For immediate release *24 March 2003*

Tullett plc

Preliminary results for the year ended 31 December 2002

Tullett plc ("Tullett"), a leading international inter-dealer broker ("IDB"), which following its recent acquisition is a wholly owned subsidiary of Collins Stewart Holdings plc ("Collins Stewart"), the financial services group, today announced its preliminary results for the year ended 31 December 2002, its last full year as an independent entity.

Highlights:

- **Results in line with trading statement included in the announcement of combination with Collins Stewart (23 January 2003)**
- **Turnover increased 10% to £423.6m (2001: £386.3m), benefiting from increased market share and active market conditions**
- **Operating profit* increased 37% to £35.5m (2001: £25.8m), driven by organic growth and improved operating margins.**
- **Profit before tax up 24% to £32.6m (2001: £26.2m)**
- The Group's expertise encompasses fixed income and equity securities, derivatives and money markets products and global coverage through a network of offices or alliances in all the leading financial centres
- Tullett remains committed to the successful delivery of a hybrid strategy (combining the different strengths of its voice brokers and its technology)
- The Group's name was changed to Tullett plc and the name of its operations to Tullett Liberty in December 2002
- Successful completion of combination with Collins Stewart on 10 March 2003

** continuing operations before exceptional items*

Commenting on the results, Bruce Collins, Chief Executive, said:

"The recent combination with Collins Stewart has enabled Tullett to achieve its two principal strategic objectives: to deliver value for our shareholders and to accelerate our ability to take advantage of the consolidating global IDB marketplace in which we operate."

"We expect generally favourable trading conditions for 2003 on the back of continued activity in the fixed income markets and uncertainty in medium term interest rates. We have again set ourselves challenging targets and can report that trading for the first two months puts us on track to achieve these."

"The last year saw significant changes for Tullett and the Group is now extremely well placed. We are looking forward to working with the Collins Stewart management team and feel confident that 2003 will be another successful year."

For further information, please contact:

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Group profit & loss account for the year ended 31 December 2002

	2002 £000's	2001 £000's
Continuing operations	**423,598**	385,640
Discontinued operations	-	678
Group turnover	**423,598**	386,318
Operating costs	**(389,641)**	(364,134)
Amortisation of goodwill on subsidiaries	**(1,216)**	(1,210)
Other operating income	**2,571**	3,917
	35,312	24,891
Share of operating profit/(loss) in associates	**657**	356
Amortisation of associates' goodwill on acquisition	**(479)**	(716)
	178	(360)
Continuing operations	**35,490**	25,813
Discontinued operations	-	(1,282)
Operating profit before exceptional items	**35,490**	24,531
Exceptional items	**(5,982)**	-
Operating profit	**29,508**	24,531
Discontinued operations: Group restructuring costs	-	(300)
Profit on disposal of fixed asset investments	-	341
Profit on sale of operations and termination of business	**1,247**	491
Release of provision for fixed asset investment held by associate	**2,269**	565
	3,516	1,097
Profit on ordinary activities before interest and taxation	**33,024**	25,628
Net interest receivable	**(456)**	617
Profit on ordinary activities before taxation	**32,568**	26,245
Taxation on profit on ordinary activities	**(15,924)**	(14,991)
Profit on ordinary activities after taxation	**16,644**	11,254
Equity minority interests	**(709)**	(512)
Profit for the period attributable to members of the company and retained for the year	**15,935**	10,742

Group statement of Total Recognised Gains and Losses

	2002 £000's	2001 £000's
Profit for the period excluding share of profit of associates and joint ventures	**13,781**	10,549
Share of associates' profits	**2,154**	193
	15,935	10,742
Realised surplus on revaluation reserve	**-**	469
Exchange difference on retranslation of net assets of subsidiaries	**(4,542)**	(347)
Exchange difference on retranslation of net assets of associates	**(238)**	(1,370)
Total recognised gains for the 12 months	**11,155**	9,494

Group balance sheet as at 31 December 2002

	2002 £000's	2001 £000's
Fixed assets		
Intangible assets	**7,673**	9,331
Tangible assets	**24,273**	23,886
Associates and other fixed asset investments	**19,577**	16,527
Total fixed assets	**51,523**	49,744
Current assets		
Debtors	**356,665**	514,302
Investments	**38,941**	35,343
Cash at bank and in hand	**83,513**	78,133
	479,119	627,778
Creditors		
Amounts falling due within one year	**(407,255)**	(570,687)
Net current assets	**71,864**	57,091
Total assets less current liabilities	**123,387**	106,835
Creditors		
Amounts falling due after more than one year	**(9,157)**	(4,164)
Provision for liabilities and charges		
Deferred taxation	**(83)**	(97)
Total non current liabilities	**(9,240)**	(4,261)
Net Assets	**114,147**	102,574
Capital and reserves		
Share capital	**9,065**	9,007
Share premium	**20,749**	19,597
Capital redemption reserve	**99**	96
Profit & loss account	**79,555**	69,238
Shareholders' funds:		
Equity	**102,934**	89,553
Non-equity	**6,534**	8,385
	109,468	97,938
Equity minority interests	**4,679**	4,636
	114,147	102,574

