2015 Capital Markets Day Transcript

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Rates • Treasury • Volatility • Credit • Equities • Energy & Commodities • Non Banking

John Phizackerley, Chief Executive:

When I announced my first set of Tullett Prebon results back in March, I said we were close to completing an internal strategic review. Today's investor meeting is about our refreshed vision for Tullett Prebon which we are now implementing. It is born from what we have studied about the current state of the market and what we've learned about ourselves. I will then highlight the actions we are taking.

I am confident that we a have real opportunity over time, through a combination of business optimization and realignment of clients, regions and products to improve the quality and scale of our earnings in the eyes of our clients and investors. 2015 is on track to deliver our first year on year increase in revenues since 2011. We see new markets, new clients and new technologies as a realistic prospect.

Furthermore, I believe voice broker multiples have been depressed due to cyclical market factors that may be about to end and misperceptions about the uptake of electronic trading. There have also been valid concerns about conduct risk, and previous scandals.

Regarding business optimization, I recently asked Sir Clive Woodward how he won the 2003 Rugby World Cup. He said by tightening a thousand small screws.

This morning we are also taking the opportunity to showcase some of our key businesses and to introduce you to some of our top management. In a moment, I'm going to show you a short video, but I'll start by going through this morning's agenda.

As I said we'll kick off with the video and then I will make some further remarks. After that, Angus Wink, our CEO for EMEA, will give you an update on the state of, and prospects for, the European brokerage markets. He will also stand in to talk about our Asia Pacific business which is run by Barry Dennahy, who can't be with us today. John Abularrage, our US CEO, will do the same for the Americas. During the coffee break, we will be demonstrating some of the hybrid technology we offer and show casing PVM Smart Learning. You will have already seen Tullett Prebon Information in the atrium when you arrived. After coffee, Andrew Polydor will update you on our energy franchise. And finally, Frank Desmond will talk about the Tullett Prebon Information business, TPI which he leads.

I will then wrap up and the team, including our CFO Paul Mainwaring, will take any questions.

When I joined Tullett Prebon I realised that there were some pressing questions that needed asking and that a fresh pair of eyes was probably the way to go. One of my favourite change management expressions is, "if you want to drain the swamp. Don't only talk to the frogs". So we looked to clients, our employees, competitors and external partners to help us in our quest to find the best way forward.

I knew coming in to the job that our revenues had been declining in recent years and we were facing extremely challenging macroeconomic conditions in many parts of the world. Recession, deflation and unemployment has forced Central Banks to launch QE in its various guises and to push interest rates to near zero or below zero. The result has been a flat yield curve and low levels of volatility with intermittent spikes.

By the way, I subscribe to the increasingly loudly voiced concerns about low levels of liquidity and the associated risks. Voice platforms find liquidity. Pure screens sometimes cannot.

The banking sector has been under unprecedented pressure over the last 5 years and ROEs have more than halved. A generation of bank CEOs has now moved on. As an ex-bank CEO myself, I was more than aware of the challenges facing our core customers, the banks. Shrinking balance sheets, tough fines, the closure of products lines, curtailing of proprietary trading, not to mention a toxic public perception on the back of a surprisingly large number of scandals. All are the direct by-products of a regulatory crack-down and their aftermath. All are still very much in play today.

Our regulatory work stream for example shows that in for the industry in Europe at least, the regulatory journey is approximately only 50% travelled so far. Importantly I concluded the inter-dealer brokerage sector, whilst challenged on multiple fronts, remains secure at the heart of the global financial services industry.

The regulators, exchanges, analysts, financial software and media companies and, most importantly, the clients I have spoken to, all confirm the same. And I was lucky enough to inherit a franchise which according to Risk Magazine has more number one product rankings than any other firm. So, against this backdrop, we identified 7 trends that affect our industry.

1. The post-crisis regulatory environment
2. Pressure on sell side economics
3. A continuing shift towards electronification
4. The emergence of new entrants
5. Buy side trading habits
6. Third party competition
7. And lastly, consolidation

Somewhat counter-intuitively or certainly against current popular perception, I have also concluded that it is merely an intellectual convenience to assume that all trading in capital markets will shortly evolve to a black box. Thanks to some solid marketing by some of my competitors and various exchanges, there is a broad, media-backed view that this battle is already over.

In fact, our work has concluded that the reality is much more nuanced. The majority of commissions generated in the professional interdealer market today are still via voice and hybrid voice platforms. Now, of course, there are notable examples of predominately electronic markets, such as on-the-run treasuries, FX and equities. What do these markets have in common? Homogeneity of product unit and high trading volumes. However, the vast majority of securities in absolute number enjoy neither of these characteristics.

Take corporate bonds. Compared to US cash equities, even the most liquid investment grade bonds trade 90% less than US cash equities, and have an average trade size about 50 times higher, hardly conducive to a Central Limit Order Book. In 2012, 38% of the 37,000 TRACE - eligible bond issues did not trade even once. One percent trades every day. Also, there are far more corporate bonds than there are equities. Most listed companies have only one listed equity. Take General Electric for example: it has more than 100 corporate bonds. Proponents of electronic trading call for greater standardisation to promote their cause, while regulators that have tried to force markets to move on to platforms that the markets don't use, are having to rethink.

The truth is that running and hedging a business is more complex than this. People want bespoke investment solutions to their unique investment criteria.

So if you want to take away one message from today, it is that Tullett Prebon is 100% committed to the hybrid-voice broking space and developing the technology and services that support it. This is where we are positioned and this is where we aim to be; the best operator and best provider of liquidity and a trusted partner to our clients.

So, what have I been doing since I became CEO?

It's been a very intense period - apart from completing the review itself, we've done a number of things designed to create a high performance business capable of delivering strategic change against a tough backdrop. I've upgraded the top team, strengthening key functions with new Global leadership

In HR, Carrie Heiss is the new Global head, In Legal, Philip Price is the new Group Legal Counsel and Global Head of Compliance, In Strategy, Mihiri Jayaweera is the Global Head, Giles Triffitt is the new Global Head of Risk, Luke Barnett is our new interim Global Head of IT and finally, Stephen Breslin is the new Global Head of Communications.

I have increased the information flow and transparency in the business. I have just completed the third leg of a global town hall roadshow in Hong Kong and Singapore with positive feedback in all regions. We have successfully rolled out our new culture and values agenda "Time for Change" across the organisation. And we have launched our new staff development and rewards process via a new training and performance platform called TP squared.

The culmination of phase one was a global staff Senior Management offsite and the launch of 10 Key Initiatives, which I have named in the “10 Arrows”, which we are currently implementing. The purpose of the Arrows is optimise our existing businesses lines and to pursue the highest quality new diversified earnings available to us. I was gratified to see at the offsite, it was clear that there were strong working relationships between all the participants. We divided up the Arrows into 42 projects and 142 work streams and ultimately into more than 250 tasks, and I have allocated responsibility and accountability in the organisation for each item. And here are the Arrows.

The first Arrow is on filling in white spaces in our brokerage offering. More on that later. The next Arrow is the build out of our energy business and Andrew Polydor will tell you more about that in a minute. The third Arrow is to extend our offering in to new clients taking us further into all-to-all markets. You will see that this as a theme running through all the presentations which my colleagues will give. As financial markets continue to evolve, our client bases are in flux, and that gives us opportunity to selectively win business from new customers, while still serving our existing clients in the way they need. This shift is occurring gradually in different products and in different regions. I think the trend will continue as asset holders and corporates will increasingly demand it, as it will ultimately lower costs and improve liquidity. We want to further monetize TPI where our product suite and delivery channels have further upside potential, and Frank Desmond will tell you more about that later this morning.

