TULLETT PREBON PLC

INTERIM MANAGEMENT REPORT – for the six months ended 30 June 2012

Tullett Prebon plc (the "Company") today announced its results for the six months ended 30 June 2012.

Financial Highlights

- Revenue £455.1m (2011: £454.8m)
- Underlying Operating profit £73.7m (2011: £79.4m)
- Underlying Operating margin 16.2% (2011: 17.5%)
- Underlying Profit before tax £68.3m (2011: £73.8m)
- Underlying Basic EPS 23.3p (2011: 24.5p)
- Reported Profit before tax £46.6m (2011: £74.6m)
- Reported Basic EPS 16.8p (2011: 24.8p)
- Interim dividend 5.6p per share (2011: 5.25p per share)

Notes:

Underlying figures are stated before the net charge/credit arising in each period related to the major legal actions between the Company and BGC, the restructuring charge in 2012, and the tax related to those items.

A table showing Underlying and Reported figures for each period is included in the Financial Review.

Terry Smith, Chief Executive, commented:

"The results for the first half of the year demonstrate the strength of the business in challenging market conditions. The results also reflect the benefit of the actions that have been taken to reduce costs and to maintain flexibility in the cost base, to strengthen the broking business in all three regions, and to develop our Information Sales and Risk Management Services businesses.

Market conditions are expected to continue to be challenging. The world's financial markets remain unsettled, but market activity has been subdued in recent months and it seems reasonable to expect that it will remain so during the second half, particularly in comparison with some periods of more heightened activity during the second half last year.

The business provides a valuable service to clients through its ability to create liquidity through price and volume discovery to facilitate trading in a wide range of financial instruments. We believe that we are well positioned to continue to provide a valuable service to clients and that our offering can be developed to meet the various new OTC market regulations that are being introduced.

The interim dividend will be paid on 15 November 2012 to shareholders on the register at close of business on 26 October 2012."

Forward-looking statements:

This document contains forward-looking statements with respect to the financial condition, results and business of the Company. By their nature, forward looking statements involve risk and uncertainty and there may be subsequent variations to estimates. The Company's actual future results may differ materially from the results expressed or implied in these forward-looking statements.

Enquiries:

Nigel Szembel, Head of Communications
Tullett Prebon plc
+44 (0)20 7200 7722

Further information on the Company and its activities is available on the Company's website: www.tullettprebon.com

TULLETT PREBON PLC

INTERIM MANAGEMENT REPORT – for the six months ended 30 June 2012

Overview

The results for the first half of the year demonstrate the strength of the business in challenging market conditions. The results also reflect the benefit of the actions that have been taken to reduce costs and to maintain flexibility in the cost base, to strengthen the broking business in all three regions, and to develop our Information Sales and Risk Management Services businesses.

Revenue of £455.1m in the first six months of the year was in line with that reported for 2011. At constant exchange rates, and excluding the recent acquisitions of Convenção and Chapdelaine, revenue was 5% lower.

Market conditions have continued to be challenging, with the overall level of market activity in the first half lower than in the same period last year. Market activity in the first two months of the year was in line with the prior year, but the level of market activity was lower in the last four months of the period than in the prior year.

Financial markets in the world's developed economies have remained unsettled, and the business has benefited from some periods of market volatility and heightened activity during the first half, particularly in Europe, but these periods have not been prolonged. Levels of activity also tend to reduce sharply during periods when volatility is overshadowed by structural uncertainty, and further easing of monetary policy has resulted in a further flattening of yield curves, dampening activity in certain asset classes. Market volumes are also being adversely affected by lower investor confidence and risk appetite, and by the actions being taken by many of our dealing bank customers in response to impending regulatory changes and capital requirements.

In the light of the challenging market conditions and the increased costs faced by the business relating to electronic platform development and other costs related to impending regulatory changes, actions have been taken to reduce costs and to maintain flexibility in the cost base. The actions taken during the first half of this year involve a reduction in headcount of 140. The annual reduction in fixed costs as a result of these actions is approximately the same as the £14.8m costs associated with achieving the reductions. The costs are included as an exceptional charge in the first half results.

Together with the actions taken at the end of 2011, the restructuring programme has reduced headcount by 220, over two-thirds from the front office, with an annual reduction in fixed costs of £30m. The action taken to reduce fixed costs through the exit or restructuring of contracts of individual brokers is designed to ensure that the business is well positioned to respond to potentially less favourable market conditions, by preserving the variable nature of broker compensation costs in relation to broking revenue.

We have continued to take actions to strengthen the broking business in all three regions. In Europe we have opened an office in Madrid broking Fixed Income and Energy products and we have taken full management control of our joint venture in Bahrain which will facilitate further expansion in the Middle East. In Asia, although we closed the equity derivatives desk in Tokyo at the end of last year, we have invested in the development of that business in Hong Kong. The new senior management in the Americas have established a firm platform for further development, and we completed the acquisition of the New York based Chapdelaine & Co. municipal bonds business in January 2012. We are not proceeding, however, with the acquisition of Elevation LLC, as we were unable to reach satisfactory final terms for the transaction. The performance of Convenção, the inter-dealer broker business based in São Paulo, Brazil, which we completed in August 2011, has been above our expectations and we have successfully expanded its activities to cover Equities and have increased headcount in other products.

We have continued to develop our electronic broking capabilities through the development and launch of platforms to provide clients with the flexibility to transact either entirely electronically or via the business's comprehensive voice execution broker network. This hybrid model is consistent with the nature and operation of the majority of the OTC product markets which are not characterised by continuous trading, and which therefore depend upon the intervention and support of voice brokers for their liquidity and effective operation.

Our hybrid interest rate swap platform, tpSWAPDEAL, was launched at the end of last year in London supporting Euro denominated interest rate swaps. The inter-dealer market for interest rate swaps continues to be executed predominantly through voice brokers, but the platform is increasingly being used by brokers for order entry and trade capture, and the streaming prices from our main liquidity providing banks are becoming an increasingly useful reference point. During the first half we introduced new products to the tpCREDITDEAL platform including emerging market and sovereign bonds. The tpQUICKDEAL service, which offers clients focused liquidity ("auction") sessions with real time electronic trade matching, has been broadened to support a wider range of products this year. Revenue from auctions has been in excess of £1m a month in the first half. We have recently launched the beta version of tpSPOTDEAL which is designed to enhance our existing spot FX voice business model for clients conducting wholesale transactions.

