TULLETT PREBON PLC

INTERIM MANAGEMENT REPORT – for the six months ended 30 June 2013

Tullett Prebon plc (the “Company”) today announced its results for the six months ended 30 June 2013.

Financial Highlights

- Revenue £439.8m (2012: £455.1m)
- Underlying Operating profit £71.4m (2012: £73.4m)
- Underlying Operating margin 16.2% (2012: 16.1%)
- Underlying Profit before tax £62.8m (2012: £66.4m)
- Underlying Basic EPS 22.4p (2012: 22.8p)
- Reported Profit before tax £52.5m (2012: £44.7m)
- Reported Basic EPS 18.5p (2012: 16.3p)
- Interim dividend 5.6p per share (2012: 5.6p per share)

Notes:

Underlying figures are stated before the net charge 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 demonstrate the strength of the business in challenging market conditions, and the benefit of the actions that have been taken to reduce costs and to maintain flexibility in the cost base.

The overall level of activity in the financial markets has been subdued for the last twelve months. There was some pick-up in the level of activity towards the end of the first half, but it would be prudent to expect that market conditions will continue to be challenging.

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. The way in which this service is undertaken will undergo some change in the second half of this year as a result of the implementation of the final rules for swap execution facilities in the United States, and it is currently not possible to accurately predict the impact this will have. We believe, however, 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.”

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 2013

Overview

Revenue of £439.8m in the first six months of the year was 3% lower than reported for 2012 and 4% lower at constant exchange rates. The underlying operating profit margin for the first half of 16.2% was slightly higher than the 16.1% for the equivalent period a year ago.

These results demonstrate the strength of the business in challenging market conditions, and the benefit of the actions that have been taken to reduce costs and to maintain flexibility in the cost base. The actions were particularly designed to preserve the variable nature of broker compensation in relation to broking revenue, and broker compensation costs as a percentage of broking revenue have reduced to 58.2% from 59.7% last year.

Market conditions remained challenging throughout most of the first half as the overall level of activity in the financial markets remained subdued. Towards the end of the period there was some pick-up in the level of activity, reflecting increases in benchmark bond yields during June from the lows experienced in April and May, and a steepening in yield curves. At constant exchange rates and adjusting for the number of working days, revenue was 5% lower than last year in the first quarter, and was 2% lower in the second quarter.

Market volumes continued to be adversely affected by the more onerous regulatory environment applicable to many of our customers, in particular commercial and investment banks, and by the continuing uncertainty over the impact of impending new regulations covering the trade, settlement and reporting of OTC derivative contracts. The final rules relating to swap execution facilities (SEFs) in the United States have now been published and will come into force during the second half of this year. Our views on the final rules relating to SEFs and on the current status of the regulatory reforms relating to the OTC markets in Europe are set out below.

Significant expenditure is being incurred on the regulatory readiness project which covers the development, launch and ongoing running costs of new electronic platforms and associated technology infrastructure, and additional compliance resources. In the first half of this year the charge in the income statement for these costs was over 1.5% of revenue compared with around 0.5% in the first half last year. The run rate of costs related to the project is expected to increase in the second half.

We have benefited from recent initiatives taken in the broking business in all three regions.

In Europe and the Middle East, the recently opened offices in Madrid and Geneva have successfully broadened the coverage of the business in continental Europe, and the new Dubai office which opened in March this year has significantly strengthened our presence in the Middle East. Revenue from our offices in continental Europe and the Middle East now represents nearly 15% of the broking revenue in the region.

In the Americas, the municipal bonds desks acquired in January 2012 have continued to perform well, and revenue from the business in Brazil which was acquired in August 2011 was 15% higher than a year ago. We have received regulatory approval to open an office in Mexico to support our activities in Latin America, and we expect the office to be operational during the second half of this year.

In Asia Pacific, the business in Hong Kong has delivered strong revenue growth driven by the investment made in the development of the equity derivatives business in that centre and from the continued development of the offshore Renminbi market. The expansion of the onshore financial markets in China is reflected in the growth of our joint venture based in Shanghai, which now employs over 100 brokers, an increase of over 25% compared with a year ago.

The successful development of our Energy business across a range of products and markets in all three regions has been recognised by the business being voted Broker of the Year at the 2013 Energy Risk Awards.

The business has continued to develop its hybrid electronic broking offering to comply with regulatory requirements and to respond to market demand. Our platforms provide clients with the flexibility to transact either entirely electronically or in conjunction with the business's comprehensive voice execution broker network. Much of the development work during the first half of this year has been focused on ensuring that platforms are ready for the implementation of the SEF in the United States.

12 leading banks have signed up to the terms of a participation agreement under which those banks will supply electronic streaming liquidity for Euro interest rate derivatives through tpSWAPDEAL, our interest rate swap platform. Whilst voice broking continues to be the dominant mode of execution for this product, the electronic trade count on tpSWAPDEAL is increasing.

The Information Sales business was awarded, for the third consecutive year, the title of Best Data Provider (Broker) at the Inside Market Data Awards in May. Clients are demanding increasingly high standards of independence and transparency in their data sources, and the award, which is determined by an independent poll of end-users, reaffirms the industry's recognition of our position as the leading provider of the highest quality independent price information and data from the global OTC markets.

In the post trade Risk Management Services business, the tpMATCH platform, which assists clients in the management of interest rate risk, has maintained its market share. The tpMATCH NDF platform, which enables traders to reduce date mismatch risk on non-deliverable forwards, is now firmly established in the market and the level of participation has continued to increase.

Revenue from products supported by electronic platforms, together with the revenue from the Information Sales and Risk Management Services businesses, accounts for nearly one-quarter 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 £71.4m, 3% lower than reported for the first half of 2012, with the underlying operating margin 0.1% points higher, at 16.2%. The underlying operating margin has increased modestly as the benefit of the cost reduction actions, particularly with respect to broker compensation, has more than offset the increase in costs due to the regulatory readiness project and the operational leverage effect of lower revenue.

Our key financial and performance indicators for the first half of 2013 compared with those for the first half of 2012 are summarised in the table below.

