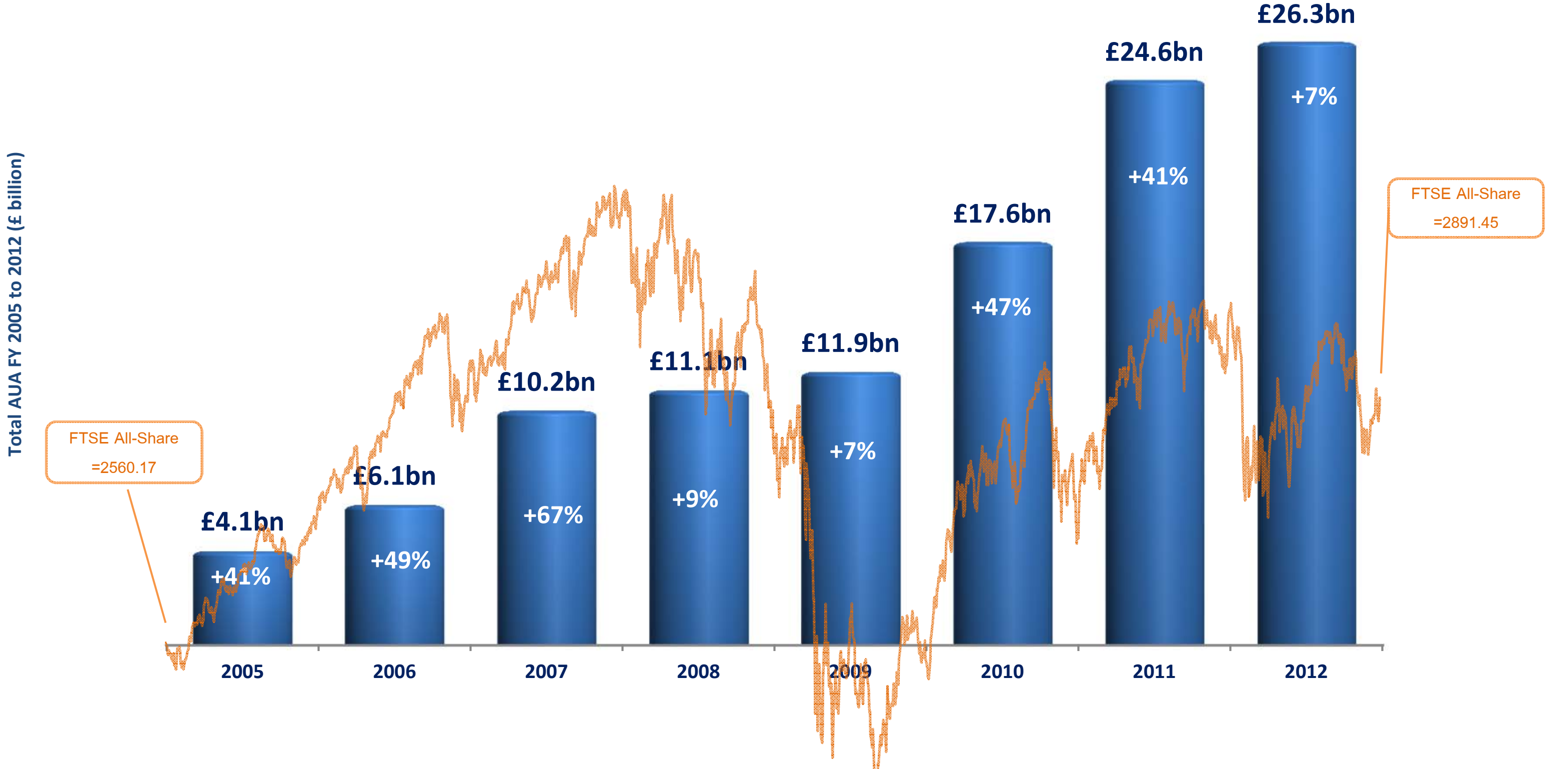
AUA
+7%
(£26.3bn vs. £24.6bn)

FTSE All-Share
-7%
(2891.45 vs. 3096.72)

Track record of growth

Consistent track record of growing AUA, client base, revenue, profits, EPS, and dividends

5 Year CAGR of AUA +21% and clients +14%



Since 2005: £22.2 bn increase to AUA
£18.3 bn new assets gathered

Growth rate
(5 years to FY2012)

Revenue CAGR
+19%

Operating profit
+30%

Operating margin
+21.9pts
(63.1% vs. 41.2%)

Diluted EPS CAGR
+30%

Dividend CAGR
+50%

FY 2012 Group results

Continued growth in revenue and profit

		FY 2012	FY 2011
Revenue	+15%	**£238.7m**	£207.9m
Operating profit	+21%	**£150.6m**	£124.4m
Operating profit margin	+3.3pts	**63.1%**	59.8%
Operating profit is stated after - Total FSCS levy expense		**£4.8m**	£3.7m
Profit before tax	+21%	**£152.8m**	£126.0m
Effective tax rate	-1.1pts	**25.9%**	27.0%
Profit after tax	+23%	**£113.3m**	£91.9m
EPS (diluted)	+23%	**24.1p**	19.6p

£31m increase to recurring revenue

Further operating margin improvement

Effective tax rate has reduced in line with main CT rate

19% increase in recurring revenue

Recurring revenues 81% (FY 2011: 78%)

Ave. level of AUA +12%

Better term deposit rates achieved, 12m LIBOR increased

Lower ISA management fee tariff + share dealing tariff w.e.f 1st August 2011

		FY 2012	%	FY 2011	%
Recurring revenue – fees, interest, renewal income	+19%	**£192.6m**	**81%**	£161.2m	78%
Transactional income – incl. dealing commission, advice fees	-4%	**£42.5m**	**18%**	£44.2m	21%
Other income	+48%	**£3.7m**	**1%**	£2.5m	1%
Total revenue	+15%	**£238.7m**		£207.9m	

Revenue – August tariff changes

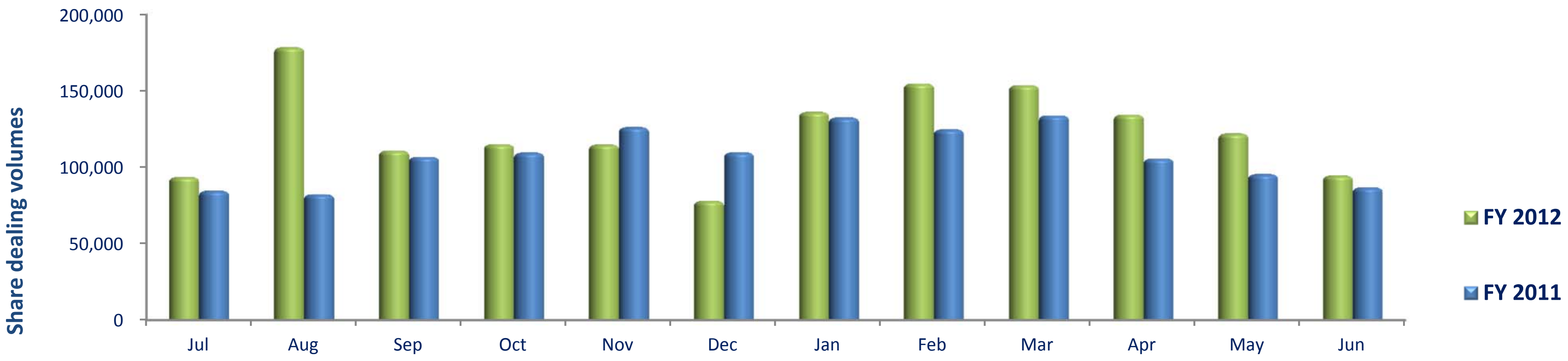
ISA management fee cap reduced from £200 to £45 p.a

Online share dealing tariff reductions

Ave. online income per deal £12.70 (2011: £16.90)

Stockbroking income ⇩ 9% (£23.2m vs £25.3m)

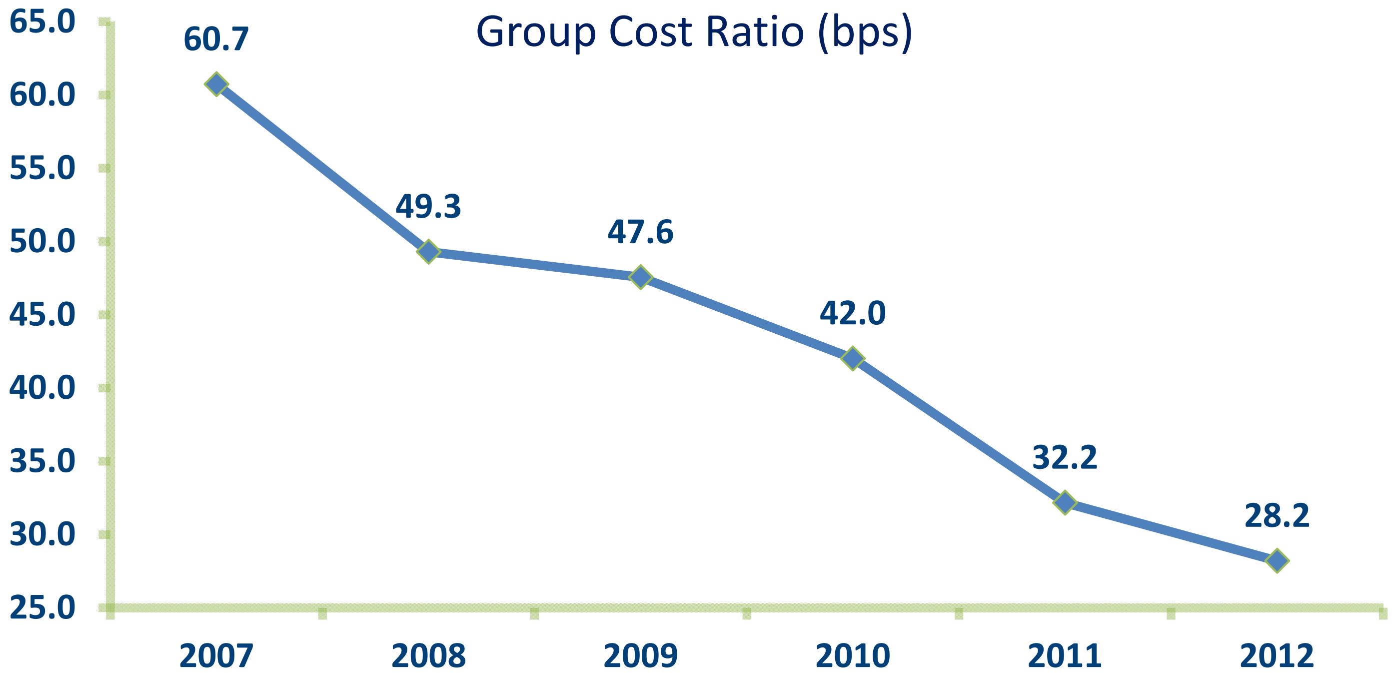
✓ Better than expected



Total deal volumes +15% (1.49m vs 1.30m)

