

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser who, if you are taking advice in the United Kingdom, is duly authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all your Ordinary Shares, please send this document and the accompanying documents to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. If you have sold or transferred only part of your holding of Ordinary Shares, you should retain this document and the accompanying documents and consult the bank, stockbroker or agent through whom the sale was effected.

The distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe such restrictions. Any failure to comply with the restrictions may constitute a violation of the securities laws of any such jurisdiction. This document does not constitute an offer to sell or issue, or the solicitation of an offer to buy or subscribe, shares in any jurisdiction in which such offer or solicitation is unlawful.

Shareholders should read the whole of this document.

Lehman Brothers, which is authorised and regulated in the UK by The Financial Services Authority, is acting exclusively for Tullett Prebon plc in connection with the Return of Capital and for no one else and will not be responsible to anyone other than Tullett Prebon plc for providing the protections afforded to its client, for the content of this document, or for providing advice in relation to the Return of Capital. Lehman Brothers makes no representation, express or implied, with respect to the accuracy or completeness of any information contained in this document and accepts no responsibility for, nor does it authorise, the contents of this document.

Your attention is drawn to the letter from the Chairman of Tullett Prebon plc in Part 1 of this document, which contains the unanimous recommendation of your Board that you vote in favour of the Return of Capital at the Extraordinary General Meeting.

Tullett Prebon plc

(Incorporated in England and Wales under the Companies Act 1985, with Registered Number 5807599)

Proposed Return of Capital of £301.5 million to Shareholders

Notice of Extraordinary General Meeting

Notice of the Extraordinary General Meeting of Tullett Prebon plc to be held on 26 February 2007, commencing at 9.00 a.m. is set out in Part 7 of this document. Whether or not you intend to be present at the meeting, please complete and return the form of proxy accompanying this document to the Registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and in any event so as to arrive by not later than 48 hours before the time appointed for the meeting. If you hold Ordinary Shares in uncertificated form, you may also appoint a proxy for the meeting by completing and transmitting a CREST proxy instruction in accordance with the procedures set out in the CREST manual and ensuring that it is received by Capita Registrars (quoting CREST Participant ID RA10) by no later than 48 hours before the time appointed for the meeting. **A summary of the action to be taken by Shareholders is set out on page 7.**

Tullett Prebon plc may include forward looking statements in oral or written public statements issued by or on behalf of Tullett Prebon plc. These forward looking statements may include, among other things, plans, objectives, projections and anticipated future economic performance based on assumptions and the like that are subject to risks and uncertainties. As such, actual results or outcomes may differ materially from those discussed in the forward looking statements. Important factors which may cause actual results to differ include but are not limited to: the unanticipated loss of a material client or key personnel, the actions of competitors, shifts in industry rates of compensation, government compliance costs or litigation, natural disasters or acts of terrorism, and the overall level of economic activity in Tullett Prebon plc's major markets. In light of these and other uncertainties, the forward looking statements included in the document should not be regarded as a representation by Tullett Prebon plc that Tullett Prebon plc's plans and objectives will be achieved.

Tullett Prebon plc does not undertake any obligation to update the forward looking statements to reflect actual results, or any change in events, conditions or assumptions or other factors, unless required to do so by the Prospectus Rules, the Listing Rules or the Disclosure Rules.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Latest time and date for receipt of Form of Proxy to be valid at the Extraordinary General Meeting	9.00 a.m. on 24 February 2007
Extraordinary General Meeting	9.00 a.m on 26 February 2007
Court hearing to confirm the Reduction of Capital	14 March 2007
Record Date for determining entitlement to the Return of Capital	6.00 p.m. on 14 March 2007
Effective date for Reduction of Capital	15 March 2007
Credit CREST accounts with the Return of Capital on Ordinary Shares held in a CREST account	On or around 20 March 2007
Despatch of cheques in respect of the Return of Capital on Ordinary Shares held in certificated form	On or around 20 March 2007
Despatch of replacement share certificates for Ordinary Shares	On or around 20 March 2007

PART 1

Letter from the Chairman of Tullett Prebon plc

(incorporated in England and Wales with registered number 5807599)

Directors

Keith Hamill (*Chairman*)
Terry Smith (*Chief Executive*)
Paul Mainwaring (*Finance Director*)
Louis Scotto (*Executive Director*)
David Clark (*Non-executive Director*)
Michael Fallon MP (*Non-executive Director*)
Richard Kilsby (*Non-executive Director*)
Bernard Leaver (*Non-executive Director*)
Rupert Robson (*Non-executive Director*)
John Spencer (*Senior Non-executive Director*)

Registered Office:

Cable House,
54-62 New Broad Street,
London EC2M 1ST

31 January 2007

To Shareholders and, for information only, to participants in the Tullett Prebon Share Plans

Dear Shareholder

Proposed Return of Capital of £301.5 million at 142 pence per Ordinary Share

Introduction

On 20 March 2006 the board of Collins Stewart Tullett plc announced its intention to demerge its stockbroking business and to return at least £300 million excess capital to shareholders. On 15 December 2006 Tullett Prebon plc (the **Company**) became the holding company of Collins Stewart Tullett plc in accordance with a Court approved scheme of arrangement under section 425 of the Companies Act. On 19 December 2006 the demerger of the stockbroking business took place and Tullett Prebon plc's Ordinary Shares were admitted to the Official List and to trading on the market for listed securities of the London Stock Exchange.

At the time of the demerger, the proposed Return of Capital was dependent on receipt of a waiver from the consolidated capital adequacy tests under the regulatory requirements established by the Capital Requirements Directive (**CRD**). The CRD came into effect in the UK from 1 January 2007 and this waiver has now been granted to the Company.

I am writing to you today to ask for your support to return £301.5 million in cash to Shareholders. This represents approximately 22.3 per cent. of the Company's market capitalisation (based on the Closing Mid-market Price of 635.5 pence per Ordinary Share on 29 January 2007 (being the latest practicable date prior to the publication of this document)). Assuming that no further Ordinary Shares are issued after 29 January 2007 this will allow for a return of capital of 142 pence per issued Ordinary Share.

The proposed Return of Capital is conditional on the approval of Shareholders and confirmation by the Court.