The Information Sales business has continued to perform strongly. The business retained the title of Best Data Provider (Broker) at the Inside Market Data Awards in May. The award is determined by an independent poll of end-users in financial businesses and is a clear endorsement of the business's ability to deliver the highest quality independent price data from the global OTC markets. The business has continued to expand its customer base and the breadth of data it offers to customers. During the first half of this year the business entered into a partnership agreement with an information services provider in India, and has become the first inter-dealer broker information provider to obtain a licence to distribute data in China. New product launches in the first half include a service covering the global OTC oil markets, and a Solvency II benchmark curves service in cooperation with Allianz aimed at the insurance and asset management sectors.

In the post trade Risk Management Services business, the tpMATCH platform, which assists clients in the management of interest rate risk, has continued to increase revenue through the expansion of the number of currencies supported and through further gains in market share. The new tpMATCH NDF platform which enables traders to reduce date mismatch risk on non-deliverable forwards was launched at the end of last year and already accounts for a significant share of the revenue of the Risk Management Services business.

Revenue from products supported by electronic platforms, together with Information Sales and Risk Management Services revenue, has increased by 21% and accounts for 23% of total revenue in the first half. As more electronic platforms are launched, and more products and services are added to existing platforms, the proportion of total revenue accounted for by products supported by electronic platforms is expected to continue to increase.

Underlying operating profit for the first half was £73.7m, 7% lower than reported for the first half of 2011, with the underlying operating margin 1.3% points lower, at 16.2%. The reduction in the underlying operating margin reflects an increase in the broker compensation to revenue percentage and an increase in broking support costs, partly offset by the growth of the higher margin Information Sales and Risk Management Services businesses. The increase in broking support costs reflects the investment being made in the development, launch and ongoing support of new electronic platforms, other costs related to impending regulatory changes, increased premises costs, and the inclusion of support costs for Convenção.

Our key financial and performance indicators for the first half of 2012 compared with those for the first half of 2011 are summarised in the table below. In order to give a more meaningful analysis of performance compared with the prior period, certain KPIs below are shown excluding Convenção and Chapdelaine.

	H1 2012	**H1 2011**	**Change**
Revenue	£455.1m	£454.8m	+0%
Underlying Operating profit	£73.7m	£79.4m	-7%
Underlying Operating margin	16.2%	17.5%	-1.3% points
Average broker headcount *	1,619	1,642	-1%
Average revenue per broker * (£'000)	256	268	-4%
Broker employment costs : broking revenue *	59.4%	58.7%	+ 0.7% points
Broker headcount (period end)	1,750	1,666	+5%
Broking support headcount (period end)	735	688	+7%

* excluding Convenção and Chapdelaine

Broker headcount and broking support headcount are higher than a year ago reflecting the heads joining the business through the acquisitions of Convenção and Chapdelaine, the opening of new offices and other new hiring, which has offset the headcount exited through the restructuring programme. The new hiring in broking support relates to the development, launch and ongoing support of new electronic platforms.

Operating Review

The tables below analyse revenue by region and by product group, and underlying operating profit by region, for the first half of 2012 compared with the equivalent period in 2011.

Revenue

In order to give a more meaningful analysis of revenue performance, the tables show the revenue from Convenção, which was acquired in August 2011, and from Chapdelaine, which was acquired in January 2012, separately. A significant proportion of the group's activity is conducted outside the UK and the reported revenue is therefore impacted by the movement in the foreign exchange rates used to translate the revenue from non-UK operations. The tables therefore show revenue for the first half of 2011 translated at the same exchange rates as those used for 2012, with growth rates calculated on the same basis. The revenue figures as reported are shown in note 5 to the Condensed Consolidated Financial Statements.

The commentary below reflects the presentation in the tables.

Revenue by product group	**H1 2012 £m**	**H1 2011 £m**	**Change**
Treasury Products	119.8	129.0	-7%
Interest Rate Derivatives	92.9	105.3	-12%
Fixed Income	123.6	127.3	-3%
Equities	22.8	24.0	-5%
Energy	55.7	54.1	+3%
Information Sales and Risk Management Services	23.0	19.0	+21%
	437.8	458.7	-5%
Convenção and Chapdelaine	17.3		
At constant exchange rates	455.1	458.7	-1%
Exchange translation		(3.9)	
Reported	455.1	454.8	+0%

At constant exchange rates, and excluding the revenue from Convenção and Chapdelaine, revenue was 5% lower in the first half of 2012 than in the same period in 2011.

The lower revenue from Treasury Products reflects the lower activity in the FX and cash markets in the Americas, and in non-deliverable forwards in Singapore.

The decline in revenue from Interest Rate Derivatives reflects flatter yield curves, lower levels of market activity in emerging markets products in Europe and the Americas, and the lower level of activity generally in Tokyo.

Revenue in Fixed Income was slightly lower with the strong performance in government bonds and futures and options in Europe offset by lower levels of market activity in the Americas.

The reduction in revenue in Equities reflects the lower level of activity in equity derivatives in Europe, partly offset by the development of the alternative investments activity in that region and growth in Equities in the Americas.

The revenue growth in Energy has been driven by growth in commodities, with the revenue from oil, power and gas products in line with last year.

The growth in revenue from Information Sales reflects the continued expansion of the customer base and increased demand from existing customers for additional data. In Risk Management Services the tpMATCH platform has continued to gain market share and the tpMATCH NDF platform has established significant revenue since its launch at the end of last year.

Revenue by region	**H1 2012 £m**	**H1 2011 £m**	**Change**
Europe	268.0	269.3	-0%
Americas	110.3	126.2	-13%
Asia Pacific	59.5	63.2	-6%
	437.8	458.7	-5%
Convenção and Chapdelaine	17.3		
At constant exchange rates	455.1	458.7	-1%
Exchange translation		(3.9)	
Reported	455.1	454.8	+0%

Europe

Revenue in Europe was unchanged compared with 2011, with a 1% reduction in broking revenue offset by growth in Information Sales. Average broker headcount in Europe was 1% higher than in the prior year, with a reduction in the UK more than offset by increases in Spain and Bahrain. Average revenue per broker in the region was 2% lower than in the prior year.

Revenue in traditional major currency Treasury Products (FX and cash) and interest rate swaps was slightly higher than in the prior year, but market activity in emerging market and volatility products including FX options and interest rate options has been significantly lower reflecting the general reduction in risk appetite. Revenue from government bonds was higher reflecting more active markets, and revenue from exchange traded futures and options has continued to benefit from the investments made to develop that activity. Credit markets have been subdued and we withdrew from some credit derivatives businesses in the second half of last year. Volumes in equity derivatives have been lower than last year but we have gained considerable traction in alternative investments. In Energy, lower levels of activity in oil, power and gas products was offset by growth in commodities including base metals, precious metals, coal and emissions.