Costs - operating leverage

Cost ratio has improved by 4bps during FY12



Total operating costs (excluding loyalty bonus) as a % of Total AUA (bps)

Cost ratio = costs / average AUA

Costs controlled

5½% growth in costs vs 15% revenue growth

Operational efficiency improvements

Increased spend on promotions, reduction to distribution costs

VAT recovery £2.2m

£4.8m FSCS levy

Additional SIPP incentives planned from January 2013
(c.£6m p.a cost)

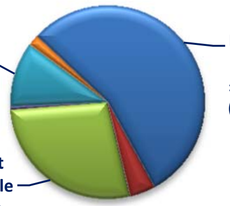
		FY 2012	FY 2011
Total operating costs	**+5.5%**	**£88.1m**	**£83.5m**
Includes:			
Staff costs	+8.5%	**£43.5m**	£40.1m
Marketing + distribution spend	+2%	**£9.4m**	£9.2m
Other costs	-15%	**£6.9m**	£8.1m
FSCS levy costs	+30%	**£4.8m**	£3.7m
Ave. no of staff (FTE)	**+2%**	**657**	**643**

Divisional results

	Revenue	Operating profit
FY 2011	**£207.9m**	**£124.4m**
Vantage	+£25.2m	+£21.5m
Discretionary & Managed	+£2.6m	+£1.5m
Third party & Other services	+£3.0m	+£3.2m
FY 2012	**£238.7m**	**£150.6m**

Vantage

78% of Group revenue

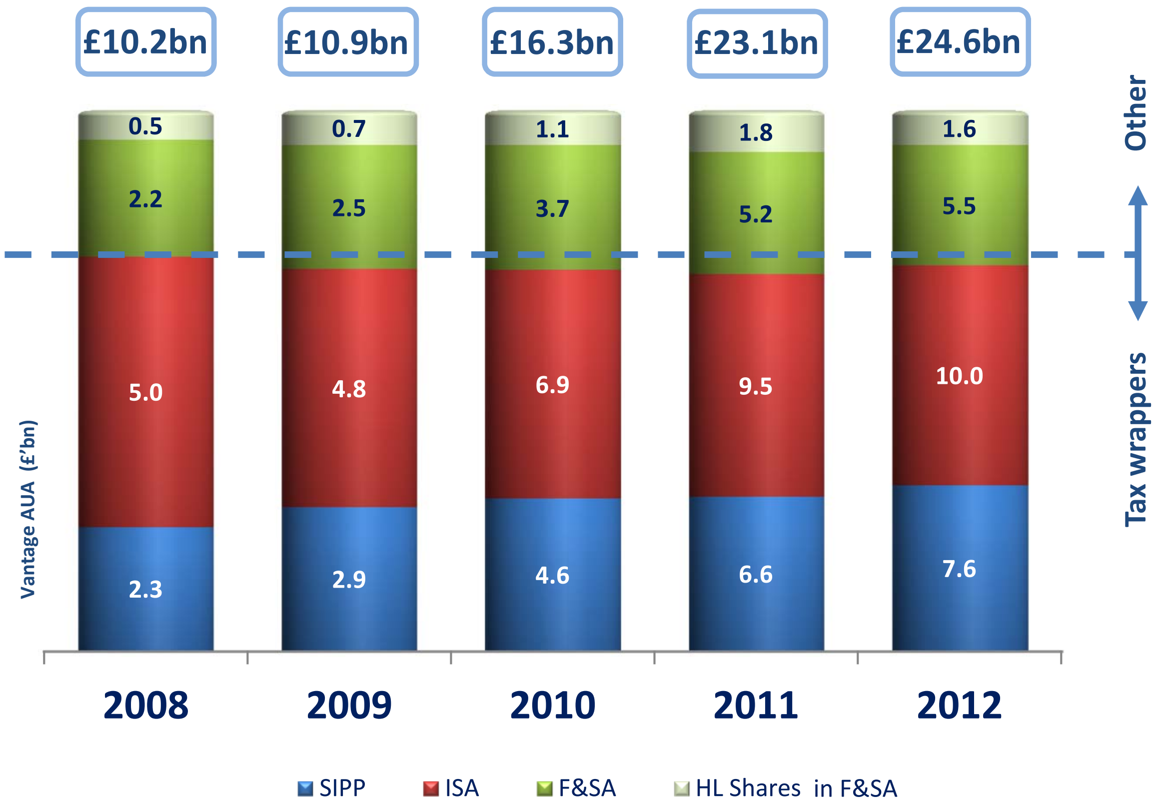


- Revenue margin increased
- Further operating efficiencies
- Merger of Vantage accounts in year (22,000 SIPP/Protected rights accounts)

		FY 2012	FY 2011
Revenue	+16%	**£185.7m**	£160.5m
Average revenue margin (excl loyalty bonus)	+3bps	**81bps**	78bps
Operating profit margin	+3.5pts	**63.7%**	60.2%
Average cost ratio (on AUA, excl loyalty bonus)	-3.2bps	**21.6bps**	24.8bps
No. of active Vantage clients ('000)	+12%	**425**	380
No. of active Vantage accounts ('000)	+7%	**626**	585
Vantage AUA at end of year	+6%	**£24.6bn**	£23.1bn
Vantage net new business inflows	-9%	**£3.1bn**	£3.4bn

£24.6 bn Vantage AUA

72% of Vantage AUA are held in tax wrappers (Jun 2011: 70%)



AUA + 21% 5 year CAGR (to FY2012)

- SIPP + 40%
- ISA + 15%
- F&S + 21%

AUA by asset category:

Cash 12% (2011: 10%)

Shares 31% (2011: 30%)

Investment funds 57% (2011: 60%)

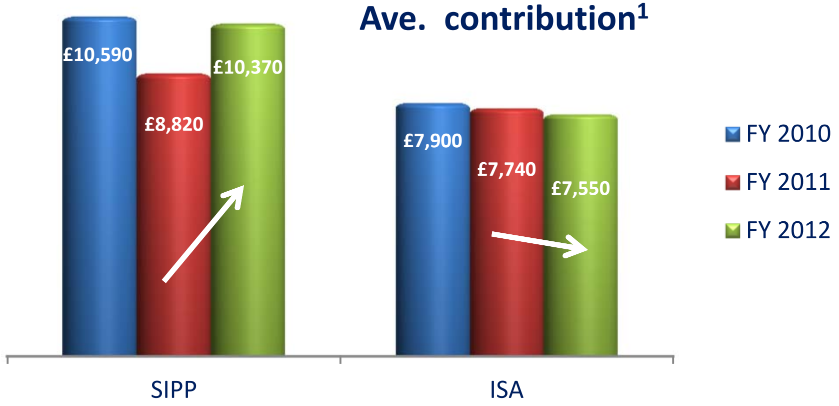
13% organic growth in Vantage

	FY 2012	FY 2011
AUA at start of year	£23.1bn	£16.3bn
Market/other growth	(£1.55bn)	£3.4bn
Market growth %	**-6.5%**	**+20.9%**
Net new business inflows	£3.1bn	£3.4bn
Organic growth %	**+13.4%**	**+20.9%**
AUA at end of year	£24.6bn	£23.1bn
Total growth in AUA %	**+6%**	**+42%**

Vantage net new business £3.1bn

Net new business	FY 2012	FY 2011
Vantage SIPP	£1.4bn	£1.4bn
Vantage ISA	£1.1bn	£1.3bn
Vantage F&S/Other	£0.6bn	£0.7bn
Vantage Total	**£3.1bn**	**£3.4bn**

Ave. contribution[1]



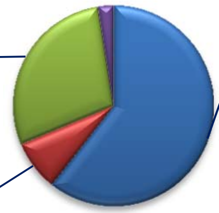
- Simpler £50k p.a pension tax relief, ability to carry forward
- Ave. SIPP contribution +18%
- Junior ISA and Cash ISA launched
- 19% y-o-y increase to regular savings. Run rate £237m
- 45,000 new Vantage clients
- £2.2bn transfers-in to Vantage

- Fall in market affects value of transfer business (48% of total gross new business)
- Households are still facing financial challenges
- Ave. S&S ISA contribution -2%
- Higher level of money withdrawn from ISAs (+32% to £266m)

- Very high client (94.4%) and asset (93.8%) retention rates

[1] Average contribution for those clients who have contributed during the year, includes both member and employer contributions, includes SIPP tax relief