Profit & Loss Reconciliation	**2002 £000's**	2001 £000's
Profit & loss reserves b/fwd	**69,238**	59,327
Retained profit for the year	**15,935**	10,742
Dividends paid on non-equity shares	**(1,848)**	-
Exchange differences	**(4,780)**	(1,717)
Realisation of surplus on revaluation of Liffe shares	**-**	469
Arising on ordinary shares repurchased and cancelled	**(3)**	(321)
Arising on share issue	**1,013**	738
Profit & loss reserves c/fwd	**79,555**	69,238

Introduction
Tullett plc is a leading global inter-dealer broker. The Group offers global coverage through a network of offices or alliances in all the leading financial centres. Through our 1,200 brokers worldwide our specialist expertise encompasses securities, derivatives and money markets products.

Overview
We have managed to meet the majority of the challenging targets we set ourselves for 2002, whilst continuing to invest in and reorganising our business so that it will be even stronger in the future. We were assisted by market conditions that were, as in 2001, generally favourable during the year. In particular, short term volatility and heavy issuance of fixed income securities of all types played to the strengths of our teams in Europe and North America.

Our clearly defined three year hybrid strategy, which we set out in the third quarter of 2000, has stood the test of time. We intend to continue this strategy whilst expanding our products, client base and technology. It is however principally the commitment and quality of our employees that has resulted in the improvement in revenues and profitability demonstrated in the 2002 results reported herein. These results are consistent with the trading statement included in the announcement of the combination with Collins Stewart – namely that Tullett had traded strongly and, as anticipated, had benefited from the continuing high levels of volatility in a number of key financial markets which the Group serves.

It had been our plan to IPO in the second quarter of 2003. However initial communications, followed by successful negotiations, with Collins Stewart Holdings plc, offered an opportunity to achieve two of the principal objectives of an IPO more quickly. Firstly, it delivered immediate value for shareholders and, secondly, it enables us to accelerate our ability to take advantage of the consolidating global IDB marketplace in which we operate. The transaction, which valued Tullett plc's capital in aggregate at over £250m, was completed on the 10th March 2003. We believe that the combination of our two firms creates an organisation with a unique balance and franchise.

As we announced at the time, the Holding Company changed its name in December 2002 to Tullett plc, and the name of its operations to Tullett Liberty. This reflects changes in the profile of our business and takes advantage of these two strong brand names.

Results
2002 saw a continued improvement in the financial performance achieved in 2001 with record levels of revenue and operating profits and a significantly improved balance sheet.

To assist with understanding the Group's underlying operating performance, certain costs and revenues have been classified as exceptional in 2002. The results for the year are also for the first time prepared in accordance with FRS19 on deferred tax.

Turnover from continuing operations in 2002 increased by some £38.0m over the prior year. Whilst the full year consolidation of results from the Gains business in 2002 accounts for some £8m of this increase, the underlying year on year improvement is evidence of the Group's ability to retain, and indeed build on, the improved market position achieved in 2001. Broking turnover for the second half of the year was, contrary to normal seasonal expectations, nearly as high as in the first half; whilst May and June were quieter than normal, July and August were volatile and active months for the financial markets and for our business.

Profits from continuing operations before exceptional items and tax were £35.5m compared with £25.8m in 2002. As in 2001 our North American operations generated the largest part of this result. However, our European operations reported improved results year on year and Asia Pacific produced another satisfactory performance.

The 9% operating return from continuing operations (excluding goodwill) compares with a figure of 7% for 2001 and indicates, once again, that the operational leverage of the business improved year on year.

The exceptional item includes three groups of costs and revenues, which are not related to the Group's normal operations and are material to an understanding of its results. Firstly, the legal and professional costs incurred up to the end of the year associated with the offer from Collins Stewart Holdings plc amounted to £2.3m. (Further costs of £4.0m, including those dependent on the close of the deal, have been incurred since the year end). Secondly, the business interruption insurance claim made as a result of the September 11 tragedy and its impact on our New York operations yielded a receipt of £1.2m. And finally, we have over the course of the year settled a number of law suits, whose origins predate the Tullett & Tokyo and Liberty merger, at a total cost of £4.9m.

The Group's effective tax rate for the year was 49%, and when the exceptional items noted above are excluded this rate reduces to 47%. This figure remains relatively high because of the heavy weighting of North American earnings: state and federal taxes combine to produce a standard rate of tax close to 50% in New York. In addition, the Group has relatively high disallowable expenses including goodwill and entertainment.

