

TULLETT PREBON PLC

Financial and Interim Management Report For the six months ended 30 June 2015

Tullett Prebon plc (the “Company”) today announced its results for the six months ended 30 June 2015.

Operational Summary

- Revenue up 15%, Operating profit up 20%
- Outstanding performance from PVM
- Acquisition of MOAB strengthens Energy in the Americas
- Resilient performance from the broking business
- Strong contribution from Information Sales and RMS
- Tullett Prebon Information named best data provider for fifth consecutive year

Financial Highlights

Underlying, before exceptional and acquisition related items

- Revenue £415.7m (2014: £360.3m)
- Operating profit £60.6m (2014: £50.3m)
- Operating margin 14.6% (2014: 14.0%)
- Profit before tax £52.9m (2014: £43.2m)
- Basic EPS 17.7p (2014: 16.0p)

Reported, after exceptional and acquisition related items

- Profit before tax £111.1m (2014: £8.9m)
- Basic EPS 36.2p (2014: 1.3p)

A table showing Underlying and Reported figures for each period detailing the exceptional and acquisition related items is included in the Financial Review.

Dividend

As in previous years, the interim dividend for 2015 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 12 November 2015 to shareholders on the register at close of business on 23 October 2015.

John Phizackerley, Chief Executive of Tullett Prebon plc, commented:

“The actions that were taken during 2014 to develop the business and to better align the cost base with the lower level of activity have resulted in a 15% increase in revenue to £415.7m and a 20% increase in underlying operating profit to £60.6m.

The performance of PVM since the completion of the acquisition in November last year has been strong. The Company's Information Sales and Risk Management Services businesses have also performed strongly. The level of activity in the wholesale OTC financial markets has been more stable during the first half than in recent periods although activity has continued to be relatively subdued. There has been higher volatility in some financial markets in 2015 compared with a year ago, but despite the economic and political dramas that have been playing during the first half of the year, volatility and trading volumes in many product areas have continued to be sporadic.

The Company's goal is to become the world's most trusted source of liquidity in hybrid OTC markets and the best operator in global voice broking. The Company's plan is to build revenue and raise the quality and quantity of earnings through further diversification of the client base, continued expansion into Energy and commodities, and building scale in the Americas and Asia Pacific, whilst preserving the business's core franchises."

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.

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

Overview

The actions that were taken during 2014 to develop the business and to better align the cost base with the lower level of activity have resulted in a 15% increase in revenue to £415.7m and a 20% increase in underlying operating profit to £60.6m.

The performance of PVM Oil Associates Limited and its subsidiaries ("PVM") since the completion of the acquisition in November last year has been strong. The business's main activities are in crude oil and petroleum products, and the business has benefited from the higher level of activity in the oil and related products markets due to the significant changes

in the oil price experienced since the start of the second half of 2014. PVM's revenue in the first six months of 2015 was 35% higher than in the equivalent period in 2014.

The Company's Information Sales and Risk Management Services businesses have also performed strongly, with revenue in the first half up 17% to £27.2m. The Information Sales business has benefited from the expansion of its geographical presence, the enhancement of its sales capability and the extension of the data content it provides to customers, including the crude, refined and middle distillates data generated by PVM.

The level of activity in the wholesale OTC financial markets has been more stable during the first half than in recent periods, although activity has continued to be relatively subdued reflecting the structural and cyclical factors affecting the interdealer broker industry. Market volumes continue to be adversely affected by the more onerous regulatory environment applicable to many of our bank customers whose trading activity has been suppressed by the deleveraging of their balance sheets and lower risk appetite. There has been higher volatility in some financial markets in 2015 compared with a year ago, but despite the economic and political dramas that have been playing during the first half of the year, volatility and trading volumes in many product areas have continued to be sporadic. Revenue has picked up in Asia Pacific and in some products in the Americas, but the continuation of the low interest rate conditions and compressed bond market spreads in Europe has further dampened activity in many markets in our largest region. Broking revenue, excluding PVM, in the first half of the year of £336.5m was 3% lower than in the first half of 2014 at constant exchange rates.

The benefits of the actions taken during 2014 to reduce headcount and other fixed costs which were designed to preserve the variable nature of broker compensation and to reduce it as a percentage of broking revenue have been reflected in an improvement in the business's contribution margin in the first half of the year. Broker compensation as a percentage of revenue, excluding PVM, has reduced by 1.1% points to 55.6%.

The investments being made in strategy and business development and in the implementation of enhanced cultural, compliance, and risk governance frameworks have resulted in an increase in management and support costs and one-off project costs in the first half which has partly offset the benefit of the improvement in contribution margin. The underlying operating profit margin achieved in the first half of 2015 of 14.6% is 0.6% points higher than in the equivalent period last year.

Strategy and Business Development

Following the conclusion of the global strategic review that was initiated last year the Company hosted a Capital Markets Day for institutional investors and analysts in June. The presentation materials are available on the Company's website. John Phizackerley, Chief Executive, articulated the Company's goal to become the world's most trusted source of liquidity in hybrid OTC markets and the best operator in global voice broking; and the Company's plan to build revenue and raise the quality and quantity of earnings through further diversification of the client base, continued expansion into Energy and commodities, and building scale in the Americas and Asia Pacific, whilst preserving the business's core franchises.

One of the outputs of the strategic review was the launch of ten key initiatives, the "10 Arrows", each of which has a number of projects and work streams which are designed to

optimise the existing business and to pursue opportunities to add new high quality revenue and earnings to the group.

The first four arrows are focused on building revenue in the most attractive areas of our markets.

- We will seek to add brokers to maintain and grow our presence in those products with high relative market attractiveness and where we have a high relative ability to compete, and to invest in those products that have high market attractiveness but where our presence can be developed.
- We will seek to continue to build our activities in Energy and commodities.
- The financial markets are evolving and we will look to extend our broking offering to service clients who have not traditionally been served by the interdealer brokers in those products where the market is receptive to a broadening of the client base.
- We will continue to develop our Information Sales business where our product suite and delivery channels can be further developed.

The remaining arrows are focused on improving the functions in the business that support the revenue generating divisions.

- We will invest in our technology including both front office and back office systems and realign the mix between owned and outsourced platforms to maximise our own intellectual property to seek to ensure that the hybrid voice broking business and Information Sales have the technology richness and capability that customers seek.
- We will invest in our client relationship management function and introduce new focus and discipline to how we target and cover existing and new clients to seek to broaden and institutionalise client relationships.
- We will develop our capability to source, execute and integrate acquisitions.
- We will work within a robust investment framework so that we allocate capital and resources to areas where we can create the most value, taking account of risks and the impact of regulation.
- We are developing our HR function and processes to focus on hiring and training the next generation of brokers and to manage compensation appropriately to encourage good long term cultural behaviours.
- We have been overly modest about the qualities of our business and our achievements, and we will seek to improve our brand awareness and coverage.

During the first half of this year work has continued on the business optimisation projects and work streams that flow from the 10 Arrows.

Our broker headcount has increased by a net 48 heads since the end of the year, with over 40% of that net increase in Energy and commodities. During the first half we have established our presence in environmental products in North America, commenced the broking of iron ore in Europe, and expanded our activities in base and precious metals in

Europe. We have started broking MSCI futures and ETFs in London. We have hired a team to establish our presence in corporate and sovereign bonds in Asia who will commence with the business in the second half.

The Company has, today, announced the acquisition of MOAB Oil, Inc. (“MOAB”) a leading independent broker of physical and financial instruments in the energy markets in the United States.

MOAB is entirely focused on energy products, and its expertise includes physical gasoline, gasoline blending components, oil product swaps, ethanol and ethanol derivatives, natural gas financial derivatives, crude oil, distillates, weather and power products. MOAB has long-established relationships with major oil companies, gasoline blenders, the oil trading divisions of investment banks and other trading firms.

The business generated revenue of \$23.7m (£14.4m) in 2014, with 23 brokers based in Norwalk, Connecticut.

The acquisition of MOAB complements the acquisition of PVM and further establishes the group’s leading position in the Energy sector, significantly increasing the scale of the group’s activities in broking crude oil and energy products in North America.

We have continued to expand the data sets provided by our Information Sales business with the inclusion of nuclear fuel and biofuel data. We were proud to announce that our Information Sales business was awarded, for the fifth consecutive year, the title of Best Data Provider (Broker) at the Inside Market Data Awards in May. This award, which is determined by an independent ballot of end-users, reaffirms our position as the leading provider of the highest quality independent price information and data from the global OTC markets.

We continue to launch new products and provide innovative solutions to our clients. Our alternative investments team has launched TP-AIME, the first screen-based matching engine to better facilitate secondary market transactions in a range of alternative investments. The platform also facilitates auctions in hedge fund, private equity and real estate fund interests.

We have concluded from the strategic review that interdealer brokers remain secure at the heart of the global financial services industry, facilitating efficient and effective trading in the wholesale OTC financial markets, and that the majority of OTC product markets, which are not characterised by continuous trading, depend upon the intervention and support of voice brokers for their liquidity and effective operation.