The remaining Arrows are all to do with improving the functions in our business that support the revenue generating divisions. These include, investing strategically in our IT landscape including front and back systems and realigning the mix between owned and outsourced platforms thereby maximising our own IP. This will insure that our hybrid voice business and TPI have the technology richness that customers seek. As I said, I've appointed a new head of IT. Number six: we are taking a newly focused and disciplined approach to how we target and cover existing and new clients to ensure we have a comprehensive global high-touch, high service offering. This is about beefing up our CRM function and institutionalizing relationships.

Next, we have been developing our capability to source, execute and integrate accretive acquisitions. We have a back of the envelope benchmark of a 20% return on capital employed, which is roughly two times our cost of capital. We will look to start incubating new ideas and start-ups so that we can foster disruptive technologies and move as our industry shifts and new trends emerge. There is a long list of small brokerage firms and tech firms that wish to talk to us. We will be rigorous in our selection process. Then we want to create a more robust investment framework that enables us to allocate our capital to places where we will create the most value, taking account of risks and the impact of regulation. We have new senior talent in strategy today. We have directed our HR function, under new leadership, to hire and train the next generation of brokers. And we will continue to bear down on compensation and to shift to a pay mix for senior leadership that includes stock and encourages long term good cultural behaviors. Finally, regarding our brand and the level of coverage, we have been overly modest about our achievements in the past and we can do a better job of promoting ourselves. So we have hired a new head of corporate communications to help us with that.

So having established the starting point, we then went about pulling up the drains. We categorised our global brokerage business into 71 business cells and we looked at each in terms of fee pools, the outlook for competition, margins, regulation, and whether technology is a threat or an opportunity, and we did some regional positioning e.g. euro vs US, euro vs Asia and so on. We assessed each of the 71 cells against 2 criteria: first the attractiveness of the market and secondly our ability to compete. Based on these criteria, we then segmented the cells into four discrete groupings.

Quadrant One, Transform: In this quadrant are products with a high degree of market attraction where there is scope to grow our presence. We intend to allocate a greater proportion of investment into these businesses as we see exciting opportunities to grow in these areas.

Quadrant Two: Maintain & Grow. These are businesses with a high degree of market attraction where Tullett Prebon already has a very strong platform, for example in US Municipal Bonds. Again the intention is to maintain and grow the businesses in this quadrant.

Quadrant Three: Monetise. This quadrant is comprised of businesses with modest market attraction but where we compete strongly. We will manage these business cells to maximise their revenue and cash contribution. They are valuable franchises and we will continue to support them.

Quadrant Four: Reprioritise. This quadrant consists of a minority of business lines which have poor market dynamics and where we are poorly represented. We will not look to invest in these areas but will stick with desks as long as they make a positive contribution.

Given its commercial sensitivity, I am not able to share the precise detail with you, but I was pleased and reassured that the vast majority of our revenues fell into quadrants one, two and three, and very little fell into quadrant four. So we now know ‘where to play’ and ‘how to play’. The exercise shows that the majority of our businesses are well-positioned and generating good returns but there is more to do. Going forward, as we hire and acquire, we will have the discipline to constantly migrate towards quadrants one and two.

The other key to success of the strategy is investing in our people. This is a client/people business and we need to make sure we have the culture and a pipeline of existing and new employees who are best suited to adapt to this changing economic, regulatory and technology environment.

Culture is the number one issue in any organisation. I launched our new culture and conduct framework - Time for Change - shortly after I arrived. Our conduct and culture defines us, as our reputation is the most precious asset we have. We have also re-drawn our Cultural framework practices in an extensive bottom up exercise with input from numerous desks and brokers. We are committed to acting as a good intermediary. We are committed to clean pricing, to appropriate disclosure of information, to ensuring our services are not used to facilitate financial crime, and to the quality of our market infrastructure. We are embedding these throughout the organisation. It is an important step because we now have a new unified set of values against which to hold ourselves and our colleagues accountable.

The final area concerns our control functions. I have significantly strengthened our legal and compliance and risk functions, first because it is becoming a source of competitive advantage in our industry, and second because we won’t embed our cultural agenda or drive strategic change without proper oversight.

All of the strategic work that I have described so far can in large part be put under the heading of business optimisation. In other words, check you haven’t inherited a pup, talk to your people and your clients and your competitors.

As you read in our business update of May 6, Revenues in the four months to April were £284M, up £36M or 15% higher than for the same period last year. We have also seen the benefit of the cost improvement actions taken in 2014 with an increase in the business’s contribution margin.

The management of the business initiatives and the strengthening of the control and support functions that we are highlighting today does add some costs to the business. I estimate that the increase in ongoing costs is less than 1% annually, just over three quarters of which will be incurred in 2015. These investments are important for us to retain our competitive advantage, to innovate and to grow revenue and earnings.

The broader strategic view I have, has resulted from lessons learned from this optimization plan. We believe that a refreshed strategy will enable us to achieve our goal of becoming the world's most trusted source of liquidity in hybrid OTC markets and the Best Operator in Global Voice Broking. More of that later now let me now pass over to Angus.

Angus Wink, CEO, EMEA:

Good morning. It is great to see so many of you here today. I am Angus Wink, CEO of EMEA. I have been at Tullett Prebon for more than 25 years. I was made MD of Rates in 2004 and CEO of EMEA at the end of 2008. I have worked in the City for almost 30 years. Before Tullett Prebon I worked at Charles Fulton and Godsell and Company. I am going be talking to you today about our European and Asia businesses. So let me start with EMEA.

This slide gives you a quick run through some of the key facts. At the end of the last financial year we had 734 brokers (819 if you include PVM) in 11 offices. As well as London, we have 7 European offices in Frankfurt, Geneva, Zurich, Luxembourg, Paris, Madrid and Warsaw.

We have a strong presence and are the only broker with offices in Dubai and Bahrain in the Middle East. And we opened our office in Johannesburg in South Africa in 2014 because of the local business we are able to do there with local clients, and because we want the optionality to grow out across the Continent of Africa from there as, and when, the conditions and opportunity is right.

We view and manage the EMEA region as one unit and our London hub links through Continental Europe into the Middle East and down to Johannesburg. Together our offices serve around 3000 clients out of these locations. Our revenues in 2014 were £406m, approximately 58% of the group's total and we produced an operating profit of £80m. We also maintained an excellent operating profit margin of 19.8% in 2014.

Now I would like to talk about our revenues by asset class. Energy and commodities have become more prominent. With PVM now embedded, a third of revenues now come from those products The rest is fairly evenly split, with a quarter in both Fixed Income and Treasury Products and around 15% in Interest Rate Derivatives We are fairly small in Equity Derivatives and we want to grow this. The importance of this slide is that it shows the sheer breadth of our product offering. We want to be a full service provider to our clients, delivering all products they want. The way that many of our client's trade is evolving, they no longer want to be niche players, focused very narrowly on a small group of products. Many now look to cover a broader range in their hunt for yield and value and to trade across asset classes and geographies.

This is where we come into our own. With our broad range, our clients can come to us essentially as a "one stop shop", and get everything they want from one provider. So diversity of range, by product and geography, is a competitive advantage and suits the way many of our clients want to trade now.