	H1 2013	**H1 2012**	**Change**
Revenue	£439.8m	£455.1m	-3%
Underlying Operating profit	£71.4m	£73.4m	-3%
Underlying Operating margin	16.2%	16.1%	+0.1% points
Average broker headcount	1,710	1,752	-2%
Average revenue per broker (£'000)	243	247	-2%
Broker employment costs : broking revenue	58.2%	59.7%	-1.5% points
Broker headcount (period end)	1,704	1,750	-3%
Broking support headcount (period end)	737	735	-

Broker headcount at the end of June 2013, and average broker headcount for the first half of the year, are both lower than a year ago, reflecting the actions taken to reduce fixed costs in the front office. Broking support headcount at the end of June 2013 is little changed from a year ago as the increase in headcount in the technology functions has been offset by reductions in headcount in other areas.

Operating Review

The tables below analyse revenue by region and by product group, and underlying operating profit by region, for the first half of 2013 compared with the equivalent period in 2012.

Revenue

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 2012 translated at the same exchange rates as those used for 2013, 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 2013 £m**	**H1 2012 £m**	**Change**
Treasury products	115.4	122.5	-6%
Interest Rate Derivatives	98.1	98.1	-
Fixed Income	124.1	133.5	-7%
Equities	22.9	23.5	-3%
Energy	54.8	56.0	-2%
Information Sales and Risk Management Services	24.5	23.3	+5%
At constant exchange rates	439.8	456.9	-4%
Exchange translation		(1.8)	
Reported	439.8	455.1	-3%

Revenue was 4% lower in the first half of 2013 than in the same period in 2012 at constant exchange rates.

The lower revenue from Treasury products (FX and cash) reflects lower levels of market activity in some forward FX markets, particularly the non-deliverable forwards markets in Asia, and in cash deposit broking.

Revenue from Interest Rate Derivatives was unchanged compared with last year, with a strong performance in emerging markets products offsetting the more subdued level of activity in the major currencies reflecting flatter yield curves.

The lower level of revenue in Fixed Income was primarily due to reduced revenue from credit products in Europe as markets continued to be subdued and banks reduced the extent of their activity in, and inventory of, corporate bonds.

The reduction in revenue in Equities reflects the lower level of activity in equity derivatives in Europe, partly offset by growth in the ADR and GDR conversion desk in the Americas.

Revenue from oil products and commodities was higher than last year, but overall revenue in Energy was slightly lower driven by reduced revenue from power and gas products in North America.

The growth in revenue from Information Sales reflects the continued growth of the customer base and increased demand from existing customers for additional data. Revenue from Risk Management Services was unchanged in a persistently low interest rate environment.

Revenue by region	**H1 2013 £m**	**H1 2012 £m**	**Change**
Europe and the Middle East	255.5	268.5	-5%
Americas	127.8	129.1	-1%
Asia Pacific	56.5	59.3	-5%
At constant exchange rates	439.8	456.9	-4%
Exchange translation		(1.8)	
Reported	439.8	455.1	-3%

Europe and the Middle East

In Europe and the Middle East, growth in Information Sales was more than offset by a 5% reduction in broking revenue.

Almost all of the reduction in broking revenue is due to lower revenue from credit products and from Equities. The inter-dealer markets in corporate bonds and credit derivatives continued to be subdued as banks reduced the extent of their activity. The region's Equities business predominantly covers listed equity derivatives, with lower revenue reflecting the lower level of activity in those markets. Revenue from government bonds and repos is lower than a year ago reflecting the much more buoyant markets in the first half last year, but this has been offset by strong growth in revenue from listed futures and options where we have benefited from higher market activity and from an expansion of the client base. Revenue from Interest Rate Derivatives and Treasury products (FX and cash) has benefited from higher volatility in some of the emerging markets. Revenue in Energy, including commodities, was higher than last year particularly in oil and in precious metals.

Average revenue per broker in the region was 5% lower than last year, with average broker headcount little changed. There has been a shift in broker headcount in the region, however, with a 3% reduction in the average headcount in London offset by increased headcount in continental Europe and the Middle East, reflecting the new offices that have been opened in Madrid, Geneva and Dubai.

Americas

Revenue in the Americas was 1% lower in the first half than a year ago, with revenue in North America down 2% and revenue in Brazil up 15%.

Average broker headcount in North America was 5% lower than a year ago, reflecting the actions that have been taken to reduce fixed costs. Average revenue per broker was 3% higher, reflecting a pick up in market activity in some products, particularly in the latter part of the period. The increase in revenue in Brazil reflects the continued development of the on-shore financial markets, with broker headcount unchanged.

Revenue from the three major product groups in North America, Fixed Income, Treasury products and Interest Rate Derivatives was slightly lower than a year ago. The business has benefited from investment in credit, where revenue was 8% higher than a year ago, spot FX, and Equities, where revenue was 13% higher. Revenue from Energy products in North America has declined as the bank client base reduces its activities in the sector and as energy prices have been reducing reflecting the increased availability of shale gas.

<u>Asia Pacific</u>

Revenue in Asia Pacific was 5% lower than last year, reflecting the reduction in broking revenue. Average revenue per broker in the region was 6% lower with average broker headcount slightly higher than a year ago. Revenue from the Risk Management Services business which is operated from the region was unchanged.

The fall in broking revenue reflects lower market activity in Singapore, which is the largest centre in the region, as many banks reduced their activities in rates and non-deliverable forwards. Market conditions were more favourable in Hong Kong and Tokyo, the two other major centres in the region, with the former benefiting from the continued growth in the markets for Renminbi products and from the development of the region’s equity derivatives business, and with the latter benefiting from a steepening of the shorter end of the Yen yield curve and from the shift in the Yen / USD exchange rate.

Underlying Operating profit

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

	Revenue		Underlying Operating profit		
£m	**H1 2013**	**H1 2012**	**H1 2013**	**H1 2012**	**Change**
Europe and the Middle East	255.5	268.0	57.9	61.5	-6%
Americas	127.8	127.6	7.7	4.5	+71%
Asia Pacific	56.5	59.5	5.8	7.4	-22%
Reported	439.8	455.1	71.4	73.4	-3%

Underlying Operating margin by region	**H1 2013**	**H1 2012**
Europe and the Middle East	22.7%	22.9%
Americas	6.0%	3.5%
Asia Pacific	10.3%	12.4%
	16.2%	16.1%

Underlying operating profit in Europe of £57.9m was 6% lower than last year, broadly in line with the reduction in revenue, and therefore the underlying operating margin was little changed compared with last year, at 22.7%. Broker employment costs as a percentage of revenue have reduced, but the margin benefit from this has been offset by the operational leverage effect of lower revenue.