We are wholly committed to the hybrid voice broking model, and to developing the technology and services that support it. This is where the business is positioned, and we aim to be the best operator and best provider of liquidity and trusted partner to our clients.

The broking business in all three regions is supported by the deployment of the group’s electronic broking platforms. The platforms facilitate client trading through electronic execution or with voice broker support, and provide a range of functionality including streaming prices, analytics, and auction capability, and operate as highly efficient front end order management and trade capture systems for both brokers and customers. We have continued to roll out our tpSWAPDEAL platform and in May we launched tpIRODEAL, a new platform for interest rate options that gives clients in this asset class much improved functionality and transparency.

We continue to see the evolving regulatory landscape affecting the OTC markets as an opportunity, albeit one that requires investment.

Our swap execution facility in the United States, tpSEF, continues to operate successfully, providing swap execution services across the five major asset classes utilising many of the group's electronic broking platforms to satisfy the regulatory requirements relating to trade execution, trade reporting, audit trail, and submission to clearing. Third party analysis of the notional volume of trades reported through SEFs, and our own intelligence, leads us to conclude that our market share in the interest rate swap market in the USA, the largest asset class within the scope of the SEF requirements, has been maintained.

In Europe, the implementation of EMIR, which contains provisions governing mandatory clearing requirements and trade reporting requirements for derivatives, is coming into effect in stages as the various technical standards are agreed. The legislative framework governing permissible trade execution venues, and governance and conduct of business requirements for trading venues, (MiFID II) and a new regulation (MiFIR), is expected to become effective at the beginning of 2017. As the detailed rules and requirements are agreed and published, the business will execute its plans to adapt its technology and services to comply with the new regulations.

Key Financial and Performance Indicators

Our key financial and performance indicators for the first half of 2015 compared with those for the first half of 2014 are summarised in the table below.

	<u>H1 2015</u>	<u>H1 2014</u>	<u>Change</u>
Broking Revenue (excluding PVM)	£336.5m	£337.4m	-3%*
Information Sales / RMS Revenue (excluding PVM)	£26.9m	£22.9m	+16%*
Total Revenue (excluding PVM)	£363.4m	£360.3m	-1%*
Total Revenue (including PVM)	£415.7m	£360.3m	+15%
Underlying Operating profit	£60.6m	£50.3m	+20%
Underlying Operating margin	14.6%	14.0%	+0.6% pts
Average broker headcount (excluding PVM)	1,613	1,654	-2%
Average broker headcount (including PVM)	1,745		
Average revenue per broker (£'000)			
- excluding PVM	209	204	n/c*
- including PVM	222		
Broker compensation costs : broking revenue			
- excluding PVM	55.6%	56.7%	-1.1% pts
- including PVM	55.7%		
Period end broker headcount			
- excluding PVM	1,617	1,595	+1%
- including PVM	1,750		

Period end broking support headcount (excluding PVM)	744	733	+2%
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*At constant exchange rates

Operating Review

The tables below analyse revenue by region and by product group, and underlying operating profit by region, for the first half of 2015 compared with the equivalent period in 2014.

Revenue

The Group reports its results in GBP. A significant proportion of the Group's activity is conducted through businesses whose functional currency is not GBP and the reported revenue is therefore impacted by the movement in the foreign exchange rates used to translate the revenue from those operations. The tables therefore show revenue for the first half of 2014 translated at the same exchange rates as those used for 2015, with growth rates calculated on the same basis. The revenue figures as reported for 2014 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 2015 £m	H1 2014 £m	Change
Treasury Products	96.0	99.4	-3%
Interest Rate Derivatives	76.2	71.6	+6%
Fixed Income	93.6	105.6	-11%
Equities	21.5	21.6	-0%
Energy	101.2	47.3	+114%
Information Sales and Risk Management Services	27.2	23.2	+17%
At constant exchange rates	415.7	368.7	+13%
Exchange translation		(8.4)	
Reported	415.7	360.3	+15%

Total revenue in the first half of 2015 was 13% higher than in the first half of 2014. The benefit from the inclusion of PVM, growth in Information Sales and RMS, and a pickup in the level of activity in Interest Rate Derivatives in Europe and Asia Pacific, has been partly offset by lower volumes in the traditional interdealer broker product groups of Fixed Income and Treasury Products (FX and cash).

Revenue from Energy has more than doubled, reflecting the inclusion of PVM, higher levels of activity in the oil markets generally, and the development of our activities in this sector in all three regions. Energy is now the business's largest product group by revenue.

Revenue from Information Sales and Risk Management Services was 17% higher than last year. The Information Sales business has benefited from the growing client demand for independent data and for enhanced validation of information sources, and has increased revenue by adding new data content sets and through broadening its customer base, with an increasing number of information feeds to client IT applications. The investment in sales and marketing in the Risk Management Services business has resulted in increased market share in USD and Asia Pacific currencies.

Revenue from Treasury Products (FX and cash) was 3% lower, with lower activity in Europe and some products in Asia Pacific partly offset by a stronger performance in the Americas.

Revenue from Interest Rate Derivatives (swaps and options) was 6% higher than last year, reflecting the sporadic volatility in interest rates in Europe during the period and improved market conditions for JPY products in Asia Pacific.

The 11% decline in revenue from Fixed Income reflects the low liquidity and levels of activity in the European government and corporate bond markets, and in the North American government and agency bond markets, partly offset by higher revenue in corporate bonds in North America including that generated by the brokers hired from Murphy & Durieu at the beginning of the year.

The Equities businesses in Europe and the Americas both performed well during the period but this was offset by lower activity in equity derivatives in Asia Pacific reflecting lower levels of client trading.

Revenue by region	H1 2015 £m	H1 2014 £m	Change Incl. PVM	Change Excl. PVM
Europe and the Middle East	241.9	208.1	+16%	-4%
Americas	117.9	110.9	+6%	+1%
Asia Pacific	55.9	49.7	+12%	+5%
At constant exchange rates	415.7	368.7	+13%	-1%
Exchange translation		(8.4)		
Reported	415.7	360.3	+15%	+1%

Europe and the Middle East

Revenue in Europe and the Middle East was 16% higher including PVM, and was 4% lower excluding PVM. The base broking revenue in the region was 6% lower than last year, partly offset by growth in revenue from Information Sales.

The region continues to face difficult market conditions in many of the traditional major product areas. Revenue from forward FX and cash, and from government and corporate bonds, which account for a significant proportion of the revenue in the region, was lower than last year. This was partly offset by higher revenue in Interest Rate Derivatives reflecting the sporadic volatility in interest rates in Europe during the period, and by higher revenue from Energy and commodities, particularly in oil and from the development of our activities in base and precious metals. The Equities business has also performed well compared with a difficult period in the first half of 2014.

Including PVM, Energy is the largest product group by revenue in the region, and accounts for over one third of the region's broking revenue in the first half.

Average broker headcount in the region, excluding PVM, was 7% lower than last year with average revenue per broker up 1%. Period end broker headcount, including PVM, was 831.

Americas

Revenue in the Americas was 6% higher including PVM and was 1% higher excluding PVM.

Revenue in the product areas where the business is particularly dependent on serving the traditional interdealer broker client base, most notably Interest Rate Derivatives and government and agency Fixed Income, was lower than last year reflecting the lower level of market activity. This was offset by higher revenue in Treasury products (FX and cash), particularly in emerging markets' currencies, by the further development of the business's presence in corporate bonds through the addition of brokers from Murphy & Durieu at the beginning of the year, and by the benefit of the investments made last year in the Equities business.

We have improved the quality of our Energy business in the Americas through our withdrawal from broking power contracts for end-users by disposing of our standalone subsidiary Unified Energy Services. We have invested in establishing our presence in emissions broking. Including PVM, our Energy activities in the Americas accounted for over 10% of the total revenue in the region, and this will be further boosted by the acquisition of MOAB.

Average broker headcount in the Americas, excluding PVM, was 6% higher than in 2014, with average revenue per broker 5% lower. Period end broker headcount in the Americas, including PVM, was 554.

Asia Pacific

Revenue in Asia Pacific was 12% higher than last year including PVM and was 5% higher excluding PVM. The growth in base broking revenue in the region was boosted by the increased revenue from the Risk Management Services business which is operated from the region.

The growth in base broking revenue has been achieved despite the slowdown in client trading in volatility products in regional currencies and in equity derivatives compared with last year, and reflects the continued development of the offshore Renminbi market, improved market conditions for JPY interest rate swaps, and the development of the Energy and commodities broking activities in the region. Including PVM, Energy and commodities now accounts for around one sixth of the region's total broking revenue. We are also developing the Fixed Income broking capability in the region, and we have hired a team to build our presence in corporate and sovereign bonds in the region who will start with the business during the second half.

Average broker headcount in the region, excluding PVM, was 5% lower than in 2014 reflecting the actions taken to improve the cost base, with average revenue per broker up 8%. Period end broker headcount in Asia Pacific, including PVM, was 365.