Americas

Revenue in the Americas, excluding the revenue from Convenção and Chapdelaine, was 13% lower than in 2011. Average revenue per broker in the region was 6% lower and average broker headcount was 7% lower than in the same period a year ago.

Activity in the traditional inter-dealer broker product markets of FX, cash deposits, interest rate swaps and government and agency bonds has declined in the region, and the action taken to reduce costs and to maintain flexibility in the cost base has resulted in broker headcount in those areas reducing by one-sixth since June 2011. The market in credit products has also been subdued but headcount has been maintained with fixed costs reduced through the restructuring of broker employment contracts. Broker headcount in Energy and Equities has been increased to support growth, and revenue from those activities was 15% higher than a year ago.

Convenção has performed strongly, benefiting from the active markets in Brazil and from the expansion of the business to cover Equities. Chapdelaine, a leading municipal bond broker in New York has also performed well since the completion of the acquisition in January.

Asia Pacific

Revenue in Asia Pacific was 6% lower than last year, with a 10% reduction in broking revenue offset by the growth of the Risk Management Services business which is operated from the region. The fall in broking revenue reflects lower market activity in two of the three major centres in the region, with average broker headcount unchanged. The level of market activity in Japan has not recovered since the earthquake in March 2011 and activity in Singapore has been affected by the general reduction in risk appetite. The business in Hong Kong, however, has continued to benefit from growth in the markets for Renminbi products and from the development of the equity derivatives activity in that centre.

Underlying Operating profit

The revenue, underlying operating profit and operating margin by region shown below are as reported.

	Revenue		Underlying Operating profit		
£m	**H1 2012**	**H1 2011**	**H1 2012**	**H1 2011**	**Change**
Europe	268.0	269.9	61.8	63.4	-3%
Americas	127.6	123.4	4.5	8.7	-48%
Asia Pacific	59.5	61.5	7.4	7.3	+1%
Reported	455.1	454.8	73.7	79.4	-7%

Underlying Operating margin by region	**H1 2012**	**H1 2011**
Europe	23.1%	23.5%
Americas	3.5%	7.1%
Asia Pacific	12.4%	11.9%
	16.2%	17.5%

Underlying operating profit in Europe was down 3% and with revenue in the region unchanged, the underlying operating margin has reduced slightly to 23.1%. Higher broker employment costs as a percentage of revenue and the costs of investments made in new offices in Continental Europe and to support the Energy business in London have been partly offset by improved operating profit and margin in Information Sales.

The main drivers of the reduction in the underlying operating margin in the Americas are the increase in broker employment costs as a percentage of revenue reflecting the initial impact of the acquisition of Chapdelaine, and an increase in support costs reflecting regulatory change set-up costs and increased premises costs, including in New York where, following the rationalisation of facilities after the acquisition of Chapdelaine, all the Fixed Income brokers are now located in the same building. Convenção in Brazil has achieved an underlying operating profit margin of 13% in the first half.

In Asia Pacific underlying operating profit was 1% higher, with the underlying operating margin increasing to 12.4%. The broking operating margin has been maintained in line with last year despite the fall in revenue as a result of the actions taken to reduce both front office and support costs in the region, with the increase in overall margin for the region reflecting the benefit of the growth in Risk Management Services which has a higher operating margin than broking.

OTC Market Regulation

Progress continues to be made in the process of agreeing and implementing reforms designed to strengthen the financial system and to improve the operation of financial markets. In the United States, although some key areas remain under discussion, the final rules relating to Swap Execution Facilities (SEF) are expected to be issued before the end of the year. We are preparing for the implementation of these rules, and we are confident that we will qualify as a SEF. In Europe, EMIR, which contains provisions governing the mandatory clearing requirement and trade reporting requirements for derivatives, has been adopted by the European Parliament and draft technical standards on implementation have been issued by ESMA for consultation. MiFID II and MiFIR, which contain provisions governing permissible trade execution venues, governance and conduct of business requirements for trading venues, continue through the legislative process.

As we have previously commented, we agree with the objectives and support the direction of these reforms, and we believe that we are well positioned to respond to and benefit from changes in the way in which OTC product markets will operate as a result of their implementation. The reforms reinforce the role of the intermediary in the OTC markets, and we believe that the introduction of electronic platforms reflects an evolution of the facilitation service that the business provides, rather than fundamentally changing the way in which OTC markets operate.

Litigation

On 22 March 2012 the Company announced that it had submitted a motion to the New York Court to confirm the arbitral award made by a tribunal of the American Arbitration Association in connection with claims by BGC that the Company's information sales subsidiary misused certain market data it was being supplied under a redistribution agreement. The arbitrator's award is that the Company should pay BGC $0.8m plus interest at the statutory rate from 1 January 2010. BGC's application for reasonable attorney's fees and costs was denied. In response to the Company's motion, BGC have cross moved seeking to vacate the arbitrator's award. The outcome of these motions is expected to be known later this year.

Legal action continues to be pursued against BGC and former employees in the United States. The FINRA arbitration on the claim brought by the subsidiary companies in the United States directly affected by the raid on the business by BGC in the second half of 2009 has commenced and is expected to continue through the remainder of the year. A separate action has also been brought by the Company in the New Jersey Superior Court, alleging, among other causes of action, violations under the NJ RICO Act. Since 1 January 2012, £6.9m of costs have been incurred in relation to these actions. Consistent with the treatment adopted in 2011, these costs have been recognised as an exceptional charge in 2012.

Financial Review

The results for the first half of 2012 compared with those for the first half of 2011 are shown in the tables below.

H1 2012

Profit and Loss £m	**Underlying**	**Exceptional Items**	**Reported**
Revenue	**455.1**		**455.1**
Operating profit	73.7		73.7
Charge relating to major legal actions		(6.9)	(6.9)
Restructuring costs		(14.8)	(14.8)
Operating profit	**73.7**	**(21.7)**	**52.0**
Net finance expense	(5.4)		(5.4)
Profit before tax	**68.3**	**(21.7)**	**46.6**
Tax	(18.2)	7.6	(10.6)
Associates	0.8		0.8
Minorities	(0.2)		(0.2)
Earnings	**50.7**	**(14.1)**	**36.6**
Average number of shares	217.4m		217.4m
Basic EPS	**23.3p**		**16.8p**

H1 2011

Profit and Loss £m	**Underlying**	**Exceptional Items**	**Reported**
Revenue	**454.8**		**454.8**
Operating profit	79.4		79.4
Credit relating to major legal actions		0.8	0.8
Operating profit	**79.4**	**0.8**	**80.2**
Net finance expense	(5.6)		(5.6)
Profit before tax	**73.8**	**0.8**	**74.6**
Tax	(21.3)		(21.3)
Associates	0.8		0.8
Minorities	(0.3)		(0.3)
Earnings	**53.0**	**0.8**	**53.8**
Average number of shares	216.5m		216.5m
Basic EPS	**24.5p**		**24.8p**

Net finance expense

The reduction in the net finance expense reflects a small decrease in the interest earned on cash balances, offset by higher net non-cash finance income.