The underlying operating profit in the Americas has increased by 71% to £7.7m with the underlying operating margin improving to 6.0% from 3.5% last year. Broker employment costs as a percentage of revenue have reduced significantly, more than offsetting the increased costs incurred in the region relating to the regulatory readiness project. The business in Brazil also continues to perform well, with an underlying operating margin in excess of 15%.

In Asia Pacific underlying operating profit was £1.6m lower than last year reflecting the operational leverage effect of lower broking revenue, with the underlying operating profit margin reducing to 10.3%. Broker employment costs as a percentage of revenue were unchanged from last year. The reduction in profit in the region also reflects an increase in development expenditure in the Risk Management Services business.

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. As we have previously commented, we agree with the objectives and support the direction of these reforms. We believe that their introduction will be positive for our business as the proposals formalise the role of the intermediary in the OTC markets.

USA

Title VII of the Dodd-Frank Act established a comprehensive new regulatory framework for swaps and security-based swaps. The intention of the new framework is to provide greater pre and post trade transparency by requiring the trading of swaps on Swap Execution Facilities (SEF) or designated contract markets (DCM). The Dodd-Frank Act requires that swaps that are subject to the clearing requirement and are made available to trade must be executed on a SEF or DCM. The Commodity Futures Trading Commission (CFTC) was tasked with developing the rules for the registration, operation and compliance requirements for SEFs in line with the core principles set out in the Dodd-Frank Act.

The CFTC published its final rules for SEFs on 4 June 2013.

Our current voice and hybrid broking activities in the USA are regarded by the CFTC as a “multiple-to-multiple swaps trading facility” and as such we are required to register as a SEF. SEF registration is available from 5 August 2013 and SEFs must have submitted their application to register and be provisionally accepted by the CFTC by 2 October 2013 in order to operate as a SEF from that date. A SEF must be in compliance with the final rules at the point at which the application is submitted.

A SEF is required to operate an “order book” for all swaps listed on the SEF in order to meet the minimum functionality requirements to enable all market participants to enter multiple bids and offers, to observe and receive bids and offers, and to transact on such bids and offers.

The final rules distinguish between a Required Transaction, which is any swap transaction subject to the mandatory trade execution requirement, and a Permitted Transaction, which is any other in-scope swap transaction. Required Transactions must be executed through either an order book or a “request for quote (RFQ) system” that operates in conjunction with an order book. An RFQ must be communicated to at least two (increasing to three after one year) market participants, and this can be done in a variety of ways, including voice transmission. Any method of execution may be offered for Permitted Transactions, provided that an order book is available.

The final rules reflect the substance of the proposed rules that were published in January 2011. Whilst the final rules provide clarification about some issues that were uncertain in the proposed rules, a number of areas are still open to interpretation by the CFTC, and in common with other parties, we continue to be engaged in dialogue with the CFTC about the details of our application and the structure that we will adopt to operate as a SEF. We are confident that we will qualify as a SEF and that we will be ready to offer trade execution services that are compliant with the rules.

It is expected that mandatory on-SEF trade execution of those swaps subject to the mandatory clearing requirement and which are made available to trade, will start before the end of the year.

Europe

In Europe, the implementation of EMIR, which contains provisions governing mandatory clearing requirements and trade reporting requirements for derivatives, is in its final stages. Reporting requirements for certain derivatives are scheduled to start next year and the clearing obligation is expected to be in place in mid 2014. The proposals to revise the Markets in Financial Instruments Directive (MiFID), through the introduction of a new directive (MiFID II) and a new regulation (MiFIR), continue to be negotiated. MiFID II and MiFIR are expected to contain provisions governing permissible trade execution venues, and governance and conduct of business requirements for trading venues, with implementation expected to be in 2015.

Litigation

Legal action continues to be pursued against BGC and former employees in the USA in response to the raid on the business by BGC in the second half of 2009. The FINRA arbitration on the claim brought by the subsidiary companies in the United States directly affected by the raid is expected to continue into the second half of the year. The outcome of the arbitration is expected to be determined before the end of the year. A separate action is being pursued by the Company and the directly affected subsidiaries in the New Jersey Superior Court, alleging, among other causes of action, violations under the NJ RICO Act. Discovery is ongoing and no trial date has been set. Since 1 January 2013, £10.3m of costs have been incurred in relation to these actions. Consistent with the treatment adopted in previous years, these costs will be recognised as an exceptional charge in the 2013 financial statements.

Financial Review

The results for the first half of 2013 compared with those for the first half of 2012 are shown in the tables below. The figures for 2012 have been restated to reflect the adoption of the revised accounting standard IAS 19. The effect of this is set out in note 15 to the Condensed Consolidated Financial Statements.

H1 2013

Profit and Loss £m	**Underlying**	**Exceptional Items**	**Reported**
Revenue	**439.8**		**439.8**
Operating profit	71.4		71.4
Charge relating to major legal actions		(10.3)	(10.3)
Operating profit	**71.4**	**(10.3)**	**61.1**
Net finance expense	(8.6)		(8.6)
Profit before tax	**62.8**	**(10.3)**	**52.5**
Tax	(14.6)	1.7	(12.9)
Associates	0.9		0.9
Minorities	(0.3)		(0.3)
Earnings	**48.8**	**(8.6)**	**40.2**
Average number of shares	217.8m		217.8m
Basic EPS	**22.4p**		**18.5p**

H1 2012

Profit and Loss £m	**Underlying**	**Exceptional Items**	**Reported**
Revenue	**455.1**		**455.1**
Operating profit	73.4		73.4
Charge relating to major legal actions		(6.9)	(6.9)
Restructuring costs		(14.8)	(14.8)
Operating profit	**73.4**	**(21.7)**	**51.7**
Net finance expense	(7.0)		(7.0)
Profit before tax	**66.4**	**(21.7)**	**44.7**
Tax	(17.5)	7.6	(9.9)
Associates	0.8		0.8
Minorities	(0.2)		(0.2)
Earnings	**49.5**	**(14.1)**	**35.4**
Average number of shares	217.4m		217.4m
Basic EPS	**22.8p**		**16.3p**

Net finance expense

The net finance expense comprises a cash finance charge of £9.3m (2012: £7.4m) partly offset by non-cash finance income of £0.7m (2012: £0.4m).