Underlying Operating profit

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

£m	Revenue			Underlying Operating profit		
	H1 2015	H1 2014	Change	H1 2015	H1 2014	Change

Europe and the Middle East	241.9	209.0	+16%	46.3	43.0	+8%
Americas	117.9	102.7	+15%	7.1	2.7	+163%
Asia Pacific	55.9	48.6	+15%	7.2	4.6	+57%
Reported	415.7	360.3	+15%	60.6	50.3	+20%

Underlying Operating margin by region	H1 2015	H1 2014
Europe and the Middle East	19.1%	20.6%
Americas	6.0%	2.6%
Asia Pacific	12.9%	9.5%
	14.6%	14.0%

The £46.3m underlying operating profit in Europe and the Middle East was 8% higher than last year, but the underlying operating margin has reduced to 19.1%. The actions taken under the cost improvement programme last year have resulted in a 10% reduction in fixed broker employment costs in the first half, excluding PVM, compared with the same period a year ago, but this benefit has been offset by the operational leverage effect of the decline in base broking revenue and from the investments being made in strengthening and developing the business.

The significant improvement in profitability in the Americas reflects the benefit of building scale in the region and the cost improvement programme. Fixed broker compensation costs in the base business in North America were 17% lower than last year. The 163% increase in underlying operating profit to £7.1m has resulted in the underlying operating margin improving to 6.0%.

Underlying operating profit in Asia Pacific has increased by 57% to £7.2m, and the underlying operating margin in the region has increased to 12.9%. Fixed broker employment costs in the first half, excluding PVM, have been reduced by 8% compared with the first half of 2014. The benefit of the higher contribution margin has been complemented by the operational leverage effect of the higher broking revenue and by the increased revenue and operating profit from Risk Management Services.

Financial Review

The results for the first half of 2015 compared with those for the first half of 2014 are shown in the tables below.

H1 2015

Income Statement £m	Underlying	Exceptional and acquisition related items	Reported
Revenue	415.7		415.7
Operating profit	60.6		60.6
Credit relating to major legal actions		64.4	64.4
Amortisation of acquisition deferred consideration		(5.2)	(5.2)
Amortisation of intangible assets arising on acquisition		(0.7)	(0.7)
Loss on disposal of subsidiary		(0.3)	(0.3)
Operating profit	60.6	58.2	118.8

Net finance expense	(7.7)		(7.7)
Profit before tax	52.9	58.2	111.1
Tax	(10.8)	(12.9)	(23.7)
Associates	1.2		1.2
Minorities	(0.3)		(0.3)
Earnings	43.0	45.3	88.3
Average number of shares	243.6m		243.6m
Basic EPS	17.7p		36.2p

H1 2014

Income Statement £m	Underlying	Exceptional and acquisition related items	Reported
Revenue	360.3		360.3
Operating profit	50.3		50.3
Charge relating to major legal actions		(4.4)	(4.4)
Charge relating to cost improvement programme		(28.6)	(28.6)
Acquisition costs		(1.3)	(1.3)
Operating profit	50.3	(34.3)	16.0
Net finance expense	(7.1)		(7.1)
Profit before tax	43.2	(34.3)	8.9
Tax	(9.3)	2.2	(7.1)
Associates	1.2		1.2
Minorities	(0.2)		(0.2)
Earnings	34.9	(32.1)	2.8
Average number of shares	217.8m		217.8m
Basic EPS	16.0p		1.3p

Exceptional and acquisition related items

As previously announced, the Company entered into an agreement with BGC in January 2015 under which BGC would pay \$100m to the Company to settle the litigation in the New Jersey Superior Court. The first \$25m of the \$100m settlement was paid to the Company in January and the remaining \$75m was paid to the Company at the end of March. Net of the £2.7m of costs that have been incurred in 2015 in relation to the legal action the exceptional credit in the first half of 2015 relating to the major legal actions is £64.4m. The £4.4m charge in the first half of 2014 relates to the costs incurred in that period on the major legal actions with BGC.

The Company completed the acquisition of PVM on 26 November 2014. The payment to each individual vendor of their share of up to \$48m of deferred consideration (which is subject to the achievement of revenue targets in the three years after completion) is linked to their continued service with the business, and is therefore amortised through the income statement over the three year period. The amortisation charge recognised in the first half of 2015 is £5.2m.

Intangible assets other than goodwill of £9.5m arising on the acquisition of PVM relate to the PVM brand and the value of customer relationships. This amount is being amortised

through the income statement over the estimated useful lives of those assets. The amortisation charge recognised in the first half of 2015 is £0.7m.

Unified Energy Services was sold during the first half of the year incurring a loss of £0.3m on disposal.

The £28.6m charge in the first half of 2014 relating to the cost improvement programme reflects the costs incurred in that period of the actions taken to reduce fixed costs.

The £1.3m charge in the first half of 2014 relating to acquisition costs reflects legal and professional costs incurred in relation to the acquisition of PVM.

Net finance expense

The net finance expense comprises a cash finance charge of £8.3m (2014: £8.2m) partly offset by non-cash finance income of £0.6m (2014: £1.1m).

The cash finance charge comprises the £7.0m interest payable on the outstanding Sterling Notes, the commitment fee for the revolving credit facility of £0.8m, other net interest income of £0.6m, and £1.1m of amortisation of debt issue costs including a £0.6m one-off charge relating to the balance of unamortised issue costs arising on the revolving credit facility that was refinanced in April 2015.

The non-cash finance income comprises the deemed interest on the pension scheme net asset of £1.1m, partly offset by the unwind of discounted liabilities and provisions.

Tax

The effective rate of tax on underlying PBT is 20.5% (H1 2014: 21.5%). 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 2014 of 19.5% included the benefit of the release of some provisions relating to tax uncertainties which were resolved during that year. Excluding the benefit from the release of provisions, the effective rate of tax on underlying PBT for the full year 2014 would have been 23.1%.

The 2.6% point reduction in the estimated effective rate for 2015 compared with the 23.1% effective rate for 2014 reflects the reduction in the UK statutory rate of corporation tax and higher taxable profits in the USA on which no charge has been recognised due to the availability of unrecognised tax losses.

The £12.9m tax charge on exceptional and acquisition related items in the first half of 2015 reflects the £13.0m UK tax payable on the £64.4m credit relating to the settlement with BGC net of the costs incurred, less £0.1m deferred tax credit relating to the amortisation of the intangible assets arising on acquisition. The amortisation of deferred consideration does not attract tax relief. The £2.2m tax credit on exceptional items in the first half of 2014 reflected the tax relief at the relevant rate for the jurisdiction in which the charges were borne. No tax relief was recognised on the exceptional charges arising in the USA in 2014 due to the low level of taxable profit in that jurisdiction.

Basic EPS

The average number of shares used for the basic EPS calculation of 243.6m reflects the 243.5m shares in issue at the beginning of the year, plus the 0.3m shares that are issuable when vested options are exercised, 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 businesses whose functional currency is not GBP 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 2015	H1 2014	H2 2014	30 June 2015	31 Dec 2014	30 June 2014
US dollar	\$1.53	\$1.67	\$1.64	\$1.57	\$1.56	\$1.71
Euro	€1.36	€1.22	€1.26	€1.41	€1.29	€1.25
Singapore dollar	S\$2.06	S\$2.11	S\$2.08	S\$2.12	S\$2.07	S\$2.13
Japanese Yen	¥183	¥171	¥177	¥192	¥187	¥173

Cash flow

	H1 2015 £m	H1 2014 £m
Underlying Operating profit	60.6	50.3
Share-based compensation and other non-cash items	0.3	0.5
Depreciation and amortisation	7.4	6.7
EBITDA	68.3	57.5
Capital expenditure (net of disposals)	(6.3)	(4.0)
(Increase)/decrease in initial contract prepayment	(2.2)	7.4
Other working capital	(13.7)	(33.1)
Operating cash flow	46.1	27.8
Exceptional and acquisition related items		
- Cost improvement programme 2014	(3.8)	(3.8)
- Restructuring 2011/2012	(0.2)	(0.7)
- Major legal actions	64.4	(4.4)
- Acquisition costs	-	(1.3)
Interest	(2.1)	(2.4)
Taxation	(4.6)	(9.9)
Net dividends received from associates/paid to minorities	-	0.1
Acquisitions/investments	(0.5)	(1.2)
Cash flow	99.3	4.2

The operating cash flow of £46.1m for the first half of 2015 is lower than the underlying operating profit reflecting the usual seasonal working capital outflow.

The working capital outflow reflects the higher level of trade receivables and settlement balances at June compared with the level at the previous year end, due to the higher level of business activity towards the end of the half year compared with that towards the year end, and the reduction in bonus accruals which are at their highest at the year end.

During the first half the group made £3.8m of cash payments relating to actions taken under the 2014 cost improvement programme, and £0.2m relating to the 2011/12 restructuring programme.

The major legal actions net cash inflow of £64.4m is in line with the credit in the income statement, and reflects the settlement from BGC net of the costs incurred in 2015.

The movement in cash and debt is summarised below.