The net non-cash finance income comprises the net of the expected return and interest on pension scheme assets and liabilities of £2.4m (2011: £1.5m) partly offset by the amortisation of the discount on deferred consideration of £0.4m (2011: nil).

Tax

The effective rate of tax on underlying PBT is 26.6% (2011: 28.9%). The effective rate of tax reflects the estimated effective rate for the full year. The actual effective rate of tax on underlying PBT for the full year 2011 was 27.1%. The reduction in the effective rate compared with the full year 2011 results primarily from the reduction in the corporate tax rate in the UK by 2.0% points to 24.0% with effect from 1 April 2012, offset by the non-recurrence in 2012 of the prior year credits in 2011.

The tax credit on exceptional items reflects the net tax relief on those items at the relevant rate for the jurisdiction in which the charges are borne.

The total tax charge for the first half of £10.6m gives an effective rate on reported PBT of 22.7% (2011: 28.6%).

Basic EPS

The average number of shares used for the basic EPS calculation of 217.4m reflects the 217.6m shares in issue throughout the period, less the 0.2m shares held throughout the period by the Employee Benefit Trust which has waived its rights to dividends.

Exchange rates

The income statements and balance sheets of the group's non-UK operations are translated into sterling at average and period end exchange rates respectively. The most significant exchange rates for the group are the US dollar, the Euro, the Singapore dollar and the Japanese Yen. Average and period end exchange rates used in the preparation of the financial statements are shown below.

	Average			**Period End**		
	H1 2012	**H1 2011**	**H2 2011**	**30 June 2012**	**31 Dec 2011**	**30 June 2011**
US dollar	$1.58	$1.62	$1.60	$1.57	$1.55	$1.61
Euro	€1.21	€1.15	€1.14	€1.24	€1.20	€1.11
Singapore dollar	S$2.00	S$2.04	S$2.00	S$1.99	S$2.02	S$1.97
Japanese Yen	¥125	¥132	¥125	¥125	¥120	¥130

Cash flow and financing

Cash flow before dividends and debt repayments and draw downs is summarised in the table below.

	H1 2012 £m	H1 2011 £m
Underlying Operating profit	73.7	79.4
Share based compensation	0.8	0.6
Depreciation and amortisation	6.1	4.2
EBITDA	80.6	84.2
Capital expenditure (net of disposals)	(7.7)	(5.6)
Increase in initial contract prepayments	(19.0)	(16.2)
Other working capital	(51.4)	(35.5)
Operating cash flow	2.5	26.9
Exceptional items – restructuring cash payments	(9.6)	-
Exceptional items – major legal actions net cash flow	(6.9)	6.7
Interest	(1.7)	(1.3)
Taxation	(20.7)	(22.9)
Dividends received from associates/(paid) to minorities	-	0.9
Defined benefit pension scheme funding	(0.3)	(0.5)
Acquisitions / Investments	(9.2)	(6.6)
Cash flow	(45.9)	3.2

Reflecting the normal seasonal pattern of working capital movements, trade receivables and net settlement balances were higher, and bonus accruals and payroll taxes were lower, at June than at December last year, resulting in a working capital outflow. Together with the increase in the initial contract prepayments balance, as amounts paid during the first half have exceeded the amortisation, this has resulted in operating cash flow being lower than operating profit, similar to the pattern in the first half of 2011.

The exceptional items restructuring cash payments of £9.6m in the first half of 2012 include £6.1m relating to the actions taken in 2012 and £3.5m relating to the actions taken at the end of 2011. Further cash payments relating to restructuring of around £10m are expected in the second half.

The exceptional items major legal actions net cash flow in 2012 reflects the profit and loss charge. In the first half of 2011 the inflow was higher than the profit and loss credit which was net of a provision which has not yet been paid.

Expenditure on acquisitions in 2012 includes the consideration for Chapdelaine and deferred consideration payments relating to Aspen and Convenção.

The movement in cash and debt is summarised below.

£m	Cash	Debt	Net
At 31 December 2011	372.8	(265.7)	107.1
Cash flow	(45.9)	-	(45.9)
Dividends	(24.5)	-	(24.5)
Debt repayments / draw downs	(30.0)	30.0	-
Amortisation of debt issue costs	-	(0.7)	(0.7)
Cash acquired with subsidiaries	2.5	-	2.5
Effect of movement in exchange rates	(2.2)	-	(2.2)
At 30 June 2012	272.7	(236.4)	36.3

At 30 June 2012 the group's outstanding debt comprised £141.1m Eurobonds due July 2016, £8.5m Eurobonds (subordinated debt) due August 2014, £90m drawn under an amortising bank term loan facility, and £0.1m of finance leases. The term loan is subject to a repayment of £30m in February 2013 with the balance of £60m maturing in February 2014. The group has a committed £115m revolving credit facility that has remained undrawn throughout the period, which will also mature in February 2014.

Debt ratings

Fitch upgraded the Company's Long-term IDR and Senior Debt rating to BBB with stable outlook in February 2011. The ratings and outlook were affirmed in February 2012, and again, most recently, on 6 July 2012.

Moody's have maintained the Company's Corporate Family Rating at Baa3 since March 2007, with the senior debt having the same rating. In March 2012, Moody's changed its outlook on the long term ratings to negative from stable. The Company's contract with Moody's expired on 30 June 2012 and is not being renewed. Moody's may decide to maintain a rating on the Company but they will no longer have access to any non-public information.

Dividend

As in 2011, the interim dividend for 2012 has been set at a level equal to 50% of the final dividend paid for the previous year. This approach to setting the interim dividend is expected to continue.

Outlook

Market conditions are expected to continue to be challenging. The world's financial markets remain unsettled, but market activity has been subdued in recent months and it seems reasonable to expect that it will remain so during the second half, particularly in comparison with some periods of more heightened activity during the second half last year.