We are constantly enriching our product portfolio, adding new products some of which might already be established, and some where we see that we can open up a new market. We opened our Nigeria desk in London in 2014. We have 3 brokers in London and have established a joint venture with Parthian Partners in September 2014 locally based in Nigeria, one of two brokers to be granted a license there. We started trading MSCI futures and ETFs in 2015 – of which I will talk about more shortly. We were first of the large IDBs to broker listed FX options and the first IDB to offer a platform for Alternative Investments, covering Secondary Hedge Funds, Private Equity and Real Estate Secondary are on a single portal. We have started trading iron ore in London in 2015. This will complement the capability we have added in Singapore in the same asset, so we can now provide a service across geographies and time zones.

Alongside our range of products we have a broad suite of platforms. We offer pure electronic execution, as well as Algorithmic Matching in our risk management services division which is called tpMATCH and we operate auctions and/or volume matching, many of which are embedded in the dealer's daily workflow and we are always looking for ways to upgrade the platforms we provide.

This year we have launched tpIRODEAL. This is for interest rate options. With this new platform we have gone to a new level of transparency and functionality for clients in this asset class. The system displays mid-market pricing which correlates to the auction grid throughout the working day, and then publishes end of day mark to market values. The client can choose to participate on any single instrument of the grid and can also submit spread interest into the auction mainly by clicking on each relevant cell. This platform went live on Sterling on 26th May 2015 and on Euro on 2nd June 2015 where we currently running 3 auction's a day.

Clients have a wide choice in how they can trade with us, what we offer is best visualized as a spectrum. We offer the optimal interaction mechanism depending on the product they are trading, the size of order, the speed at which they want to execute, what they want to reveal to other market participants and other matters.

Through four of these different mechanisms, our clients can trade with us. These are: Voice, Hybrid voice, Auctions and volume matching, and Electronic. After a trade is done, we offer our client post-trade services. And through our information sales business we give them valuable pricing and volume information of their trading. Each of these is a revenue stream for us. So let me give you a more specific example to illustrate this.

Take FX Options, a big asset class for us. This slide gives you an idea of how a trader can interact with us across the different parts of the spectrum if they are doing an FX Options trade. They can pick up the phone and trade on voice if they so choose. In EMEA we have 30 brokers dedicated to FX options. The voice broker has excellent skills in handling large orders particularly in illiquid markets.

The traders can utilise the screen for more transparent pricing and trade with the broker through hybrid-voice. The trader can glean the depth of the market and the width of the bid offer from tpTRADEBLADE FXO platform. Then they can get more insight into the depth of the liquidity pool by speaking to a broker.

They can enter into auctions and access these deep liquidity pools to trade, using the embedded auction system in tpTRADEBLADE. Volume matching tends to be most successful in G10 products where more liquidity exists and over time our auctions have morphed into new modes of auctions such as Ratchet pricing. Ratchet pricing allows the trader to suggest a different mid-price as opposed to the market mid-point level reflected by the brokers. And they can trade purely electronically on TRADEBLADE and not pick up the phone or speak to the broker at all.

And once the trades are sitting on our customer's books, the customers may well want to tear those trades up or re-assign them. That is when the traders will come to our post trade service. TP Match enables clients to manage their portfolios and position them in the most efficient way, perhaps to get those positions off their books or combine them to reduce balance sheet risk, margin capital and counterparty exposure. At the far end of the spectrum, we will have all the information on the trade that has just been done, so customers trading FX Options will want that, to inform and guide their future trades.

Now let me turn to our customer base. We are diversifying away from the traditional wholesale banks and the mix of our clients is changing. We still deal with all the major banks and other financial institutions every day, as we have done for decades. However, we are increasingly seeing the emergence of new clients among our customer base.

There is no doubt that we are facing a number of challenges but we are well positioned to meet them. As well as market conditions, which Phiz spoke about earlier, volumes continue to be adversely affected by the more onerous regulatory environment applicable to many of our customers.

Regulators worldwide – not least in EMEA - are adopting increased levels of scrutiny in supervising the financial markets. They are tightening the capital, leverage and liquidity requirements of commercial and investment banks, and implementing steps to limit their activities to reduce risk. The new regulations also affect us directly and it requires constant hard work to stay on top of all of them. Our Regulatory Steering Committee leads our efforts in this area. We have embarked on a program of upgrading our platforms, where necessary, so all will be compliant with the requirements of MIFID 2, when it comes into force.

As the regulatory and business landscape changes, so does the profile of market participants and so our clients and potential clients. New entrants are coming in to fill the gaps as the sellside banks reduce their presence. This is an opportunity for us and we are aligning ourselves with the needs of this expanding potential client base. We are investing in upgrading our Client Relationship Management function to better enable us to manage record and evaluate interactions with our clients. This, in turn, will help to deepen our institutional relationships, shifting the customer loyalty more towards Tullett Prebon as an institution and over time securing the relationship for the organisation and away from the individual.

We are seeing opportunities to pick up talented staff who are leaving the investment banks. In the past, we probably could not have got them, but we now have the chance and with a revised investment in our people and career development, we can attract them. So far this year, we have hired 9 experienced, senior people from investment banks. They bring with them client contact lists that are different from ours, so through them we can further diversify our customer base. At the same time, we are picking up the clients of banks that traditionally would not have spoken to us in the past because they did not need to. These clients are now searching for liquidity providers in a market where the banks can no longer provide it, so our expertise is of value to them.

Against this dynamic backdrop, we have had some great wins:

Last month we launched of our new matching engine, TP-AIME. This is the first web-based matching engine that allows both price discovery and the matching of secondary market transactions for Alternative Investments. Investments in private equity, real estate and hedge funds can now be made more liquid and transparent and traded in a way they could not before. This is a good example of us identifying an asset class early on that will move up the liquidity curve over time and building and rolling out the platform that means we should be there at the tipping point.

As I said earlier, we have also added a new product for us, MSCI ETFs and futures earlier this year. You might think that ETFs are very liquid products that trade like equities on an exchange, but in fact there is a long tail of smaller ETFs which are not liquid at all. So we have added broking capability here. We believe this could be the start of something quite big and are working with some big players in the ETF space to see how we can bring much needed liquidity to these products and so open up the asset class.

We are continuing to expand our regional footprint:

- In Madrid: we constantly monitor the prevailing market landscape to support our customers where required.
- Geneva: where we are looking to capitalise on our diversifying client base by offering, for example, our FX and interest rate suite of products to Energy companies.
- And in the Middle East, we are reinforcing our local presence in Dubai by building out the core STIR operation into forward FX, Equities, Futures & Options and Islamic Finance.

I just want to touch on awards quickly. In our world, the Risk Interdealer broker Rankings are voted for by the clients. So winning these awards means an incredible amount to us. And I am proud to say that once again, in 2014, Tullett Prebon was awarded more number one category positions than any other IDB. This is a fantastic reflection of just how good we are at what we do and how much our clients value the services that we provide.

So what would I like you to take away from this session?

That among IDBs, I believe we have the biggest network in Continental Europe; we are very strong in the Middle East, and have an strategically important presence in Johannesburg. Our range of products allows us to be a “one stop shop” to clients and suits the way that they want to trade. We can offer the full spectrum of ways to interact with us, depending on what suits the product and client. The platforms that we provide in EMEA will be ready for MIFID II. That the mix of our client base is changing, and we are diversifying away from the wholesale banks. And finally that EMEA remains at the heart of Tullett Prebon and is well placed to drive the business forward.