Discretionary and managed



11% of Group revenue

- 3% increase in AUM
- Reduced levels of new business inflows in PMS

		FY 2012	FY 2011
Revenue	+11%	**£27.3m**	£24.7m
Recurring revenue	-1bps	**90%**	91%
Operating profit margin	-1.0pts	**67.4%**	68.4%
No. of PMS clients ('000)	+5%	**12.0**	11.4
Discretionary AUM at period end	+3%	**£2.41bn**	£2.33bn
Net new business inflows to PMS	-25%	**£150m**	£200m

Third Party/Other Services

11% of Group revenue

- Continued growth in developing businesses - Funds Library and HL Markets*

		FY 2012	FY 2011
Revenue	+13%	**£25.7m**	£22.7m
Operating profit margin	+6.5pts	**54.4%**	47.9%
Funds Library revenue	+48%	**£3.7m**	£2.5m
HL Markets revenue	+41%	**£2.4m**	£1.7m

* Relates to Currency, CFDs and Spreadbetting

Continued financial discipline

	June 2012 £m	June 2011 £m
Regulatory capital		
Capital resources	157	131
Regulatory capital requirement *	(21)	(15)
Declared final dividend	(82)	(67)
Total surplus capital after dividend	**54**	**49**
Cash flow		
Operating cash flow % **	**104%**	**92%**
Cash bought forward	108	
Profit after tax	113	
Non cash – incl. depreciation	5	
Dividends paid during year	(90)	
Other items	9	
Cash resources (before final dividend)	**145**	

Low normal capex requirement

Large regulatory capital surplus
(>2 x capital requirement)

Consistently cash generative

Strong, conservative balance sheet
- No debt
- Retain flexibility to reinvest in our business
- Retain responsiveness if opportunities arise

**Pillar 1 minimum capital requirement = £8m*

***Operating cash flows as a % of operating profit*

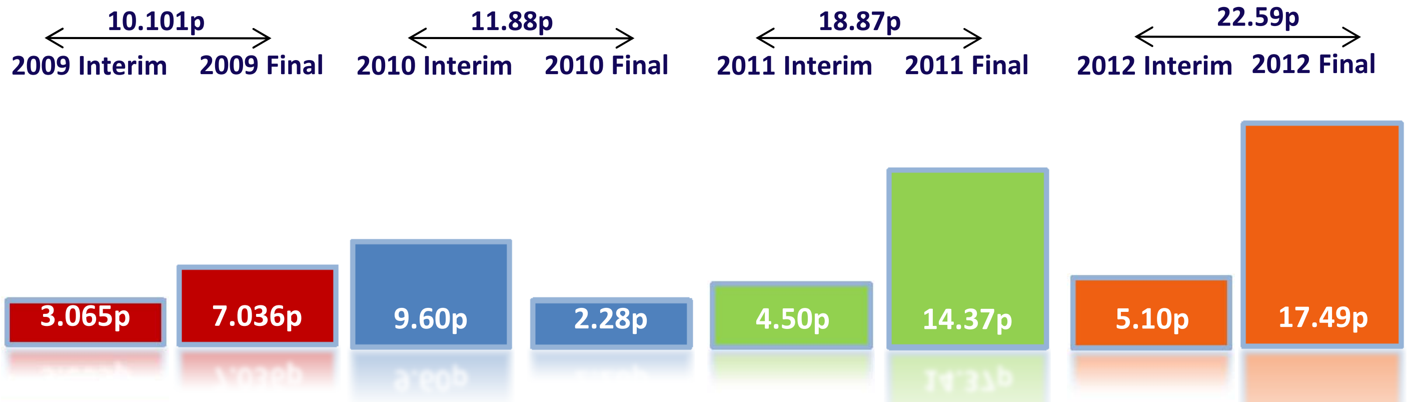
Dividend

22.59p total dividend per share (+20%)

	% of PAT	FY 2012 Pence per share	% of PAT	FY 2011 Pence per share
Interim dividend (ordinary)		5.10p		4.50p
Final dividend		17.49p		14.37p
Total dividend		**22.59p**		**18.87p**
Total ordinary dividend	65%	15.75p	65%	12.91p
Total special dividend	28%	6.84p	30%	5.96p
Total dividend per share	**93%**	**22.59p**	**95%**	**18.87p**

DIVIDEND

Interim and final dividend (p)



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www.HL.co.uk

2012 results summary

Continued growth in difficult conditions	**Revenue: +15%** (£238.7m vs. £207.9m)
Excellent results, robust model	**Op. profit: +21%** (£150.6m vs. £124.4m)
Increased client assets (vs. FTSE All-Share -7%)	**Assets: £26.3bn** (vs. £24.6bn) **Net new bus: £3.2bn** (vs. £3.5bn)
Continue to attract new clients	**New clients: +45,000** (+45,000 vs. +50,000)
Cost control	**Cost ratio: -4bps** (0.28% vs. 0.32%)

Comment and Strategy Update

Ian Gorham
Chief Executive

Results Comment

Strategy update

Regulatory Update

Summary

Retention & satisfaction still excellent….

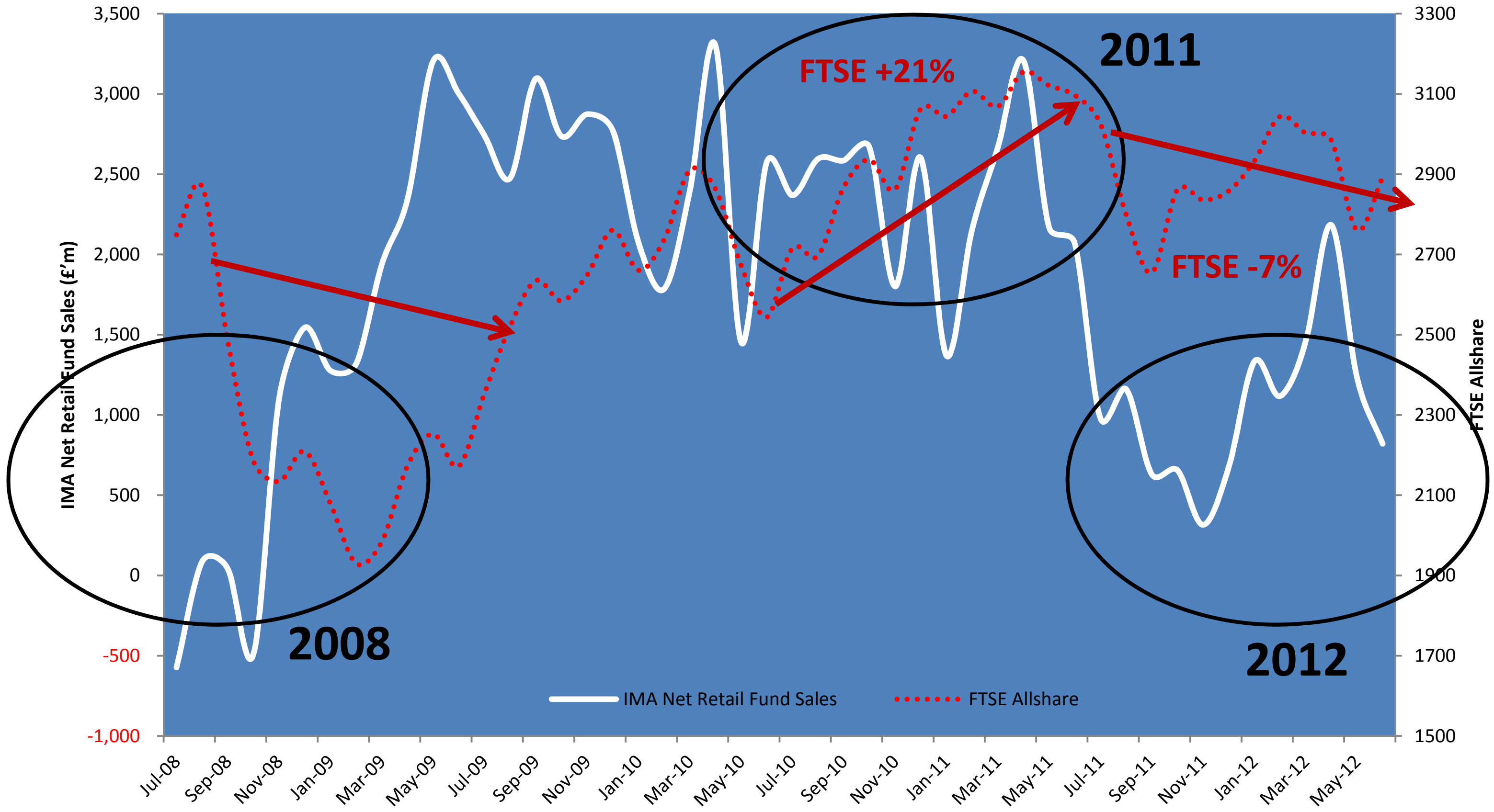
Vantage asset retention increased to 93.8%

	FY 2012	FY 2011
SIPP	95.2%	94.3%
ISA	95.7%	95.3%
F&S/Other	89.9%	85.6%
Vantage	**93.8%**	**92.2%**

Increased value of part withdrawals = tough times for investors
Reduced lost business = improved competitive position

The environment: Retail Fund Sales

Background : 2012 retail fund sales and markets weak......