Actions have been taken to reduce fixed costs so that the business is well positioned to respond to less favourable market conditions. Actions will continue to be taken to strengthen the business and to develop our electronic broking capabilities.

The business provides a valuable service to clients through its ability to create liquidity through price and volume discovery to facilitate trading in a wide range of financial instruments. We believe that we are well positioned to continue to provide a valuable service to clients and that our offering can be developed to meet the various new OTC market regulations that are being introduced.

Condensed Consolidated Income Statement

for the six months ended 30 June 2012

	Notes	Six months ended 30 June 2012 (unaudited) £m	Six months ended 30 June 2011 (unaudited) £m	Year ended 31 December 2011 £m
Revenue	5	455.1	454.8	910.2
Administrative expenses		(406.5)	(393.8)	(803.5)
Other operating income	6	3.4	19.2	23.6
Operating profit	5	52.0	80.2	130.3
Finance income	7	6.8	6.5	12.8
Finance costs	8	(12.2)	(12.1)	(25.1)
Other gains and losses	9	-	-	1.2
Profit before tax		46.6	74.6	119.2
Taxation		(10.6)	(21.3)	(30.3)
Profit of consolidated companies		36.0	53.3	88.9
Share of results of associates		0.8	0.8	1.2
Profit for the period		36.8	54.1	90.1
Attributable to:				
Equity holders of the parent		36.6	53.8	89.4
Minority interests		0.2	0.3	0.7
		36.8	54.1	90.1
Earnings per share				
Basic - underlying	10	23.3p	24.5p	46.1p
Basic	10	16.8p	24.8p	41.3p
Diluted - underlying	10	23.3p	24.4p	45.8p
Diluted - basic	10	16.8p	24.8p	41.1p

Condensed Consolidated Statement of Comprehensive Income

for the six months ended 30 June 2012

	Six months ended 30 June 2012 (unaudited) £m	Six months ended 30 June 2011 (unaudited) £m	Year ended 31 December 2011 £m
Profit for the period	36.8	54.1	90.1
Other comprehensive income:			
Revaluation of investments	0.2	(0.5)	(0.7)
Effect of changes in exchange rates on translation of foreign operations	(3.5)	(1.4)	0.2
Actuarial (losses)/gains on defined benefit pension schemes	(1.3)	21.4	8.2
Taxation charge on components of other comprehensive income	(0.1)	(5.9)	(3.2)
Other comprehensive income for the period	(4.7)	13.6	4.5
Total comprehensive income for the period	32.1	67.7	94.6
Attributable to:			
Equity holders of the parent	32.0	67.4	93.8
Minority interests	0.1	0.3	0.8
	32.1	67.7	94.6

Condensed Consolidated Balance Sheet

as at 30 June 2012

	30 June 2012 (unaudited)	30 June 2011 (unaudited)	31 December 2011
	£m	£m	£m
Non-current assets			
Goodwill	403.5	380.1	396.6
Other intangible assets	20.1	14.3	18.3
Property, plant and equipment	23.6	23.4	22.1
Interest in associates	4.0	3.5	3.4
Investments	5.8	5.7	7.4
Deferred tax assets	10.3	11.3	4.9
Retirement benefit assets	36.9	47.0	35.5
	504.2	485.3	488.2
Current assets			
Trade and other receivables	29,635.4	28,188.9	5,255.9
Financial assets	34.3	28.5	30.8
Cash and cash equivalents	238.4	284.5	342.0
	29,908.1	28,501.9	5,628.7
Total assets	30,412.3	28,987.2	6,116.9
Current liabilities			
Trade and other payables	(29,611.2)	(28,186.8)	(5,298.3)
Interest bearing loans and borrowings	(29.5)	(29.4)	(30.1)
Current tax liabilities	(34.4)	(31.5)	(36.7)
Short term provisions	(13.0)	(6.2)	(12.4)
	(29,688.1)	(28,253.9)	(5,377.5)
Net current assets	220.0	248.0	251.2
Non-current liabilities			
Interest bearing loans and borrowings	(206.9)	(235.7)	(235.6)
Deferred tax liabilities	(12.9)	(30.7)	(14.1)
Long term provisions	(11.6)	(3.9)	(6.4)
Other long term payables	(9.0)	(5.5)	(7.8)
	(240.4)	(275.8)	(263.9)
Total liabilities	(29,928.5)	(28,529.7)	(5,641.4)
Net assets	483.8	457.5	475.5
Equity			
Share capital	54.4	53.8	53.8
Share premium account	17.1	9.9	9.9
Reverse acquisition reserve	(1,182.3)	(1,182.3)	(1,182.3)
Other reserves	137.1	146.5	148.4
Retained earnings	1,454.5	1,426.5	1,442.6
Equity attributable to equity holders of the parent	480.8	454.4	472.4
Minority interests	3.0	3.1	3.1
Total equity	483.8	457.5	475.5

Condensed Consolidated Cash Flow Statement

for the six months ended 30 June 2012

	Notes	Six months ended 30 June 2012 (unaudited) £m	Six months ended 30 June 2011 (unaudited) £m	Year ended 31 December 2011 £m
Net cash from operating activities	12(a)	(29.9)	13.8	95.2
Investing activities				
(Purchase)/sale of financial assets		(3.4)	7.0	7.8
Interest received		0.9	0.7	2.2
Dividends from associates		0.1	0.9	1.2
Sale/(purchase) of investments		1.7	(1.9)	(3.5)
Expenditure on intangible fixed assets		(3.8)	(3.8)	(9.4)
Purchase of property, plant and equipment		(3.9)	(1.8)	(3.0)
Investment in subsidiaries		(8.4)	(4.7)	(11.0)
Net cash used in investment activities		(16.8)	(3.6)	(15.7)
Financing activities				
Dividends paid	11	(24.5)	(22.6)	(33.9)
Dividends paid to minority interests		(0.1)	-	(0.7)
Repayment of debt		(30.0)	(210.0)	(210.0)
Funds received from debt issue		-	120.0	120.0
Debt issue costs		-	(3.4)	(3.4)
Repayment of obligations under finance leases		-	(0.1)	(0.2)
Net cash used in financing activities		(54.6)	(116.1)	(128.2)
Net decrease in cash and cash equivalents		(101.3)	(105.9)	(48.7)
Cash and cash equivalents at the beginning of the period		342.0	390.1	390.1
Effect of foreign exchange rate changes		(2.3)	0.3	0.6
Cash and cash equivalents at the end of the period	12(b)	238.4	284.5	342.0