The increase in the cash finance charge reflects the higher interest payable on the 5.25% Sterling Notes 2019 issued in December 2012 compared with the floating rate interest on the short term bank loan which the Notes replaced, £0.9m of accelerated amortisation of debt issue costs related to the bank debt that has now been repaid, and a small decrease in the interest earned on cash balances.

The non-cash finance income comprises the net of the expected return and interest on pension scheme assets and liabilities of £0.9m (2012: £0.8m) partly offset by the amortisation of the discount on deferred consideration.

Tax

The effective rate of tax on underlying PBT is 23.2% (2012: 26.4%). 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 2012 was 23.6%. The small reduction in the effective rate compared with the full year 2012 results from the reduction in the corporation tax rate in the UK to 23.0% with effect from 1 April 2013, partly offset by the non-recurrence this year of the credit recognised in 2012 from the recovery of tax charged in the prior year in the USA.

The tax credit on exceptional items in 2013 reflects tax relief at the relevant rate for the jurisdiction in which the charges are borne, limited to the availability of taxable profits.

Basic EPS

The average number of shares used for the basic EPS calculation of 217.8m reflects the number of shares in issue at the beginning of the period, plus the 0.4m shares that are issuable when vested options are exercised (0.1m of which have now been issued), 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 2013	**H1 2012**	**H2 2012**	**30 June 2013**	**31 Dec 2012**	**30 June 2012**
US dollar	$1.55	$1.58	$1.59	$1.52	$1.63	$1.57
Euro	€1.18	€1.21	€1.25	€1.17	€1.23	€1.24
Singapore dollar	S$1.92	S$2.00	S$1.97	S$1.92	S$1.99	S$1.99
Japanese Yen	¥145	¥125	¥126	¥151	¥141	¥125

Cash flow and financing

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

	H1 2013 £m	**H1 2012 £m**
Underlying Operating profit	71.4	73.4
Share based compensation	0.6	0.8
Depreciation and amortisation	6.1	6.1
Accelerated depreciation – fire damaged assets	1.5	-
EBITDA	79.6	80.3
Capital expenditure (net of disposals)	(8.7)	(7.7)
Decrease / (increase) in initial contract prepayments	4.2	(19.0)
Working capital	(26.1)	(51.4)
Operating cash flow	49.0	2.2
Exceptional items – restructuring cash payments	(2.2)	(9.6)
Exceptional items – major legal actions net cash flow	(10.3)	(6.9)
Interest	(2.3)	(1.7)
Taxation	(14.7)	(20.7)
Dividends received from associates/(paid) to minorities	-	-
Acquisitions / Investments	(0.4)	(9.2)
Cash flow	19.1	(45.9)

Operating cash flow of £49.0m for the first half of 2013 is lower than the underlying operating profit reflecting the usual seasonal working capital outflow.

Capital expenditure of £8.7m primarily relates to investment in the development of electronic platforms and associated infrastructure as part of the regulatory readiness project, and also includes the purchase of assets to replace those damaged by a fire.

The initial contracts prepayment balance has reduced, as payments in the period were lower than the amortisation charge.

The working capital outflow reflects the higher level of trade receivables and net settlement balances at June compared with the level at the previous year end, reflecting the higher level of business activity towards the end of the half year compared with that towards the year end.

The exceptional items restructuring cash payments of £2.2m relates to the actions taken in previous years. Further cash payments of around £1.5m are expected to be made in the second half.

The exceptional items major legal actions net cash flow reflects the profit and loss charge.

The £0.4m expenditure on acquisitions and investments is the payment of deferred consideration.

The movement in cash and debt is summarised below.

£m	**Cash**	**Debt**	**Net**
At 31 December 2012	311.8	(255.8)	56.0
Cash flow	19.1	-	19.1
Dividends	(24.5)	-	(24.5)
Debt repayments / draw downs	(30.0)	30.0	-
Bank facility arrangement fees	(1.7)	-	(1.7)
Amortisation of debt issue costs	-	(1.6)	(1.6)
Effect of movement in exchange rates	5.2	-	5.2
At 30 June 2013	279.9	(227.4)	52.5

At 30 June 2013 the group's outstanding debt comprised £141.1m Sterling Notes due July 2016, £8.5m Sterling Notes (subordinated debt) due August 2014, and £80m Sterling Notes due June 2019. The group has a committed £150m revolving credit facility that has remained undrawn throughout the period, which matures in April 2016.

Dividend

As in 2012, the interim dividend for 2013 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.

The 5.6p per share interim dividend will be paid on 14 November 2013 to shareholders on the register at close of business on 25 October 2013.

Outlook

The overall level of activity in the financial markets has been subdued for the last twelve months reflecting persistently low volatility, the more onerous regulatory environment for our customers and the considerable uncertainty over the impact of new regulations covering the OTC markets, particularly in the United States. There was some pick-up in the level of activity towards the end of the first half, but it would be prudent to expect that market conditions will continue to be challenging.

The benefit of the actions we have taken to reduce fixed costs and to maintain flexibility in the cost base will continue to be realised in the second half of this year. The run rate of costs related to the regulatory readiness project, however, is expected to increase in the second half, and is likely to more than offset the benefit.

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. The way in which this service is undertaken will undergo some change in the second half of this year as a result of the implementation of the final rules for swap execution facilities in the United States, and it is currently not possible to accurately predict the impact this will have. We believe, however, 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 2013

Six months ended 30 June 2013 (unaudited)	**Notes**	**Underlying £m**	**Exceptional items £m**	**Total £m**
Revenue	5	439.8	-	439.8
Administrative expenses	6	(376.3)	(10.3)	(386.6)
Other operating income	7	7.9	-	7.9
Operating profit	5	71.4	(10.3)	61.1
Finance income	8	1.7	-	1.7
Finance costs	9	(10.3)	-	(10.3)
Profit before tax		62.8	(10.3)	52.5
Taxation		(14.6)	1.7	(12.9)
Profit of consolidated companies		48.2	(8.6)	39.6
Share of results of associates		0.9	-	0.9
Profit for the period		49.1	(8.6)	40.5
Attributable to:				
Equity holders of the parent		48.8	(8.6)	40.2
Minority interests		0.3	-	0.3
		49.1	(8.6)	40.5
Earnings per share				
Basic	10	22.4p		18.5p
Diluted	10	22.4p		18.4p