For the moment, I would like to leave you with the thought that we are making good progress in the EMEA.

Thank you very much for listening.

John Abularrage, CEO and President, the Americas:

Good morning. I am John Abularrage CEO & President of the Americas. I took up my current post in July 2011. Before that, I was Chief Executive Officer of North America at Collins Stewart having previously been the Head of Equities for Collins Stewart based in London.

I’d just like to start by saying that it is a very exciting time for Tullett Prebon in the Americas. Earlier in the year, we settled our long-running legal suit with BGC. We also, as you know, hired 40 brokers from Murphy & Durieu in New York. These developments have helped us continue to rebuild our presence in this key market. But let me start with the basics.

In the region, we have 849 employees –which including PVM is 555 brokers - and more than 900 clients, with offices spread from Toronto in Canada to Sao Paulo in Brazil. In between, we are also in New York, Jersey City, Hoboken and Piscataway, also in New Jersey, Houston, and Mexico City.

Revenues last year, in sterling, were a shade over £200m, with margins of 5.2%. One of my key targets is to continue the trend of rising margins in the Americas region.

Here, I would like to give you a quick sense of how things break down by asset class. One of the things to make particular note of, is the scope for driving up that Energy figure. Potential growth in Energy is something we share with other regions but is particularly appealing for the Americas.

We cover a broad range of products across our offices. One product area that I would like to highlight is our strong turnaround in Credit and Fixed Income – which you can see is the middle pillar. As you may know, Credit in the Americas was hit hard by broker defections from 2008-2011, which severely contracted the division's market share. So, one of our primary efforts over the last three years has been to rebuild this vital product area through new hires and strategic acquisitions. In particular, we have significantly strengthened our presence in the U.S. credit market with the addition of Chapdelaine in 2012 and Murphy & Durieu in 2015. I am pleased to say that these efforts have resulted in Tullett Prebon becoming a broking leader in Municipal Bonds, Emerging Market Bonds, Leveraged Loans, a number of High Grade sectors, and indeed the U.S. credit sector as a whole.

Hybrid, e-trading, data and post trade are all significant revenue streams for us. Our clients demand the widest possible choice in how they trade and we are committed to providing it. Our broking offering today covers the entire trading spectrum, and our management team in the Americas has worked tirelessly over the last three years to make Tullett Prebon what we believe to be the brokerage firm of choice in the Americas.

Emerging Market Bonds are an interesting example of how we can efficiently deploy our offering to clients, as the business utilizes the full range of our broking offerings. As you can see, we have the chance to interact with clients and meet their needs in five key services. Clients can interact with us via voice, where the broker provides clients with price, size, market color and execution. They can use the voice brokerages services but interact with the platform, in this case tpCREDITDEAL platform directly. They can also participate in mid-price auctions, trade electronically using our platforms central limit order book, and of course, purchase market data from TPI. We believe that very few of our smaller competitors can provide this range of services, and indeed, our Emerging Markets Bonds team is a broking leader in the market on the back of this diversified offering. Going forward, we will continue to incorporate this diverse range of broking services wherever applicable in our businesses.

As is evident by the accompanying slide, the major banks continue to be a very important part of our client base. However, we continue to diversify our client base, working with clients including energy companies; insurers and reinsurers; asset managers; hedge funds; trading companies; and corporations. This is another key, medium-term goal for the Americas business. Diversifying our client base will help broaden our revenue streams and reduce our reliance on banks, who are facing many of the same challenging market conditions that we continue to face.

In the last three years we have streamlined our Americas management team, and taken out a layer of non-revenue earning and quite senior people. This has freed up, and motivated, the next layer who are fully up to the task that we have asked of them and has improved our team's focus and cohesiveness. The Americas back office is capable of supporting a significantly greater number of front office brokers than it currently supports, meaning the region can quickly improve its profitability by adding new businesses that increase front office contribution without adding back office fixed costs. Unsurprisingly, our management team has made achieving appropriate scale in the Americas region one of our primary objectives and has implemented a concerted hiring plan to capitalize on white spaces in the market as part of our ongoing strategic analysis.

In golf parlance, it is just a lift, clean and place of front office brokers onto our platform. We are very proud of our ability to quickly and efficiently integrate new businesses into our systems to begin operations immediately. For example, we closed the Murphy & Durieu transaction on December 31, 2014, moved the brokers into our office over the weekend and had them trading by January 5th. Similarly, we closed the acquisition of Chapdelaine on January 1, 2012 and their brokers were up and trading on our platform by January 3rd. While we are able to get new businesses up and running on our platform in a short period of time, we continually work to manage them appropriately and return an acceptable level of profitability.

In terms of regulation, I, like many of my colleagues, see the changing regulatory regime as an opportunity as much as a challenge. In the US, unlike EMEA, we have had our big regulatory events so we have more certainty as to how the new regime will play out and one thing is clear. Put simply, it will send many competitors to the wall – or into the arms of those still able to play the game, companies like us. For example, compliance costs have increased significantly for many brokerage firms in the U.S. since the Dodd-Frank Act went into effect. All firms in our industry must abide by these rules and have had to swallow these increased regulatory costs. As smaller firms are increasingly challenged by these additional costs, the industry will continue to consolidate. Given Tullett Prebon's stature in the market place, we believe we are in an excellent position to take advantage of this development. We continue to evaluate strategic acquisitions as others struggle to endure the current regulatory environment.

Lastly, market conditions continue to be challenging for the IDB industry. Along with the rest of the firm, the Americas will diversify its client base and continue to implement flexible broker compensation models.

Some of the other opportunities I see for us include but of course are not exclusive to: "high touch" services; new products; and new business lines. In each of these areas, we can make rapid progress in attracting new clients, improving our value-add to both new and existing clients, and deliver profitable growth for the benefit of the business and its shareholders.

"High touch" services will help us continue to move toward our goal of becoming a trusted content provider whilst continuing to offer world-class liquidity to our client base. As I mentioned earlier, Energy represents a particularly appealing growth area for the Americas. Expanding our Energy offering creates opportunities to grow brokerage in complementary products (for example, Equities, Futures & Options, etc.) as well as develop the "higher touch" services I just mentioned.

Already, we have made progress in various areas despite a contracting market. The acquisition of Chapdelaine provided us with a market leading Municipal Bond business. The business's revenue has increased each year since joining in 2012. Similarly, the acquisition of 40 brokers from Murphy & Durieu has bolstered our Credit business, including improved coverage in Corporate Bonds and Convertibles.

My team and I, work very closely to ensure that we continue to actively manage broker compensation and drive the operating profit of the Americas region.

Clearly, changing exchange rates impacted those revenue figures but the operating margin of the business we inherited in 2012 was 1% –and we have increased it to 5.2% in 2014. It is worth noting that the significant turnaround in the bottom-line performance of the Americas has been despite the results of challenging macroeconomic conditions and regulatory events that have added additional costs.

In addition, one of the most critical actions that John has taken since joining Tullett Prebon has been to place greater emphasis on strengthening and enhancing the culture and conduct of the firm. Over the last three years, we have made it a priority to promote a culture of integrity and professionalism in the Americas region. And we believe these efforts have been instrumental in developing our status as what we believe to be the "firm of choice" for IDB brokers in our geography.

I realize, of course, that the job in the Americas is not complete, but I am very pleased with the progress we have made thus far. Importantly, as I speak, the Americas business is stable, generating greater profits, focused on growth, and is what we believe to be the firm of choice in the U.S. IDB industry.

