

13 November 2009

## **Tullett Prebon plc**

### **Interim Management Statement**

Tullett Prebon plc is today issuing its Interim Management Statement in relation to the period from 1 July 2009.

### **Business Update**

The performance of the business continues to be robust. Volatility in interest rate structures, currency parities and credit spreads has persisted and government bond issuance has continued to be at high levels. The business continues to benefit from being well diversified across products and geographies, and from our expertise and the depth of our liquidity pools in the more traditional flow products.

Revenue in the four months July to October was £302m. Revenue in the equivalent period last year was boosted by the turbulence in financial markets following the collapse of Lehman Brothers and, as expected, those exceptional conditions have not recurred. Revenue in July to October is 9% lower than in the equivalent period last year (15% lower at constant exchange rates).

Year to date (January to October) revenue of £819m is 2% higher than in the equivalent period last year (9% lower at constant exchange rates).

In August 81 brokers on certain desks in our North American business resigned or gave notice of their intention to resign, following a raid on the business by BGC, and 51 of these brokers have now left the business. The revenue generated by those brokers who have or are expected to leave the business is around 7.5% of group revenue. Actions are being taken to strengthen the management and organisation of our North American business including, where appropriate, replacing poached staff. Legal action is being taken against BGC in the US and also in the UK and Hong Kong, following raids earlier in the year on our London and Hong Kong businesses.

As previously announced, in October we reached agreement to acquire Convencao, a leading and well respected inter-dealer broker in Brazil. The acquisition is conditional on approval from the Brazilian authorities, including the Central Bank of Brazil, and is expected to complete in the second quarter of 2010. The initial consideration for the acquisition is R\$20.0m (£7.3m), with deferred consideration up to a maximum of R\$30.3m (£11.0m) payable in cash subject to achievement of future revenue and profit targets.

We have continued to develop our electronic capabilities and market share. Revenue from our pure and hybrid electronic platforms, which complement voice broking activities across a number of product groups, has continued to increase. In September we extended the product coverage of our market leading tpCREDITDEAL platform with the addition of cash bonds, and in October we successfully launched tpMATCH, an electronic FRA matching platform that enables traders to reduce their LIBOR fixing risk.

Our financial position continues to be strong, with net debt lower than reported at the half year.

We continue to expect to deliver a good outcome for the year.

**Enquiries:**

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