Key message

“2012: Exceptional performance in very difficult economic climate”

Primarily due to:

- Continuous improvement and investment in the service

- High client satisfaction and recommendation

- Investing remains attractive vs cash and other assets

- Hargreaves Lansdown can grow in all circumstances

Strategic initiatives

Group Strategy : a reminder

- Excellent service
- Asset gathering
- Efficiency improvements
- Quality staff

Best Prices, Best Service, Best Information

3 Key Opportunities

Investment Supermarket	The best place in the UK to buy any investment directly
Digital	Harness electronic channels to encourage investing with Hargreaves Lansdown
The Pensions Opportunity	Providing the UK Public with better Pensions options

Gather (profitable) assets

Strategy update

Investment Supermarket Strategy : Delivery

Improved coverage of ETFs, Investment Trusts

New Cash ISA

Junior ISA

Improved dealing tariff (from 1 August 2011)

Improved regular cash offers

Online overseas dealing

Passive funds, including SWIP and Vanguard

New charting tools and functionality

Strategy rewards

Investment Supermarket Strategy

Market Share of UK Execution-only stockbroking market[1]	**14.3%**
Share dealing volumes	**+15%**
New Clients	**+45,000**
Junior ISA market share *(entire market!)* **(by value)**	**c.15%**
Investment Trust market share **(by value)**	**c.1.27%**
Cash ISA growth	**+225%**

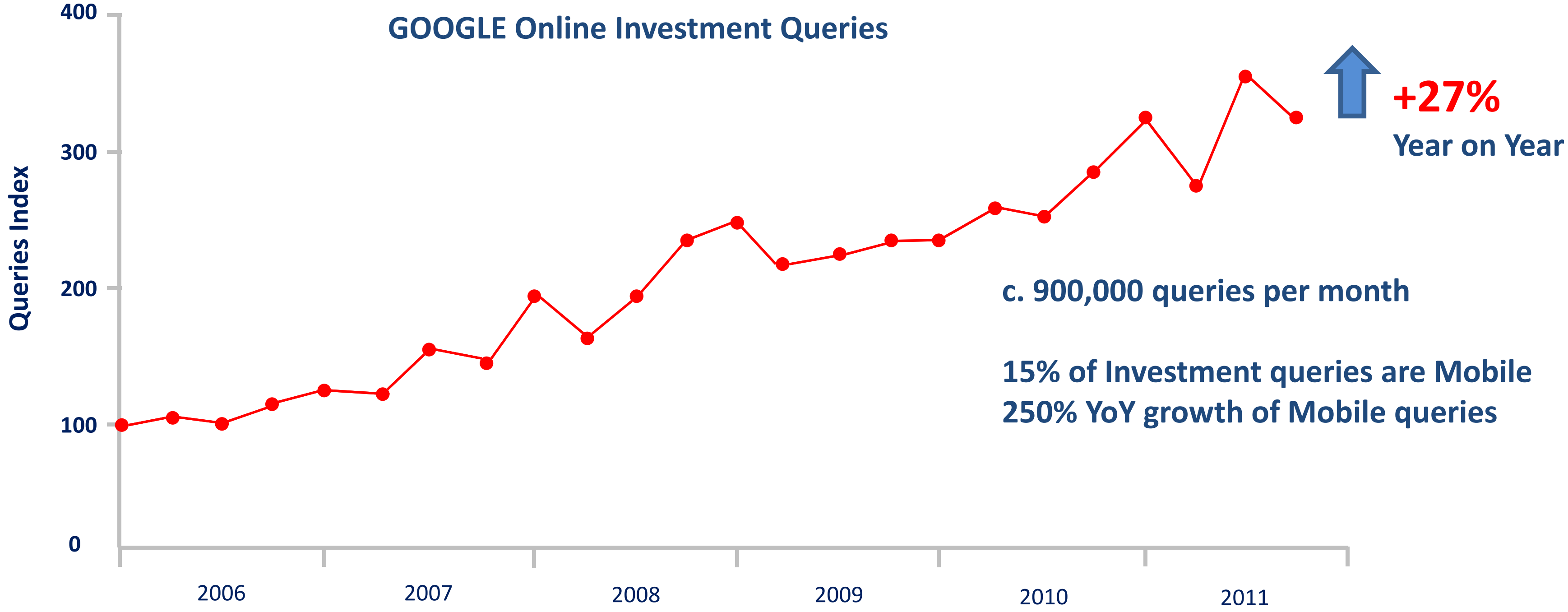
Due to success of these investments the cost impact was far less than anticipated FY2012

1. Source: ComPeer XO Quarterly Benchmarking Report – Quarter 2 2012

Digital Strategy

Digital Strategy : The Opportunity

"Mobile and digital media provide more channels for new business"



Source: Google Internal, Keyword tool

Strategy rewards

Digital Strategy : strategy rewards

"Mobile and digital media provide more channels for new business"

Apps launched on 1 August 2011

Downloaded more than **60,000** times from Apple and Android

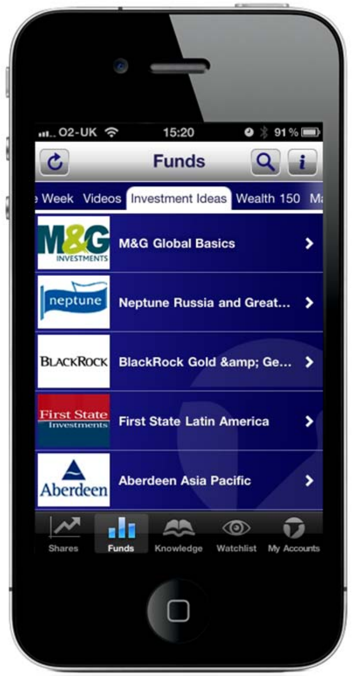
21% of all visits to hl.co.uk now through **mobile media**

+2,680 new accounts opened directly as a result of App use

+40,000 deals undertaken through the app

Website visits 16.5 million for last 6 months, increase of 20%[1]

HLTV watched by **200,000** people on YouTube



1. Versus same period last year

Pensions & Corporate

The Ingredients:

Corporate Vantage

+

Additional pensions incentives

(Cost c£3m FY 2013, c£6m thereafter, to accelerate growth)

+

Auto Enrolment

=

Pensions Opportunity

Corporate Vantage - update

Key performance indicators, growth in:	30 Jun 2012	30 Jun 2011	Annualised Growth
	12 months		
Members*	4,734	2,417	+96%
Schemes*	47	27	+74%
Annual premiums*	£29.6m	£14m	+111%
Value of AUA	£94.8m	£33.5m	+183%

* numbers relate to schemes either live or in implementation (ie won and contracted)

The power of compound contributions

For example, £20 million for 20 years:

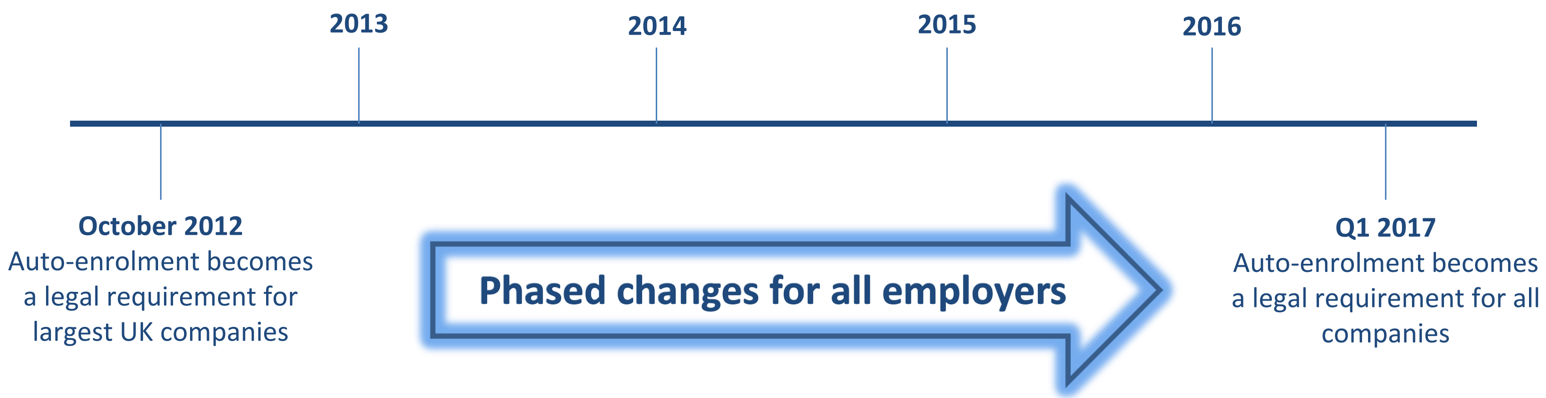
<u>= £1.2bn Net New Assets!*</u>

More certain assets and income:

- **Received in all economic weathers**
- **Cross–selling opportunity**
- **Natural advertising of DIY concept**

* £20m contributions received annually for 20 years, assuming 6% average market growth p.a and 6% increase in contributing company headcount p.a

Auto-enrolment opportunity



- **By 2017 all employers will have to auto-enrol eligible staff into a suitable workplace pension and pay contributions on their behalf**
- **Where workplace pensions are offered, currently only 37%* of employees participate and only 12% of employers offer a scheme at all**
- **Up to 4 million* people could be saving more or for the first time into workplace pensions**

* source: DWP "Making automatic enrolment work" October 2010

Why Auto-enrolment is important

The UK still has limited engagement with direct investing:

Average investment in an equity fund per head of population:

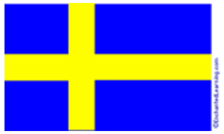
$38,710

£9,776

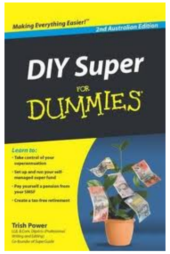
Where engagement is high, public policy has been key:

Australia: “Super” system

United States: 401K



Sweden: policy of funded pension promises



Summary

- Much effort invested into initiatives
- Delivered on time and under-budget
- Rewards continue to be received
- More on the way

Beneficial demographic trends

A growing need to **save earlier, and for longer**

A need to take **more personal responsibility**

Trend away from advice **towards self-directed investing**

Growth of the "defined contribution" generation

More post retirement options eg. income drawdown

Auto-enrolment : Compulsion & increased awareness

We said: Expect to see...