Condensed Consolidated Statement of Changes in Equity

for the six months ended 30 June 2012

	Equity attributable to equity holders of the parent											
	Share capital	Share premium account	Reverse acquisition reserve	Equity reserve	Re-valuation reserve	Merger reserve	Hedging and translation	Own shares	Retained earnings	Total	Minority interests	Total equity
(unaudited)	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**
Balance at 1 January 2012	**53.8**	**9.9**	**(1,182.3)**	**7.7**	**1.9**	**121.5**	**17.4**	**(0.1)**	**1,442.6**	**472.4**	**3.1**	**475.5**
Profit for the period	-	-	-	-	-	-	-	-	36.6	36.6	0.2	36.8
Other comprehensive income for the period	-	-	-	-	0.2	-	(3.8)	-	(1.0)	(4.6)	(0.1)	(4.7)
Total comprehensive income for the period	-	-	-	-	0.2	-	(3.8)	-	35.6	32.0	0.1	32.1
Equity component of deferred consideration	0.6	7.2	-	(7.7)	-	-	-	-	-	0.1	-	0.1
Dividends paid in the period	-	-	-	-	-	-	-	-	(24.5)	(24.5)	(0.1)	(24.6)
Credit arising on share-based payment awards	-	-	-	-	-	-	-	-	0.8	0.8	-	0.8
Decrease in minority equity interests	-	-	-	-	-	-	-	-	-	-	(0.1)	(0.1)
Balance at 30 June 2012	**54.4**	**17.1**	**(1,182.3)**	**-**	**2.1**	**121.5**	**13.6**	**(0.1)**	**1,454.5**	**480.8**	**3.0**	**483.8**

(unaudited)												
Balance at 1 January 2011	**53.8**	**9.9**	**(1,182.3)**	**5.3**	**2.6**	**121.5**	**17.4**	**(0.1)**	**1,380.9**	**409.0**	**2.8**	**411.8**
Profit for the period	-	-	-	-	-	-	-	-	53.8	53.8	0.3	54.1
Other comprehensive income for the period	-	-	-	-	(0.5)	-	0.3	-	13.8	13.6	-	13.6
Total comprehensive income for the period	-	-	-	-	(0.5)	-	0.3	-	67.6	67.4	0.3	67.7
Dividends paid in the period	-	-	-	-	-	-	-	-	(22.6)	(22.6)	-	(22.6)
Credit arising on share-based payment awards	-	-	-	-	-	-	-	-	0.6	0.6	-	0.6
Balance at 30 June 2011	**53.8**	**9.9**	**(1,182.3)**	**5.3**	**2.1**	**121.5**	**17.7**	**(0.1)**	**1,426.5**	**454.4**	**3.1**	**457.5**

Balance at 1 January 2011	**53.8**	**9.9**	**(1,182.3)**	**5.3**	**2.6**	**121.5**	**17.4**	**(0.1)**	**1,380.9**	**409.0**	**2.8**	**411.8**
Profit for the year	-	-	-	-	-	-	-	-	89.4	89.4	0.7	90.1
Other comprehensive income for the year	-	-	-	-	(0.7)	-	-	-	5.1	4.4	0.1	4.5
Total comprehensive income for the year	-	-	-	-	(0.7)	-	-	-	94.5	93.8	0.8	94.6
Equity component of deferred consideration	-	-	-	2.4	-	-	-	-	-	2.4	-	2.4
Dividends paid in the year	-	-	-	-	-	-	-	-	(33.9)	(33.9)	(0.7)	(34.6)
Increase in minority equity interests	-	-	-	-	-	-	-	-	-	-	0.2	0.2
Credit arising on share-based payment awards	-	-	-	-	-	-	-	-	1.4	1.4	-	1.4
Taxation arising on share-based payment awards	-	-	-	-	-	-	-	-	(0.3)	(0.3)	-	(0.3)
Balance at 31 December 2011	**53.8**	**9.9**	**(1,182.3)**	**7.7**	**1.9**	**121.5**	**17.4**	**(0.1)**	**1,442.6**	**472.4**	**3.1**	**475.5**

Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2012

1. General information

The condensed consolidated financial information for the six months ended 30 June 2012 has been prepared in accordance with the Disclosure and Transparency Rules (DTR) of the Financial Services Authority and with IAS 34 'Interim Financial Reporting' as adopted by the European Union (EU). This condensed financial information should be read in conjunction with the statutory accounts for the year ended 31 December 2011 which were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

The statutory accounts for the year ended 31 December 2011 have been reported on by the Company's auditors, Deloitte LLP, and have been delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

The condensed consolidated financial information for the six months ended 30 June 2012 has been prepared using accounting policies consistent with IFRS. The interim information, together with the comparative information contained in this report for the year ended 31 December 2011, does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006. The financial information is unaudited but has been reviewed by the Company's auditors, Deloitte LLP, and their report appears at the end of the interim financial report.

2. Accounting policies

The condensed consolidated financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments. The Group has considerable financial resources both in the regions and at the corporate centre to comfortably meet the Group's ongoing obligations. Accordingly, the going concern basis continues to be used in preparing these condensed consolidated financial statements. The condensed consolidated financial statements are rounded to the nearest hundred thousand pounds (expressed as millions to one decimal place - £m), except where otherwise indicated.

The same accounting policies, presentation and methods of computation are followed in the condensed financial statements as applied in the Group's latest annual audited financial statements for the year ended 31 December 2011.

The amendments to IAS 19 'Employee Benefits', endorsed by the EU, are effective from 1 January 2013 and are to be applied retrospectively when adopted. These amendments, which will be applied by the Group in 2013, change the measurement of various components within the defined benefit pension asset, but do not change the Group's total asset. Applying the replacement of expected returns on plan assets and interest cost on plan liabilities with a single net finance income amount based on the discount rate would result in the profit before tax for the period being reduced in the income statement by £1.9m with a corresponding increase in actuarial movements in other comprehensive income.

3. Related party transactions

Related party transactions are described in the 2011 annual report and accounts in note 38 to the consolidated financial statements. There have been no material changes in the nature or value of related party transactions in the six months ended 30 June 2012.