£m	Cash	Debt	Net
At 31 December 2014	297.8	(219.7)	78.1
Cash flow	99.3	-	99.3
Dividends	(27.4)	-	(27.4)
Debt and bank facility arrangement fees	(1.7)	-	(1.7)
Amortisation of debt issue costs	-	(0.3)	(0.3)
Cash sold with subsidiaries	(0.3)	-	(0.3)
Effect of movement in exchange rates	(3.1)	-	(3.1)
At 30 June 2015	<u>364.6</u>	<u>(220.0)</u>	<u>144.6</u>

At 30 June 2015 the group's outstanding debt comprised £141.1m Sterling Notes due July 2016 and £80m Sterling Notes due June 2019. The group renewed its committed £150m revolving credit facility during the first half, and the new facility matures in April 2018. No drawings were made on either the old or new facility during the period.

Outlook

Our recent strategic review concluded that the central role played by interdealer brokers at the heart of the global wholesale OTC markets remains secure. However, in a number of traditional interdealer broker products, revenue declines are likely to continue. In contrast, Energy and commodities do not currently face the same pressures and we expect to benefit from the recent investments we have made in developing our presence in this sector. We will continue to invest in the business's capabilities to identify and implement business initiatives and we will look to further invest in revenue growth opportunities.

We will also continue to roll out our cultural, legal, compliance and risk governance frameworks to deliver our commitment to instil and embed the highest standards of conduct. These investments, increasing regulatory related costs, and the impact of the areas of business weakness, are expected to offset the improvement in the operating margin compared with that delivered last year. The investments are important for the Company to retain its competitive advantage and to deliver our strategy to increase revenue and earnings for the medium and longer term.

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## **Condensed Consolidated Income Statement**

for the six months ended 30 June 2015

| Six months ended<br>30 June 2015 (unaudited) | Notes | Underlying<br>£m | Exceptional<br>and<br>acquisition<br>related items<br>£m | Total<br>£m |
|----------------------------------------------|-------|------------------|----------------------------------------------------------|-------------|
| <b>Revenue</b>                               | 5     | 415.7            | -                                                        | 415.7       |
| Administrative expenses                      |       | (358.2)          | (8.9)                                                    | (367.1)     |
| Other operating income                       | 7     | 3.1              | 67.1                                                     | 70.2        |
| <b>Operating profit</b>                      | 5,6   | 60.6             | 58.2                                                     | 118.8       |
| Finance income                               | 8     | 1.9              | -                                                        | 1.9         |
| Finance costs                                | 9     | (9.6)            | -                                                        | (9.6)       |
| <b>Profit before tax</b>                     |       | 52.9             | 58.2                                                     | 111.1       |
| Taxation                                     |       | (10.8)           | (12.9)                                                   | (23.7)      |
| <b>Profit of consolidated companies</b>      |       | 42.1             | 45.3                                                     | 87.4        |
| Share of results of associates               |       | 1.2              | -                                                        | 1.2         |
| <b>Profit for the period</b>                 |       | 43.3             | 45.3                                                     | 88.6        |
| <b>Attributable to:</b>                      |       |                  |                                                          |             |
| Equity holders of the parent                 |       | 43.0             | 45.3                                                     | 88.3        |
| Minority interests                           |       | 0.3              | -                                                        | 0.3         |
|                                              |       | 43.3             | 45.3                                                     | 88.6        |
| <b>Earnings per share</b>                    |       |                  |                                                          |             |
| - Basic                                      | 10    | 17.7p            |                                                          | 36.2p       |
| - Diluted                                    | 10    | 17.4p            |                                                          | 35.8p       |

| Six months ended<br>30 June 2014 (unaudited) | Notes | Underlying<br>£m | Exceptional<br>and<br>acquisition<br>related items<br>£m | Total<br>£m |
|----------------------------------------------|-------|------------------|----------------------------------------------------------|-------------|
| <b>Revenue</b>                               | 5     | 360.3            | -                                                        | 360.3       |
| Administrative expenses                      |       | (312.3)          | (34.3)                                                   | (346.6)     |
| Other operating income                       | 7     | 2.3              | -                                                        | 2.3         |
| <b>Operating profit</b>                      | 5,6   | 50.3             | (34.3)                                                   | 16.0        |
| Finance income                               | 8     | 1.8              | -                                                        | 1.8         |
| Finance costs                                | 9     | (8.9)            | -                                                        | (8.9)       |
| <b>Profit before tax</b>                     |       | 43.2             | (34.3)                                                   | 8.9         |
| Taxation                                     |       | (9.3)            | 2.2                                                      | (7.1)       |
| <b>Profit of consolidated companies</b>      |       | 33.9             | (32.1)                                                   | 1.8         |
| Share of results of associates               |       | 1.2              | -                                                        | 1.2         |
| <b>Profit for the period</b>                 |       | 35.1             | (32.1)                                                   | 3.0         |
| <b>Attributable to:</b>                      |       |                  |                                                          |             |
| Equity holders of the parent                 |       | 34.9             | (32.1)                                                   | 2.8         |
| Minority interests                           |       | 0.2              | -                                                        | 0.2         |
|                                              |       | 35.1             | (32.1)                                                   | 3.0         |
| <b>Earnings per share</b>                    |       |                  |                                                          |             |
| - Basic                                      | 10    | 16.0p            |                                                          | 1.3p        |

|                                         |              |                   |                                                  |              |
|-----------------------------------------|--------------|-------------------|--------------------------------------------------|--------------|
| - Diluted                               | 10           | 16.0p             |                                                  | 1.3p         |
|                                         |              | <b>Underlying</b> | <b>Exceptional and acquisition related items</b> | <b>Total</b> |
| <b>Year ended 31 December 2014</b>      |              |                   |                                                  |              |
|                                         | <b>Notes</b> | <b>£m</b>         | <b>£m</b>                                        | <b>£m</b>    |
| <b>Revenue</b>                          | 5            | 703.5             | -                                                | 703.5        |
| Administrative expenses                 |              | (607.9)           | (69.1)                                           | (677.0)      |
| Other operating income                  | 7            | 5.1               | 16.0                                             | 21.1         |
| <b>Operating profit</b>                 | 5,6          | 100.7             | (53.1)                                           | 47.6         |
| Finance income                          | 8            | 3.6               | -                                                | 3.6          |
| Finance costs                           | 9            | (17.7)            | -                                                | (17.7)       |
| <b>Profit before tax</b>                |              | 86.6              | (53.1)                                           | 33.5         |
| Taxation                                |              | (16.9)            | 6.5                                              | (10.4)       |
| <b>Profit of consolidated companies</b> |              | 69.7              | (46.6)                                           | 23.1         |
| Share of results of associates          |              | 1.9               | -                                                | 1.9          |
| <b>Profit for the year</b>              |              | 71.6              | (46.6)                                           | 25.0         |
| <b>Attributable to:</b>                 |              |                   |                                                  |              |
| Equity holders of the parent            |              | 71.2              | (46.6)                                           | 24.6         |
| Minority interests                      |              | 0.4               | -                                                | 0.4          |
|                                         |              | 71.6              | (46.6)                                           | 25.0         |
| <b>Earnings per share</b>               |              |                   |                                                  |              |
| - Basic                                 | 10           | 32.3p             |                                                  | 11.2p        |
| - Diluted                               | 10           | 32.3p             |                                                  | 11.2p        |

## Condensed Consolidated Statement of Comprehensive Income

for the six months ended 30 June 2015

|                                                                            | Six months ended 30 June 2015<br>(unaudited)<br>£m | Six months ended 30 June 2014<br>(unaudited)<br>£m | Year ended 31 December 2014<br>£m |
|----------------------------------------------------------------------------|----------------------------------------------------|----------------------------------------------------|-----------------------------------|
| <b>Profit for the period</b>                                               | 88.6                                               | 3.0                                                | 25.0                              |
| <b>Items that will not be reclassified subsequently to profit or loss:</b> |                                                    |                                                    |                                   |
| Remeasurement of the defined benefit pension scheme                        | (6.0)                                              | 3.7                                                | 10.0                              |
| Taxation credit/(charge) relating to items not reclassified                | 2.1                                                | (1.3)                                              | (3.5)                             |
|                                                                            | (3.9)                                              | 2.4                                                | 6.5                               |
| <b>Items that may be reclassified subsequently to profit or loss:</b>      |                                                    |                                                    |                                   |
| Revaluation of investments                                                 | 0.4                                                | 0.2                                                | (0.5)                             |
| Effect of changes in exchange rates on translation of foreign operations   | (5.3)                                              | (4.6)                                              | 7.7                               |
| Taxation charge relating to items that may be reclassified                 | (0.4)                                              | (0.2)                                              | (0.2)                             |



|                                                  |       |       |      |
|--------------------------------------------------|-------|-------|------|
|                                                  | (5.3) | (4.6) | 7.0  |
| <b>Other comprehensive income for the period</b> | (9.2) | (2.2) | 13.5 |
| <b>Total comprehensive income for the period</b> | 79.4  | 0.8   | 38.5 |
| <b>Attributable to:</b>                          |       |       |      |
| Equity holders of the parent                     | 79.2  | 0.5   | 37.8 |
| Minority interests                               | 0.2   | 0.3   | 0.7  |
|                                                  | 79.4  | 0.8   | 38.5 |

