



Tullett Prebon plc

Interim Results 2008

August 2008





Terry Smith
Chief Executive



Context

- Market volatility throughout H1
- Benefit from actions taken to accelerate revenue growth
- Continued investment in Electronic Broking
- Positive outlook

Highlights

- Revenue growth Q1 + 27%
 Q2 + 22%
 H1 + 25%
- Increase in operating margin
- Primex acquisition
- Progress in Electronic Broking delivery
- Interim dividend 4.75p per share

Financial Performance

	H1 2008	H1 2007	Full Year 2007
Revenue	468.3	371.6	753.8
Operating profit	84.2	64.8	131.8
Operating margin	18.0%	17.4%	17.5%

Revenue by Region

£m	H1 2008	H1 2007	Change
Europe	247.4	186.4	+33%
North America	165.3	151.1	+9%
Asia Pacific	55.6	38.2	+46%
At constant exchange rates	468.3	375.7	+25%
Translation	-	(4.1)	-
Reported	468.3	371.6	+26%

Revenue by Product Group

£m	H1 2008	H1 2007	Change
Treasury Products	127.8	98.7	+29%
Interest Rate Derivatives	114.1	91.0	+25%
Fixed Income	128.4	109.9	+17%
Equities	48.7	36.6	+33%
Energy	40.7	32.4	+26%
Information Sales	8.6	7.1	+21%
At constant exchange rates	468.3	375.7	+25%
Translation	-	(4.1)	-
Reported	468.3	371.6	+26%

Operating Profit by Region

£m	H1 2008	H1 2007	Change
Europe	55.1	40.4	+36%
North America	30.6	27.0	+13%
Asia Pacific	10.0	4.1	+144%
Before investment in eBroking	95.7	71.5	+34%
Investment in eBroking	(11.5)	(6.7)	+72%
Reported	84.2	64.8	+30%

Operating Margin by Region

	H1 2008	H1 2007
Europe	22.3%	21.9%
North America	18.5%	17.8%
Asia Pacific	18.0%	11.5%
Before investment in eBroking	20.4%	19.2%
Investment in eBroking	(2.4)%	(1.8)%
Reported	18.0%	17.4%

Performance Measures

	H1 2008	H1 2007	Change
Broker headcount (period end)	1,706	1,587	+7.5%
Average revenue per broker	£272k	£228k	+18%*
Broker employment costs: broking revenue	57.5%	56.4%	+1.1% pts
Broking revenue per support staff head	£687k	£566k	+20%*

*at constant exchange rates

Broker Headcount

	June 2008	December 2007	June 2007
Europe	762	704	692
North America	568	573	596
Asia Pacific	376	359	299
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	1,706	1,636	1,587
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Acquisitions - Primex

- London based oil products broker
- \$30m revenue for 12m to December 2007
- Consideration on completion £0.5m cash and £10.5m equity
- Deferred consideration £1.0m cash and up to £5.8m equity
- Complements existing Energy business (power and gas)

Electronic Broking – ‘Pure’ Platforms

- NAM - USD Repo
- NAM - Treasuries
- Asia - FRAs
- Europe - new platform expected to go live September

Electronic Broking – ‘Hybrid’ Platforms

- NAM - Agencies
- All regions - FXOs
- Europe - Energy
- Europe/Asia - new platform expected to go live Q4

Comparison with Sector

Most recent available 6 months	Revenue	Reported Revenue Growth	Operating Margin
	£m	%	%
ICAP (Electronic Broking)	148.0	31%	40.4%
ICAP (Voice Broking & Information Sales)	530.2	18%	20.9%
ICAP (All Activities)**	678.2	20%	25.2%
Tullett Prebon*	468.3	26%	18.0%
Tradition*	375.6	16%	N/A
BGC Partners Inc.**	305.6	20%	N/A
GFI*	287.6	23%	16.8%

*to June 2008 **to March 2008



Paul Mainwaring
Finance Director



Profit & Loss

£m	H1 2008	H1 2007
Revenue	468.3	371.6
Operating profit	84.2	64.8
Cash finance income/(expense)	(10.3)	(6.1)
Adjusted Profit before tax	73.9	58.7
Tax	(26.6)	(22.3)
Associates	0.7	0.2
Minorities	(0.5)	(0.3)
Adjusted Earnings	47.5	36.3

Cash Finance Income/(Expense)

£m	H1 2008	H1 2007
Interest receivable	5.5	6.8
Interest payable		
• Eurobond	(6.2)	(6.2)
• Bank loan	(8.8)	(5.5)
• Amortisation of debt issue costs	(0.6)	(0.9)
• Other interest	(0.2)	(0.3)
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	(10.3)	(6.1)

Taxation

£m	H1 2008	H1 2007
Adjusted Profit before tax	73.9	58.7
Effective tax rate	36.0%	38.0%
Tax charge on adjusted profit	(26.6)	(22.3)

EPS

£m	H1 2008	H1 2007
Adjusted Earnings	47.5	36.3
Weighted average number of shares	212.3m	211.6m
Adjusted Earnings per share	22.4p	17.2p

Operating Cash Flow

£m	H1 2008	H1 2007
Operating profit	84.2	64.8
Share based compensation	2.1	2.1
Depreciation/amortisation	3.9	3.7
EBITDA	90.2	70.6
Capital expenditure (net of NBV of disposals)	(7.7)	(2.7)
Working capital	(18.8)	(25.8)
Operating cash flow	63.7	42.1