The proposed Return of Capital to Shareholders has been structured so Shareholders will receive their return in the form of a capital repayment following a Court approved reduction of capital of the Ordinary Shares. Your Board believes that the Reduction of Capital is the most suitable method of returning cash to Shareholders. **All Shareholders will retain their proportional equity interest in the Company.**

The purpose of this document is to set out details of the Return of Capital and to give notice of an Extraordinary General Meeting of the Company to be held on 26 February 2007 at which we will seek your approval of these proposals. We will also be seeking your approval at the Extraordinary General Meeting of resolutions to renew the Board's authority to allot shares pursuant to section 80 of the Companies Act and to disapply section 89 of the Companies Act, in each case to take account of the Reduction of Capital.

The Return of Capital

Subject to the approval of Shareholders at the Extraordinary General Meeting and the confirmation of the Court, the Company will reduce the nominal value of each Ordinary Share from 325 pence to 25 pence. Part of the sum arising from such reduction in nominal value will be repaid to Shareholders and the remainder will be credited to the Company's reserves. The Return of Capital will involve the repayment of 142 pence per issued Ordinary Share. Therefore, assuming no Ordinary Shares are issued or cancelled after the date of this document £301,520,157 of the sum arising from the reduction in such nominal value will be repaid to the Shareholders on the Register at 6.00 p.m. on the Record Date (which is expected to be 14 March 2007) *pro rata* to their shareholdings.

Subject to any undertaking required by the Court, the remainder of the sum arising on the Reduction of Capital, £335,494,260, will be credited to the Company's distributable reserves and will be available for future distributions including dividends. The Company's unaudited distributable reserves as at 31 December 2006 were approximately £329 million.

Further details of the Return of Capital are set out in Part 3 of this document.

Financing and Financial Effects of the Return of Capital

On 30 January 2007, TP Holdings Limited, a wholly-owned subsidiary of the Company, entered into a £350 million credit facility agreement with The Royal Bank of Scotland plc and The Governor and Company of the Bank of Scotland (as Arrangers) (the **Credit Agreement**). Under the terms of the Credit Agreement TP Holdings Limited may draw down up to £300 million for the purposes of financing the Return of Capital under a 5 year amortising term loan. A further £50 million may be drawn down for general corporate purposes, including acquisitions, under a 5 year revolving credit facility that is repayable at the end of year 5. The Credit Agreement will be syndicated in due course.

Assuming the Return of Capital had been made (and including costs associated with this Return of Capital and financing fees), as at 30 June 2006, on a pro forma basis (i) the unaudited consolidated net assets of Tullett Prebon would have decreased by approximately £305 million, such that the unaudited consolidated net assets of Tullett Prebon would have been approximately £59 million and (ii) the unaudited net debt would have been approximately £263 million.

Current Trading and Future Prospects

In the interim results of Collins Stewart Tullett plc on 18 September 2006, the following statement was made:

"The Tullett Prebon business has continued to perform in line with our expectations since the half year and, given the current geopolitical uncertainties, volatility in most markets seems likely to continue".

The Board reiterates the guidance on outlook for 2006 in respect of the Group as outlined in the interim results of Collins Stewart Tullett plc announced on 18 September 2006 as set out above.

In addition, the following announcement was made by the Company on 11 January 2007:

"The Board of Tullett Prebon plc announces that the Company has completed the acquisition of 100 per cent. of the stock of Chapdelaine Corporate Brokers Inc. and 100 per cent. of the membership interests of C&W Corporate Securities LLC, these two entities being the owners of Chapdelaine Corporate Securities & Co.

As announced by the Company on 27 October in a statement advising that Heads of Agreement had been signed with the principal shareholders, the consideration remains \$95 million payable in cash, \$57 million

of which is payable on completion and the balance over the next 3 years, part of which is dependent on CCS' performance.

CCS is a long-established New York business which provides brokerage services in corporate bonds, credit derivatives, mortgage backed securities and equities. For the twelve months ended 30 June 2006 CCS reported audited revenues of \$118m.

The acquisition will deepen and strengthen Tullett Prebon's capabilities in North America, particularly in Credit products."

Extraordinary General Meeting

Implementation of the Return of Capital requires the approval of Shareholders. Accordingly, there is set out at Part 7 of this document a notice convening the Extraordinary General Meeting to be held at 9.00 a.m. on 26 February 2007 at 9th Floor, 88 Wood Street, London EC2V 7QR.

At the EGM a special resolution, resolution 1, will be proposed to approve the Reduction of Capital and the Return of Capital. The passing of the special resolution will require not less than 75 per cent. of the votes cast to vote in favour.

At the EGM, as well as the special resolution (resolution 1) to approve the Reduction of Capital and the Return of Capital, resolutions 2 and 3 will also be proposed in order to renew the Board's authority to allot shares pursuant to section 80 of the Companies Act and to disapply section 89 of the Companies Act, in each case to take account of the reduction of the nominal value of the Ordinary Shares that will result from the Reduction of Capital.

Under resolution 2 it is proposed to grant the Board authority to allot unissued shares in the capital of the Company up to a nominal value of £17,694,844, conditional on the passing of resolution 1 and the implementation of the Reduction of Capital. This authority will represent approximately 33 per cent. of the nominal value of the issued ordinary share capital of the Company, assuming implementation of the Reduction of Capital and no issues of shares by the Company after the date of this document. The Company currently holds no shares in treasury.

Resolution 3 seeks to renew, in accordance with section 89 of the Companies Act and conditional on the passing of resolution 1 and the implementation of the Reduction of Capital, the Directors' authority to allot further shares for cash, without first offering them to existing Shareholders under the statutory pre-emption procedure. This authority is limited to the issue of equity securities in connection with rights issues and otherwise up to a nominal amount of £2,654,226 representing approximately 5 per cent. of the nominal value of the issued ordinary share capital of the Company assuming implementation of the Reduction of Capital and no issues of shares by the Company after the date of this document.

As at the date of this document there are options outstanding giving the right to acquire an aggregate of 3,207,584 Ordinary Shares, representing 1.5 per cent. of the Company's issued share capital. The implementation of Resolution 1 will not directly affect the number of such options or the proportion of the Company's issued share capital that they represent. However the Company intends to issue such additional options as is necessary to preserve the economic value of the option holders' interests following the implementation of Resolution 1. The exact number of additional options to be issued will be calculated by reference to the market price of the Ordinary Shares at the time of the Return of Capital.

It is not the Directors' present intention to allot any Ordinary Shares except to satisfy share options that may be exercised under the Company's share option schemes. The authorities contained in resolutions 2 and 3 will expire at the conclusion of the next annual general meeting of the Company.