## Condensed Consolidated Balance Sheet

as at 30 June 2015

|                                            | 30 June<br>2015<br>(unaudited)<br>£m | 30 June<br>2014<br>(unaudited)<br>£m | 31 December<br>2014<br>£m |
|--------------------------------------------|--------------------------------------|--------------------------------------|---------------------------|
| <b>Non-current assets</b>                  |                                      |                                      |                           |
| Intangible assets arising on consolidation | 334.3                                | 274.4                                | 336.6                     |
| Other intangible assets                    | 19.7                                 | 20.2                                 | 20.1                      |
| Property, plant and equipment              | 28.3                                 | 27.2                                 | 29.4                      |
| Interest in associates                     | 5.9                                  | 4.7                                  | 5.0                       |
| Investments                                | 8.5                                  | 5.8                                  | 5.2                       |
| Deferred tax assets                        | 2.2                                  | 2.8                                  | 2.3                       |
| Defined benefit pension scheme             | 56.9                                 | 55.0                                 | 62.1                      |
|                                            | 455.8                                | 390.1                                | 460.7                     |
| <b>Current assets</b>                      |                                      |                                      |                           |
| Trade and other receivables                | 10,161.3                             | 18,605.0                             | 3,261.9                   |
| Financial assets                           | 16.6                                 | 9.4                                  | 10.7                      |
| Cash and cash equivalents                  | 348.0                                | 250.4                                | 287.1                     |
|                                            | 10,525.9                             | 18,864.8                             | 3,559.7                   |
| <b>Total assets</b>                        | 10,981.7                             | 19,254.9                             | 4,020.4                   |
| <b>Current liabilities</b>                 |                                      |                                      |                           |
| Trade and other payables                   | (10,161.9)                           | (18,599.2)                           | (3,269.2)                 |
| Interest bearing loans and borrowings      | -                                    | (8.5)                                | -                         |
| Current tax liabilities                    | (30.5)                               | (15.8)                               | (12.3)                    |
| Short term provisions                      | (3.6)                                | (4.0)                                | (6.6)                     |
|                                            | (10,196.0)                           | (18,627.5)                           | (3,288.1)                 |
| <b>Net current assets</b>                  | 329.9                                | 237.3                                | 271.6                     |
| <b>Non-current liabilities</b>             |                                      |                                      |                           |
| Interest bearing loans and borrowings      | (220.0)                              | (219.4)                              | (219.7)                   |
| Deferred tax liabilities                   | (22.0)                               | (19.5)                               | (24.1)                    |
| Long term provisions                       | (8.5)                                | (5.5)                                | (9.7)                     |
| Other long term payables                   | (14.6)                               | (9.4)                                | (15.3)                    |
|                                            | (265.1)                              | (253.8)                              | (268.8)                   |
| <b>Total liabilities</b>                   | (10,461.1)                           | (18,881.3)                           | (3,556.9)                 |
| <b>Net assets</b>                          | 520.6                                | 373.6                                | 463.5                     |

| <b>Equity</b>                                              |  |              |              |              |
|------------------------------------------------------------|--|--------------|--------------|--------------|
| Share capital                                              |  | 60.9         | 54.4         | 60.9         |
| Share premium account                                      |  | 17.1         | 17.1         | 17.1         |
| Merger reserve                                             |  | 178.5        | 121.5        | 178.5        |
| Other reserves                                             |  | (1,178.6)    | (1,184.8)    | (1,173.4)    |
| Retained earnings                                          |  | 1,441.0      | 1,364.1      | 1,378.8      |
| <b>Equity attributable to equity holders of the parent</b> |  | <b>518.9</b> | <b>372.3</b> | <b>461.9</b> |
| Minority interests                                         |  | 1.7          | 1.3          | 1.6          |
| <b>Total equity</b>                                        |  | <b>520.6</b> | <b>373.6</b> | <b>463.5</b> |

## Condensed Consolidated Statement of Changes in Equity

for the six months ended 30 June 2015

|                                           | Equity attributable to equity holders of the parent |                             |                      |                                   |                            |                               |                  |                         |              |                          |                    |
|-------------------------------------------|-----------------------------------------------------|-----------------------------|----------------------|-----------------------------------|----------------------------|-------------------------------|------------------|-------------------------|--------------|--------------------------|--------------------|
|                                           | Share capital<br>£m                                 | Share premium account<br>£m | Merger reserve<br>£m | Reverse acquisition reserve<br>£m | Re-valuation reserve<br>£m | Hedging and translation<br>£m | Own shares<br>£m | Retained earnings<br>£m | Total<br>£m  | Minority interests<br>£m | Total equity<br>£m |
| <b>30 June 2015 (unaudited)</b>           |                                                     |                             |                      |                                   |                            |                               |                  |                         |              |                          |                    |
| <b>Balance at 1 January 2015</b>          | <b>60.9</b>                                         | <b>17.1</b>                 | <b>178.5</b>         | <b>(1,182.3)</b>                  | <b>1.4</b>                 | <b>7.6</b>                    | <b>(0.1)</b>     | <b>1,378.8</b>          | <b>461.9</b> | <b>1.6</b>               | <b>463.5</b>       |
| Profit for the period                     | -                                                   | -                           | -                    | -                                 | -                          | -                             | -                | 88.3                    | 88.3         | 0.3                      | 88.6               |
| Other comprehensive income for the period | -                                                   | -                           | -                    | -                                 | 0.4                        | (5.6)                         | -                | (3.9)                   | (9.1)        | (0.1)                    | (9.2)              |
| Total comprehensive income for the period | -                                                   | -                           | -                    | -                                 | 0.4                        | (5.6)                         | -                | 84.4                    | 79.2         | 0.2                      | 79.4               |
| Dividends paid                            | -                                                   | -                           | -                    | -                                 | -                          | -                             | -                | (27.4)                  | (27.4)       | (0.1)                    | (27.5)             |
| Acquisition related share-based payments  | -                                                   | -                           | -                    | -                                 | -                          | -                             | -                | 5.2                     | 5.2          | -                        | 5.2                |
| <b>Balance at 30 June 2015</b>            | <b>60.9</b>                                         | <b>17.1</b>                 | <b>178.5</b>         | <b>(1,182.3)</b>                  | <b>1.8</b>                 | <b>2.0</b>                    | <b>(0.1)</b>     | <b>1,441.0</b>          | <b>518.9</b> | <b>1.7</b>               | <b>520.6</b>       |
| <b>30 June 2014 (unaudited)</b>           |                                                     |                             |                      |                                   |                            |                               |                  |                         |              |                          |                    |
| <b>Balance at 1 January 2014</b>          | <b>54.4</b>                                         | <b>17.1</b>                 | <b>121.5</b>         | <b>(1,182.3)</b>                  | <b>1.9</b>                 | <b>0.4</b>                    | <b>(0.1)</b>     | <b>1,383.4</b>          | <b>396.3</b> | <b>2.1</b>               | <b>398.4</b>       |
| Profit for the period                     | -                                                   | -                           | -                    | -                                 | -                          | -                             | -                | 2.8                     | 2.8          | 0.2                      | 3.0                |
| Other comprehensive income for the period | -                                                   | -                           | -                    | -                                 | 0.2                        | (4.9)                         | -                | 2.4                     | (2.3)        | 0.1                      | (2.2)              |
| Total comprehensive income for the period | -                                                   | -                           | -                    | -                                 | 0.2                        | (4.9)                         | -                | 5.2                     | 0.5          | 0.3                      | 0.8                |
| Dividends paid                            | -                                                   | -                           | -                    | -                                 | -                          | -                             | -                | (24.5)                  | (24.5)       | (0.1)                    | (24.6)             |
| Decrease in minority interests            | -                                                   | -                           | -                    | -                                 | -                          | -                             | -                | (0.2)                   | (0.2)        | (1.0)                    | (1.2)              |
| Share-based payments                      | -                                                   | -                           | -                    | -                                 | -                          | -                             | -                | 0.2                     | 0.2          | -                        | 0.2                |
| <b>Balance at 30 June 2014</b>            | <b>54.4</b>                                         | <b>17.1</b>                 | <b>121.5</b>         | <b>(1,182.3)</b>                  | <b>2.1</b>                 | <b>(4.5)</b>                  | <b>(0.1)</b>     | <b>1,364.1</b>          | <b>372.3</b> | <b>1.3</b>               | <b>373.6</b>       |
| <b>31 December 2014</b>                   |                                                     |                             |                      |                                   |                            |                               |                  |                         |              |                          |                    |
| <b>Balance at 1 January 2014</b>          | <b>54.4</b>                                         | <b>17.1</b>                 | <b>121.5</b>         | <b>(1,182.3)</b>                  | <b>1.9</b>                 | <b>0.4</b>                    | <b>(0.1)</b>     | <b>1,383.4</b>          | <b>396.3</b> | <b>2.1</b>               | <b>398.4</b>       |
| Profit for the year                       | -                                                   | -                           | -                    | -                                 | -                          | -                             | -                | 24.6                    | 24.6         | 0.4                      | 25.0               |
| Other comprehensive income for the year   | -                                                   | -                           | -                    | -                                 | (0.5)                      | 7.2                           | -                | 6.5                     | 13.2         | 0.3                      | 13.5               |
| Total comprehensive income for the year   | -                                                   | -                           | -                    | -                                 | (0.5)                      | 7.2                           | -                | 31.1                    | 37.8         | 0.7                      | 38.5               |
| Dividends paid                            | -                                                   | -                           | -                    | -                                 | -                          | -                             | -                | (36.7)                  | (36.7)       | (0.2)                    | (36.9)             |

