



Tullett Prebon

Electronic Broking update

June 2011

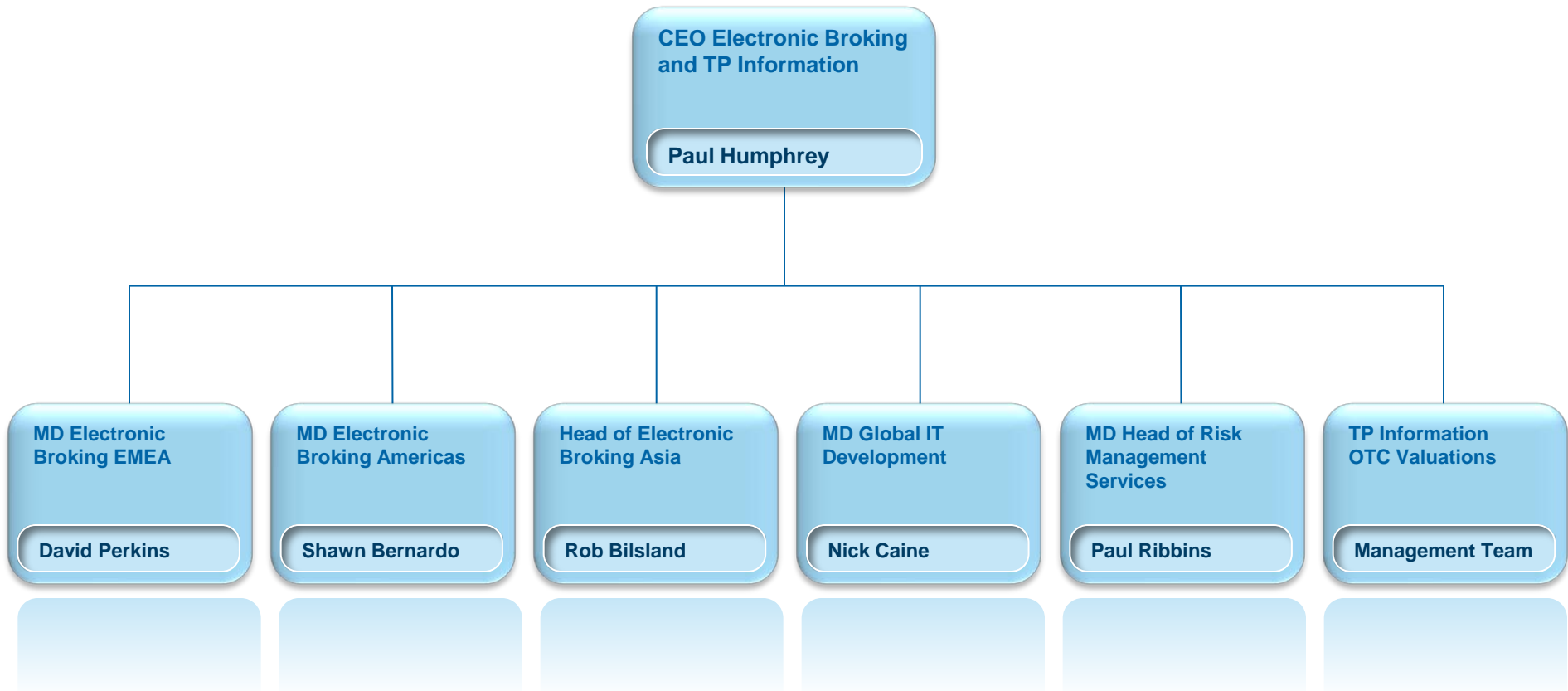


Introduction

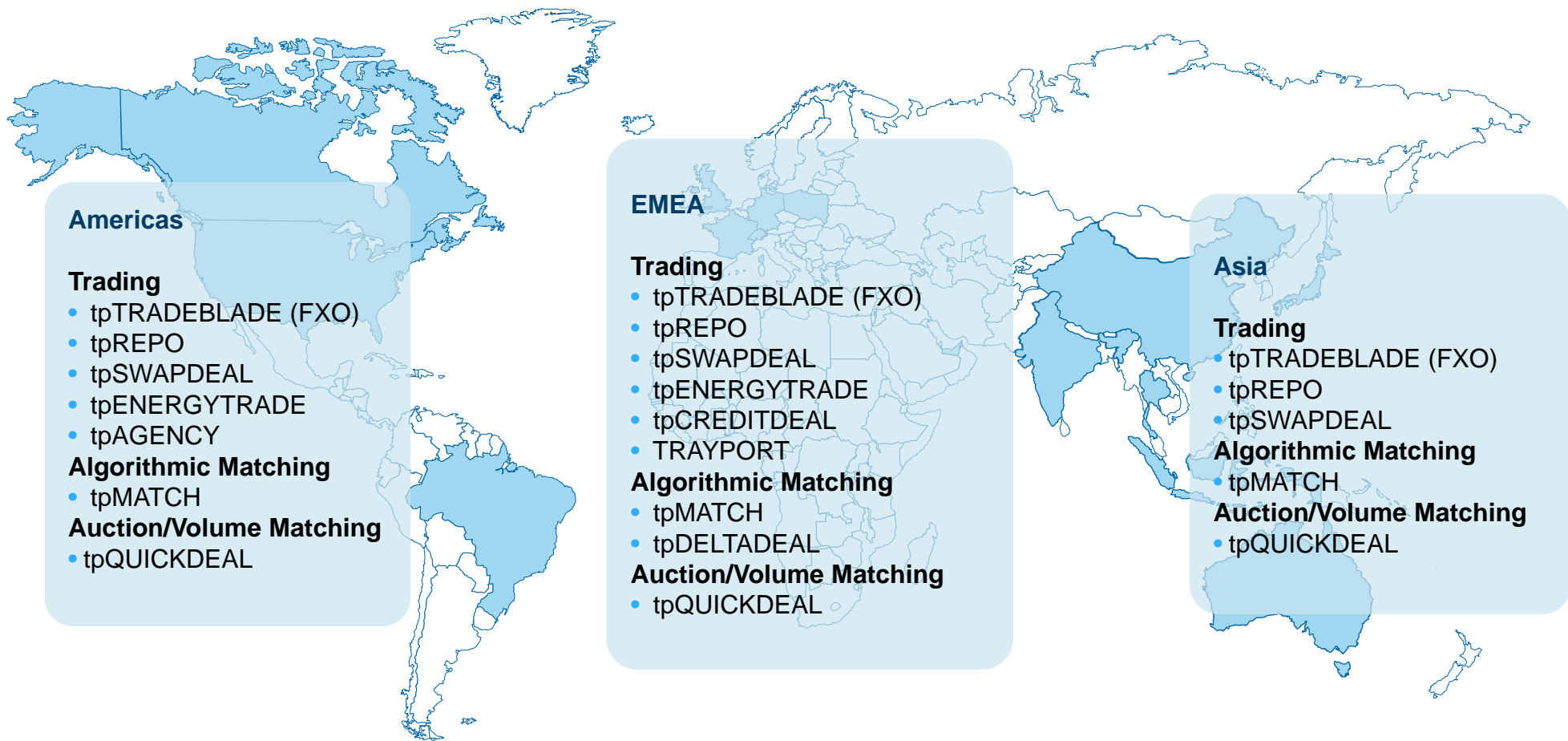
Electronically competitive

- Tullett Prebon offer a broad and successful electronic offering to the market
- Well positioned to respond to market and regulatory developments
– view the upcoming regulation as an opportunity
- Pipeline of current electronic initiatives is large, diverse and innovative

Organisation



Our Electronic Offering



The Competitive Landscape

HYBRID

Product Group	Tullett Prebon	ICAP	BGC	GFI	Tradition	DealerWeb
Rates	tpSWAPDEAL	i-Swap/i-Forward	BGC Trader		TRADx	
Volatility	tpTRADEBLADE	Volbroker JV	BGC Trader	ForexMatch	Volbroker JV	
Credit	tpCREDITDEAL	ICAP -- Credit	BGC Trader	CreditMatch	TRADE	
Energy	tpENERGYTRADE Trayport	i-Capture Trayport	Trayport	EnergyMatch Trayport	Trayport	