Six months ended 30 June 2012 (unaudited)	**Notes**	**Underlying (restated – Note 15) £m**	**Exceptional items £m**	**Total (restated – Note 15) £m**
Revenue	5	455.1	-	455.1
Administrative expenses	6	(385.1)	(21.7)	(406.8)
Other operating income	7	3.4	-	3.4
Operating profit	5	73.4	(21.7)	51.7
Finance income	8	1.8	-	1.8
Finance costs	9	(8.8)	-	(8.8)
Profit before tax		66.4	(21.7)	44.7
Taxation		(17.5)	7.6	(9.9)
Profit of consolidated companies		48.9	(14.1)	34.8
Share of results of associates		0.8	-	0.8
Profit for the period		49.7	(14.1)	35.6
Attributable to:				
Equity holders of the parent		49.5	(14.1)	35.4
Minority interests		0.2	-	0.2
		49.7	(14.1)	35.6
Earnings per share				
Basic	10	22.8p		16.3p
Diluted	10	22.7p		16.3p

Condensed Consolidated Income Statement

for the six months ended 30 June 2013

Year ended 31 December 2012	**Notes**	**Underlying (restated – Note 15) £m**	**Exceptional items £m**	**Total (restated – Note 15) £m**
Revenue	5	850.8	-	850.8
Administrative expenses	6	(732.3)	(149.4)	(881.7)
Other operating income	7	7.0	-	7.0
Operating profit/(loss)	5	125.5	(149.4)	(23.9)
Finance income	8	3.5	-	3.5
Finance costs	9	(17.7)	-	(17.7)
Profit/(loss) before tax		111.3	(149.4)	(38.1)
Taxation		(26.3)	2.3	(24.0)
Profit/(loss) of consolidated companies		85.0	(147.1)	(62.1)
Share of results of associates		1.2	-	1.2
Profit/(loss) for the year		86.2	(147.1)	(60.9)
Attributable to:				
Equity holders of the parent		85.9	(147.1)	(61.2)
Minority interests		0.3	-	0.3
		86.2	(147.1)	(60.9)
Earnings/(loss) per share				
Basic	10	39.5p		(28.1p)
Diluted	10	39.4p		(28.1p)

Condensed Consolidated Statement of Comprehensive Income

for the six months ended 30 June 2013

	Six months ended 30 June 2013 (unaudited)	Six months ended 30 June 2012 (unaudited) (restated – Note 15)	Year ended 31 December 2012 (restated – Note 15)
	£m	£m	£m
Profit/(loss) for the period	40.5	35.6	(60.9)
Other comprehensive income:			
Revaluation of investments	(0.2)	0.2	0.5
Effect of changes in exchange rates on translation of foreign operations	11.9	(3.5)	(9.5)
Remeasurement of the net defined benefit pension scheme asset	25.7	0.6	4.2
Taxation charge on components of other comprehensive income	(8.8)	(0.8)	(2.0)
Other comprehensive income for the period	28.6	(3.5)	(6.8)
Total comprehensive income for the period	69.1	32.1	(67.7)
Attributable to:			
Equity holders of the parent	68.9	32.0	(67.8)
Minority interests	0.2	0.1	0.1
	69.1	32.1	(67.7)

Condensed Consolidated Balance Sheet

as at 30 June 2013

	30 June 2013 (unaudited) £m	30 June 2012 (unaudited) £m	31 December 2012 £m
Non-current assets			
Goodwill	282.0	403.5	278.5
Other intangible assets	22.5	20.1	21.6
Property, plant and equipment	27.2	23.6	25.7
Interest in associates	4.7	4.0	3.8
Investments	6.2	5.8	6.2
Deferred tax assets	3.0	10.3	3.1
Retirement benefit assets	68.0	36.9	41.4
	413.6	504.2	380.3
Current assets			
Trade and other receivables	37,340.5	29,635.4	5,873.5
Financial assets	33.0	34.3	30.3
Cash and cash equivalents	246.9	238.4	281.5
	37,620.4	29,908.1	6,185.3
Total assets	38,034.0	30,412.3	6,565.6
Current liabilities			
Trade and other payables	(37,321.5)	(29,611.2)	(5,875.3)
Interest bearing loans and borrowings	-	(29.5)	(10.0)
Current tax liabilities	(25.8)	(34.4)	(27.8)
Short term provisions	(3.0)	(13.0)	(5.7)
	(37,350.3)	(29,688.1)	(5,918.8)
Net current assets	270.1	220.0	266.5
Non-current liabilities			
Interest bearing loans and borrowings	(227.4)	(206.9)	(245.8)
Deferred tax liabilities	(23.8)	(12.9)	(14.5)
Long term provisions	(6.0)	(11.6)	(5.6)
Other long term payables	(9.5)	(9.0)	(8.9)
	(266.7)	(240.4)	(274.8)
Total liabilities	(37,617.0)	(29,928.5)	(6,193.6)
Net assets	417.0	483.8	372.0
Equity			
Share capital	54.4	54.4	54.4
Share premium account	17.1	17.1	17.1
Reverse acquisition reserve	(1,182.3)	(1,182.3)	(1,182.3)
Other reserves	143.5	137.1	131.5
Retained earnings	1,381.8	1,454.5	1,348.8
Equity attributable to equity holders of the parent	414.5	480.8	369.5
Minority interests	2.5	3.0	2.5
Total equity	417.0	483.8	372.0

Condensed Consolidated Cash Flow Statement

for the six months ended 30 June 2013

	Notes	Six months ended 30 June 2013 (unaudited) £m	Six months ended 30 June 2012 (unaudited) £m	Year ended 31 December 2012 £m
Net cash from operating activities	12	27.5	(29.9)	16.6
Investing activities				
Purchase of financial assets		(2.4)	(3.4)	(0.2)
Interest received		0.8	0.9	1.6
Dividends from associates		0.2	0.1	0.7
Sale of investments		-	1.7	1.7
Expenditure on intangible fixed assets		(3.9)	(3.8)	(8.6)
Purchase of property, plant and equipment		(4.9)	(3.9)	(9.1)
Proceeds on disposal of property, plant and equipment		-	-	0.1
Investment in subsidiaries		(0.4)	(8.4)	(10.1)
Net cash used in investment activities		(10.6)	(16.8)	(23.9)
Financing activities				
Dividends paid	11	(24.5)	(24.5)	(36.6)
Dividends paid to minority interests		(0.2)	(0.1)	(0.6)
Repayment of debt		(30.0)	(30.0)	(90.0)
Funds received from debt issue		-	-	80.0
Debt issue and bank facility arrangement costs		(1.7)	-	(1.3)
Repayment of obligations under finance leases		-	-	(0.1)
Net cash used in financing activities		(56.4)	(54.6)	(48.6)
Net decrease in cash and cash equivalents		(39.5)	(101.3)	(55.9)
Cash and cash equivalents at the beginning of the period		281.5	342.0	342.0
Effect of foreign exchange rate changes		4.9	(2.3)	(4.6)
Cash and cash equivalents at the end of the period	13	246.9	238.4	281.5