|                                          |             |             |              |                  |            |            |              |                |              |            |              |
|------------------------------------------|-------------|-------------|--------------|------------------|------------|------------|--------------|----------------|--------------|------------|--------------|
| Issue of ordinary shares                 | 6.5         | -           | 58.4         | -                | -          | -          | -            | -              | 64.9         | -          | 64.9         |
| Share issue costs                        | -           | -           | (1.4)        | -                | -          | -          | -            | -              | (1.4)        | -          | (1.4)        |
| Decrease in minority interests           | -           | -           | -            | -                | -          | -          | -            | (0.2)          | (0.2)        | (1.0)      | (1.2)        |
| Share-based payments                     | -           | -           | -            | -                | -          | -          | -            | 0.3            | 0.3          | -          | 0.3          |
| Acquisition related share-based payments | -           | -           | -            | -                | -          | -          | -            | 0.9            | 0.9          | -          | 0.9          |
| <b>Balance at 31 December 2014</b>       | <b>60.9</b> | <b>17.1</b> | <b>178.5</b> | <b>(1,182.3)</b> | <b>1.4</b> | <b>7.6</b> | <b>(0.1)</b> | <b>1,378.8</b> | <b>461.9</b> | <b>1.6</b> | <b>463.5</b> |

## Condensed Consolidated Cash Flow Statement

for the six months ended 30 June 2015

|                                                                 | Notes | Six months ended<br>30 June<br>2015<br>(unaudited)<br>£m | Six months ended<br>30 June<br>2014<br>(unaudited)<br>£m | Year ended<br>31 December<br>2014<br>£m |
|-----------------------------------------------------------------|-------|----------------------------------------------------------|----------------------------------------------------------|-----------------------------------------|
| <b>Net cash from operating activities</b>                       | 12    | 105.2                                                    | 8.5                                                      | 52.8                                    |
| <b>Investing activities</b>                                     |       |                                                          |                                                          |                                         |
| (Purchase)/sale of financial assets                             |       | (6.8)                                                    | 21.8                                                     | 20.6                                    |
| Purchase of investments                                         |       | (0.4)                                                    | -                                                        | -                                       |
| Interest received                                               |       | 0.8                                                      | 0.8                                                      | 1.5                                     |
| Dividends from associates                                       |       | 0.1                                                      | 0.2                                                      | 1.0                                     |
| Expenditure on intangible fixed assets                          |       | (3.1)                                                    | (2.1)                                                    | (5.3)                                   |
| Purchase of property, plant and equipment                       |       | (3.2)                                                    | (1.9)                                                    | (5.7)                                   |
| Disposal of subsidiaries                                        |       | (0.3)                                                    | -                                                        | -                                       |
| Investment in subsidiaries                                      |       | -                                                        | (1.2)                                                    | (5.5)                                   |
| Cash acquired with the acquisition of PVM                       |       | -                                                        | -                                                        | 17.5                                    |
| <b>Net cash used in investment activities</b>                   |       | (12.9)                                                   | 17.6                                                     | 24.1                                    |
| <b>Financing activities</b>                                     |       |                                                          |                                                          |                                         |
| Dividends paid                                                  | 11    | (27.4)                                                   | (24.5)                                                   | (36.7)                                  |
| Dividends paid to minority interests                            |       | (0.1)                                                    | (0.1)                                                    | (0.2)                                   |
| Equity issue costs                                              |       | -                                                        | -                                                        | (1.4)                                   |
| Repayment of debt                                               |       | -                                                        | -                                                        | (8.5)                                   |
| Debt issue and bank facility arrangement costs                  |       | (1.7)                                                    | -                                                        | -                                       |
| <b>Net cash used in financing activities</b>                    |       | (29.2)                                                   | (24.6)                                                   | (46.8)                                  |
| <b>Net increase in cash and cash equivalents</b>                |       | 63.1                                                     | 1.5                                                      | 30.1                                    |
| <b>Cash and cash equivalents at the beginning of the period</b> |       | 287.1                                                    | 251.6                                                    | 251.6                                   |
| Effect of foreign exchange rate changes                         |       | (2.2)                                                    | (2.7)                                                    | 5.4                                     |
| <b>Cash and cash equivalents at the end of the period</b>       | 13    | 348.0                                                    | 250.4                                                    | 287.1                                   |

## Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2015

## **1. General information**

The condensed consolidated financial information for the six months ended 30 June 2015 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 2014 which were prepared in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the EU.

The Statutory Accounts for the year ended 31 December 2014 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 2015 has been prepared using accounting policies consistent with IFRSs. The interim information, together with the comparative information contained in this report for the year ended 31 December 2014, 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 Management 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 adequate financial resources to 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 Consolidated Financial Statements as applied in the Group's latest annual audited Group Financial Statements for the year ended 31 December 2014, except as described below.

The Group has adopted Amendments to IAS 19 'Employee Benefits' regarding employee contributions to defined benefit plans, the Annual Improvements to IFRSs (2010–2012 Cycle) and the Annual Improvements to IFRSs (2011–2013 Cycle). The adoption of these amendments has had no impact on the Condensed Consolidated Financial Statements.

## **3. Related party transactions**

Related party transactions are described in Note 36 to the 2014 Statutory Accounts. There have been no material changes in the nature or value of related party transactions in the six months ended 30 June 2015.

## **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 18 to 21 of the latest Annual Report which is available at [www.tullettprebon.com](http://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 2014. 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:

|                                                    | <b>Six months<br/>ended<br/>30 June<br/>2015<br/>£m</b> | <b>Six months<br/>ended<br/>30 June<br/>2014<br/>£m</b> | <b>Year<br/>ended<br/>31 December<br/>2014<br/>£m</b> |
|----------------------------------------------------|---------------------------------------------------------|---------------------------------------------------------|-------------------------------------------------------|
| <b>Revenue</b>                                     |                                                         |                                                         |                                                       |
| Europe and the Middle East                         | 241.9                                                   | 209.0                                                   | 405.6                                                 |
| Americas                                           | 117.9                                                   | 102.7                                                   | 201.6                                                 |
| Asia Pacific                                       | 55.9                                                    | 48.6                                                    | 96.3                                                  |
|                                                    | <u>415.7</u>                                            | <u>360.3</u>                                            | <u>703.5</u>                                          |
| <b>Operating profit</b>                            |                                                         |                                                         |                                                       |
| Europe and the Middle East                         | 46.3                                                    | 43.0                                                    | 80.1                                                  |
| Americas                                           | 7.1                                                     | 2.7                                                     | 10.5                                                  |
| Asia Pacific                                       | 7.2                                                     | 4.6                                                     | 10.1                                                  |
|                                                    | <u>60.6</u>                                             | <u>50.3</u>                                             | <u>100.7</u>                                          |
| <b>Underlying operating profit</b>                 |                                                         |                                                         |                                                       |
| Exceptional and acquisition related items (Note 6) | 58.2                                                    | (34.3)                                                  | (53.1)                                                |
|                                                    | <u>118.8</u>                                            | <u>16.0</u>                                             | <u>47.6</u>                                           |
| <b>Reported operating profit</b>                   |                                                         |                                                         |                                                       |
| Finance income                                     | 1.9                                                     | 1.8                                                     | 3.6                                                   |
| Finance costs                                      | (9.6)                                                   | (8.9)                                                   | (17.7)                                                |
|                                                    | <u>111.1</u>                                            | <u>8.9</u>                                              | <u>33.5</u>                                           |
| <b>Profit before tax</b>                           |                                                         |                                                         |                                                       |
| Taxation                                           | (23.7)                                                  | (7.1)                                                   | (10.4)                                                |
|                                                    | <u>87.4</u>                                             | <u>1.8</u>                                              | <u>23.1</u>                                           |
| <b>Profit of consolidated companies</b>            |                                                         |                                                         |                                                       |
| Share of results of associates                     | 1.2                                                     | 1.2                                                     | 1.9                                                   |
|                                                    | <u>88.6</u>                                             | <u>3.0</u>                                              | <u>25.0</u>                                           |