4. Principal risks and uncertainties

Robust risk management is fundamental to the achievement of the Group's objectives. The Group maintains a Risk Assessment Framework which identifies risks within the following eight risk categories: credit risk, market risk, operational risk, strategic and business risk, financial risk, reputational risk, governance risk and regulatory, legal and human resource risk. A detailed explanation of the above risks can be found on pages 15 to 19 of the latest annual report which is available at www.tullettprebon.com. The directors do not consider that the principal risks and uncertainties have changed since the publication of the annual report for the year ended 31 December 2011. Risks and uncertainties which could have a material impact on the Group's performance over the remaining six months of the financial year are discussed in the Interim Management Report.

5. Segmental analysis

Products and services from which reportable segments derive their revenues

The Group is organised by geographic reporting segments which are used for the purposes of resource allocation and assessment of segmental performance by Group management. These are the Group's reportable segments under IFRS 8 'Operating Segments'.

Each geographic reportable segment derives revenue from Treasury Products, Interest Rate Derivatives, Fixed Income, Equities, Energy and Information Sales and Risk Management Services.

Information regarding the Group's operating segments is reported below:

	Six months ended 30 June 2012 £m	**Six months ended 30 June 2011 £m**	**Year ended 31 December 2011 £m**
Revenue			
Europe	268.0	269.9	548.3
Americas	127.6	123.4	242.5
Asia Pacific	59.5	61.5	119.4
	455.1	454.8	910.2
Operating profit			
Europe	61.8	63.4	124.6
Americas	4.5	8.7	9.1
Asia Pacific	7.4	7.3	14.7
Underlying operating profit	73.7	79.4	148.4
(Charge)/credit relating to major legal actions(1)	(6.9)	0.8	(6.6)
Restructuring costs(2)	(14.8)	-	(11.5)
Reported operating profit	52.0	80.2	130.3
Finance income	6.8	6.5	12.8
Finance costs	(12.2)	(12.1)	(25.1)
Other gains and losses	-	-	1.2
Profit before tax	46.6	74.6	119.2
Taxation	(10.6)	(21.3)	(30.3)
Profit of consolidated companies	36.0	53.3	88.9
Share of results of associates	0.8	0.8	1.2
Profit for the period	36.8	54.1	90.1

(1) The charge relating to major legal actions is the net of amounts included in other income and in administrative expenses.
(2) Restructuring costs are included in administrative expenses.

There are no inter-segment sales included in segment revenue.

5. Segmental analysis (continued)

Other segmental information

Segment assets	Six months ended 30 June 2012 £m	Six months ended 30 June 2011 £m	Year ended 31 December 2011 £m
Europe – UK	11,076.7	15,602.8	2,909.0
Europe - Other	26.3	33.2	26.8
Americas	19,239.2	13,276.5	3,107.8
Asia Pacific	70.1	74.7	73.3
	30,412.3	28,987.2	6,116.9

Segmental assets exclude all inter-segment balances.

Analysis by product group Revenue	Six months ended 30 June 2012 £m	Six months ended 30 June 2011 £m	Year ended 31 December 2011 £m
Treasury Products	121.4	127.8	255.7
Interest Rate Derivatives	99.3	103.8	204.1
Fixed Income	132.4	126.8	257.0
Equities	23.3	23.7	48.4
Energy	55.7	53.8	106.0
Information Sales and Risk Management Services	23.0	18.9	39.0
	455.1	454.8	910.2

6. Other operating income

Other operating income represents receipts such as rental income, royalties, insurance proceeds, settlements from competitors and business relocation grants. Costs associated with such items are included in administrative expenses.

7. Finance income

	Six months ended 30 June 2012 £m	Six months ended 30 June 2011 £m	Year ended 31 December 2011 £m
Interest receivable and similar income	1.0	1.2	2.3
Expected return on pension schemes' assets	5.8	5.3	10.5
	6.8	6.5	12.8

8. Finance costs

	Six months ended 30 June 2012 £m	Six months ended 30 June 2011 £m	Year ended 31 December 2011 £m
Interest and fees payable on bank facilities	2.3	2.4	5.1
Interest payable on Eurobonds	5.2	5.2	10.5
Other interest payable	0.2	-	0.3
Amortisation of debt issue costs	0.7	0.7	1.4
Total borrowing costs	8.4	8.3	17.3
Amortisation of discount on deferred consideration	0.4	-	0.2
Interest cost on pension schemes' liabilities	3.4	3.8	7.6
	12.2	12.1	25.1

9. Other gains and losses

	Six months ended 30 June 2012 £m	Six months ended 30 June 2011 £m	Year ended 31 December 2011 £m
Fair value gain on the acquisition of controlling interests	-	-	0.3
Credit arising on adjustments to deferred consideration	-	-	0.9
	-	-	1.2

10. Earnings per share

	Six months ended 30 June 2012	Six months ended 30 June 2011	Year ended 31 December 2011
Basic - underlying	23.3p	24.5p	46.1p
Basic	16.8p	24.8p	41.3p
Diluted - underlying	23.3p	24.4p	45.8p
Diluted - basic	16.8p	24.8p	41.1p

The calculation of basic and diluted earnings per share is based on the following number of shares:

	Six months ended 30 June 2012 No. (m)	Six months ended 30 June 2011 No. (m)	Year ended 31 December 2011 No. (m)
Basic weighted average shares	217.4	216.5	216.5
Contingently issuable shares	-	0.3	0.9
Issuable on exercise of options	0.4	0.3	0.3
Diluted weighted average shares	217.8	217.1	217.7

10. Earnings per share (continued)

The earnings used in the calculation of underlying, basic and diluted earnings per share are set out below:

	Six months ended 30 June 2012 £m	Six months ended 30 June 2011 £m	Year ended 31 December 2011 £m
Profit for the period	36.8	54.1	90.1
Minority interests	(0.2)	(0.3)	(0.7)
Earnings	36.6	53.8	89.4
Net charge/(credit) relating to major legal actions	6.9	(0.8)	6.6
Restructuring costs	14.8	-	11.5
Other gains and losses	-	-	(1.2)
Tax on above items	(7.6)	-	(6.6)
Underlying Earnings	50.7	53.0	99.7

11. Dividends

	Six months ended 30 June 2012 £m	Six months ended 30 June 2011 £m	Year ended 31 December 2011 £m
Amounts recognised as distributions to equity holders in the period:			
Final dividend for the year ended 31 December 2011 of 11.25p per share	24.5	-	-
Interim dividend for the year ended 31 December 2011 of 5.25p per share	-	-	11.3
Final dividend for the year ended 31 December 2010 of 10.5p per share	-	22.6	22.6
	24.5	22.6	33.9

An interim dividend of 5.6p per share will be paid on 15 November 2012 to all shareholders on the Register of Members on 26 October 2012.