The trading floors are full, energetic and, we believe, poised to continue to outperform its peer group. The threat from competitors remains omnipresent, but we continue to attract and retain talent and steer the business towards a bright future. And, with the help and support of John Phizackerley, Paul Mainwaring and all the guys in London and around the world, I am very optimistic about our future prospects in the Americas.

Thank you for your time.

Angus Wink, CEO, EMEA:

I am going to give some colour about our Asia Pacific Operations. I am standing in for Barry Dennahy our Asia CEO. Barry sends his apologies for not being here this morning, but he has some important client commitments.

We have a total of 364 (including PVM) brokers in our wholly owned and majority owned offices in Asia Pacific; and a total of 530 when you include our associate offices in Shanghai, Bangkok and Mumbai.

We are the only IDB to have wholly-owned offices in all three of the largest centres - Singapore, Hong Kong and Tokyo. And we have the market-leading joint venture in China, based in Shanghai with a branch office in Beijing. Our Australian and Korean offices are both wholly owned, while our smaller operations in the Philippines, Thailand, Indonesia and India all have local partners.

This is a deliberate strategy to have on-the-ground offices across the region not just in the main financial hubs but also in other regional capital cities. This allows us to cover clients and provide our services locally as we know that is often the preference of our clients. For example, a customer in Delhi may want a broking service in India and we can supply that through our Mumbai office instead of directing them to Singapore, London or New York.

I am sure you would expect me to say this, but Tullett Prebon has a very well respected name in the region and a powerful brand heritage. This is in part because for many years we have been totally committed to this diverse region, with offices in many locations. This has meant that we interact with both local and international clients in each centre who benefit from our high quality services and professionalism.

In Asia, while our customer base includes the familiar global banking names we trade with in other regions, what differentiates our Asian franchise is our coverage of the many regionally-focused Asian financial institutions, some of which now rank amongst the world's largest market participants.

We also have a highly experienced, stable and cohesive management team. That stability is one of the factors behind our success in the region, and it has helped foster a strong sense of identity and teamwork across the business.

And this is reflected in our good financial performance. Revenues last year grew by 4%, to just shy of GBP 97 million Operating profit was just over GBP 10 million, up an impressive 42% year on year, which translated into an operating margin of 10.5%.

Turning to our revenue by asset class, as you can see from the doughnut chart, Treasury products account for around half our Asia revenues and Interest Rate Derivatives contribute a further third. Fixed income and Equities combined make up another 10 per cent. Energy and Commodities, as you can see, are currently just a small contributor in Asia. This reflects the current activities of the customer base, and it is an area that we are looking to expand. I will come back to that later.

Looking at the products we cover in the region. In Singapore, we are the market leader in regional foreign exchange options and number one in Singapore $ Interest Rate Swaps. We have 114 brokers in the office. In Hong Kong, where we have a team of 81 brokers, we have a leading position in CNH products, i.e. offshore Renminbi, which is the fastest growing market in the region. This helped to drive the 14 per cent increase in Treasury product revenues in the region in 2014. We remain committed to expanding our product offering in these centres. For instance, in Hong Kong we have assembled a team of specialists to launch our Asia bond and credit operation later this year, concentrating primarily on US $ and CNH denominated bonds. Our other offices broke a mix of locally traded products to international and home-market banks.

As in the other regions, we offer a range of electronic trading platforms, giving our customers a choice as to how they interact with Tullett Prebon. We have started to roll out our tpSWAPDEAL platform across the region. And we have recently enhanced its straight-through-processing capabilities. Our tpSWAPDEAL platform also gives us the flexibility to roll out screens if and when regulation demands or wider customer access is required. By way of example, we will be introducing a version of the tpSWAPDEAL platform in Japan on September the 1st in response to local regulatory requirements that certain defined instruments must be traded on an "Electronic Trading Platform", the Japanese equivalent of the US SEF. In Singapore, we have the tpTRADEBLADE platform for foreign exchange options and our tpSWAPDEAL system for Singapore dollar swaps, which both offer Hybrid solutions for the local market, giving clients the ability to trade directly on the screen or to interact with a broker.

We are also launching tpIRODEAL in Japan in July, and in August we will launch the tpCREDITDEAL platform to support our new Asia credit team in Hong Kong. Other initiatives include the relaunch of tpFORWARDDEAL with a more attractive screen and richer functionality.

And we are also continuing to expand our risk management operations in Asia via tpMATCH. For instance, we have recently extended the tpMATCH offering to include Korean Won and New Zealand Dollar denominated products.

In addition, we are currently reviewing plans to extend our electronic solutions to cover more China products, such as CNH. So as you can see, there is a lot going on.

We have built strong relationships with our joint venture partners around the region. In China, our partner is Shanghai International Trust Co, part of the state-owned Shanghai International Group. Tullett Prebon SITICO, our joint venture company, was established in 2005, and was the first international IDB to be approved by the Chinese regulators. In the intervening period the JV has flourished, building a strong franchise across all financial products. We currently have 140 brokers in Shanghai and we are continuing to add headcount in anticipation that transaction volumes will keep growing and that our client base will expand, and new products will be introduced to the market. We have also established partnerships in other growing regional economies. In Indonesia, our partner is the Salim Group, one of the largest conglomerates in the country, while our partner in the Philippines is part of Maybank, Malaysia's largest financial services group with significant banking operations in the Philippines and elsewhere in Asia.

Our network of offices across the region, not just in the key financial centres, gives us the ability to identify early stage changes in client requirements and means we can respond in an agile way. Because we have always recognised that Asia is not a homogenous zone, we have built local relationships and developed local expertise and knowledge across the network. This means, for example, that if India's Prime Minister Modi cuts red tape and liberalises markets, we should be able (via our Mumbai office which has 38 local staff) to move very fast in meeting potential commercial opportunities.

In China, the financial authorities are already liberalising its financial markets, and we are seeing the effects of this trend. That is certainly the case in FX and Rates where the growing use of off-shore renminbi in trade and for financing deals should mean that our Hong Kong and Shanghai operations benefit, given our strong position in CNH and CNY products. The biggest issue we face in our Shanghai JV is actually recruiting enough staff and having the office space to house them. As you can imagine, we are delighted to have this problem.

The other area of promise is Commodities. We are actively exploring opportunities to build out our business in Asia. We are adding to our Energy and Commodities desks in Singapore and we are expanding our range of products to include Liquefied Petroleum Gas, LNG, gasoline and iron ore.

Our strong reputation and established presence in the region is recognised and acknowledged by our customers. Winning awards has a very tangible benefit, helping to reinforce our reputation and endorse our expertise. As you can see from the slide we were voted # 1 in interest rate products for all the major currencies - USD, EUR, RMB as well as for the Hong Kong Dollar, Indian Rupee and Singapore Dollar.

Before we break, I just want to leave you with a few closing thoughts.

First, we view Tullett Prebon's strong regional footprint as a source of competitive advantage. Our established presence in the key Asian financial hubs, as well as our offices in other developing centres, provides an excellent platform from which to take advantage of trends in the region.

Next, commodity markets. It isn't just financial products where we see opportunity in Asia. The growing sophistication of the Asian commodity markets means that the customer base is looking much more closely at the whole commodity derivatives area. At the same time, we see opportunities to build out our Energy franchise, and we are growing our presence in Singapore, the key regional hub for energy products

China exerts a powerful influence on the financial markets in the region. Tullett Prebon is ideally placed through our Hong Kong and Shanghai offices to capitalise on our strong CNH and CNY credentials and benefit from continuing growth in China-related products.