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

|                                                | <b>Six months<br/>ended<br/>30 June<br/>2015<br/>£m</b> | <b>Six months<br/>ended<br/>30 June<br/>2014<br/>£m</b> | <b>Year<br/>ended<br/>31 December<br/>2014<br/>£m</b> |
|------------------------------------------------|---------------------------------------------------------|---------------------------------------------------------|-------------------------------------------------------|
| <b>Revenue by product group</b>                |                                                         |                                                         |                                                       |
| Treasury products                              | 96.0                                                    | 96.9                                                    | 190.5                                                 |
| Interest Rate Derivatives                      | 76.2                                                    | 70.6                                                    | 140.6                                                 |
| Fixed Income                                   | 93.6                                                    | 103.0                                                   | 186.5                                                 |
| Equities                                       | 21.5                                                    | 20.3                                                    | 39.5                                                  |
| Energy                                         | 101.2                                                   | 46.6                                                    | 100.0                                                 |
| Information Sales and Risk Management Services | 27.2                                                    | 22.9                                                    | 46.4                                                  |
|                                                | <u>415.7</u>                                            | <u>360.3</u>                                            | <u>703.5</u>                                          |

## Other segmental information

|                                    | <b>30 June<br/>2015</b> | <b>30 June<br/>2014</b> | <b>31 December<br/>2014</b> |
|------------------------------------|-------------------------|-------------------------|-----------------------------|
|                                    | <b>£m</b>               | <b>£m</b>               | <b>£m</b>                   |
| <b>Segment assets</b>              |                         |                         |                             |
| Europe and the Middle East – UK    | 5,071.0                 | 12,235.1                | 1,741.7                     |
| Europe and the Middle East – Other | 40.1                    | 25.1                    | 24.2                        |
| Americas                           | 5,793.2                 | 6,933.6                 | 2,184.4                     |
| Asia Pacific                       | 77.4                    | 61.1                    | 70.1                        |
|                                    | <u>10,981.7</u>         | <u>19,254.9</u>         | <u>4,020.4</u>              |
|                                    |                         |                         |                             |
|                                    | <b>30 June<br/>2015</b> | <b>30 June<br/>2014</b> | <b>31 December<br/>2014</b> |
|                                    | <b>£m</b>               | <b>£m</b>               | <b>£m</b>                   |
| <b>Segment liabilities</b>         |                         |                         |                             |
| Europe and the Middle East – UK    | 4,693.3                 | 11,982.2                | 1,408.8                     |
| Europe and the Middle East – Other | 37.5                    | 20.0                    | 19.8                        |
| Americas                           | 5,690.9                 | 6,845.3                 | 2,089.8                     |
| Asia Pacific                       | 39.4                    | 33.8                    | 38.5                        |
|                                    | <u>10,461.1</u>         | <u>18,881.3</u>         | <u>3,556.9</u>              |

Segmental assets and liabilities exclude all inter-segment balances.

## 6. Exceptional and acquisition related items

Exceptional and acquisition related items comprise:

|                                                            | <b>Six months<br/>ended<br/>30 June<br/>2015</b> | <b>Six months<br/>ended<br/>30 June<br/>2014</b> | <b>Year<br/>ended<br/>31 December<br/>2014</b> |
|------------------------------------------------------------|--------------------------------------------------|--------------------------------------------------|------------------------------------------------|
|                                                            | <b>£m</b>                                        | <b>£m</b>                                        | <b>£m</b>                                      |
| Net credit/(charge) relating to major legal actions        | 64.4                                             | (4.4)                                            | 3.1                                            |
| Charge relating to cost improvement programme              | -                                                | (28.6)                                           | (46.7)                                         |
| Acquisition costs                                          | -                                                | (1.3)                                            | (1.8)                                          |
| Acquisition related share-based payment charge             | (5.2)                                            | -                                                | (0.9)                                          |
| Amortisation of intangible assets arising on consolidation | (0.7)                                            | -                                                | -                                              |
| Goodwill impairment                                        | -                                                | -                                                | (6.8)                                          |
| Loss on disposal of subsidiary undertaking                 | (0.3)                                            | -                                                | -                                              |
|                                                            | <u>58.2</u>                                      | <u>(34.3)</u>                                    | <u>(53.1)</u>                                  |

## 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

|                                        | <b>Six months<br/>ended<br/>30 June<br/>2015</b> | <b>Six months<br/>ended<br/>30 June<br/>2014</b> | <b>Year<br/>ended<br/>31 December<br/>2014</b> |
|----------------------------------------|--------------------------------------------------|--------------------------------------------------|------------------------------------------------|
|                                        | <b>£m</b>                                        | <b>£m</b>                                        | <b>£m</b>                                      |
| Interest receivable and similar income | 0.8                                              | 0.7                                              | 1.4                                            |

Deemed interest arising on the defined benefit pension scheme surplus

|     |     |     |
|-----|-----|-----|
| 1.1 | 1.1 | 2.2 |
| 1.9 | 1.8 | 3.6 |

## 9. Finance costs

|                                                    | Six months ended<br>30 June<br>2015<br>£m | Six months ended<br>30 June<br>2014<br>£m | Year ended<br>31 December<br>2014<br>£m |
|----------------------------------------------------|-------------------------------------------|-------------------------------------------|-----------------------------------------|
| Interest and fees payable on bank facilities       | 0.8                                       | 0.8                                       | 1.5                                     |
| Interest payable on Sterling Notes August 2014     | -                                         | 0.3                                       | 0.4                                     |
| Interest payable on Sterling Notes July 2016       | 4.9                                       | 4.9                                       | 9.9                                     |
| Interest payable on Sterling Notes June 2019       | 2.1                                       | 2.1                                       | 4.2                                     |
| Other interest payable                             | 0.2                                       | 0.2                                       | 0.5                                     |
| Amortisation of debt issue and bank facility costs | 1.1                                       | 0.6                                       | 1.1                                     |
| Total borrowing costs                              | 9.1                                       | 8.9                                       | 17.6                                    |
| Unwind of discounted liabilities and provisions    | 0.5                                       | -                                         | 0.1                                     |
|                                                    | 9.6                                       | 8.9                                       | 17.7                                    |

## 10. Earnings per share

|                            | Six months ended<br>30 June<br>2015 | Six months ended<br>30 June<br>2014 | Year ended<br>31 December<br>2014 |
|----------------------------|-------------------------------------|-------------------------------------|-----------------------------------|
| Basic – underlying         | 17.7p                               | 16.0p                               | 32.3p                             |
| Diluted – underlying       | 17.4p                               | 16.0p                               | 32.3p                             |
| Basic earnings per share   | 36.2p                               | 1.3p                                | 11.2p                             |
| Diluted earnings per share | 35.8p                               | 1.3p                                | 11.2p                             |

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

|                                 | Six months ended<br>30 June<br>2015<br>No. (m) | Six months ended<br>30 June<br>2014<br>No. (m) | Year ended<br>31 December<br>2014<br>No. (m) |
|---------------------------------|------------------------------------------------|------------------------------------------------|----------------------------------------------|
| Basic weighted average shares   | 243.6                                          | 217.8                                          | 220.4                                        |
| Contingently issuable shares    | 3.3                                            | -                                              | 0.2                                          |
| Diluted weighted average shares | 246.9                                          | 217.8                                          | 220.6                                        |

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

|                       | Six months ended<br>30 June<br>2015<br>£m | Six months ended<br>30 June<br>2014<br>£m | Year ended<br>31 December<br>2014<br>£m |
|-----------------------|-------------------------------------------|-------------------------------------------|-----------------------------------------|
| Profit for the period | 88.6                                      | 3.0                                       | 25.0                                    |
| Minority interests    | (0.3)                                     | (0.2)                                     | (0.4)                                   |
| <b>Earnings</b>       | 88.3                                      | 2.8                                       | 24.6                                    |

|                                                    |             |             |             |
|----------------------------------------------------|-------------|-------------|-------------|
| Exceptional and acquisition related items (Note 6) | (58.2)      | 34.3        | 53.1        |
| Tax on exceptional and acquisition related items   | 12.9        | (2.2)       | (6.5)       |
| <b>Underlying earnings</b>                         | <b>43.0</b> | <b>34.9</b> | <b>71.2</b> |

## 11. Dividends

|                                                                             | Six months<br>ended<br>30 June<br>2015<br>£m | Six months<br>ended<br>30 June<br>2014<br>£m | Year<br>ended<br>31 December<br>2014<br>£m |
|-----------------------------------------------------------------------------|----------------------------------------------|----------------------------------------------|--------------------------------------------|
| <b>Amounts recognised as distributions to equity holders in the period:</b> |                                              |                                              |                                            |
| Final dividend for the year ended 31 December 2014 of 11.25p per share      | 27.4                                         | -                                            | -                                          |
| Interim dividend for the year ended 31 December 2014 of 5.6p per share      | -                                            | -                                            | 12.2                                       |
| Final dividend for the year ended 31 December 2013 of 11.25p per share      | -                                            | 24.5                                         | 24.5                                       |
|                                                                             | <b>27.4</b>                                  | <b>24.5</b>                                  | <b>36.7</b>                                |

An interim dividend of 5.6p per share will be paid on 12 November 2015 to all shareholders on the Register of Members on 23 October 2015.