Shareholders have the right to attend, speak and vote at the Extraordinary General Meeting (or, if they are not attending the meeting, to appoint someone else as their proxy to vote on their behalf) if they are on the Register at 6.00 p.m. on 24 February 2007. Changes to entries on the Register after that time will be disregarded in determining the rights of any person to attend, speak and/or vote at the meeting. If the Extraordinary General Meeting is adjourned, only those Shareholders on the Register at 6.00 p.m. on the day

which is two days before the date of the adjourned Extraordinary General Meeting are entitled to attend, speak and vote or to appoint a proxy.

Taxation

Certain UK and US federal income tax considerations relevant to UK resident (or, in the case of individuals, ordinarily resident) Shareholders and US holders (as defined therein) are summarised in paragraphs 1 and 2 respectively of Part 4 of this document.

Overseas Shareholders

The attention of overseas shareholders is drawn to the additional information set out in paragraph 3 of Part 3 of this document.

Action to be taken

Shareholders will find enclosed a Form of Proxy for use in connection with the Extraordinary General Meeting. Whether or not you intend to be present at the Extraordinary General Meeting, you are requested to complete and return the Form of Proxy sent to you as soon as possible and, in any event, so as to be received by the Company's registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU not later than 9 a.m. on 24 February 2007. If you hold Ordinary Shares in uncertificated form you may also appoint a proxy by completing and transmitting a CREST proxy instruction in accordance with the procedures set out in the CREST manual ensuring that it is received by Capita Registrars (quoting CREST Participant ID RA10) by no later than 48 hours before the time appointed for the EGM. Completion and return of the Form of Proxy will not preclude you from attending the EGM and voting in person if you so wish.

The Return of Capital can only be implemented if Resolution 1 is approved at the Extraordinary General Meeting. It is therefore important that you vote either in person or by proxy (by completing and returning the enclosed Form of Proxy or by completing and transmitting a CREST proxy instruction) at the Extraordinary General Meeting.

Further information

Your attention is drawn to the additional information in Parts 2 to 5 of this document. Shareholders should read the whole of this document and not just rely on the information provided in this letter.

Recommendation

The Board considers that the Resolutions are in the best interests of Shareholders as a whole. The Board has received financial advice from Lehman Brothers and, in giving that financial advice, Lehman Brothers has placed reliance on the Board's commercial assessments of the Return of Capital.

Accordingly, the Board unanimously recommends that Shareholders vote in favour of the Resolutions to be proposed at the Extraordinary General Meeting. The Directors intend to vote in favour of the Resolutions in respect of their own beneficial holdings of Ordinary Shares, currently amounting to 9,055,015 Ordinary Shares, representing approximately 4.26 per cent. of the Ordinary Shares in issue.

Yours faithfully

Keith Hamill
Chairman

PART 2

Risk Factors

This Part 2 addresses risks to which the Group is exposed, and those additional risks relating to the matters to be proposed in the Resolutions, which could adversely affect the business, results of operations, cash flow, financial condition, turnover, profits, assets, liquidity and capital resources of the Group. Prior to voting on the Resolutions, Shareholders should consider these risks fully and carefully, together with all information set out in this document.

Additional risks and uncertainties currently unknown to the Company, or which the Company currently deems immaterial, may also have an adverse effect on the financial condition or business of the Group.

1. Market Risks

Changes in domestic and international market factors that reduce activity levels could significantly harm the Group.

The Group generates revenues primarily from commissions it earns from executing and clearing customer orders. These revenue sources are substantially dependent on customer trading volumes. The volume of transactions its customers conduct with it is directly affected by domestic and international market factors that are beyond the Group's control, including:

- Economic, political and market developments;
- Broad trends in industry and finance;
- Changes in levels of trading activity in the broader marketplace;
- Price levels and price volatility in the securities markets;
- Legislative and regulatory changes;
- Actions of competitors;
- Changes in government monetary policies;
- Foreign exchange rates; and
- Inflation.

Any material decrease in trading volumes would have a material adverse effect on the Group, its financial condition and operating results.

The securities and financial services industries are highly competitive and the Group expects that competition will intensify in the future.

The Group has numerous current and prospective competitors, both domestically and internationally. Some of its competitors and potential competitors have larger customer bases, more established name recognition and greater financial, marketing, technology and personnel resources than the Group has. These resources may enable them to, among other things:

- Develop services similar to the Group or new services that are preferred by the Group's customers;
- Provide access to trading in products or a range of products that the Group does not offer;
- Provide better execution and lower transaction costs;
- Offer better, faster and more reliable technology;
- Take greater advantage of new or existing acquisitions, alliances and other opportunities;
- More effectively market, promote and sell their services;

- Migrate products more quickly or effectively to electronic platforms which could move trading activity from the Group;
- Better leverage their relationships with their customers; and
- Offer better contractual terms to brokers.

In addition, new or existing competitors could gain access to markets or products in which the Group currently enjoys a competitive advantage. Even if new or existing competitors do not significantly erode the Group's market share, they may offer their services at lower prices, and the Group may then be required to reduce its commissions significantly to remain competitive, which could have a material adverse effect on its profitability. If the Group fails to compete effectively, its financial condition and operating results could be materially harmed. A further consideration is that consolidation among the Group's clients may cause revenue to be dependent on a smaller number of clients and may result in additional pricing pressure. While no client accounted for a material part of the firm's total revenue for the year ended 31 December 2005, if its existing clients consolidate and new clients, such as national and regional banks and large hedge funds, do not generate offsetting volumes of transactions, then its revenues may become concentrated on a smaller number of clients. In that event, the Group's revenues may be dependent on its relationships with those clients to a material extent.

The Group operates in a regulated environment that imposes costs and significant compliance requirements on it. The failure to comply with the regulations could subject the Group to sanctions or oblige it to change the scope or nature of its operations.

Regulatory obligations require a commitment of resources. The Group's ability to comply with applicable laws, rules and regulations is largely dependent on its establishment and maintenance of compliance, control and reporting systems, as well as its ability to attract and retain qualified compliance and other risk management personnel. If it fails to establish effectively and maintain such compliance and reporting systems or fails to attract and retain personnel who are capable of designing and operating such systems, this will increase the likelihood that the Group will breach applicable laws and regulations exposing it to the risk of civil litigation and investigations by regulatory agencies. These agencies have broad powers to investigate and enforce compliance and punish non-compliance with applicable rules and regulations and any claims or actions by these agencies could adversely affect the Group.

The compliance requirements imposed by the regulators are designed to ensure the integrity of the financial markets and to protect customers and other third parties who deal with the Group and are not designed to protect the Group's shareholders. Consequently, these regulations can serve to limit the Group's flexibility regarding capital structure. Customer protection and market conduct requirements may also impinge on the scope of the Group's activities.