- **Best Direct to Client** - gather assets
- **Organic** – gift horses only
- **UK** – until overseas necessary
- **Focused, low risk, efficient** business
- **Marketing and investment led** approach

- **Energy into** organic commercial opportunities
- **High upside low risk** favoured
- **Operational strength**

The wonderful world of..... Regulation

"Reports of my death have been greatly exaggerated" Mark Twain

A recap....

Advice

“Platforms”
....Evolving

- Fee Based Advice
- Qualifications
- Independence

What's currently in RDR 2 …. ?

No cash rebates confirmed. Separate charges for each part of service:

- **Fund management**
- **Platform service**
- **Advice**

"Unit rebates" will be allowed. They must be passed to clients.

Everyone in the market **has to do this**

Pre- 31 December 2013 business will be unaffected and rebates can still be received.

SIPPs not included (we may choose to include)

Practical implications.... ?

Fees will substitute for rebates. Opportunity to design a fee structure from 1 January 2014.

The advertised AMC of funds post 1 January 2014 is likely to fall, to account for removal of payments from the chain.

Net cost to client remains similar

Loyalty bonus remains and becomes “investment booster” rather than cash.

Pre- 31 December 2013 business will be unaffected and rebates can still be received on it. We are considering options over this.

= All can be accommodated – but some work involved

HL remains better value than advice

Post 31 December 2012 and post 31 December 2013 too

IFA

Fund management	IFA Platform	The IFA	+ other charges
0.75%	0.40%	0.75%	More>

HL

Fund management + Hargreaves Lansdown

These prices are going UP!!

= HL better value than an IFA or discount broker

Recent IFA "RDR" platform pricing

Example based on £30,000 investment account	Platform A	Platform B	Platform C
Equivalent basis points charge	0.42%	0.66%	0.40%

= just for administration! HL does much more.

Cautionary note to readers:

These IFA platforms provide only custody and administration services. They provide no information or support service direct to the retail client as Hargreaves Lansdown does. These companies' pricing is shown to evidence upwards trends in pricing in platform market pricing, especially for smaller investors. Their charges should not be overlaid on Hargreaves Lansdown's assets or taken as a potential Hargreaves Lansdown pricing range for the purposes of speculation. Hargreaves Lansdown is not an IFA platform and has made no pricing announcements.

Why have platform charges risen….?

1. **In future financial advice will only be economic to deliver to the wealthy** – the wealthy can afford higher fees

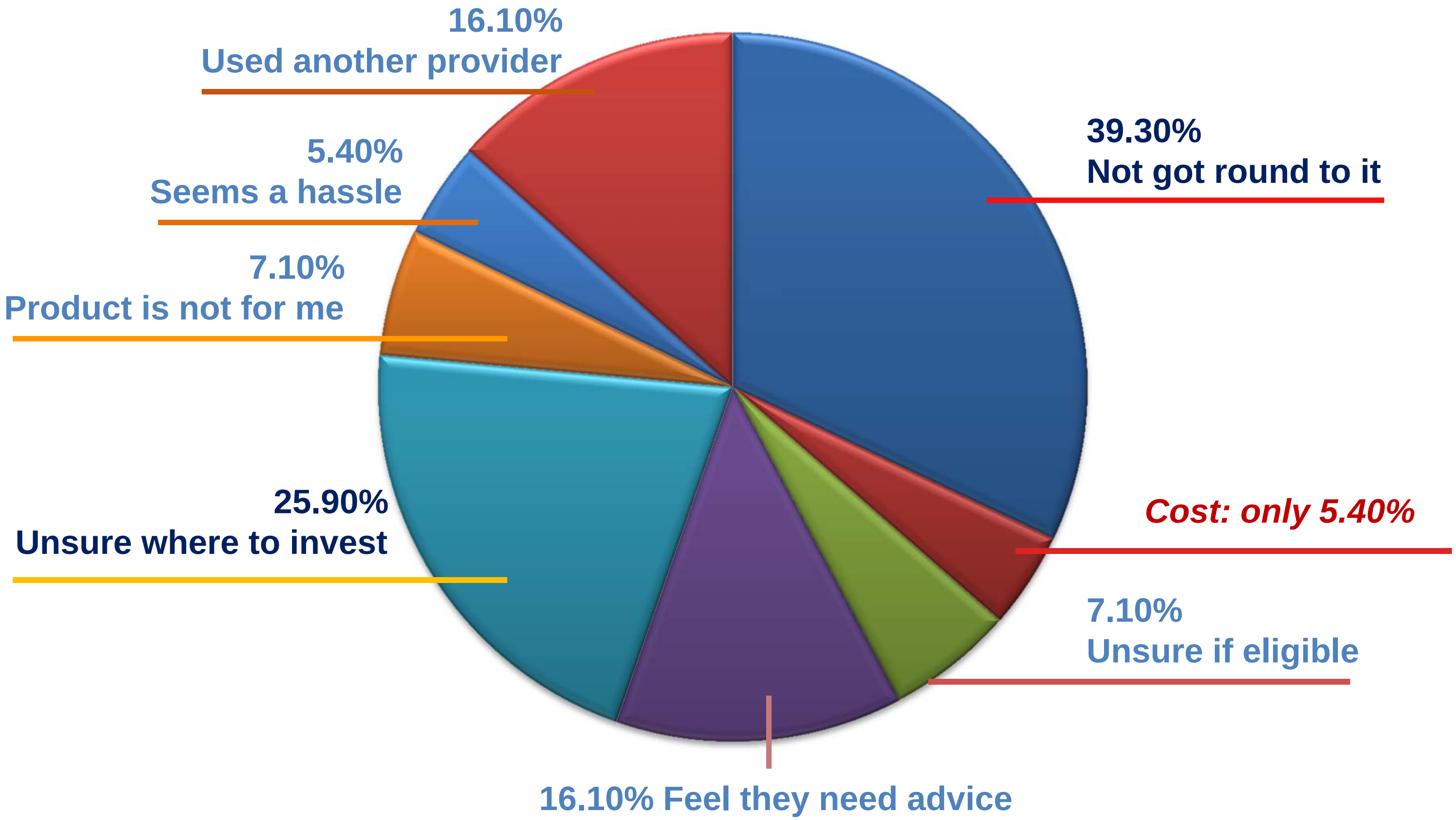
2. **The "introduction of the Euro" effect –** platforms have taken opportunity to convert pricing structures favourably

3. **Many platforms weren't making any money.**

4. **Following trends in other markets** like US and Australia

5. **Good value is important, but retail investing isn't solely price-driven. Service and security are at least as important.**

Example : why do people *not* invest?



Source: HL Survey of individuals who downloaded HL guides but did not proceed to invest.

Summary of our RDR 2 expectation

- **After 31 December 2013, it is likely all services in this market will be fee-charging.** This will include Hargreaves Lansdown.
- We will be able to **continue to offer loyalty bonuses** to clients and use our scale to offer better value
- Advice is becoming more expensive for the UK citizen. **HL will be even better value than using an adviser.**
- **Traditional discount brokers will find it very difficult**. They don't provide a service to justify making any charges.
- RDR 2 will cost us time and money in **operational work**. It should not be material in financial terms.

The revenue and charging scenario

- <u>The overall cost of investing through HL will not rise for the average client and remain much cheaper than using an adviser.</u>

- **We have successfully modelled charging competitive fees in place of commission revenue. We still expect revenue and profit not to be materially affected.**

Barriers to entry will not change....

Need:

- Platform technology: available but has associated cost. HL owns.
- Trusted contact/potential client list: HL has more than 1.6 million
- Retail investment marketing resources & knowledge
- Expertise: this is not easy and attracting top expertise demands scale
- Servicing the client is very different to platform administration. HL has 650 staff for a reason
- Scale – There are high fixed costs
- Very long term payback doesn't suit many investors eg. Private Equity
- Increasing regulatory costs & complexity to deal direct. Europe.
- Need trusted brand – clients now wary who they trust with money
- Need powerful balance sheet for market volatility and investment

None of these barriers will go away as a result of RDR

RDR Challenge is mainly operational….