As at 30 June 2015 the Tullett Prebon plc Employee Benefit Trust 2007 held 202,029 ordinary shares (2014: 202,029 ordinary shares) and has waived its rights to dividends.

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

|                                                                | Six months<br>ended<br>30 June<br>2015<br>£m | Six months<br>ended<br>30 June<br>2014<br>£m | Year<br>ended<br>31 December<br>2014<br>£m |
|----------------------------------------------------------------|----------------------------------------------|----------------------------------------------|--------------------------------------------|
| <b>Operating profit</b>                                        | <b>118.8</b>                                 | <b>16.0</b>                                  | <b>47.6</b>                                |
| Adjustments for:                                               |                                              |                                              |                                            |
| - Share-based compensation expense                             | -                                            | 0.2                                          | 0.3                                        |
| - Pension scheme's administration costs                        | 0.3                                          | 0.3                                          | 0.6                                        |
| - Depreciation of property, plant and equipment                | 3.8                                          | 3.2                                          | 6.5                                        |
| - Amortisation of intangible fixed assets                      | 3.6                                          | 3.5                                          | 7.1                                        |
| - Acquisition related share-based payment charge               | 5.2                                          | -                                            | 0.9                                        |
| - Amortisation of intangible assets arising on consolidation   | 0.7                                          | -                                            | -                                          |
| - Goodwill impairment                                          | -                                            | -                                            | 6.8                                        |
| - Loss on disposal of subsidiary undertaking                   | 0.2                                          | -                                            | -                                          |
| (Decrease)/ increase in provisions for liabilities and charges | (4.3)                                        | 3.5                                          | 9.7                                        |
| Decrease in non-current liabilities                            | (0.5)                                        | (0.7)                                        | (1.6)                                      |
| <b>Operating cash flows before movement in working capital</b> | <b>127.8</b>                                 | <b>26.0</b>                                  | <b>77.9</b>                                |
| (Increase)/decrease in trade and other receivables             | (10.8)                                       | 17.0                                         | 25.9                                       |
| Increase in net settlement balances                            | (0.4)                                        | (1.0)                                        | (1.1)                                      |
| Decrease in trade and other payables                           | (3.9)                                        | (20.4)                                       | (17.3)                                     |
| <b>Cash generated from operations</b>                          | <b>112.7</b>                                 | <b>21.6</b>                                  | <b>85.4</b>                                |



|                                           |              |            |             |
|-------------------------------------------|--------------|------------|-------------|
| Income taxes paid                         | (4.6)        | (9.9)      | (15.9)      |
| Interest paid                             | (2.9)        | (3.2)      | (16.7)      |
| <b>Net cash from operating activities</b> | <b>105.2</b> | <b>8.5</b> | <b>52.8</b> |

### 13. Analysis of net funds

|                           | <b>1 January<br/>2015<br/>£m</b> | <b>Cash<br/>flow<br/>£m</b> | <b>Non-cash<br/>items<br/>£m</b> | <b>Exchange<br/>differences<br/>£m</b> | <b>30 June<br/>2015<br/>£m</b> |
|---------------------------|----------------------------------|-----------------------------|----------------------------------|----------------------------------------|--------------------------------|
| Cash                      | 223.3                            | 63.3                        | -                                | (1.1)                                  | 285.5                          |
| Cash equivalents          | 62.1                             | (0.2)                       | -                                | (1.1)                                  | 60.8                           |
| Client settlement money   | 1.7                              | -                           | -                                | -                                      | 1.7                            |
| Cash and cash equivalents | 287.1                            | 63.1                        | -                                | (2.2)                                  | 348.0                          |
| Financial assets          | 10.7                             | 6.8                         | -                                | (0.9)                                  | 16.6                           |
| Total funds               | 297.8                            | 69.9                        | -                                | (3.1)                                  | 364.6                          |
| Notes due after one year  | (219.7)                          | -                           | (0.3)                            | -                                      | (220.0)                        |
|                           | (219.7)                          | -                           | (0.3)                            | -                                      | (220.0)                        |
| Total net funds           | 78.1                             | 69.9                        | (0.3)                            | (3.1)                                  | 144.6                          |

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.

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

### 14. Regulatory matters

The Company is currently under investigation by the FCA in relation to certain “wash trades” (trades that are risk-free, with no commercial rationale or economic purpose, on which brokerage is paid) carried out by two former employees. The Company continues to co-operate with regulators and government agencies with respect to this investigation.

In common with a number of FCA regulated firms, the Company has been asked by the FCA to review its systems and controls in a number of asset classes to ensure that such systems and controls are of a sufficiently high standard to effectively manage the risks faced by the Company’s business, and to review historical transactions in its G10 Spot FX business.

At this stage, the Company cannot estimate reliably what effect, if any, the outcome of these matters may have on the Company.

### 15. Events after the balance sheet date

On 28 July 2015, the Group announced the acquisition of 100% of the share capital of MOAB Oil, Inc. for an initial cash consideration of US\$12.3m (£7.8m) plus an amount equal to the working capital in the business, including its cash. In addition, deferred contingent consideration is payable from the first anniversary of completion through to the fifth anniversary. The amount of deferred contingent consideration is dependent upon the performance of the business over the five year period and has an initial fair value estimated to be US\$14.3m (£9.1m). The initial fair value of the net assets

acquired is estimated to be similar to the business's working capital which would result in the recognition of US\$26.6m (£16.9m) of intangible assets on consolidation.

## 16. Allocation of other comprehensive income within Equity

|                                                                      | Equity attributable to equity holders of the parent |                         |            |                   |       |                    |              |
|----------------------------------------------------------------------|-----------------------------------------------------|-------------------------|------------|-------------------|-------|--------------------|--------------|
|                                                                      | Re-valuation reserve                                | Hedging and translation | Own shares | Retained earnings | Total | Minority interests | Total equity |
|                                                                      | £m                                                  | £m                      | £m         | £m                | £m    | £m                 | £m           |
| <b>Six months ended 30 June 2015</b>                                 |                                                     |                         |            |                   |       |                    |              |
| <b>(unaudited)</b>                                                   |                                                     |                         |            |                   |       |                    |              |
| Revaluation of investments                                           | 0.4                                                 | -                       | -          | -                 | 0.4   | -                  | 0.4          |
| Exchange differences on translation of foreign operations            | -                                                   | (5.2)                   | -          | -                 | (5.2) | (0.1)              | (5.3)        |
| Remeasurement of the net defined benefit pension scheme              | -                                                   | -                       | -          | (6.0)             | (6.0) | -                  | (6.0)        |
| Taxation (charge)/credit on components of other comprehensive income | -                                                   | (0.4)                   | -          | 2.1               | 1.7   | -                  | 1.7          |
| Other comprehensive income for the period                            | 0.4                                                 | (5.6)                   | -          | (3.9)             | (9.1) | (0.1)              | (9.2)        |
| <b>Six months ended 30 June 2014</b>                                 |                                                     |                         |            |                   |       |                    |              |
| <b>(unaudited)</b>                                                   |                                                     |                         |            |                   |       |                    |              |
| Revaluation of investments                                           | 0.2                                                 | -                       | -          | -                 | 0.2   | -                  | 0.2          |
| Exchange differences on translation of foreign operations            | -                                                   | (4.7)                   | -          | -                 | (4.7) | 0.1                | (4.6)        |
| Remeasurement of the net defined benefit pension scheme              | -                                                   | -                       | -          | 3.7               | 3.7   | -                  | 3.7          |
| Taxation charge on components of other comprehensive income          | -                                                   | (0.2)                   | -          | (1.3)             | (1.5) | -                  | (1.5)        |
| Other comprehensive income for the period                            | 0.2                                                 | (4.9)                   | -          | 2.4               | (2.3) | 0.1                | (2.2)        |
| <b>Year ended 31 December 2014</b>                                   |                                                     |                         |            |                   |       |                    |              |
| Revaluation of investments                                           | (0.5)                                               | -                       | -          | -                 | (0.5) | -                  | (0.5)        |
| Exchange differences on translation of foreign operations            | -                                                   | 7.4                     | -          | -                 | 7.4   | 0.3                | 7.7          |
| Remeasurement of the net defined benefit pension scheme              | -                                                   | -                       | -          | 10.0              | 10.0  | -                  | 10.0         |
| Taxation charge on components of other comprehensive income          | -                                                   | (0.2)                   | -          | (3.5)             | (3.7) | -                  | (3.7)        |
| Other comprehensive income for the year                              | (0.5)                                               | 7.2                     | -          | 6.5               | 13.2  | 0.3                | 13.5         |

## ~~~~~ 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

John Phizackerley  
*Chief Executive*

28 July 2015

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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 2015 which comprises the Condensed Consolidated Income Statement, the Condensed Consolidated Statement of Comprehensive Income, the Condensed Consolidated Balance Sheet, the Condensed Consolidated Statement of Changes in Equity, the Condensed Consolidated Cash Flow Statement and related Notes 1 to 16. 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 2015 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

London, UK

28 July 2015