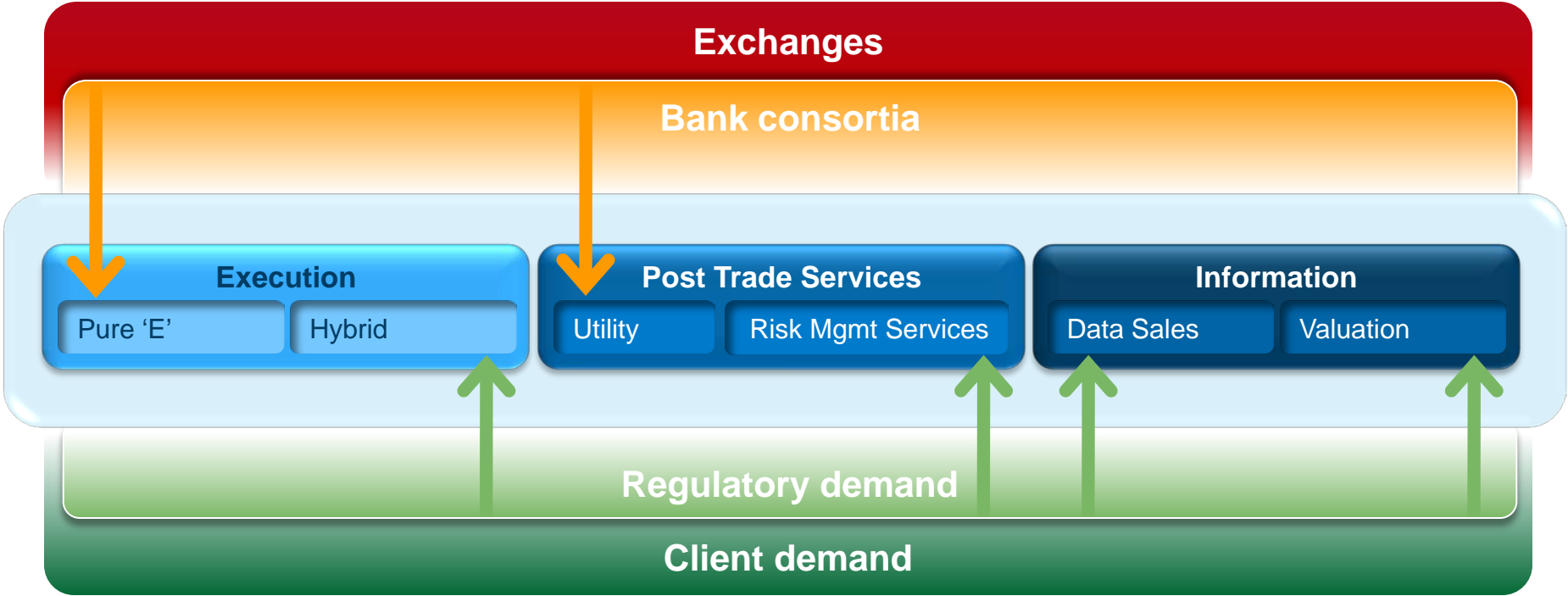
POST TRADE / RISK MANAGEMENT SERVICES

Product Group	Tullett Prebon	ICAP	BGC	GFI	Tradition	DealerWeb
Rates	tpMATCH	Reset/TriOptima				
Credit	tpDELTADEAL	ReMatch		Credit Match Auction		
Others		Traiana				

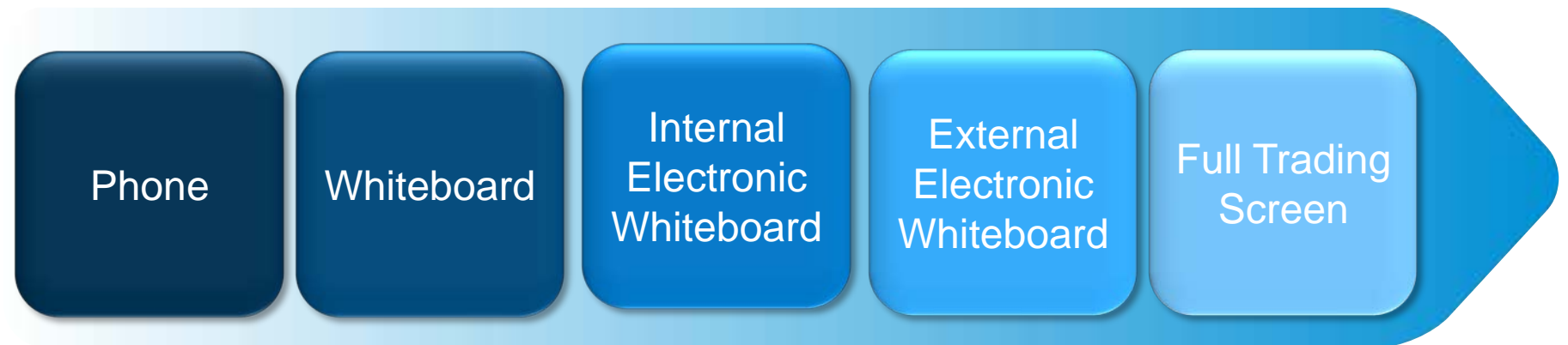
PURE ELECTRONIC

Product Group	Tullett Prebon	ICAP	BGC	GFI	Tradition	DealerWeb
Rates	tpQUICKDEAL tpREPO	BrokerTec	BGC Volume Match eSpeed			Mortgages/Agencies /T-Bills
Treasury		EBS				

Electronic Broking and Post Trade Landscape



Evolution of Electronic Platforms



*tp*SWAPDEAL – update on IRS platform

- Result of 18 months rigorous planning and design to provide market leading execution, functionality and downstream processing (available globally)
- Based on market leading exchange based technology from Millennium IT to provide extremely low latency trading
- Global solution ensuring minimum of technology integration work for clients
- Created with flexibility to enable direct or voice brokered interaction
- Operated as a non preferential open governance platform to the full breadth of today's IDB clients