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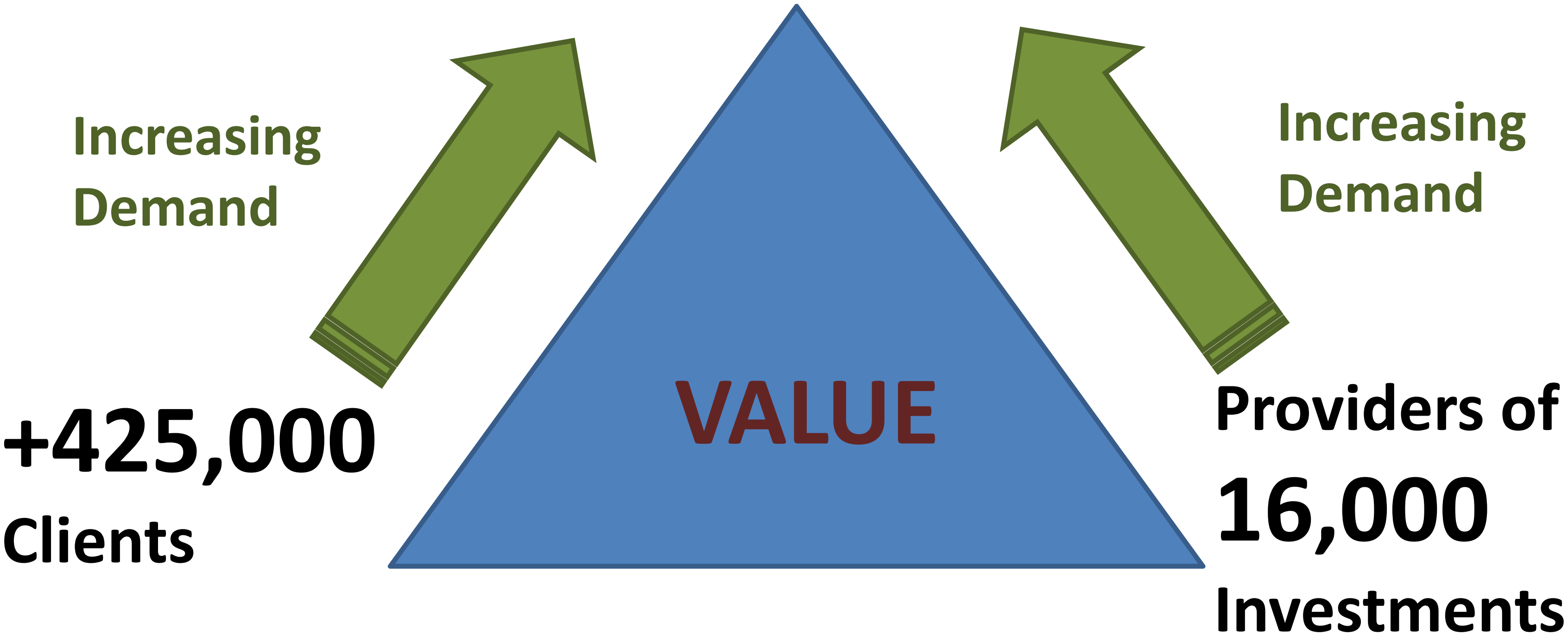


The Round Up

The Key Messages....

- **Excellent Revenue and Profit** performance
- **Robust New Business and new clients**
- **Model resilient to date but challenging conditions**
- **Continued effort** key to maintain growth until better times
- **Strategic initiatives delivered** on time and budget
- Delivered **increased value** and many **new services** to clients
- Tangible **rewards** from clients and in **market position**
- **Exciting new developments**
- **Confident on forseeable regulatory outcomes** - including payment ban

Appendices

Index

Regulation: a recap of RDR 1....

- Focused mainly on the *advice* market
- Two main strands of relevance:

RDR 1 : "the advice part" : no material impact on income

- **PS10/6 Rules** known. HL compliant
- 12% revenue advised. Advisers well qualified, and are now fee based
- Legacy business not affected
- "Platforms" can still take payments from providers
- **PS 11/9** some rules that apply to "platforms"
- Disclosure of commission
- Re-registration in stock
- Unitholder Information [NOW DELAYED]

"RDR 1" Starts 31 December 2012 : HL Prepared

Regulation: a recap of RDR 2 so far….

RDR 2 : "The platform part" : clarity growing

Latest paper CP 12/12

- Almost certain FSA will confirm no payments by providers for distribution
- SIPPs remain excluded – for now
- Negotiating discounts will be allowed : "unit rebates" effectively give clients bonus investments
- Platforms may be able to receive income for certain activities – but not enough to replace rebates
- Likely start date 31 December 2013
- Still in consultation

What happens next?

- Policy Statement with final rules likely before end of the year

"RDR 2" likely to start 31 December 2013

Divisional Revenue

Vantage Revenue		FY 2012	FY 2011
Renewal income	+12%	**£102.3m**	£91.6m
Management fees	-10%	**£7.8m**	£8.7m
Interest receivable	+59%	**£51.2m**	£32.3m
Initial income	-31%	**£0.9m**	£1.3m
Stockbroking income	-11%	**£20.1m**	£22.6m
Advice and other charges	-15%	**£3.4m**	£4.0m
Total	**+16%**	**£185.7m**	**£160.5m**
% of Group revenue		**78%**	77%

Discretionary and Managed Revenue			
Renewal income	+10%	**£7.9m**	£7.2m
Management fees	+10%	**£16.5m**	£15.0m
Advice charges	+16%	**£2.2m**	£1.9m
Interest receivable	+50%	**£0.3m**	£0.2m
Other	-	**£0.4m**	£0.4m
Total	**+11%**	**£27.3m**	**£24.7m**
% of Group revenue		**11%**	12%

Third Party + Other Services Revenue			
Corporate pensions	+17%	**£6.2m**	£5.3m
Investments	+4%	**£4.7m**	£4.5m
Personal life & pensions	+9%	**£7.1m**	£6.5m
Other services	+20%	**£7.7m**	£6.4m
Total (further breakdown on next page)	**+13%**	**£25.7m**	**£22.7m**
% of Group revenue		**11%**	11%

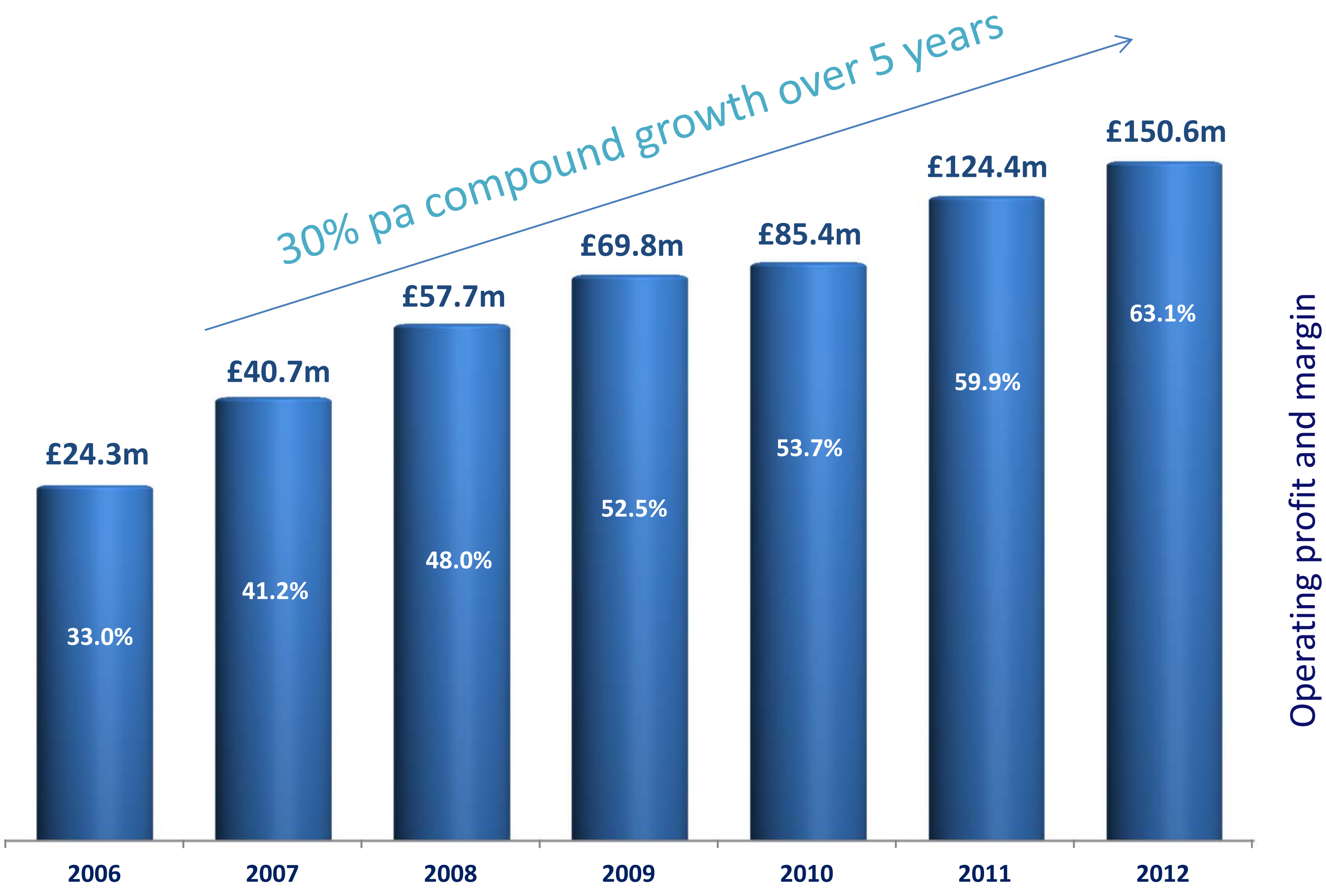
Third Party & Other Services Revenue

			FY 2012	FY 2011
3P Corporate Pensions Revenue				
Renewal income		+22%	**£1.1m**	£0.9m
Initial income	- corporate annuities	-	**£0.6m**	£0.6m
	- corporate pensions	+21%	**£4.0m**	£3.3m
Advisory fees		-	**£0.5m**	£0.5m
Total		**+17%**	**£6.2m**	**£5.3m**
3P Investments Revenue				
Renewal income		+7%	**£4.5m**	£4.2m
Initial income		-33%	**£0.2m**	£0.3m
Total		**+4%**	**£4.7m**	**£4.5m**
3P Personal Pensions Revenue				
Renewal income		-	**£0.5m**	£0.5m
Initial income	- annuities	+5%	**£6.1m**	£5.8m
	- pensions/other	+150%	**£0.5m**	£0.2m
Total		**+9%**	**£7.1m**	**£6.5m**
Other Services Revenue				
Stockbroking income		+15%	**£3.1m**	£2.7m
- *Certificated*		*-30%*	***£0.7m***	*£1.0m*
- *Currency services*	HL Markets	*+42%*	***£1.7m***	*£1.2m*
- *CFD & Spreadbetting*	HL Markets	*+40%*	***£0.7m***	*£0.5m*
Interest receivable		-17%	**£0.5m**	£0.6m
Funds Library income		+48%	**£3.7m**	£2.5m
Other		-33%	**£0.4m**	£0.6m
Total		**+20%**	**£7.7m**	**£6.4m**
Total Third Party & Other Services Revenue		**+13%**	**£25.7m**	**£22.7m**