The current regulatory regimes under which the Group operates, particularly that of the UK FSA, require it to maintain minimum levels of excess capital in each of its regulated entities. As a "limited licence"/"limited activity" firm the Group applied for and obtained a waiver from the consolidated capital adequacy rules under the recently implemented Capital Requirement Directive that came into effect on 1 January 2007. Whilst the Group's management are confident that the Group has and will continue to have sufficient capital, any changes in the Group's regulatory environment in the future could impact the Group's operations.

The securities trading and settlement process exposes the Group to risks that may have an impact on its liquidity and profitability. In addition, liability for unmatched trades could adversely affect its operating results and balance sheet.

The Group provides brokerage services by executing transactions for its clients. Transactions involving cash bonds and equities are executed on a "matched principal" basis whereby the Group acts as a "middleman" by serving as a counterparty to both a buyer and a seller in matching and reciprocal back-to-back trades.

In executing matched principal transactions, the Group is exposed to the risk that one of the counterparties to a transaction may fail to fulfil its obligations, either because it is not matched immediately or, even if matched, because one party fails to deliver the cash or securities it is obligated to deliver. Adverse movements in the prices of securities that are the subject of these transactions can increase the risk. In

addition, widespread technological or communications failures, as well as actual or perceived credit difficulties or the insolvency of one or more large or visible market participants, could cause market-wide credit difficulties or other market disruptions. These failures, difficulties or disruptions could result in a large number of market participants not settling transactions or otherwise not performing their obligations.

The Group is subject to financing risk in these circumstances because if a transaction does not settle on a timely basis, the resulting unmatched position may need to be funded, either directly by the Group or through one of its clearing organisations at the Group's expense. These charges may be recoverable from the failing counterparty, but sometimes are not. In instances where the unmatched failure to deliver is prolonged or widespread due to rapid or widespread declines in liquidity for an instrument, there may also be regulatory capital charges required to be taken by the Group which, depending on their size and duration, could limit the Group's flexibility to transact other business. Credit or settlement losses of this nature could adversely affect the Group's financial condition or results of operations.

In the process of executing matched principal transactions, miscommunications and other errors by the Group's clients or itself can arise whereby a transaction is not completed with one or more counterparties to the transaction, leaving it with either a long or short unmatched position. These unmatched positions are referred to as "out trades", and they create a potential liability for the involved subsidiary of the Group. If an out trade is promptly discovered and there is a prompt disposition of the unmatched position, the risk to the Group is usually limited. If the discovery of an out trade is delayed, the risk is heightened by the increased possibility of intervening market movements prior to disposition. Although out trades usually become known at the time of, or later on the day of, the trade, it is possible that they may not be discovered until later in the settlement process. When out trades are discovered, the Group's policy is to have the unmatched position disposed of promptly, whether or not this would result in a loss to the Group. The occurrence of out trades can increase with market volatility and, depending on their number and amount, such out trades have the potential to have an adverse effect on the Group's financial condition and results of operations.

2. Credit Risks

Customers and counterparties that owe the Group money, securities or other assets may default on their obligations to the Group due to bankruptcy, lack of liquidity, operational failure or other reasons.

The Group often acts on behalf of its customers for trades consummated both on exchanges and in over-the-counter markets. Accordingly, it is responsible for its customers' obligations with respect to these transactions, which exposes it to credit risk. Although the Group regularly reviews its credit exposure to specific customers and counterparties to address credit concerns, default risk may arise from events or circumstances that are difficult to detect or foresee. In addition, concerns about, or a default by, one institution could lead to significant liquidity problems, losses or defaults by other institutions, which in turn could adversely affect the Group. The Group may be adversely affected in the event of a significant default by its customers and counterparties.

3. Operating Risks

The Group's future success depends to a significant degree upon the continued contributions of its key personnel.

The Group's future success will depend greatly upon the expertise and continued services of certain key personnel, including its Board. The Group has employment or service contracts with its key personnel, and has in place employee share plans. The Group cannot, however, guarantee the retention of such key personnel. The Directors believe they have taken reasonable steps, including the incorporation of minimum notice periods and noncompete provisions within service contracts, to lessen the impact of a departure of a key member of personnel should he or she decide to leave the business. Nevertheless, the Group's business, its results or operations and financial condition may be adversely affected by the departure of one or more key members of personnel.

The Group may not be successful in its efforts to recruit and retain personnel.

The Group's future success depends upon the efforts of its qualified and highly trained personnel, and upon its ability to recruit, retain and motivate such personnel, particularly in light of the rapid pace of technological advances. The level of competition for such skilled individuals is intense. If the Group is not able to attract and retain highly skilled employees, or it incurs increased costs associated with attracting and retaining personnel, it could have a material adverse effect on its financial condition and operating results.

The Group may fail to provide its employees with adequate training to allow them to fulfil their roles competently and obtain required qualifications.

Background checks are conducted on new employees as a matter of course but there remains the possibility that some employees may have misrepresented their qualifications and experience. Training needs are assessed on a regular basis and tuition provided accordingly. There remains a risk that the Group will fail to assess the needs adequately. Should errors subsequently arise as a result of poor training and experience, this could lead to litigation and have an adverse effect on reputation.

The Group may fail to maintain its computer and communications systems and networks properly or to upgrade and expand such systems in response to technological change.

The Group needs to maintain the computer and communications systems and networks that it currently owns and operates. Its failure to maintain these systems and networks adequately could have a material effect on the performance and reliability of such systems and networks, which in turn could materially harm its business.

Further, the markets in which the Group competes are characterised by rapidly changing technology, evolving customer demand and uses of its services and the emergence of new industry standards and practices that could render its existing technology and systems obsolete. The Group's future success will depend in part on its ability to anticipate and adapt to technological advances, evolving customer demands and changing standards in a timely, cost-efficient and competitive manner and to upgrade and expand its systems accordingly. Any upgrades or expansions in technology and the use of technology may require significant expenditures of funds and may also increase the probability that it will suffer system degradations and failures. The Group may not have sufficient funds to update and expand its networks adequately, and any upgrade or expansion attempts may not be successful and accepted by the marketplace and its customers. Its failure to update and expand its systems and networks adequately or to adapt its systems and technology to evolving customer demands or emerging industry standards would have a material effect on the Group. Specifically, development by the Group's competitors of new electronic trade execution or market information products that gain acceptance in the market could give those competitors a "first mover" advantage that may be difficult for the Group to overcome with its own technology.