So just to wrap up: we have an excellent brand and reputation; we have a great footprint; a strong product offering and an experienced management team that knows how to extract value from the network; and we are ideally placed to continue to grow and seize opportunities as they arise.

Thanks for listening. That's all from me.

Andrew Polydor, Global Head of Energy and Commodities:

Good morning. I am Andrew Polydor, Global Head of Energy & Commodities at Tullett Prebon. I joined Tullett Prebon in 1989 and took up my current role in October of 2000. Today I am going to talk about my business, how we work, -the opportunities and prospects- and how that fits with the Tullett business model.

The range of products we broker in "energy "is extensive. It includes our core products; Oil, Gas, Power (where we service the customers in Physical, derivatives, futures and Options), Renewables in the US (Renewables now account for 13% of all generation in the US and it is a growth area), LME Base metals (which is aluminium, copper and nickel), Precious metals, Biofuels (which is another growth area).

We also recently added Ferrous metals (which is essentially iron ore, hot rolled coil and coking coal) and Singapore will be a focus for us here, as these products are driven by demand out of China, Coal (we see potential for more revenue) and soft commodities such as sugar and soya beans. Indeed, we were the first major IDB to enter this soft commodities space and have developed a niche presence here.

It's been a conscious decision to have a broad range of energy and commodity products. We all recognise that demand for these products is cyclical, so from its diversity we have a natural hedge across our portfolio. And we see from some of the big utilities that we serve, a fuel-switching mentality, where they might rotate out of gas and into coal or fuel oil, depending on circumstances. By having the range of products we have, we can follow them as they switch back and forth.

We have 45 desks and more than 335 brokers -- the brokerage teams furnish insight and expertise, providing customers with information, market colour, and access to liquidity, and anonymity where the clients want it.

It is worth noting that we act solely as an intermediary, matching buyer and seller. We take no proprietary interest in any trade we help to arrange, so our focus is exclusively on the quality of information, price discovery and the trading liquidity we bring to each product and each client.

From a financial point of view, we have established a strong track record over the last decade, partly organic and partly through careful acquisitions. As you can see, we had just over £63m of revenue in 2007. We completed the acquisition of Primex in 2008 which added a suite of oil products that complemented existing oil products we had, which took us up to £101m in 2009. As you are aware the credit crisis happened at the tail end of 2008 and subsequently Energy & Commodities was not a market focus and our revenues began to plateau. We recognized in 2011 that we needed to bolster our revenues and we began our conversations with PVM. This took three years to complete and you can see the effect that this had in the 2014 figures.

PVM is a great business and a great addition to our portfolio and it is pre-eminent in the oil space. This was a company, as I have already mentioned, we courted for more than 3 years and we are pleased and proud that we were ultimately successful in acquiring them and I might add that they are as well. Our timing was great. We closed the deal in November 2014, which coincided with the oil price falling sharply, catching everyone by surprise. As a result, the volume of trading increased. PVM's revenues are based on units transacted, not value, so despite the sharp oil price fall, PVM did well because of the high volume of activity and as an added bonus, the dollar strengthened. Now, of course we don't expect that volume of trading to continue, but we do expect significant periods of volatility in the oil price that should lead to higher trading volumes in the sector.

Some of the products we cover are truly global: for example oil; base metals, iron ore and precious metals. Some are domestic markets like gas and power. We have energy desks in London, the US and in Singapore. We also have a small office and a hot desk facility in Geneva and Houston where some of our important trading clients are. This gives us the ability to spend time face to face with the clients whilst also being able to provide them with a professional service when visiting these centers. There is no downtime on business trips!

As you can see from this slide, we have a broad range of customers. This reflects a feature of the energy markets – the range of players is broader and more diverse than in other parts of our business. Our customers range from utilities to commodities producers to Hedge Funds to CTA's to corporations and municipals to banks, and financial institutions. Indeed, if you look at our top 25 Global energy customers, only 6 are banks. The rest are utilities, corporations and trading companies. You can see from this how we are leading the way in the drive to diversify the customer base of the Tullett business.

Angus has spoken to you already about how we provide a range of trading options for our clients, depending on how they want to trade with us and what works for the products they want to trade. And that is true in energy as well.

For example, if you take this spectrum, oil sits on the left, where the trades are heavily voice broked. As you move along the spectrum you come to power and gas, where hybrid voice is an important part of the business. And a part of the business is pure electronic – not a huge part but nevertheless one we have, and one where we make revenue. Then we have post trade services. Finally on the right of the spectrum is information sales, which Frank Desmond will tell you more about shortly.

Now I would like to take you through some of the characteristics of a few products so you can see how we really do business. Physical oil is a highly specialised market which means that each trade has its own structure and idiosyncrasies. There is no 'one size fits all'. For example, a physical cargo of oil will have a precise chemical composition, and will be transported in a particular type of ship, which can only dock at a port with certain equipment, and in a harbour of a certain size depending on the vessel. So to broke this type of trade between a buyer and seller requires an in depth knowledge of all of these issues. As an example, if a buyer calls our desk and says "I want a cargo of Cracked Fuel Oil", we have to know a whole range of factors about the product: what its composition is depending on where it has been refined; which ports in the world it is allowed to be transported to and the availability of a suitable vessel. Then we need to find the sellers that match the spec of the cargo that the buyer wants, and locate the best price. And this bespoke service is where we come into our own. Our brokers are really product experts.

This slide shows just how the skill and experience of the broker comes into play. What you see here is the chemical report part, of a sample deal ticket – this is part of the service you need to give the client involved in a physical trade. It covers viscosity, density, sulphur content, toluene equivalence, distillation pressure etc – lots of scientific, 4 syllable words - and by the way this is a relatively simple example. As you can see, there are a large number of different variables. Each one of these affects the price that the client pays, and where the product can be sourced from. A trade like this can take days or even weeks to put together and it requires a head for specific detail and product knowledge. This type of product due to its bespoke nature will always need voice brokers; it is not suited to the electronic or the hybrid model.

Going back to the spectrum, screen-facilitated broking suits some products, such as power and gas. So how does this work in practice? Well, we use a screen to primarily disseminate prices to our customers. This is what our screens look like.

Both the brokers and the clients have the ability to populate and execute on the screen. A client might see a price that he wants to transact on, that is on the screen for 5 MWH's. He has the ability to transact directly or call the broker if for example he wants to do more volume. Sometimes the client that gets hit on the screen wants to do more volume and this is achieved by the voice brokers trying to find another seller. Then, when the trade is agreed, the price and volumes go on the screen, and from there they go into the post trade service for straight through processing - We call this hybrid broking. There is a symbiotic relationship between the broker, the screen and the client – they all need one another.

Now you know how we do business, so how does this translate into revenue? Well, like other parts of our business, we do well when there is uncertainty and volatility in our sector. Tranquil conditions, periods of low activity and no price volatility don't suit us. Fortunately for us energy and commodity trading volumes are driven by difficult to predict factors such as geopolitics and the weather, the effects can be widely felt. For example, when the Japanese Tsunami hit, European power was affected. It sounds like a stretch but it's true. It is because the nuclear facilities in Japan were shut down to be checked and subsequently the same generation of reactors in Europe were shut for checks as well. This meant there was a supply constraint in the European power markets which lead to much higher volatility.