As at 30 June 2012 the Tullett Prebon plc Employee Benefit Trust 2007 held 202,029 ordinary shares (2011: 202,029 ordinary shares) and has waived its rights to dividends.

12. Notes to the Condensed Consolidated Cash Flow Statement

(a) Reconciliation of operating profit to net cash from operating activities

	Six months ended 30 June 2012	Six months ended 30 June 2011	Year ended 31 December 2011
	£m	£m	£m
Operating profit	52.0	80.2	130.3
Adjustments for:			
Share-based compensation	0.8	0.6	1.4
Depreciation of property, plant and equipment	2.9	2.8	5.5
Amortisation of intangible assets	3.2	1.4	3.3
Increase in provisions for liabilities and charges	3.3	5.6	12.0
Outflow from retirement benefit obligations	(0.3)	(0.5)	(0.8)
Increase/(decrease) in non-current liabilities	0.4	(0.4)	(0.7)
Operating cash flows before movement in working capital	62.3	89.7	151.0
Increase in trade and other receivables	(29.1)	(29.6)	(4.7)
Increase in net settlement balances	(2.4)	(5.8)	-
Decrease in trade and other payables	(37.4)	(15.6)	(1.3)
Cash generated from operations	(6.6)	38.7	145.0
Income taxes paid	(20.7)	(22.9)	(34.2)
Interest paid	(2.6)	(2.0)	(15.6)
Net cash from operating activities	(29.9)	13.8	95.2

(b) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and other short term highly liquid investments with an original maturity of three months or less. Cash at bank earns interest at floating rates based on daily bank deposit rates. Short term deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term deposit rates.

13. Analysis of net funds

	At 1 January 2012 £m	Cash flow £m	Non-cash items £m	Exchange differences £m	At 30 June 2012 £m
Cash	240.2	(51.4)	-	(1.7)	187.1
Cash equivalents	100.0	(49.8)	-	(0.6)	49.6
Client settlement money	1.8	(0.1)	-	-	1.7
Cash and cash equivalents	342.0	(101.3)	-	(2.3)	238.4
Financial assets	30.8	3.4	-	0.1	34.3
Total funds	372.8	(97.9)	-	(2.2)	272.7
Bank loans within one year	(30.0)	30.0	(29.4)	-	(29.4)
Bank loans after one year	(87.6)	-	28.9	-	(58.7)
Loans due after one year	(148.0)	-	(0.2)	-	(148.2)
Finance leases	(0.1)	-	-	-	(0.1)
	(265.7)	30.0	(0.7)	-	(236.4)
Total net funds	107.1	(67.9)	(0.7)	(2.2)	36.3

Client settlement money represents balances held by the Group received as a result of corporate actions relating to securities transactions.

Financial assets comprise short term government securities and term deposits held with banks and clearing organisations.

14. Notes to the Condensed Consolidated Statement of Changes in Equity

Other comprehensive income reserve movements

	Equity attributable to equity holders of the parent							
	Re-valuation reserve	Merger reserve	Hedging and translation	Own shares	Retained earnings	Total	Minority interests	Total equity
	£m	£m	£m	£m	£m	£m	£m	£m
Six months ended 30 June 2012 (unaudited)								
Revaluation of investments	0.2	-	-	-	-	0.2	-	0.2
Exchange differences on translation of foreign operations	-	-	(3.4)	-	-	(3.4)	(0.1)	(3.5)
Actuarial losses on defined benefit pension schemes	-	-	-	-	(1.3)	(1.3)	-	(1.3)
Taxation (charge)/credit on components of other comprehensive income	-	-	(0.4)	-	0.3	(0.1)	-	(0.1)
Other comprehensive income for the period	0.2	-	(3.8)	-	1.0	(4.6)	(0.1)	(4.7)
Six months ended 30 June 2011 (unaudited)								
Revaluation of investments	(0.5)	-	-	-	-	(0.5)	-	(0.5)
Exchange differences on translation of foreign operations	-	-	(1.4)	-	-	(1.4)	-	(1.4)
Actuarial gains on defined benefit pension schemes	-	-	-	-	21.4	21.4	-	21.4
Taxation credit/(charge) on components of other comprehensive income	-	-	1.7	-	(7.6)	(5.9)	-	(5.9)
Other comprehensive income for the period	(0.5)	-	0.3	-	13.8	13.6	-	13.6
Year ended 31 December 2011								
Revaluation of investments	(0.7)	-	-	-	-	(0.7)	-	(0.7)
Exchange differences on translation of foreign operations	-	-	0.1	-	-	0.1	0.1	0.2
Actuarial gains on defined benefit pension schemes	-	-	-	-	8.2	8.2	-	8.2
Taxation charge on components of other comprehensive income	-	-	(0.1)	-	(3.1)	(3.2)	-	(3.2)
Other comprehensive income for the year	(0.7)	-	-	-	5.1	4.4	0.1	4.5

15. Acquisition

Chapdelaine & Co.

On 3 January 2012, the Group acquired 100% of the membership interests of Chapdelaine & Co, subsequently renamed Chapdelaine Tullett Prebon, LLC. The consideration paid, including for assets acquired, was US$11.4m (£7.4m) in cash. Net assets, with a fair value of US$0.5m (£0.3m) were acquired, comprising US$3.7m (£2.4m) cash, US$2.1m (£1.3m) intangible assets, US$0.8m (£0.6m) fixed assets, US$2.7m (£1.7m) trade and other receivables, US$4.6m (£3.0m) trade and other payables and US$4.2m (£2.7m) provisions. Goodwill arising on the acquisition was US$10.9m (£7.1m), attributable to the acquired workforce and the business's reputation.

Directors' Responsibility Statement

The directors confirm, to the best of their knowledge, that the condensed set of financial statements has been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union, and that the interim management report herein includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial information differs from legislation in other jurisdictions.

By order of the Board

Terry Smith
Chief Executive

31 July 2012

Independent Review Report to Tullett Prebon plc

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the half year report for the six months ended 30 June 2012 which comprises the Condensed Consolidated Income Statement, the Condensed Consolidated Statement of Comprehensive Income, the Condensed Consolidated Balance Sheet, the Condensed Consolidated Cash Flow Statement, the Condensed Consolidated Statement of Changes in Equity and related notes 1 to 15. We have read the other information contained in the half year report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the Company those matters we are required to state to them in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The half year report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half year report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half year report has been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting', as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half year report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half year report for the six months ended 30 June 2012 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

Deloitte LLP
Chartered Accountants and Statutory Auditor
31 July 2012
London, UK