The secure transmission of confidential information over public networks is a critical element of the Group's operations. Its networks and those of the third-party service providers and counterparties with whom the Group trades and its customers may be vulnerable to unauthorised access, computer viruses and other security problems, including the Group's inadvertent dissemination of non-public information. Persons who circumvent security measures or gain access to customer information could wrongfully use the Group's or the Group's customers' information or cause interruptions or malfunctions in the Group's operations, any of which could have a material adverse effect on the Group, its financial condition and operating results. Additionally, the Group's reputation could be damaged. If an actual, threatened or perceived breach of its or its security providers' security were to occur, or if the Group was inadvertently to release confidential customer information the Group could be exposed to the risk of litigation and regulatory investigation or sanctions. In addition, the market perception of the effectiveness of security measures could be harmed and could cause customers to reduce or stop their use of the Group's services. The Group or its service providers may be required to expend significant resources to protect against the threat of any such security breaches or to alleviate problems, including reputational harm and litigation, caused by any breaches. Any security measures implemented by the Group or its service providers may prove to be inadequate and could result in incidental system failures and delays that could have an adverse effect on the Group's financial condition and operating results.

Systems or facilities failure, capacity constraints or external factors (including power outages or terrorist action) could limit the Group's ability to conduct its operations.

The Group is heavily dependent on the capacity and reliability of the computer and communications systems and facilities supporting its operations, whether owned and operated internally or by third parties. These computer and communications systems and facilities may suffer performance degradation or failure from any number of reasons, including loss of power, acts of war or terrorism, human error, natural disasters, fire, sabotage, hardware or software malfunctions or defects, computer viruses, intentional acts of vandalism, customer error or misuse, lack of proper maintenance or monitoring and similar events. If such a degradation or failure were to occur, it could cause:

- Unanticipated disruptions in service to the Group's customers;
- Slower response times;
- Delays in trade execution;
- Failed settlement of trades; and
- Incomplete or inaccurate accounting, recording or processing of trades.

Further, if the Group's disaster recovery plans do not operate effectively, they may not be adequate to correct or mitigate the effects of any of the above eventualities. In addition, the disaster recovery plans or personnel of its third-party service providers may not be adequate to correct or mitigate any of the above eventualities or be implemented properly. The occurrence of degradation or failure of the communications and computer systems and facilities on which the Group relies may lead to financial losses, litigation or arbitration claims filed by or on behalf of its customers. Any such degradation or failure could also have a negative effect on the Group's reputation, which in turn could cause it to lose existing customers to its competitors or make it more difficult for it to attract new customers in the future.

The Group may not detect or deter employee misconduct or errors.

There have been a number of highly publicised cases involving fraud or other misconduct by employees of financial services firms in recent years. Misconduct by the Group's employees could include hiding unauthorised activities from the Group, improper or unauthorised activities on behalf of customers, improper use of confidential information or use of improper marketing materials. Employee misconduct could subject the Group to financial losses or regulatory sanctions and seriously harm its reputation. It is not always possible to deter employee misconduct, and the precautions the Group takes to prevent and detect such acts may not be effective in all cases. Employees may also commit errors that could expose the Group to the risk of financial claims for negligence or otherwise, as well as regulatory actions. This could seriously harm the Group's reputation and could adversely affect its financial condition and operating results.

The Group requires liquidity and new credit agreements contain restrictive covenants which may limit the Group's working capital and corporate activities.

Ready access to cash is essential to the firm's business. Its liquidity could be impaired by an inability to access lines of credit, an inability to access funds from its subsidiaries or an inability to liquidate customer positions or otherwise sell assets. This situation may arise due to circumstances outside the Group's control, such as a general market disruption or an operational problem that affects third parties or itself. Further, the Group's ability to liquidate customer positions or otherwise sell assets may be impaired if other market participants are seeking to sell similar assets at the same time.

As part of the intended reorganisation of the Group's capital structure, the Group has entered into credit agreements which impose operating and financial restrictions on it, including restrictions which may, directly or indirectly, limit its ability to:

- Merge, acquire or dispose of assets;
- Incur liens, indebtedness or contingent obligations;
- Make investments;

- Engage in certain transactions with affiliates and insiders;
- Enter into sale and leaseback transactions;
- Pay dividends and other distributions; and
- Enter into new lines of business that are substantially different to current lines of business.

In addition, these credit agreements contain covenants that require the Group to maintain specified financial ratios and satisfy specified financial tests. As a result of these covenants and restrictions, the Group may be limited in how it conducts its business, and it may be unable to raise additional financing, to compete effectively or to take advantage of new business opportunities. The Group cannot guarantee that it will be able to remain in compliance with these covenants in the future. The credit agreements also contain several events of default, including non-payment, certain bankruptcy events, covenant or representation breaches or a change in control.

The Group may be adversely affected if its reputation is harmed.

The Group's ability to attract and retain customers and employees and raise appropriate financing or capital may be adversely affected to the extent its reputation is damaged. If it fails, or appears to fail, to deal with various issues that may give rise to reputational risk, its reputation and in turn its business prospects may be harmed. These issues include, but are not limited to, appropriately dealing with potential conflicts of interest, legal and regulatory requirements, ethical issues, money-laundering, privacy, record-keeping, sales and trading practices, and the proper identification of the legal, reputational, credit, liquidity and market risks inherent in its business. Failure to address these issues appropriately could give rise to additional litigation and regulatory risk to the Group.

The Group is exposed to funding risks in relation to the defined benefits under its pension schemes.

Participating employers in the Group participate in either or both of the Group's UK defined benefit occupational pension schemes. The participating employers are obliged by law to maintain a minimum funding level in relation to their ongoing obligation to provide current and future pension benefits for the members of the pensions trust who are entitled to defined benefits. The trustees of the pension schemes have a wide discretion under the respective trust deeds to decide the contributions payable by the participating employers. The size of the deficits in the defined benefit schemes may also increase due to a reduction in the value of the schemes' assets, or an increase in the schemes' liabilities due to changing mortality assumptions, changing discount rate assumptions, the expected rate of return on scheme assets, or other factors. Additionally, if either pension trust is wound up for any reason, the participating employers would become statutorily liable to make an immediate payment to the trustees of the relevant pension scheme to bring the funding of the defined benefits to a level that is higher than the minimum required by law. Additionally, if an employer is deemed to be "insufficiently resourced", the Pensions Regulator could issue a financial support direction that requires the relevant participating employers of the Group or an associated or connected company to put in place financial arrangements to support the pension liabilities, if it thinks it is reasonable to impose the direction on that company.