As a further example at the start of this year, the US physical oil markets went quiet, because it was the coldest winter for 20 years and the harbours froze so the tankers could not dock. There was demand for heating oil but there was no supply hence no volume in the market for us to broke. Thankfully we saw trading volumes return once the weather improved.

What are the broader and longer term sector trends that we see? The US retail power markets are deregulating further. This is giving retail consumers in more US states the ability to switch to their supplier of choice, which in turn should bring more competitive price demand into the wholesale markets. Longer term, we believe the Asian market will change. Energy in India is beginning to be deregulated and the private sector will in time build more infrastructure and capacity. That should lead to more broking opportunities although this might be longer term, rather than a medium term development. Meanwhile, continued strong energy demand in Asia should in time drive development of physical and derivative energy products and a domestic market, although at present, London and the US remain the main hubs.

Regulation is something we have already talked about this morning. At present we do not believe we will be affected by MIFID 2 to the same degree as other asset classes owing to the number of physically delivered transactions -Though will there be some pre and post trade requirements for financially settled trades. We do however have REMIT, Regulation on Energy Market Integrity and Transparency, which covers physical power and gas markets in the EU. In my business, increased regulation is a potential source of competitive advantage, insofar as it increasingly favours players – like us - who understand how to operate in that environment and can afford the associated costs. And particularly in the US, which will see similar regulations, and where the market is very fragmented with a lot of one and 2 man shops scattered across the country.

Taking all of this into account, I am optimistic about our prospects. In the Americas, where our revenues are mainly in power, we have started to diversify and I want us to diversify even further. Similarly, in Asia, there is scope to expand. We will also expand the PVM brand – by developing the offering beyond the core oil business. We have already added a coal desk to the brand. And we will look to expand our suite of energy data and analytics through TPI. There may be areas of data which we have which we have not fully monetised, such as cargo and freight data associated with physical oil trades, where there is potential customer interest. And of course, there are acquisition opportunities, but we will only buy where we can buy well, as we have done in the past.

I would like to show you three products we have, which you may not know about but which demonstrate the high value of our energy franchise. We write a monthly business information paper on LNG, liquid natural gas. There is one in your packs. This goes out to our clients who are subscribers. PVM writes a report called “Daily Oil Fundamentals” You have a copy in your pack as well. We write it every day --and it contains the most insightful comments on what is going on in the oil world along with some economic commentary. PVM also distribute a daily technical report which is also in your pack. And finally, we have a joint venture which designs and runs training courses on trading energy products called “PVM Smart Learning”. Our clients are traders at major oil companies and trading houses. The way it work is that at the end of a very intense week of our training courses, we can tell whether the participants have the skills and temperament to trade and function well in a pressurised trading environment. You can see and hear more about this in the room next door, where you will find the PVM Smart Learning demonstration.

I am also very lucky to work with a great team and I am delighted when they are recognised by our customers. Shown here are just a couple of awards that we have won over the last year or so. These awards are important, endorsing our strengths within the Energy & Commodities sector. It is recognition of our continual investment--to meet the changing needs of our clients. I look forward to winning more of them in the years to come.

Let me wrap up here. The key things I hope you take away from this are:

- Energy & Commodities is an increasingly important part of the business.
- Our brokers bring skill, product knowledge and a depth of expertise that our clients value.
- We are helping drive the diversification of the client base, in order to drive profitable, sustainable growth.
- And, in PVM, we have shown that we can acquire well, in line with our overall strategy.
- There is much more we can do both geographically and in new product segments and we are actively targeting opportunities in those areas.

Thank you for listening.

Frank Desmond, CEO, Tullett Prebon Information:

Good morning. I am Frank Desmond, CEO of Tullett Prebon Information. I realise that you have been listening to us for a while now, so I will try and keep my presentation short and to the point. I joined TPI as Head of Europe and Asia back in 2005. Before that, I was Global Head of Content at Reuters and I started my career as a lawyer.

The information business at Tullett Prebon was first launched back in the early 1990s. Some of you won't remember those days - floppy disks were all the rage! Apple had just launched the Mackintosh Classic, Mark Zuckerberg was 6 years old and Google was still almost 10 years away. However in financial information terms much was going on. Led by the emergence of Michael Bloomberg's business, the world of financial data, or market data, was undergoing massive change. Exchanges, for example, long regarded as the sleepy backwaters of the financial industry were morphing into major players. Interestingly much of their growth was driven by diversification away from pure execution into other business segments, the most important of which was financial information. Today the financial and risk information industry has been variously sized at up to of $116 billion in annual global revenues

I am going be talking to you today about Tullett Prebon's data business which operates within that global industry framework and occupies an important niche. I believe TPI is something of a hidden gem within the Tullett Prebon world. But I would say that, wouldn't I? So let me get on and explain some more about what we do and why we are so excited about the prospects for the business.

Tullett Prebon Information is a global business, with strong recurring revenue across a diverse customer base. We are a financial information business. We have been around, as I said, for some 25 years but really began to gain scale after the merger of Tullett and Prebon in 2005. We are a growth business. We continue to grow thanks to a combination of the continued expansion of our customer base and the addition of new content sets, distributed through multiple channels. So what do we do?

We are a leading provider of independent real-time price information from the global OTC financial and commodity markets. Our data is relied upon by customers in over 50 countries including many, if not all, of the firms represented here today. Indeed, if you are not a customer yet, Lisa and Abi, on our stand today, will track you down. Our independent pricing is unbiased; non-position influenced and backed up by a strong track record in innovation. For example, we were the first IDB data business to launch services targeted at the Solvency II market in the Insurance sector. We deliver high-quality independent price data using state of the art technologies and data publication standards covering major markets including Rates, Fixed Income, FX and Money, Volatility, Energy, Inflation, Credit and Equities.

In terms of the financials we are included in the 'Information Sales and Risk Management Services' product line, which includes both TPI and our RMS division. Last year this line reported revenues of £46.4m.

We are recognised as market leaders. In May of this year we were named best data provider for fifth consecutive year at the Inside Market Data Awards. These are the 'Oscars' for my industry, if you like, voted upon by customers globally and the award is one that is coveted by players in the industry. In that time, the market has evolved significantly and we too have developed and grown as a business, helping our clients to tackle new and more complex challenges.

It might be helpful to give a sense of the market landscape or ecosystem in which we operate. The market is variously categorized; indeed at a macro level, here is that $116B number I mentioned earlier. Before we get too carried away, let me draw your attention to the highlighted, top left quadrant on the slide. Though we do touch upon the other segments, TPI's core focus as an owner of unique content is in the pure financial information market. This again is variously sized but we view it as being between $25B and $40B and growing at about 4% per year. What is more relevant to TPI is that within that very large market, TPI's business is growing at a significantly higher rate.

The key players (and this is a sample) as you can see include the market data vendors (or aggregators) and the content owners including exchanges and index firms. TPI is in the enviable position of being able to sell data across the spectrum. All of the major market data vendors are customers. Indeed many of the regional equivalents, who may not be as well known to you are also customers. So whether it's Brazil, India or Indonesia we are licensing our content in regional markets. In addition other content providers are often customers. For example, clearing houses and exchanges are increasingly seeking commercial licences from us.

In commercial terms we are talking about a content business - a subscription business at the heart of the global financial markets with strong recurring revenues across a diverse customer base. One thing I would draw your attention to is Application Usage (sometimes referred to as "Non Display" Usage) – feeding our data directly into IT systems (as opposed to individual desktops) - which is a very much the fastest growing part of our market place. It has changed the commercial licensing model for TPI over the past 3 or 4 years. I will talk more about that later.