Costs

		FY 2012	FY 2011
Staff costs	+8.5%	**£43.5m**	£40.1m
Commission payable (loyalty bonus)	+4.5%	**£16.4m**	£15.7m
Marketing and distribution spend	+2%	**£9.4m**	£9.2m
Depreciation, financial costs	-	**£2.6m**	£2.6m
Office running costs	+10%	**£4.5m**	£4.1m
Other costs	-15%	**£6.9m**	£8.1m
Total administrative expenses	+4%	**£83.3m**	**£79.8m**
Total FSCS levy costs	+30%	**£4.8m**	£3.7m
Total operating costs	**+5.5%**	**£88.1m**	**£83.5m**
Ave. no of staff (FTE)	+2%	**657**	643
No of staff at end of period (FTE)	+0.5%	**658**	654
% variable staff costs (discretionary bonus + share based payment)	+4pts	**37%**	33%

Operating profit margin



Simplified cash flow statement

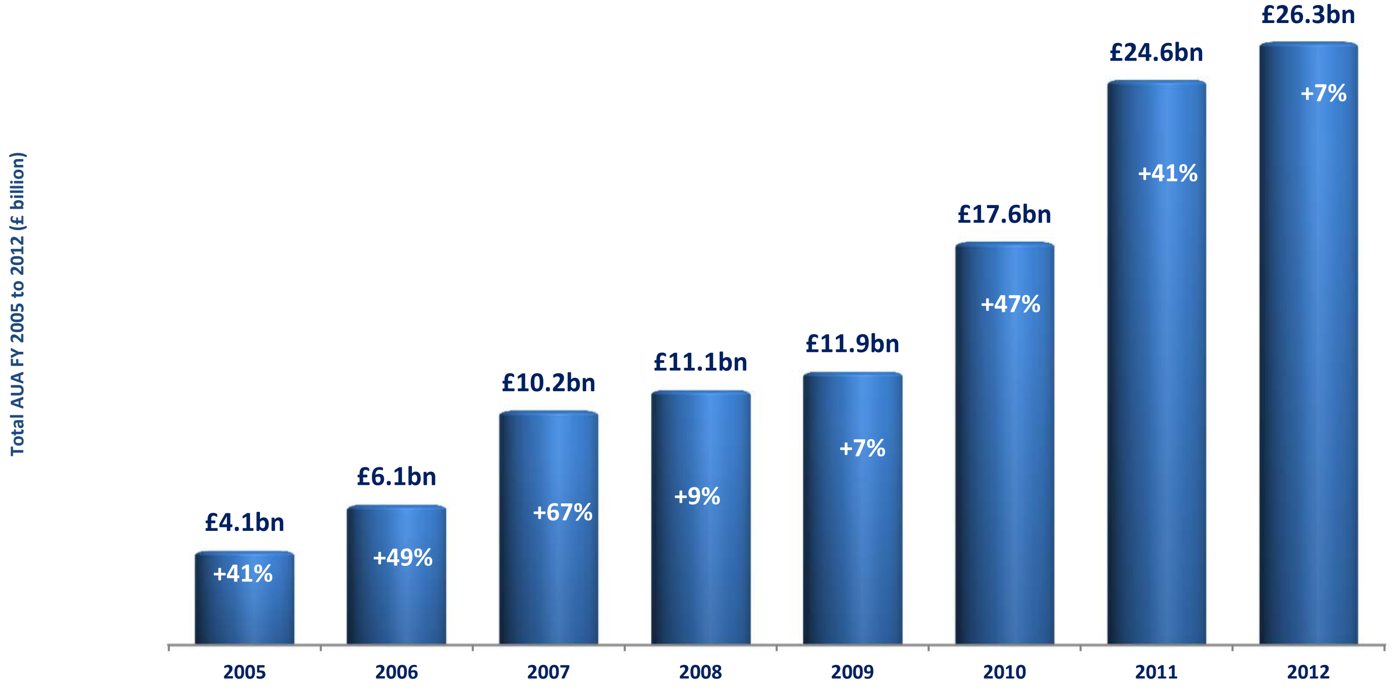
	HL Cash £m
Cash bought forward	**108**
Profit after tax	113
Non cash – incl. depreciation	5
Tax charged less tax paid	4
Dividends paid during year	(90)
Capital expenditure	(1)
(Increase)/decrease in trade debtors	(7)
Increase/(decrease) in trade creditors	10
Net movement in client funding	1
Employee Benefit Trust transactions	2
Cash carried forward	**145**

Assets under administration

	Vantage AUA £bn	Discr. AUM £bn	Less MM funds in Vantage £bn	**FY 2012 £bn**	FY 2011 £bn
AUA at start of period	23.1	2.3	(0.8)	**24.6**	17.5
Net new business inflows	3.1	0.15	(0.0)	**3.2**	3.5
Market movement	(1.55)	(0.0)	0.0	**(1.55)**	3.6
AUA at end of period	**24.6**	**2.4**	**(0.8)**	**26.3**	24.6
Net new business inflow %	**13%**	**8%**		**13%**	20%
Daily ave. FTSE All-Share			-3%	**2882**	2963

FTSE All-Share has decreased by 7% since 30 June 2011

Growth in total AUA



Market/other growth	+16%	+29%	-17%	-11%	+19%	+21%	-6%
Organic growth[1]	+33%	+38%	+26%	+18%	+28%	+20%	+13%
Total growth in AUA	+49%	+67%	+9%	+7%	+47%	+41%	+7%
Vantage client no's	+11%	+15%	+13%	+12%	+17%	+15%	+12%

[1] Organic growth based on net inflows as a % of opening AUA

Discretionary AUM

Net new business inflows £150m (FY 2011: £220m)

	FY 2012 £bn	FY 2011 £bn
AUM at start of period	2.33	1.83
Net new business inflows *	0.15	0.22
Market movement	(0.07)	0.28
AUM at end of period	2.41	2.33
Net new business %	6%	12%
Market movement %	-3%	15%

* Includes multi-manager funds new business inflows held in Vantage FY 2012: £0.03bn, FY 2011 £0.1bn

Vantage AUA

72% of Vantage AUA in tax wrappers (Jun 11: 70%)

	SIPP** £bn	ISA £bn	F&S/Other £bn	Total £bn	FY 2011 £bn
Total AUA at start of period	**6.6**	**9.5**	**7.0**	**23.1**	16.3
Net new business inflows	1.4	1.1	0.6	**3.1**	3.4
Market movement *	(0.4)	(0.55)	(0.6)	**(1.55)**	3.4
Total AUA at end of period	**7.6**	**10.0**	**7.0**	**24.6**	23.1
Net new business %	21%	12%	9%	**13%**	21%
Market movement %	-6%	-5%	-9%	**-6%**	21%
Net business inflows FY 2011	1.4	1.3	0.7		3.4

* Market movements includes other growth factors, such as retained investment income, totalling £273m (FY 2011: £176m).

Figures contain roundings.

** Vantage SIPP AUA includes £1,323m income drawdown assets at 30 June 2012 (June 2011 £1,105m)

Vantage inflows – by quarter

					FY 2012	FY 2011
AUA at start of year					£23.1bn	£16.3bn
Market/other growth					(£1.55bn)	£3.4bn
Market growth %					**-6.5%**	**+20.9%**
Net new business inflows					£3.1bn	£3.4bn
Organic growth %					**+13.4%**	**+20.9%**
AUA at end of year					£24.6bn	£23.1bn
Total growth in AUA					**+6%**	**+42%**
FTSE All-Share					-7%	+22%

	Q1	Q2	Q3	Q4		
Organic growth % FY12* **(annualised)**	+11%	+9%	+18%	+16%	**+13.4%**	**+20.9%**
Organic growth % FY11* **(annualised)**	+13%	+16%	+22%	+18%		

* Organic growth = net new business inflows / opening AUA at the start of the year or quarter. Quarterly figures have been annualised.