4. Risk Relating to Increased Borrowings

The Group will have increased borrowings following the Return of Capital.

Upon Completion of the Return of Capital, the Group's level of borrowings will increase. Whilst the Board is satisfied that this increased level of borrowings will not impact the operations of the business, its financial performance will have increased exposure to events such as movements in interest rates. In addition, the Group may have reduced access to additional debt.

5. Risks Relating to Ordinary Shares

As a holding company, the Company's ability to pay dividends will depend upon the level of distributions, if any, received from its operating subsidiaries, regulatory requirements and the successful conversion of operating profits into cash.

The payment of dividends by the Company is subject to the Company having sufficient distributable reserves for such purposes after the receipt of distributions from its subsidiaries. The payment of dividends by the Company is also subject to the Company, after payment of the dividend, continuing to meet such regulatory requirements as are stipulated by its lead regulator, the FSA. Distributions by subsidiaries to the Company are similarly affected by local regulatory requirements.

PART 3

Details of the Return of Capital

1. Reduction of Capital

The implementation of the Reduction of Capital is subject to (a) the approval of Shareholders at the Extraordinary General Meeting, (b) confirmation by the Court and (c) the Court Order being registered by the Registrar of Companies. It is expected that on 14 March 2007 the Court will hear the Company's petition under section 135 of the Companies Act for an order confirming a reduction in the nominal value of the Ordinary Shares from 325 pence to 25 pence.

The Court will require to be satisfied that the interests of the Company's creditors will not be prejudiced as a result of the Reduction of Capital and that it is appropriate to confirm the Reduction of Capital. The Board has been advised that the Court is unlikely to require the Company to offer additional security for secured or unsecured creditors. However, the terms on which the Court makes its order is for the Court to determine and the Company will put into place such forms of creditor protection or undertakings as the Court may require. This may include the placing of restrictions upon the distributability of the balance of £335,494,260 remaining after the Return of Capital.

The Court Order is expected to be registered under the Companies Act and the Reduction of Capital is expected to become effective on 15 March 2007.

New share certificates reflecting the Reduction of Capital are expected to be despatched on or around 20 March 2007 to Shareholders who hold their Ordinary Shares in certificated form. Existing certificates in respect of Ordinary Shares should be destroyed upon receipt of such replacement Ordinary Share certificates.

2. Return of Capital

It is expected that cheques in respect of the Return of Capital will be despatched to Shareholders who hold Ordinary Shares in certificated form on or around 20 March 2007. It is expected that Shareholders who hold Ordinary Shares through CREST will receive a credit to their CREST account in respect of the Return of Capital on or around 20 March 2007.

All documents, certificates, cheques or other communications sent by or to Shareholders, or as such persons shall direct, will be sent at their own risk and may be sent by post. In the case of joint Shareholders, all documents will be sent to the registered address of the first named Shareholder on the Register.

Any Shareholder who sells or otherwise disposes of Ordinary Shares on or before the Record Date, but who remains on the register of members at the Record Date, may be obliged to account for the Return of Capital to the purchaser or transferee.

3. Overseas Shareholders

Shareholders who are resident in, or citizens or nationals of, jurisdictions outside the United Kingdom should consult their independent professional adviser or ascertain whether the effect of the Return of Capital will be subject to any restrictions or require compliance with any formalities imposed by the laws or regulations of, or any body or authority located in, the jurisdictions in which they are resident.

In particular, it is the responsibility of the overseas Shareholder to satisfy himself as to full observance of any government, exchange control or other consents which may be required, or the compliance with other necessary formalities needing to be observed and the payment of any issue, transfer or other taxes or duties in such jurisdiction.

In addition, the distribution of this document in certain jurisdictions may be restricted by law. Persons into whose possession this document comes should inform themselves about and observe any such restrictions.

PART 4

Taxation

1. UK Taxation

The following statements are intended to apply only as a general guide to current UK tax law and to the current practice of HMRC, both of which are subject to change, possibly with retrospective effect. They are intended to apply only to Shareholders who are resident in the UK for UK tax purposes, who hold Ordinary Shares as investments and who are the beneficial owners of Ordinary Shares. The statements may not apply to certain classes of Shareholder such as dealers in securities and Shareholders who own 10 per cent. or more of the Ordinary Shares. Shareholders who are in any doubt as to their tax position or who are subject to tax in a jurisdiction other than the UK should consult their own tax advisers.

1.1 *Return of Capital*

The Return of Capital should not be treated as an income distribution. Therefore, it should not be subject to tax as income in the hands of Shareholders and accordingly will carry no tax credit.

The Return of Capital should be regarded for the purposes of UK capital gains tax as a part disposal of each Shareholder's Ordinary Shares under section 122 of the Taxation of Chargeable Gains Act 1992 for consideration of an amount equal to the Return of Capital. This may give rise to a chargeable gain or an allowable loss, depending on the Shareholder's circumstances, including the Shareholder's base cost in the Ordinary Shares or the availability of any exemption or other reliefs.

For Shareholders who are individuals, taper relief may be available to reduce any chargeable gain arising on the part disposal of their Ordinary Shares. The availability of taper relief will depend on the Shareholder's period of ownership of the Ordinary Shares and whether or not the Ordinary Shares are held as business assets. Indexation allowance may be available to reduce any chargeable gain for Shareholders that are within the charge to UK corporation tax.

In certain circumstances, HMRC may apply section 703 of ICTA 1988 where it has reason to believe generally that a person obtains an inappropriate tax advantage in consequence of a "transaction in securities". The section allows the return to be taxed as an income distribution rather than as capital. No clearance has been sought, or will be sought, by the Company from HMRC to the effect the HMRC will not apply section 703 of ICTA 1988 in this way. However, the Company has been advised that section 703 of ICTA 1988 should not be applicable to the Return of Capital.

1.2 *Stamp Duty and Stamp Duty Reserve Tax*

No stamp duty or stamp duty reserve tax will be payable as a result of the Reduction of Capital and the Return of Capital.

2. US Taxation

To ensure compliance with requirements imposed by the US Internal Revenue Service, we inform you that any tax summary herein was not written and is not intended to be used and cannot be used by any taxpayer for purposes of avoiding US federal income tax penalties that may be imposed on the taxpayer. Any such tax summary was written to support the explanation of the Return of Capital described herein. Each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax adviser.