Condensed Consolidated Statement of Changes in Equity

for the six months ended 30 June 2013

	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 2013	**54.4**	**17.1**	**(1,182.3)**	**-**	**2.4**	**121.5**	**7.7**	**(0.1)**	**1,348.8**	**369.5**	**2.5**	**372.0**
Profit for the period	-	-	-	-	-	-	-	-	40.2	40.2	0.3	40.5
Other comprehensive income for the period	-	-	-	-	(0.2)	-	12.2	-	16.7	28.7	(0.1)	28.6
Total comprehensive income for the period	-	-	-	-	(0.2)	-	12.2	-	56.9	68.9	0.2	69.1
Dividends paid in the period	-	-	-	-	-	-	-	-	(24.5)	(24.5)	(0.2)	(24.7)
Credit arising on share-based payment awards	-	-	-	-	-	-	-	-	0.6	0.6	-	0.6
Balance at 30 June 2013	**54.4**	**17.1**	**(1,182.3)**	**-**	**2.2**	**121.5**	**19.9**	**(0.1)**	**1,381.8**	**414.5**	**2.5**	**417.0**

(unaudited) (restated – Note 15)												
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	-	-	-	-	-	-	-	-	35.4	35.4	0.2	35.6
Other comprehensive income for the period	-	-	-	-	0.2	-	(3.8)	-	0.2	(3.4)	(0.1)	(3.5)
Total comprehensive income for the period	-	-	-	-	0.2	-	(3.8)	-	35.6	32.0	0.1	32.1
Issue of ordinary shares	0.6	7.2	-	-	-	-	-	-	-	7.8	-	7.8
Equity component of deferred consideration	-	-	-	(7.7)	-	-	-	-	-	(7.7)	-	(7.7)
Dividends paid in the period	-	-	-	-	-	-	-	-	(24.5)	(24.5)	(0.1)	(24.6)
Decrease in minority equity interests	-	-	-	-	-	-	-	-	-	-	(0.1)	(0.1)
Credit arising on share-based payment awards	-	-	-	-	-	-	-	-	0.8	0.8	-	0.8
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**

(restated – Note 15)												
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**
(Loss)/profit for the year	-	-	-	-	-	-	-	-	(61.2)	(61.2)	0.3	(60.9)
Other comprehensive income for the year	-	-	-	-	0.5	-	(9.7)	-	2.6	(6.6)	(0.2)	(6.8)
Total comprehensive income for the year	-	-	-	-	0.5	-	(9.7)	-	(58.6)	(67.8)	0.1	(67.7)
Issue of ordinary shares	0.6	7.2	-	-	-	-	-	-	-	7.8	-	7.8
Equity component of deferred consideration	-	-	-	(7.7)	-	-	-	-	-	(7.7)	-	(7.7)
Dividends paid in the year	-	-	-	-	-	-	-	-	(36.6)	(36.6)	(0.6)	(37.2)
Decrease in minority equity interests	-	-	-	-	-	-	-	-	-	-	(0.1)	(0.1)
Credit arising on share-based payment awards	-	-	-	-	-	-	-	-	1.4	1.4	-	1.4
Balance at 31 December 2012	**54.4**	**17.1**	**(1,182.3)**	**-**	**2.4**	**121.5**	**7.7**	**(0.1)**	**1,348.8**	**369.5**	**2.5**	**372.0**

Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2013

1. General information

The condensed consolidated financial information for the six months ended 30 June 2013 has been prepared in accordance with the Disclosure and Transparency Rules ('DTR') of the Financial Conduct 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 2012 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 2012 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 2013 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 2012, 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 have been followed in the condensed financial statements as applied in the Group's latest annual audited financial statements for the year ended 31 December 2012, except as described below.

The EU endorsed amendments to IAS 19 'Employee Benefits' have been adopted from 1 January 2013 with retrospective application to prior periods. The amendments to prior periods change the measurement of various components within the defined benefit pension asset, but do not change the overall value of the Group's retirement benefit asset as presented in the condensed consolidated balance sheet. Previously reported expected returns on plan assets and interest cost on plan liabilities, both included in the condensed consolidated income statement, have been replaced with a single net finance income amount based on the discount rate. Scheme administration costs, previously offset within the return on plan assets, are now included within administrative expenses. The effect on the previously reported financial information for June 2012 and December 2012 is set out in Note 15.

Additionally, the Group has adopted IFRS 13 'Fair Value Measurement', Amendments to IAS 1 'Presentation of Financial Statements' regarding the presentation of items of other comprehensive income, Amendments to IFRS 7 'Financial Instruments: Disclosures' regarding disclosures relating to offsetting financial assets and financial liabilities, Amendments to IAS 12 'Income Taxes' relating to deferred tax: recovery of underlying assets, and Improvements to IFRSs 2009-2011. The adoption of these standards and amendments has had no impact on the condensed consolidated financial statements.

3. Related party transactions

Related party transactions are described in the 2012 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 2013.

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 nine risk categories: Market Risk, Credit Risk, Operational Risk, Strategic and Business Risk, Governance Risk, Regulatory, Legal and Human Resource Risk, Reputational Risk, Liquidity Risk and Other Financial Risks. A detailed explanation of the above risks can be found on pages 16 to 21 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 2012. 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 2013	Six months ended 30 June 2012 (restated – Note 15)	Year ended 31 December 2012 (restated – Note 15)
Revenue	**£m**	**£m**	**£m**
Europe and the Middle East	255.5	268.0	501.2
Americas	127.8	127.6	236.9
Asia Pacific	56.5	59.5	112.7
	439.8	455.1	850.8
Operating profit			
Europe and the Middle East	57.9	61.5	111.2
Americas	7.7	4.5	2.4
Asia Pacific	5.8	7.4	11.9
Underlying operating profit	71.4	73.4	125.5
Charge relating to major legal actions(1)	(10.3)	(6.9)	(11.6)
Restructuring costs(1)	-	(14.8)	(14.8)
Goodwill impairment(1)	-	-	(123.0)
Reported operating profit/(loss)	61.1	51.7	(23.9)
Finance income	1.7	1.8	3.5
Finance costs	(10.3)	(8.8)	(17.7)
Profit/(loss) before tax	52.5	44.7	(38.1)
Taxation	(12.9)	(9.9)	(24.0)
Profit/(loss) of consolidated companies	39.6	34.8	(62.1)
Share of results of associates	0.9	0.8	1.2
Profit/(loss) for the period	40.5	35.6	(60.9)

(1) Costs are included in administrative expenses.

