

15 May 2008

## **Tullett Prebon plc**

### **AGM Statement and Interim Management Statement**

Tullett Prebon plc is today issuing its first Interim Management Statement in accordance with the EU Transparency Directive and FSA requirements. This statement will be delivered to those attending the Annual General Meeting today.

#### **Business update**

A number of actions were taken during 2007 to accelerate the rate of revenue growth, including the acquisition of Chapdelaine which strengthened our presence in corporate bonds and credit derivatives in North America, the hiring of a significant number of new brokers in the faster growing sectors of the market, the hiring of a new team to lead our electronic broking initiative, and the restructuring of our joint venture in Tokyo. We have continued to invest in new broker hires in those product areas which we believe have the best potential for future revenue growth, and we continue to actively pursue acquisition opportunities to broaden and deepen our geographic and product coverage.

As previously announced, in March this year we completed the acquisition of Primex Energy Brokers, a leading UK based broker in a wide range of petroleum markets, carrying out over-the-counter broking for financial institutions and major energy companies in crude oil, middle distillates and fuel oil. This acquisition will complement and enhance our existing Energy business which is currently focused primarily on power and gas products. The total consideration for the acquisition is up to £20m. The initial consideration comprised £1.9m in cash and £11.1m in Tullett Prebon plc equity (being 2,262,196 ordinary shares). A further £7m in Tullett Prebon plc equity (being 1,420,212 ordinary shares) is payable in 2011 subject to earn-out targets being achieved.

Trading in the first four months of 2008 reflects the benefit of these actions as well as the favourable market conditions. The inter-dealer broker business thrives on volatility in financial markets, and the high volatility that we experienced in June and throughout the second half of 2007 has continued into the first four months of this year. Revenue in the four months to April was £320m, 32% higher than in the equivalent period last year, when levels of volatility were relatively low.

#### **Commenting on the performance, Terry Smith, Chief Executive, said:**

“As a result of the actions we are taking to accelerate the rate of revenue growth, we are increasingly well placed to benefit from the current market conditions. Although it is not possible to make accurate predictions about how long these conditions are likely to prevail, our outlook for Tullett Prebon remains positive, and at this stage we expect a good outcome for the year.”

#### **Enquiries:**

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