Balance Sheet

Net assets at 31 December 2002 were £114.1m compared with £102.6m at 31 December 2001. The retained profit for the year of £15.9m was reduced by some £4.8m of adverse exchange differences arising on the retranslation of net assets of subsidiary undertakings and associated company investments.

Corporate Developments

In June 2002 we sold a 28.6% interest in our communications business, Gains, to Totan Information Technology Co Ltd (Totan IT). In conjunction with Totan IT we then agreed in January 2003 to sell Gains to GS Capital Partners 2000, a Goldman Sachs private equity fund for £15m, subject to an earn out agreement and final balance sheet adjustments.

Regional Review
In Europe, restructuring of the businesses continued with the closure of our office in Dusseldorf, the centralisation of European Government Bonds in London. We have a very focused management team in the region and they drove the business to produce strong results across the broad range of our product offering. The year saw another strong performance from Corporate Bonds and FX Options in London and an improved performance from Interest Rate Derivatives. It was particularly encouraging that the changes made in 2001 and early 2002 were beginning to deliver improved margins as the year progressed.

Our strong North American franchises produced another excellent year, improving on last year's record profits. This was led by a strong performance across our range of Fixed Income products. Interest Rate Derivatives continued to produce good profits whilst maintaining significant market share. We are also very pleased with the development of our Equities business in the region. Another major achievement during the year was the completion of our disaster recovery capability in New York, based upon alternative broking locations outside Manhattan. A successful test of the recovery plan was conducted in December.

As the oldest established broker in the Asia Pacific region, we continued to produce good results in all areas. Hong Kong once again had a good year whilst both Singapore and Sydney performed well in more difficult markets. Although the development of the Korean and Chinese markets has been slow, we continue to monitor their growth and are well placed to move forward when the opportunity warrants.

Investments
We hold a significant stake in The Totan Derivatives Co., Ltd., our Japanese partner, and have close business ties with them. We have an investment in Natsource LLC, a significant player in the gas and power markets and a leader in emissions, and a stake in Starsupply Tullett, which gives us access to the oil market. We also hold an investment in Lopez Leon, a South American broking house which has and will continue to benefit from emerging market products in North America. We will continue to seek appropriate partnerships and investments that expand our coverage of products and markets, and where we can see a benefit to both our customers and the long term development of the business.

Information Technology
The enhancement and deployment of our Marker broking platform continued throughout the year, providing both brokers and clients with the tools needed to support our hybrid broking strategy. Derivative coverage was extended to Euro and Sterling denominated swaps and to Money Markets in North America. Post:Marker, our post-trade straight-through-processing capability, was successfully trialed during the year and continues to be an area of significant investment focus.

Information sales by Tullett Financial continued to generate strong income with revenue growth achieved through sales of the Swap:Marker product during the year. Other product launches included the Mortgage:Marker service and the SURF data feed that allows financial institutions to take information directly from us.

Management & Corporate Governance
The Group's corporate governance framework and the terms of reference for its key committees were scrutinised and reconfirmed during the year. We undertook a broadly based review of the principal risks the group faces and the related controls by which it seeks to mitigate these risks. Supporting these initiatives were two senior appointments in Internal Control and Legal Services.

We continued to incentivise management and employees by awarding shares and options in line with our management reward programme.

As in 2001 our New York office donated a day's revenue to charities associated with the 11th September 2001 tragedy.

The Non-Executive Directors of Tullett plc resigned on 10th March 2003 following the completion of the Collins Stewart merger. We thank them for their commitment to Tullett during their tenure. We are pleased that Derek Tullett CBE has agreed to accept the honorary post of president of Tullett plc.

Strategy
Our stated strategy continues to be to grow our business by broadening and deepening our product base in a hybrid environment that supports our outstanding human resource with appropriate technology.

To further advance this strategy we look constantly for other businesses within the sector that may complement our growing business. In a consolidating industry, having access to capital to help facilitate any transaction has been our focus and we had planned a full listing on the London Stock Exchange in the spring of 2003 to provide this. These plans were overtaken by our combination with Collins Stewart which has created an enlarged Group, within which the Tullett business will continue to be managed independently. We are therefore now in a stronger position to support this strategy, and our evaluation of the market place continues accordingly.

Outlook
We expect generally favourable trading conditions for 2003 on the back of continued activity in the fixed income markets and uncertainty in medium term interest rates. We believe that our commitment to provide a better service to our clients will contribute to increased market share. We have, already, seen a marked improvement in our returns from Europe and are confident we can continue to improve our overall margins. We have again set ourselves challenging targets and can report that trading for the first two months puts us on track to achieve these.

The last year saw significant developments for Tullett and the Group is now extremely well placed as we enter 2003.

We would like to thank all our management and staff for their continued efforts and support over the last twelve months. We look forward to working with Terry Smith and his management team at Collins Stewart and believe that we can all look forward to 2003 with every confidence.

Bruce Collins
Chief Executive Officer
24 March 2003