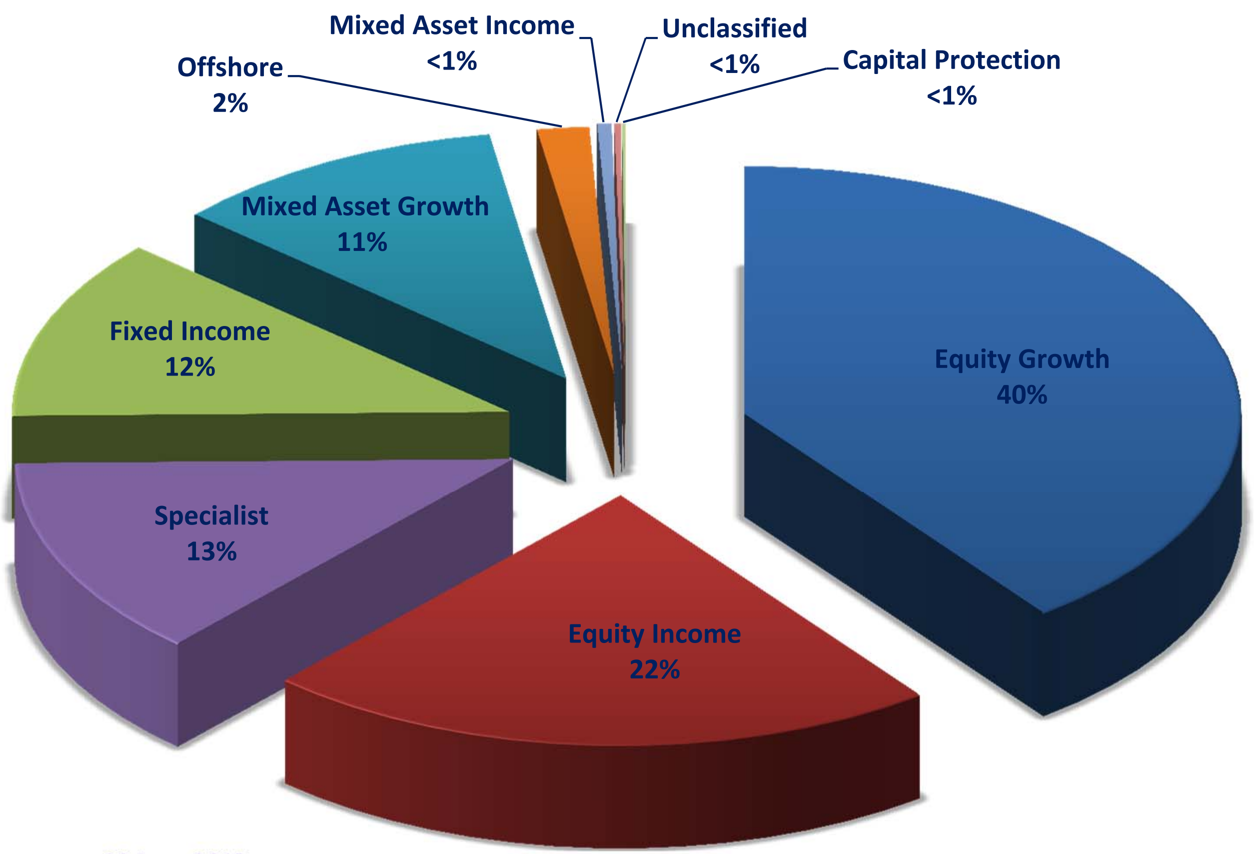
Vantage AUA analysis

72% of Vantage AUA in tax wrappers (Jun 2011: 70%)

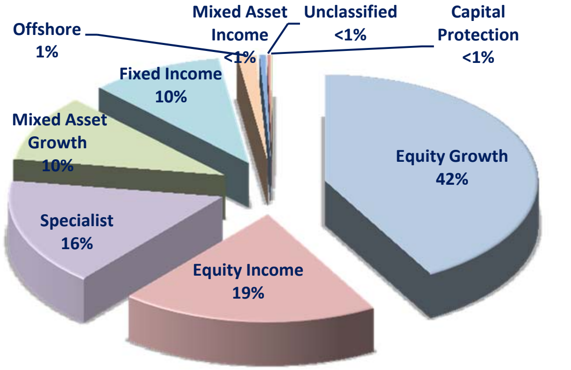
	SIPP	ISA	F&S/Other	Total
At 30 Jun 2012				
Stocks and shares	25%	19%	56%	**31%**
Investment funds	53%	73%	38%	**57%**
Cash	22%	8%	6%	**12%**
% of Vantage	**31%**	**41%**	**28%**	**100%**
At 30 Jun 2011				
Stocks and shares	24%	16%	55%	**30%**
Investment funds	57%	77%	40%	**60%**
Cash	19%	7%	5%	**10%**
% of Vantage	**29%**	**41%**	**30%**	**100%**

Vantage AUA analysis by sector

57% of Vantage AUA held as investment funds (Jun 2011: 60%) across the following sectors:



30 June 2012



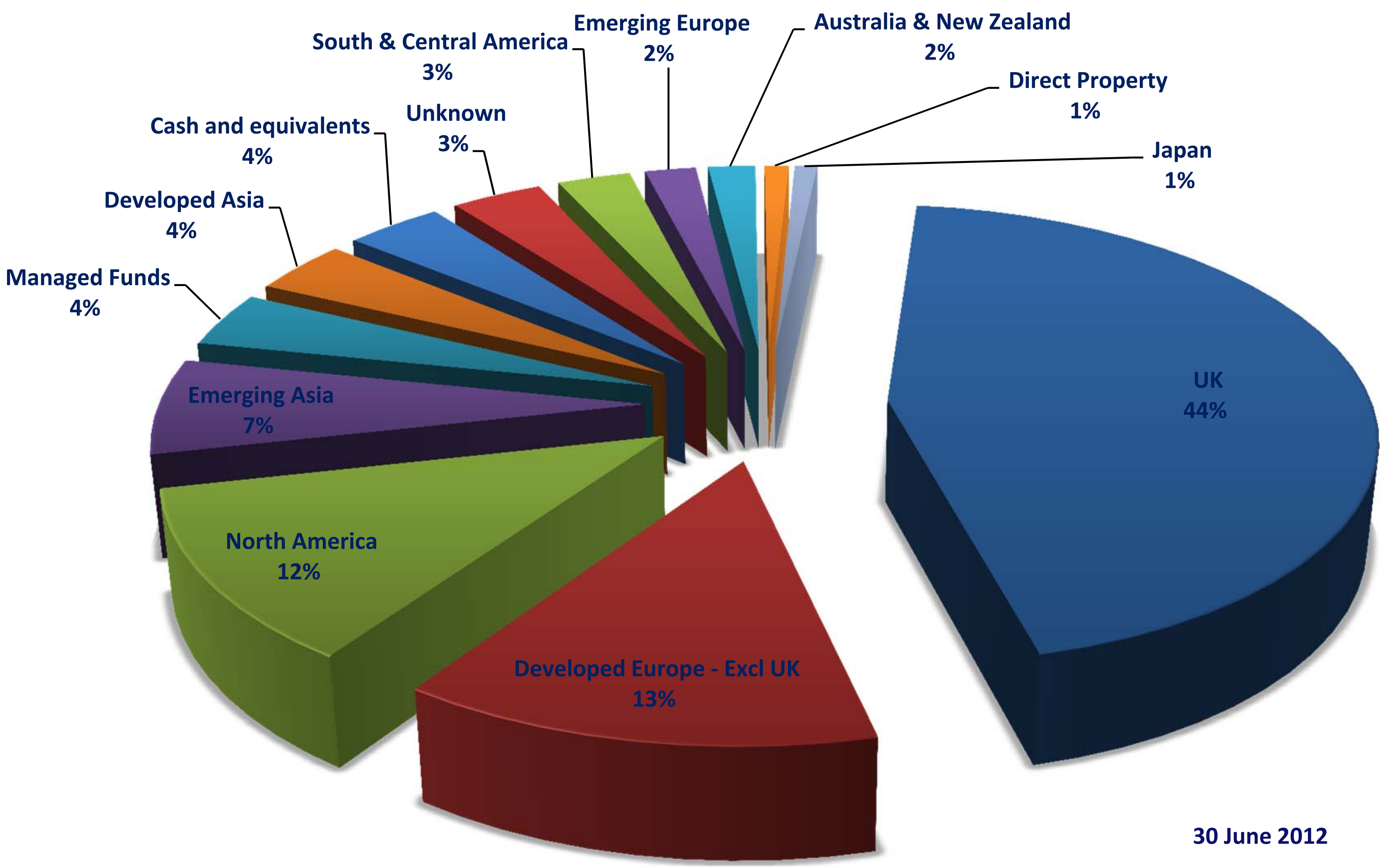
30 June 2011

- ⇩ Equity Growth
- ⇩ Specialist

- ⇧ Equity Income
- ⇧ Fixed Income
- ⇧ Mixed Asset Growth

Vantage AUA Investment funds geographical exposure

> 44% (June 2011: 48%) of underlying holdings within clients investment funds are located outside of the UK



Vantage revenue and average AUA

	FY 2012		FY 2011	
	Revenue £m	Ave Assets £bn	Revenue £m	Ave Assets £bn
Renewal income	102.3		91.6	
Initial commission	0.9		1.3	
Total revenue from qualifying funds	**103.2**	**13.3**	**92.9**	**12.1**
Stockbroking commission	20.1		22.6	
Management fees	7.8		8.7	
Total revenue from other stock	**27.9**	**7.1**	**31.3**	**6.3**
Total revenue from cash	**51.2**	**2.5**	**32.3**	**2.1**
Other income	**3.4**		**4.0**	
Total	**185.7**	**23.0**	**160.5**	**20.5**
Average gross revenue margin	81bps		78bps	
Average net revenue margin	74bps		71bps	

Vantage – other information

	SIPP	ISA	F&S/Other	FY 2012	FY 2011
No. of equity deals	505,000	447,000	518,000	1,470,000	1,271,000
% Internet	94%	80%	87%	87%	83%
No. of fund deals	1,984,000	1,660,000	433,000	4,077,000	3,878,000
Average active client value at period end (£'000)	62.2	34.5	44.4	58.0	60.7
Average age (years)	48.7	55.5	58.2	54.0	54.9
Net new active accounts[1] ('000)	2	26	13	41	71
Clients registered for online access				78%	74%
Clients registered for paperless service				41%	40%

1. 22,000 SIPP protected rights accounts were merged with SIPP VRA main accounts during the year, 24,000 SIPP accounts opened in the year

Recent awards

2012

Best Online Fund Supermarket – MoneyAM Awards
Best Overall Finance Provider – Money AM Awards
Pensions IFA of the year – Tom McPhail – Unbiased.co.uk Media Adviser Awards
The Direct Platform Best User Experience Ratings presented by The Platforum

2011

Best Online Funds Service – MoneyAM Awards
Best Direct-to-Customer Platform – Aberdeen UK Platform Awards 2011
Best SIPP Provider – What Investment
Best Financial Services Plc – UK Stock Market Awards 2011
Best Group SIPP – Pension and Investment Provider Awards (from the Financial Times Limited)