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

Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2013

5. Segmental analysis (continued)

Other segmental information

Segment assets	30 June 2013 £m	30 June 2012 £m	31 December 2012 £m
Europe and the Middle East – UK	15,246.2	11,076.7	2,741.6
Europe and the Middle East – Other	31.1	26.3	32.2
Americas	22,688.9	19,239.2	3,728.0
Asia Pacific	67.8	70.1	63.8
	38,034.0	30,412.3	6,565.6

Segment liabilities	30 June 2013 £m	30 June 2012 £m	31 December 2012 £m
Europe and the Middle East – UK	14,965.6	10,836.8	2,488.9
Europe and the Middle East – Other	24.1	22.4	27.3
Americas	22,589.6	19,025.3	3,640.0
Asia Pacific	37.7	44.0	37.4
	37,617.0	29,928.5	6,193.6

Segmental assets and liabilities exclude all inter-segment balances.

Revenue by product group	Six months ended 30 June 2013 £m	Six months ended 30 June 2012 £m	Year ended 31 December 2012 £m
Treasury Products	115.4	121.4	229.8
Interest Rate Derivatives	98.1	99.3	185.2
Fixed Income	124.1	132.4	241.0
Equities	22.9	23.3	42.6
Energy	54.8	55.7	106.4
Information Sales and Risk Management Services	24.5	23.0	45.8
	439.8	455.1	850.8

6. Exceptional items

Exceptional items comprise:

	Six months ended 30 June 2013 £m	Six months ended 30 June 2012 £m	Year ended 31 December 2012 £m
Charge relating to major legal actions	10.3	6.9	11.6
Restructuring costs	-	14.8	14.8
Goodwill impairment	-	-	123.0
	10.3	21.7	149.4
Taxation credit on exceptional items	(1.7)	(7.6)	(2.3)
	8.6	14.1	147.1

7. 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.

8. Finance income

	Six months ended 30 June 2013	Six months ended 30 June 2012 (restated – Note 15)	Year ended 31 December 2012 (restated – Note 15)
	£m	£m	£m
Interest receivable and similar income	0.8	1.0	1.8
Return on retirement benefit assets	0.9	0.8	1.7
	1.7	1.8	3.5

9. Finance costs

	Six months ended 30 June 2013	Six months ended 30 June 2012 (restated – Note 15)	Year ended 31 December 2012 (restated – Note 15)
	£m	£m	£m
Interest and fees payable on bank facilities	0.9	2.3	4.5
Interest payable on Sterling Notes August 2014	0.3	0.3	0.6
Interest payable on Sterling Notes July 2016	4.9	4.9	9.9
Interest payable on Sterling Notes June 2019	2.1	-	0.2
Other interest payable	0.2	0.2	0.2
Amortisation of debt issue and bank facility costs	1.7	0.7	1.5
Total borrowing costs	10.1	8.4	16.9
Amortisation of discount on deferred consideration	0.2	0.4	0.8
	10.3	8.8	17.7

10. Earnings/(loss) per share

	Six months ended 30 June 2013	Six months ended 30 June 2012 (restated – Note 15)	Year ended 31 December 2012 (restated – Note 15)
Basic – underlying	22.4p	22.8p	39.5p
Diluted – underlying	22.4p	22.7p	39.4p
Basic earnings/(loss) per share	18.5p	16.3p	(28.1p)
Diluted earnings/(loss) per share	18.4p	16.3p	(28.1p)

10. Earnings/(loss) per share (continued)

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

	Six months ended 30 June 2013 No. (m)	Six months ended 30 June 2012 No. (m)	Year ended 31 December 2012 No. (m)
Basic weighted average shares	217.8	217.4	217.6
Issuable on exercise of options	0.1	0.4	0.2
Diluted weighted average shares	217.9	217.8	217.8

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

	Six months ended 30 June 2013 £m	Six months ended 30 June 2012 (restated – Note 15) £m	Year ended 31 December 2012 (restated – Note 15) £m
Profit/(loss) for the period	40.5	35.6	(60.9)
Minority interests	(0.3)	(0.2)	(0.3)
Earnings/(loss)	40.2	35.4	(61.2)
Charge relating to major legal actions	10.3	6.9	11.6
Restructuring costs	-	14.8	14.8
Goodwill impairment	-	-	123.0
Tax on above items	(1.7)	(7.6)	(2.3)
Underlying Earnings	48.8	49.5	85.9

11. Dividends

	Six months ended 30 June 2013 £m	Six months ended 30 June 2012 £m	Year ended 31 December 2012 £m
Amounts recognised as distributions to equity holders in the period:			
Final dividend for the year ended 31 December 2012 of 11.25p per share	24.5	-	-
Interim dividend for the year ended 31 December 2012 of 5.6p per share	-	-	12.1
Final dividend for the year ended 31 December 2011 of 11.25p per share	-	24.5	24.5
	24.5	24.5	36.6

An interim dividend of 5.6p per share will be paid on 14 November 2013 to all shareholders on the Register of Members on 25 October 2013.

As at 30 June 2013 the Tullett Prebon plc Employee Benefit Trust 2007 held 202,029 ordinary shares (2012: 202,029 ordinary shares) and has waived its rights to dividends.