The following is a summary of certain US federal income tax considerations relevant to the Return of Capital described in this document. The summary is not a complete description of all the tax considerations that may be relevant to a particular US Holder (as defined below) with respect to the Return of Capital.

The summary addresses only US Holders (as defined below) who hold Ordinary Shares as capital assets and use the US dollar as their functional currency. It does not address the tax treatment of taxpayers subject to special rules, such as banks, dealers, traders in securities that elect mark to market treatment, insurance companies, tax-exempt entities, holders that own, directly and/or through the application of certain constructive ownership rules, five per cent. or more of the total voting power or the total value of the Ordinary Shares, persons who have ceased to be US citizens or to be taxed as resident aliens, persons holding Ordinary Shares through a partnership, estate or trust or as part of a hedge, straddle, conversion or other integrated financial transaction, persons who have acquired Ordinary Shares pursuant to the exercise of options or otherwise as compensation, and persons resident or ordinarily resident in the United Kingdom. In addition, it does not address consequences relevant to US Holders that are subject to the alternative minimum tax, or to holders of an equity interest in a holder of Ordinary Shares. It does not address any non-income tax or any foreign, state or local tax consequences of the Return of Capital.

Each investor should consult its own tax advisers about the US federal, state and local tax consequences to it of the Return of Capital described in this document.

As used here, **US Holder** means a beneficial owner of Ordinary Shares that is for US federal income tax purposes (a) a US citizen or individual resident of the United States, (b) a corporation created or organised in or under the laws of the United States or any state thereof (including the District of Columbia), (c) a trust if a court within the United States is able to exercise primary supervision over its administration and one or more United States persons have authority to control all the substantial decisions of such trust or (d) an estate the income of which is subject to US federal income tax regardless of its source.

The summary is based on the tax laws of the United States including the Internal Revenue Code of 1986, as amended (the **Code**), its legislative history, temporary, final and proposed US Treasury Regulations thereunder, published rulings and court decisions all as currently in effect and all subject to change at any time, possibly with retroactive effect.

The capital of Tullett Prebon plc will be reduced by decreasing the nominal value of each Ordinary Share by 300 pence. A reduction by a corporation in the nominal value of its outstanding stock generally is treated for US federal income tax purposes as a tax-free recapitalisation of the corporation. Accordingly, no gain or loss should be recognised by a US Holder upon the Reduction in Capital. A US Holder's aggregate tax basis and holding period in its Ordinary Shares should be equal to such amounts prior to the Return of Capital.

Distributions of cash received by US Holders concurrently with the Reduction of Capital will be treated as a dividend to the extent that the cash amount received does not exceed the current and accumulated earnings and profits (as defined for US federal income tax purposes) of Tullett Prebon plc. The dividend will not be eligible for the dividends received deduction allowed in certain instances to corporations. Any portion of the distribution in excess of Tullett Prebon plc's current and accumulated earnings and profits will be treated as a tax-free return of capital to the extent of the US Holder's aggregate tax basis in its Ordinary Shares, and thereafter as capital gain.

Tullett Prebon plc has not maintained calculations of its earnings and profits under US federal income tax principles and may not maintain such calculations in the future. If Tullett Prebon plc does not maintain such calculations, the cash distribution in connection with the Reduction in Capital will generally be taxable as a dividend even if that distribution would otherwise be treated as a non-taxable return of capital or as capital gain under the rules described above.

Certain dividends received by individual US Holders (as well as certain trusts and estates) in taxable years beginning before 1 January 2011 generally will be subject to a maximum income tax rate of 15 per cent. This reduced income tax rate is only applicable to dividends paid by "qualified corporations" and only with respect to shares held for a minimum holding period of at least 61 days during a specified 121-day period. As it is expected that Tullett Prebon plc will be considered a qualified corporation, the distribution of cash in connection with the Return of Capital is expected to be eligible for the reduced income tax rate.

The distribution of cash will be treated as foreign source income for US federal income tax purposes, which may be relevant in calculating a US Holder's foreign tax credit limitation for US federal income tax

purposes. The limitation on foreign taxes eligible for the US foreign tax credit is calculated separately with respect to specific classes of income. Dividends paid in tax years beginning on or after 1 January 2007 will be treated as “passive category” income or, in certain cases, “general category” income. The amount of dividend income that is subject to the reduced dividend rate described above and that is taken into account for purposes of calculating the US Holder’s foreign tax credit limitation must be reduced by the “rate differential” portion of the dividend. The foreign tax credit rules are complex and US Holders should consult their own tax advisers regarding the availability of a foreign tax credit and the application of any limitation in their particular circumstances.

PART 5

Additional Information

1. Directors and Registered Office

The Directors are set out on page 4 of this document. The business address of each of the Directors is Cable House, 54-62 New Broad Street, London EC2M 1ST, which is the registered office of the Company.

2. Share Capital

2.1 The authorised, issued and fully paid share capital of the Company as at the date of this document is as follows:

	<i>Authorised Number</i>	<i>Amount(£)</i>	<i>Issued Number</i>	<i>Amount(£)</i>
Ordinary Shares of 325 pence each	284,699,450	925,273,213	212,338,139	690,098,952
Redeemable Deferred Shares of 100 pence each	50,002	50,002	50,002	50,002

2.2 The proposed authorised, issued and fully paid share capital of the Company as it will be following the Reduction of Capital and Return of Capital will be as follows:

	<i>Authorised Number</i>	<i>Amount(£)</i>	<i>Issued Number</i>	<i>Amount(£)</i>
Ordinary Shares of 25 pence each	284,699,450	71,174,863	212,338,139	53,084,535
Redeemable Deferred Shares of 100 pence each	50,002	50,002	50,002	50,002

3. Consents

Lehman Brothers has given and not withdrawn its consent to the issue of this document with the references to its name in the form and context in which they appear.

