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FOR IMMEDIATE RELEASE

Collins Stewart Tullett plc

Proposed Acquisition of Hawkpoint

Summary

Collins Stewart Tullett plc ("Collins Stewart Tullett" or the "Company"), the international financial services group, today announces that its subsidiary, Collins Stewart Europe Limited (formerly Collins Stewart Limited), has entered into a conditional agreement whereby it will acquire the entire issued share capital of Hawkpoint Holdings Limited, the parent company of Hawkpoint Partners Limited ("Hawkpoint"), one of the leading independent corporate finance advisory firms in the UK.

As announced on 18 September 2006, the Collins Stewart stockbroking business ("Collins Stewart") is to be demerged from Collins Stewart Tullett and a circular which explains the process by which the demerger will be effected and which convenes the meetings required to approve the demerger will be posted to shareholders by 31 October 2006. The prospectus for Collins Stewart plc, the company which will acquire Collins Stewart pursuant to the demerger, is also being posted to shareholders at the same time. The acquisition of Hawkpoint (the "Acquisition") is conditional, inter alia, on the demerger being completed.

The total consideration for the Acquisition will be satisfied by the issue of approximately 35 million new Collins Stewart plc ordinary shares, representing approximately 14 per cent. of the enlarged issued share capital of Collins Stewart plc after the demerger, £40 million of cash at completion (with a loan note alternative) and an additional cash consideration equivalent to the surplus cash in Hawkpoint at 31 December 2006. The cash element of the consideration will be satisfied out of Collins Stewart's existing cash resources.

The Acquisition will constitute a Class 1 transaction under the Listing Rules for Collins Stewart plc and, accordingly, it is subject to the approval of Collins Stewart Tullett shareholders, which will be sought at the same EGM as that at which Collins Stewart Tullett shareholders will be asked to approve the demerger.

Overview of the Collins Stewart stockbroking business

The activities of Collins Stewart span institutional and private client stockbroking, market making, corporate finance, fund management and the supply of on-line financial information through the quantitative research system, Quest™. Collins Stewart is the largest independent stockbroking business in the United Kingdom. It had revenues of £149 million in the year ended 31 December 2005 and pre-tax profit of £47 million. Revenues for the six months ended 30 June 2006 were £104 million

and pre-tax profit was £34 million. As at 30 June 2006, Collins Stewart had gross assets of £2,380 million and net assets of £118 million.

In the UK, Collins Stewart is a leading independent stockbroker in the smaller companies sector and one of the largest private client stockbrokers in the Channel Islands. It has strong positions in a number of the niche sectors where it operates, such as market making in preference shares. The Larger Companies division owns and operates a leading company evaluation model and database called Quest™. This has taken over a decade to develop and, to date, only certain of Collins Stewart's much larger investment banking competitors have been able to develop or acquire such systems.

Overview of Hawkpoint

Hawkpoint is a leading UK corporate advisory firm, operating from offices in London and Paris, with approximately 120 employees, of whom 70 are professional staff. The majority of Hawkpoint's equity is owned by its staff, with approximately 14 per cent. being held by Mezzanine Management.

In the year ended 31 December 2005, Hawkpoint had revenues of £36.3 million, operating profit of £7.8 million before a charge for share-based payments of £2.3 million (which will not be applicable following the Acquisition) and pre-tax profit of £5.7 million. Its revenues for the six months ended 30 June 2006 were £25.5 million, operating profit was £7.7 million before a charge for share based payments of £6.5 million (which will not be applicable following the Acquisition) and pre-tax profit was £1.4 million. As at 30 June 2006, Hawkpoint had gross assets of £34 million.

Hawkpoint's clients principally comprise quoted and unquoted companies, private equity firms and entrepreneurs. Hawkpoint advises on a broad spectrum of strategic and transactional matters, including acquisitions, disposals, public offers and mergers, capital raisings and IPOs. It also provides capital markets advice and has an established debt and restructuring advisory capability.

Benefits of the Acquisition

The Acquisition is consistent with Collins Stewart's strategy of creating a more broadly-based financial services group and is expected to enhance its client offering and its growth potential. Collins Stewart has a strong corporate broking capability, supported by extensive distribution and high quality research and trading. Hawkpoint has a respected independent and conflict-free corporate advisory practice and a growing international corporate network. Collins Stewart expects that both businesses will be able to extend the services which they can offer to their respective clients. The group's combined offering will enhance their ability to service international clients.

Collins Stewart plc Board Appointment

Conditional on completion of the Acquisition, Paul Baines, Chief Executive and Managing Partner of Hawkpoint, will join the Board of Collins Stewart plc. Paul has enjoyed a long and successful career in investment banking, having previously been

chief executive of the corporate finance business of Charterhouse Bank before joining Hawkpoint in 2000.

Paul Baines has a service contract with Hawkpoint Partners Limited which provides for employment for an indefinite period, subject to early termination on six months' notice by the employer or the director. The annual basic salary is £237,000 and Paul Baines may be paid a discretionary bonus.

David Reid Scott and Paul Baines will remain respectively as Chairman and Chief Executive of Hawkpoint, and both will join the group's executive committee.

Commenting on today's announcement, Joel Plasco, Chief Executive of Collins Stewart, said:

“The acquisition of Hawkpoint is consistent with Collins Stewart's strategy of creating a more broadly based financial services group and is our first step in responding to clients' demands for a broader product and services offering and wider geographic coverage. Our existing business has a strong equity capital markets based corporate finance and broking capability, supported by extensive distribution and high quality research and trading. Collins Stewart and Hawkpoint are highly-regarded businesses within their respective areas of the investment banking market and we believe that the breadth of the service offering of the enlarged group will be unrivalled.”

David Reid Scott, Chairman of Hawkpoint said:

“This is a most exciting development for Hawkpoint. It will enable us to broaden significantly our foot print and that of the combined group, particularly in Europe, without compromising our commitment to providing high quality conflict free advice.”

Paul Baines, Chief Executive of Hawkpoint, said:

“Hawkpoint has established itself as a leading corporate finance advisory business over recent years. We have successfully worked alongside Collins Stewart with a number of clients in the past and believe that our franchise can be grown further as part of a broader-based financial services group.”

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Enquiries

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