12. Reconciliation of operating result to net cash from operating activities

	Six months ended 30 June 2013 £m	Six months ended 30 June 2012 (restated – Note 15) £m	Year ended 31 December 2012 (restated – Note 15) £m
Operating profit/(loss)	61.1	51.7	(23.9)
Adjustments for:			
Share-based compensation	0.6	0.8	1.4
Depreciation of property, plant and equipment	2.7	2.9	5.5
Amortisation of intangible assets	3.4	3.2	6.3
Goodwill impairment	-	-	123.0
Loss on disposal of property, plant and equipment	1.5	-	-
Loss on derecognition of intangible assets	0.1	-	-
(Decrease)/increase in provisions for liabilities and charges	(2.7)	3.3	(10.4)
Increase in non-current liabilities	0.4	0.4	2.8
Operating cash flows before movement in working capital	67.1	62.3	104.7
Increase in trade and other receivables	(20.2)	(29.1)	(4.9)
Increase in net settlement balances	(1.5)	(2.4)	(0.4)
Decrease in trade and other payables	(0.1)	(37.4)	(40.3)
Cash generated from operations	45.3	(6.6)	59.1
Income taxes paid	(14.7)	(20.7)	(27.3)
Interest paid	(3.1)	(2.6)	(15.2)
Net cash from operating activities	27.5	(29.9)	16.6

13. Analysis of net funds

	1 January 2013 £m	Cash flow £m	Non-cash items £m	Exchange differences £m	30 June 2013 £m
Cash	201.9	(33.8)	-	4.4	172.5
Cash equivalents	78.0	(5.8)	-	0.5	72.7
Client settlement money	1.6	0.1	-	-	1.7
Cash and cash equivalents	281.5	(39.5)	-	4.9	246.9
Financial assets	30.3	2.4	-	0.3	33.0
Total funds	311.8	(37.1)	-	5.2	279.9
Bank loans within one year	(10.0)	10.0	-	-	-
Bank loans after one year	(18.7)	20.0	(1.3)	-	-
Notes due after one year	(227.1)	-	(0.3)	-	(227.4)
	(255.8)	30.0	(1.6)	-	(227.4)
Total net funds	56.0	(7.1)	(1.6)	5.2	52.5

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.

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.

Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2013

14. Allocation of other comprehensive income within Equity

	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 2013 (unaudited)								
Revaluation of investments	(0.2)	-	-	-	-	(0.2)	-	(0.2)
Exchange differences on translation of foreign operations	-	-	12.0	-	-	12.0	(0.1)	11.9
Remeasurement of the net defined benefit pension scheme asset	-	-	-	-	25.7	25.7	-	25.7
Taxation (charge)/credit on components of other comprehensive income	-	-	0.2	-	(9.0)	(8.8)	-	(8.8)
Other comprehensive income for the period	(0.2)	-	12.2	-	16.7	28.7	(0.1)	28.6
Six months ended 30 June 2012 (unaudited) (restated – Note 15)								
Revaluation of investments	0.2	-	-	-	-	0.2	-	0.2
Exchange differences on translation of foreign operations	-	-	(3.4)	-	-	(3.4)	(0.1)	(3.5)
Remeasurement of the net defined benefit pension scheme asset	-	-	-	-	0.6	0.6	-	0.6
Taxation charge on components of other comprehensive income	-	-	(0.4)	-	(0.4)	(0.8)	-	(0.8)
Other comprehensive income for the period	0.2	-	(3.8)	-	0.2	(3.4)	(0.1)	(3.5)
Year ended 31 December 2012 (restated – Note 15)								
Revaluation of investments	0.5	-	-	-	-	0.5	-	0.5
Exchange differences on translation of foreign operations	-	-	(9.3)	-	-	(9.3)	(0.2)	(9.5)
Remeasurement of the net defined benefit pension scheme asset	-	-	-	-	4.2	4.2	-	4.2
Taxation charge on components of other comprehensive income	-	-	(0.4)	-	(1.6)	(2.0)	-	(2.0)
Other comprehensive income for the year	0.5	-	(9.7)	-	2.6	(6.6)	(0.2)	(6.8)

15. Restatement of 2012 comparative financial information

The change to IAS 19 explained in Note 2 results in the following restatement of previously reported financial information.

For the 6 months ended 30 June 2012:
In the Condensed Consolidated Income Statement, administrative expenses increase by £0.3m resulting in underlying operating profit reducing from £73.7m to £73.4m, and the total operating profit, including exceptional items, reducing from £52.0m to £51.7m; finance income reduces by £5.0m and finance costs reduce by £3.4m; underlying profit before tax reduces from £68.3m to £66.4m and total profit before tax, including exceptional items, reduces from £46.6m to £44.7m; taxation reduces by £0.7m; underlying profit of consolidated companies reduces from £50.1m to £48.9m and total profit of consolidated companies, including exceptional items, decreases from £36.0m to £34.8m.

In the Condensed Consolidated Statement of Comprehensive Income, remeasurement of the net defined benefit pension scheme asset increases to £0.6m from (£1.3m) and the taxation charge on components of other comprehensive income increases to (£0.8m) from (£0.1m) resulting in other comprehensive income increasing by £1.2m. Total comprehensive income remains unchanged at £32.1m. Basic and diluted earnings per share both reduce from 16.8p to 16.3p, underlying basic earnings per share reduces from 23.3p to 22.8p and underlying diluted earnings per share reduces from 23.3p to 22.7p.

For the year ended 31 December 2012:
In the Condensed Consolidated Income Statement, administrative expenses increase by £0.5m resulting in underlying operating profit reducing from £126.0m to £125.5m, and the total operating loss, including exceptional items, increasing from (£23.4m) to (£23.9m); finance income reduces by £9.9m and finance costs reduce by £7.0m; underlying profit before tax reduces from £114.7m to £111.3m and total loss before tax, including exceptional items, increases from (£34.7m) to (£38.1m); taxation reduces by £1.2m; underlying profit of consolidated companies reduces from £87.2m to £85.0m and total loss of consolidated companies, including exceptional items, increases from (£59.9m) to (£62.1m).

In the Condensed Consolidated Statement of Comprehensive Income, remeasurement of the net defined benefit pension scheme asset increases to £4.2m from £0.8m and the taxation charge on components of other comprehensive income increases to (£2.0m) from (£0.8m) resulting in other comprehensive income increasing by £2.2m. Total comprehensive income remains unchanged at (£67.7m). Basic and diluted loss per share both increase from (27.1p) to (28.1p), underlying basic earnings per share reduce from 40.5p to 39.5p and underlying diluted earnings per share reduce from 40.4p to 39.4p.

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

30 July 2013

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 2013 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 Conduct 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 2013 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 Conduct Authority.

Deloitte LLP
Chartered Accountants and Statutory Auditor
30 July 2013
London, UK