31 January 2007

PART 6

Definitions

The following definitions apply throughout this document (except the Notice of Extraordinary General Meeting contained in Part 7, which contains separate definitions) unless the context requires otherwise.

the Board	the directors of Tullett Prebon plc from time to time
Business Day	a day (excluding Saturday or Sunday) on which banks generally are open for business in the City of London for the transaction of normal banking business
Companies Act or the Act	the Companies Act 1985, as amended
Court	the High Court of Justice in England and Wales
Court Hearing	The effective hearing of the Company's petition seeking the Court's confirmation of the Reduction of Capital, expected to be 14 March 2007
Court Order	the order of the Court confirming the Reduction of Capital
CRD	the Capital Requirements Directive
Credit Agreement	the floating rate £350 million credit facility agreement with The Royal Bank of Scotland plc and The Governor and Company of the Bank of Scotland (as Arrangers) containing certain financial covenants
CREST	the system for the paperless settlement of trades in listed securities operated by CRESTCo
CRESTCo	CRESTCo Limited
CREST Regulations	the Uncertificated Securities Regulations 2001, as amended
Directors	the directors of Tullett Prebon plc as set out in the letter from the Chairman in Part 1 of this document
Extraordinary General Meeting or EGM	the Extraordinary General Meeting of the Company, convened for 9.00 a.m. on 26 February 2007 (and any adjournment thereof), notice of which is set out at the end of this document
Form of Proxy	the form of proxy accompanying this document for use by Shareholders in connection with the appointment of a proxy to attend and vote in their place at the Extraordinary General Meeting
Group	Tullett Prebon plc and its subsidiaries and subsidiary undertakings and, where the context requires, its associated undertakings
HMRC	H.M. Revenue & Customs
ICTA 1988	the Income and Corporation Taxes Act 1988
Lehman Brothers	Lehman Brothers Europe Limited and/or Lehman Brothers International (Europe) as the case may be
Ordinary Shares	the ordinary shares of 325 pence each in the capital of Tullett Prebon plc

Record Date	6.00 p.m. on the day of the Court Hearing, expected to be 14 March 2007
Reduction of Capital	the proposed reduction of capital of the Company pursuant to section 135 of the Act
Register	the register of members of the Company
Resolutions	the resolutions to be proposed at the EGM to: (a) approve the Reduction of Capital and the Return of Capital; and (b) in order to take account of the Reduction of Capital comprised in the Return of Capital, to renew the Company's authority to allot shares pursuant to section 80 of the Companies Act and to disapply section 89 of the Companies Act, as set out in the notice of the EGM in Part 7 of this document
Return of Capital	the proposed repayment of 142 pence per Ordinary Share
Shareholder	a holder of Ordinary Shares
Tullett Prebon	the inter-dealer broking business and other activities of the Group
Tullett Prebon plc or the Company	Tullett Prebon plc, a public limited company incorporated in England and Wales with registered number 5807599
Tullett Prebon Share Plans	(i) the Long Term Incentive Plan; (ii) the Share Savings Plan; (iii) the Tullett Liberty Equity Incentive Plan; and (iv) any individual options granted in respect of the Ordinary Shares
uncertificated or in uncertificated form	a share the title to which is recorded on the relevant register of the share concerned as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
United Kingdom or UK	The United Kingdom of Great Britain and Northern Ireland
United States or US	The United States of America, its territories and possessions, any state in the United States of America and District of Columbia

PART 7

NOTICE OF EXTRAORDINARY GENERAL MEETING

TULLETT PREBON PLC

(Incorporated in England and Wales under the Companies Act 1985 with registered number 5807599)

Notice is hereby given that an Extraordinary General Meeting of Tullett Prebon plc (the **Company**) will be held at 9th Floor, 88 Wood Street, London EC2V 7QR on 26 February 2007 at 9.00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions which will be proposed, in the case of resolutions 1 and 3, as special resolutions and, in the case of resolution 2, as an ordinary resolution:

Special Resolution

1. THAT the nominal value of each ordinary share in the capital of the Company be reduced from 325 pence to 25 pence (the **Reduction of Capital**) and with respect to the sum arising from the reduction in such nominal value, 142 pence per each ordinary share be repaid to the Company's ordinary shareholders on the register of members at 6.00 p.m. on the day on which the proposed reduction is confirmed by the Court in respect of each ordinary share held by them at such time.

Ordinary Resolution

2. THAT, conditional on the passing of Resolution 1 above and the Reduction of Capital referred to therein becoming effective, the directors of the Company be empowered to allot relevant securities up to a maximum nominal amount of £17,694,844 but so that this authority shall expire on the next annual general meeting of the Company and that all previous authorities under Section 80 of the Companies Act 1985 (the **Act**) shall cease to have effect.

Special Resolutions

3. THAT conditional on the passing of Resolution 1 above and the Reduction of Capital referred to therein becoming effective, in accordance with Article 7 of the Company's Articles of Association, the directors be empowered to allot equity securities for cash as if Section 89(1) of the Companies Act 1985 did not apply and that for the purposes of Article 7 the nominal amount to which this power is limited shall be £2,654,226 and this power shall expire on the next annual general meeting of the Company and all previous authorities under Section 95 of the Act shall cease to have effect.

BY ORDER OF THE BOARD

Alistair Peel

Company Secretary

Dated 31 January 2007

Registered Office

Cable House, 54-62 New Broad Street, London EC2M 1ST

Notes:

- (1) Every member who is entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, vote in his/her stead. A proxy need not be a member of the Company. Appointment of proxies does not preclude members from attending and voting at the meeting or any adjournment thereof should they wish to do so. A form of proxy is enclosed; alternatively if you hold shares in uncertificated form you may vote using the CREST system (please see the notes below).
- (2) To be valid, an instrument appointing a proxy in hard copy form must be deposited at the office of the Company's registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU not later than 48 hours before the time of the meeting. Alternatively if you submit your proxy electronically through CREST, to be valid, the appropriate CREST message (regardless of whether it relates to the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy), must be transmitted so as to be received by the Company's registrars, Capita Registrars (ID RA10) by no later than 48 hours before the time of the meeting. The time of receipt will be taken to be the time (as determined by the time stamp applied to the message by CREST Applications Host) from which Capita Registrars are able to retrieve the message by enquiry to CREST.
- (3) Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 changes to entries in the register after 6.00 p.m. (London time) on 24 February 2007 or on the date two days before any adjourned meeting (as the case may be) shall be disregarded in determining the rights of any member to attend or vote at the meeting or any adjourned meeting (as the case may be). Accordingly, only a member registered in the register of members of the Company as at 6:00 p.m. (London time) on 24 February 2007 or on the date two days before the meeting or any adjourned meeting (as the case may be) shall be entitled to attend and vote at the meeting or any adjourned meeting (as the case may be) in respect of the number of shares registered in his name at that time.
- (4) CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
- (5) In order for a proxy appointment by means of CREST to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with CRESTCo's specification and must contain the information required for such instructions, as described in the CREST Manual.
- (6) CREST members and, where applicable, their CREST sponsors or voting service providers, should note that CRESTCo does not make available special procedures in CREST for any particular messages. Normal system timings and limitations therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s)) to procure that his CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
- (7) The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