Our client base spans users and service providers within the financial markets including: Banks, Buy-Side Institutions, Market Data Vendors, Market Infrastructure Providers, Corporates and Regulators. This amounts to more than 2500 customers.

Our clients use our pricing data to support business applications at all stages of the investment process. In addition to supporting price discovery, our data is increasingly used across the enterprise in areas such as pre-trade analytics, risk management, mark-to-market and algorithmic trading

Like colleagues in other parts of the business, we are servicing an increasingly diversified customer base. While a big focus for us continues to be sell-side firms, we're seeing increased demand from the buy-side community. These institutions continue to be affected by the impact of industry regulation – particularly Dodd Frank and Solvency II – and we expect to see this trend continue as proposals and reforms such as MiFID II are finalised.

This slide visualises some of the processes we employ to get the data to our customers. The key thing I would stress here is the quality assurance team that sits at the heart of this process. I am very fortunate that, here at TPI, we have built a fantastic team. Their role is critical in ensuring the accuracy and quality of our products. We believe that TPI's attention to its QA processes represents a major differentiator in terms of competitive offerings.

2014 was a period of significant growth for TPI. We have expanded our geographical presence, enhancing sales capabilities in both Singapore and Shanghai and adding sales and product capability in Vienna with the acquisition of PVM. Building on the Group's expansion in the Middle East, with the opening of a Dubai office in March 2014, TPI has added sales capability in Dubai also. Our current plans include developing a sales presence in India and increasing capacity generally in the US. Our geographical expansion highlights both the growing importance of regions like Asia and the Middle East and our determination to respond to customer demand. At the same time, we have continued to bring new products on stream, ensuring that our clients are equipped with ever greater insights into the markets.

TPI continues to extend its product portfolio, adding market-leading data to its suite of services. For example the acquisition of PVM has allowed us to expand our global crude, refined and middle distillates coverage.

We have also entered into several key strategic partnerships including Allianz – in connection with Solvency II Benchmark Curves; As I am sure you are aware, the onset of Solvency II (sometimes likened to Basle III of the insurance world) presents a major regulatory challenge for the insurance sector.

Our partnership with Allianz allows us to marry their sector knowledge with our unique content. I have highlighted some other key partnerships which have allowed us to expand our coverage including GMIV in Equity Derivatives; Nasdaq eSpeed in US Treasury Pricing; and in the energy sector Numerco for Nuclear Fuels and StarCB for Biofuels. And, of course, we are constantly enhancing our core data services of rates, volatility, money markets and spot and forward FX, ensuring that TPI can continue to respond to changing market conditions and retain its recognised standing as the best data provider in the market.

Here I have listed some of the different ways in which clients use our data. What is very encouraging is the continual expansion in the types of use case we are encountering. Let me bring out one example – Risk Management. Whereas historically Risk Functions would source data internally – maybe from the front desk, we are seeing a major shift in risk managers sourcing content independently. This is a good example of demand increasing as a consequence of more robust regulation. This is a rapidly growing segment for us. As several of my colleagues have already pointed out this morning, increasing regulation is actually benefitting Tullett Prebon in different ways.

I want to touch briefly on our sales cycle and its impact on TPI's core commercial model. The key message is that it can take a considerable time to get a client to sign up – it is typically a sophisticated, technical sale to customers with exacting technical standards. Our sales and account management functions are very experienced at navigating the complexities of this cycle. What you might call the 'courting period' can last for up to a year, sometimes longer. The good news, however, is that when a client signs up, we know that they are really committed to a long-term relationship. We have very strong customer retention with very limited churn or cancellation rates. And this customer loyalty is at the heart of our recurring revenue model.

I mentioned earlier the importance of Application Usage as a growth segment for the business. Put simply, this is where the data is fed straight into a computer system, rather than accessed by a human being on a screen. With the dramatic rise in data processing capability (and fewer traders at screens) application usage is fundamentally altering the market data landscape and driving growth in demand across our customer base. Our investment in building state of the art QA processes enables our data to be deployed seamlessly in these "big data" environments. We are very much part of the "big data" story in the context of financial markets. Thus the client can do so much more with the data rendering it intrinsically much more usable and valuable.

The opportunities for TPI are fundamentally based upon the growth in demand for unique content. Regulation is at the heart of this demand. As a market leader, we have a major opportunity to expand on an already highly regarded, sophisticated, subscription based content business. We have opportunities across a broad spectrum of customer types and geographies which we expect to capitalise upon. I am extremely optimistic about our prospects for significant, profitable growth.

We are an award winning content business, with great customer retention in an expanding market supported by global regulation and we see growth opportunities across a diversified customer base. Let me leave it there.

Thank you for listening.

John Phizackerley, Chief Executive:

I hope you have learned a bit more about the richness and diversity of our business.

So, what does it all mean for the future? We have to be the best operator with the highest margins in the hybrid voice space - a crown I would claim today and one which we intend to retain. We will evolve from a pure price and volume discoverer to a respected trusted partner to all our clients, providing depth, market colour, innovative ideas and intelligence on the asset classes they trade.

In terms of specific detail we will diversify from our reliance on the banks while staying as their first call and preferred provider. In our strategy review, we estimated the traditional interdealer fee pool at approximately £3.5bn and the all too all markets fee pool closer to £4.2bn.

We will focus on our high-opportunity business areas. PVM was a great start and we are heading to 25% of our revenues in energy and energy related products and services.

As you've seen we now also have an energy research product. I would be comfortable seeing the energy/commodity division at 30% of global revenues.

The UK remains our biggest source of revenues and profits and that will continue to be the case. It also has felt the brunt of the head winds of recent years. The UK all to all market opportunity, however, is, of course, significant.

In the USA, where we are now back to 550 brokers, we will keep growing the number of brokers in that region organically and inorganically. We like the US economy and the imminent end of QE means it is a good place to do business.

In Asia we have seen relative outperformance, and we will lean in to that trend. We are currently hiring 8-10 brokers in the dollar-denominated Sovereign bond and high yield areas.

I recently visited our joint venture partners SITICO in Shanghai and was very impressed with what I saw. The region is clearly still growing and the domestic financial services market is expanding.

TPI, as you have seen is a high margin; high market multiple platforms that we will continue to back. As Frank said, we sell data to risk management functions, regulators, compliance functions and increasingly, to the buy side.

And regarding our people, I see a younger, tech savvy workforce that has high integrity and cultural standards, is capable of providing value added products and services and in the future, will cross sell in all to all markets

We have over 10 active non-disclosure agreements with firms globally that wish to talk to us.

I think I joined this industry at the right time. I have a perception that market conditions for brokers may be about to improve, and maybe the can is finally reaching the end of the road and secondly, because there has been some consolidation. Consolidation won't go on forever, and almost in every scenario, Tullett Prebon will stay at the global top table. What I've tried to lay out here in some detail is a plan that will increase revenues and the quantity and quality of our earnings whilst preserving our core franchises, so that we still benefit from an improving cyclical environment. We will maintain our cost discipline to fund the dividend. I do know that whatever happens, the market is changing, and despite itself, changing broadly for the better. For me, change is opportunity and that's what attracted me to this role. I think in this plan we've tried to look at ourselves honestly in the mirror and at the same time tried to look over the horizon at the world of tomorrow.

In short, we will continue to be the best operator with the best margins in the hybrid voice sector.

If you will excuse me, I have 1,000 screws to tighten.

~ Ends~