Focused liquidity pools – *tpQUICKDEAL*

- *tpQUICKDEAL* is the name of Tullett Prebon's Volume matching tool
- Such tools are often referred to as auction platforms but this is a misnomer – Tullett Prebon view them as “electronic liquidity sessions”
- The system run by the Tullett Prebon Electronic broking department is a global system
- Allows banks to trade anonymously at mid market levels with instant matching occurring real time
- *tpQUICKDEAL* is an example of how Tullett Prebon is offering clients numerous ways in which to trade - whether it be to put on or mitigate first or secondary risk - in line with Tullett Prebon policy to be a “full service” broker

Tullett Prebon – Full Service provider

	Eg. Tullett Prebon Credit Business
Full Service IDB	
Voice Broking	Credit Voice Broking team
Hybrid Broking	Hybrid use of <i>tpCREDITDEAL</i>
Pure Electronic Broking	Pure electronic use of <i>tpCREDITDEAL</i>
Auctions/Volume matching	Daily auction service - <i>tpCREDITDEAL</i>
RMS - Algo matching	Delta neutral matching - <i>tpDELTADEAL</i>
STP/Affirmation	Direct STP connectivity and ICE.Link
Client distribution platform (network infrastructure)	Tullett Prebon CIPN

Further Developments

Areas of focus:

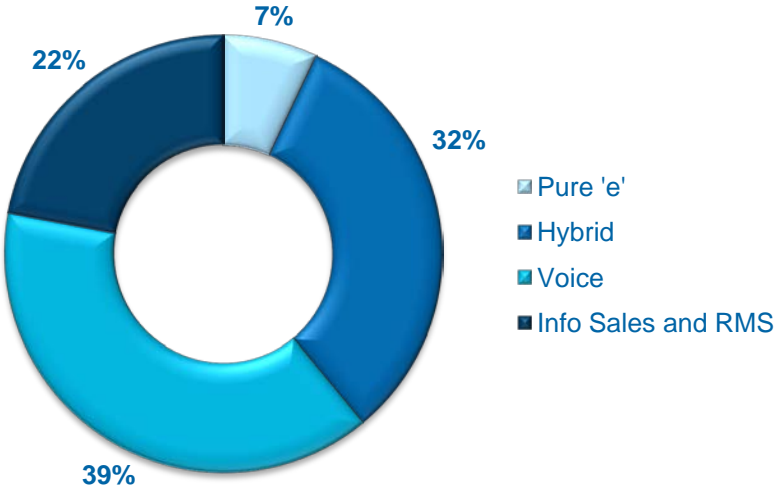
- Regulatory preparation
- Straight Through Processing and Enterprise Bus
 - *Enhancing core technical infrastructure for 'Front to Back' trade processing*
- Interest Rate Swaps platform
- Risk Management Services (Value Added)
 - *Extending the Risk Management Services to cover further asset classes.*
- tpQUICKDEAL expansion into new products
- Development of other derivative markets and the leveraging of current technology into new regions

Electronic Broking – Revenues

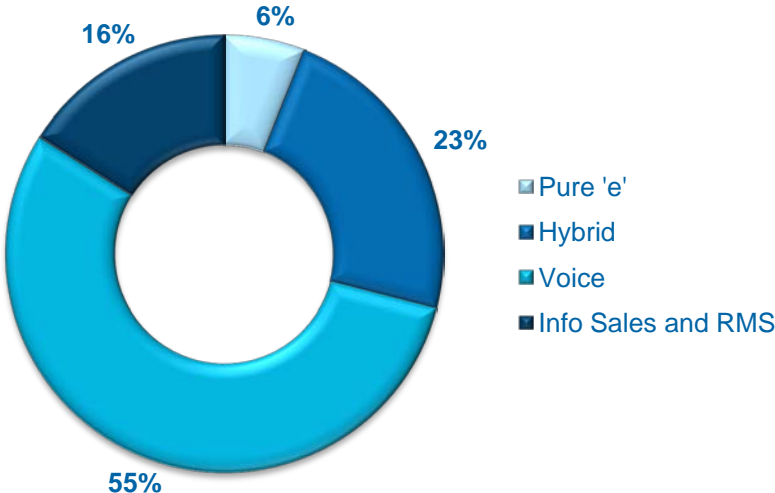
Revenues from products supported by electronic platforms plus Information Sales

Proportions of Revenues by type

2010 £150m 1/6th of total revenue



2009 £157m 1/6th of total revenue



Conclusion

Tullett Prebon is well positioned to respond to market and regulatory developments

- Electronic capability is strong and proven
- Hybrid electronic platforms better suited to most OTC products – voice liquidity essential
- Targeted investment driven by regulation and client demand
- Tullett Prebon is positioned for growth