Net Cash Flow

£m	H1 2008	H1 2007
Operating cash flow	63.7	42.1
Interest	(5.9)	2.9
Taxation	(16.5)	(17.0)
Pension funding	(1.8)	(1.4)
Transaction costs	-	(1.0)
Share option related cash flows	-	0.4
Dividends paid	(17.0)	(12.7)
Dividends received from associates/paid to minorities	0.4	(0.4)
Acquisitions/investments	(4.1)	(29.7)
Net cash flow *	18.8	(16.8)

* before debt repayments and draw downs

Movement in Cash and Debt

£m	Cash	Debt	Net
At 31 December 2007	290.5	(450.5)	(160.0)
Net cash flow *	18.8	-	18.8
Debt repayments/draw downs	(29.9)	29.9	-
Funds acquired with Primex	1.6	-	1.6
Movement in fair values/amortisation of costs	-	0.2	0.2
Effect of movement in exchange rates	0.5	(0.2)	0.3
At 30 June 2008	<u>281.5</u>	<u>(420.6)</u>	<u>(139.1)</u>

* before debt repayments and draw downs

Balance Sheet

£m	June 2008	December 2007
Goodwill	370.3	355.9
Deferred consideration	(18.3)	(18.2)
Associates/investments	5.6	5.0
Operating assets/(liabilities)	(17.1)	(37.1)
Accrued interest	(12.2)	(5.7)
Current tax	(30.5)	(25.5)
Deferred tax	12.8	14.7
Pensions	(14.8)	(3.9)
Derivative financial instruments	9.4	7.2
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	305.2	292.4
Net (debt)/funds	(139.1)	(160.0)
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Net assets	166.1	132.4
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Operating Assets/(Liabilities)

£m	June 2008	December 2007
Fixed assets	25.9	21.5
Trade receivables	99.6	85.6
Net settlement balances	1.2	5.0
Other debtors/prepayments	46.3	34.2
Payables/accruals	(176.4)	(168.7)
Provisions	(13.7)	(14.7)
	<u>(17.1)</u>	<u>(37.1)</u>
Gross settlement balances - Receivable	16,609.7	6,802.6
- Payable	(16,608.5)	(6,797.6)
	<u>1.2</u>	<u>5.0</u>



Terry Smith
Chief Executive



Future Developments and Outlook

- Outlook positive
- IDB market is growing
- Customers facing challenging market conditions
- Continue to expect to deliver a good outcome for the year



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Appendices



Reconciliation: PBT adjusted to reported

£m	H1 2008	H1 2007
Adjusted Profit before tax	73.9	58.7
Non cash finance income/(expense)	0.6	(1.6)
Reported Profit before tax	<u>74.5</u>	<u>57.1</u>

Reconciliation: Earnings adjusted to reported

£m	H1 2008	H1 2007
Adjusted Earnings	47.5	36.3
Non cash finance income/(expense)	0.6	(1.6)
Deferred tax on non cash finance income/(expense)	(0.2)	(0.1)
Prior year tax items	-	(0.5)
Reported Earnings	<u>47.9</u>	<u>34.1</u>

Net (Debt)/Funds

£m	June 2008	December 2007
Cash and cash equivalents	252.5	262.2
Other financial assets	29.0	28.3
	281.5	290.5
Eurobond	(150.0)	(150.0)
Unamortised issue costs	0.4	0.6
Fair value	0.9	0.2
	(148.7)	(149.2)
Bank loans	(270.0)	(300.0)
Unamortised issue costs	1.8	2.1
	(268.2)	(297.9)
Overdrafts	(0.3)	(0.1)
Finance leases	(3.4)	(3.2)
Loan notes	-	(0.1)
Net (debt)/funds	(139.1)	(160.0)

Competitor Analysis – Sources

- Operating profits are shown before exceptional items and net interest
- ICAP is 6 months to March 2008 with prior year comparatives
- GFI is 6 months to June 2008 with prior year comparatives
- Tradition revenue is 6 months to June 2008 with prior year comparatives
- BGC Partners Inc. is based upon published Q1 2008 (combined entity) plus the aggregate of Q4 2007 for BGC Partners and eSpeed
- GFI and BGC @ US\$1.99 = £1
- Tradition @ CHF 2.1 = £1

Major Shareholders as at 16 July 2008

Investor	Holding	(%)	
1	Morley Fund Management	17,098,353	7.94
2	Scottish Widows Investment Partnership	17,057,100	7.92
3	Legal & General Investment Management	10,324,942	4.80
4	Director & Related Holding(s)	8,915,078	4.14
5	HSBC Global Asset Management (UK)	8,826,851	4.10
6	JP Morgan Asset Management	7,599,459	3.53
7	Neptune Investment Management	7,507,500	3.49
8	Jupiter Asset Management	6,175,086	2.87
9	State Street Global Advisors	4,910,777	2.28
10	OppenheimerFunds	4,782,288	2.22
11	TIAA-CREF	4,679,810	2.17
12	Old Mutual Asset Managers (UK)	3,418,000	1.59
13	Martin Currie Investment Management	3,402,972	1.58
14	Franklin Templeton Investments	3,106,370	1.44
15	DWS Investments	2,940,911	1.37
16	ING Bank London	2,934,600	1.36
17	Liberty Square Asset Management	2,472,712	1.15
18	AQR Capital Management	2,386,322	1.11
19	RCM (UK)	2,176,845	1.01
20	Barclays Wealth	2,158,889	1.00
		<u>122,874,865</u>	<u>57.07</u>

Source: Capital Registrars