

Collins Stewart Tullett plc

**Heads of agreement concerning acquisition of
Chapdelaine Corporate Securities & Co**

The Board of Collins Stewart Tullett plc announces that the Company has agreed terms with Richard Chapdelaine and Michael Walsh (the principal shareholders) to acquire 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. ('CCS'). The agreement is subject to satisfactory due diligence, the normal regulatory clearances and other customary closing conditions. The consideration will be \$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.

It is expected that the acquisition will be completed by the end of the year. A further announcement will be made in due course.

- Ends -

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