

TULLETT PREBON PLC

INTERIM RESULTS – for the six months ended 30 June 2011

Tullett Prebon plc (the “Company”) today announced its results for the six months ended 30 June 2011.

Financial Highlights

- Revenue £454.8m (2010: £475.8m)
- Operating profit £80.2m (2010: £84.7m)
- Underlying¹ Operating profit £79.4m (2010: £87.3m)
- Underlying¹ Operating margin 17.5% (2010: 18.3%)
- Adjusted Profit before tax² £73.1m (2010: £78.6m)
- Adjusted EPS³ 24.4p (2010: 25.5p)
- Interim dividend⁴ 5.25p per share (2010: 5.25p per share)

Notes

1. Underlying Operating profit and margin is stated before the net credit/charge arising in each period from the costs and income relating to the major legal actions between the Company and BGC
2. Adjusted PBT is stated before non cash gains and losses in net finance income/(expense). A reconciliation of the adjusted PBT to the reported PBT of £74.6m (2010: £79.3m) is shown in the Financial Review
3. Adjusted EPS is stated before non cash gains and losses in net finance income/(expense) net of tax
4. The interim dividend will be paid on 17 November 2011 to shareholders on the register at 28 October 2011

Terry Smith, Chief Executive, commented:

“The financial results for the first half of 2011 demonstrate the strength of the business in challenging market and competitive conditions, and the benefit from the actions taken to re-establish the position of the business in North America and to develop our activities in Risk Management Services and Information Sales.

The world’s financial markets remain unsettled and, although it is difficult to predict market conditions accurately, it seems reasonable to expect that there will be periods of market volatility and heightened activity in the remaining months of the year.

The enduring strength of the business is the valuable service it provides to clients through its ability to create liquidity through price and volume discovery to facilitate trading in a wide range of financial instruments. We believe that we are well positioned to continue to provide a valuable service to clients and that our offering can be developed to meet the various OTC market rules and regulations that will be introduced in both the United States and Europe.”

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

TULLETT PREBON PLC

INTERIM MANAGEMENT REPORT - for the six months ended 30 June 2011

Overview

The financial results for the first half of 2011 demonstrate the strength of the business in challenging market and competitive conditions, and the benefit from the actions taken to re-establish the position of the business in North America and to develop our activities in Risk Management Services and Information Sales.

The world's financial markets remain unsettled, but after a good start to the year, market activity slowed in the second quarter. During the first half overall, market activity was more subdued than in the same period last year, which benefited from the increased volatility experienced in May 2010.

Revenue of £454.8m was 4% lower than reported for 2010. Most of the reduction reflects the impact of the closure during the second half of last year of six satellite offices in North America which accounted for 2.5% of the group's revenue in the first half of 2010, and the adverse impact of currency movements on the translation of the non-UK operations compared with the same period last year. Adjusting for these items, revenue was 1% lower than in the prior year, which was a good performance in the market conditions.

In North America we have re-established our presence in those product areas affected by the raid on the business in 2009. Including the twenty-six strong credit broking team who started with the business in early January 2011, broker headcount on the affected desks is now largely back to the levels before the defections in the second half of 2009. New senior management for the region started in June this year. The appointment of a new Chief Executive Officer for the region, supported by the newly created role of Chief Operating Officer, has increased our regional management capability at an important time as we continue to develop our business in the Americas.

Approval from the President of Brazil for the Company's acquisition of Convenção, one of the leading and most respected inter-dealer brokers in Brazil, was received on 12 July 2011. The acquisition is expected to complete later this month. Convenção has 43 brokers facilitating client trading in derivatives, securities and exchange traded futures, and will provide the base for further expansion in both Brazil and in other countries in South America.

We have continued to develop our electronic broking capabilities. Our electronic broking strategy continues to focus on the hybrid model, offering electronic platforms which complement and support our existing strong voice broking capability. This approach is consistent with the nature and operation of the majority of OTC product markets for which voice liquidity is essential. Our platforms also provide a pure electronic broking option for those clients who wish to trade without any broker support, as well as "auction" capability through tpQUICKDEAL that facilitates clients trading anonymously at mid market price levels with instant volume matching.

tpQUICKDEAL technology is also provided as a standalone platform for some products.

The development of our electronic interest rate swap platform, tpSWAPDEAL, has been completed and the platform is in the process of being rolled out to clients. The platform is based on market leading technology supplied by MillenniumIT to provide extremely low latency trading, and has been created with the flexibility to give clients the ability to transact either directly or via voice brokers, and to be adaptable to operate within both the current trading landscape and under the regional regulatory environments that may develop in the future.

We have also continued to invest in our Information Sales and Risk Management Services activities, which have delivered significant revenue growth during the first half. In Information Sales we have expanded both the customer base, particularly in Asia, and the breadth of the data offered to customers. Demand for independent pricing data, notably in risk management and compliance functions, continues to drive revenues. Tullett Prebon Information was named Best Data Provider (Broker) at the Inside Market Data Awards in May 2011, a clear endorsement of our position as the leading provider of OTC price information and data to market participants. In Risk Management Services the tpMATCH platform for interest rates has been extended to cover an increased number of currencies, and the matching platform technology, which allows clients to execute trades to reduce risk, can be extended to other asset classes.

Revenue from products supported by electronic platforms, together with Information Sales and Risk Management Services revenue, has increased compared with the first half of 2010, and accounted for just less than one fifth of total revenue. This proportion is expected to increase further as electronic platforms are launched in new product areas such as interest rate swaps.

Operating profit for the first half was £80.2m, 5% lower than reported for 2010. Excluding the net credit or charge arising in each period from the costs and income relating to the major legal actions between the Company and BGC, which are discussed below, underlying operating profit for the first half was £79.4m (2010: £87.3m) with an underlying operating margin of 17.5% (2010: 18.3%). The reduction in the operating margin is primarily driven by the increase in the broker compensation to revenue percentage, which at 58.7% in the first half is 0.8% points higher than in the comparable period. This reflects the higher broker compensation to revenue percentage currently being incurred in North America following the significant investments made in rebuilding the business, and the initial inefficiencies as new hires build up to their full run rate of revenue. Broking support costs are little changed, with broking support headcount of 688 at the end of June, 2% lower than at June last year.

Our key financial and performance indicators for the first half of 2011 compared with those for the first half of 2010 are summarised in the table below.

	H1 2011	H1 2010	Change	
			Reported	Constant Exchange Rates
Revenue	£454.8m	£475.8m	-4%	-4%
Underlying Operating profit	£79.4m	£87.3m	-9%	-9%
Underlying Operating margin	17.5%	18.3%	-0.8% points	
Broker headcount (period end)	1,666	1,624	+3%	
Average revenue per broker (£'000)	266	283	-6%	-6%
Broker employment costs : broking revenue	58.7%	57.9%	+0.8% points	
Broking support headcount (period end)	688	703	-2%	

Litigation

The legal action that the Company had taken in London against BGC, two of BGC's senior directors and ten former Company brokers, in response to a raid by BGC in early 2009 on the London business, was settled during the period. As part of the settlement it was agreed that no further statement would be made by either side about the settlement or the dispute.

Legal action continues to be pursued against BGC and former employees in the United States. The subsidiary companies in the United States directly affected by the raid on the business by BGC in the second half of 2009 have brought a claim against BGC in arbitration pursuant to the rules of the Financial Industry Regulatory Authority ("FINRA"). The FINRA arbitration is expected to be heard during 2012.

The claim by BGC Market Data and certain of its affiliates, alleging that the Company misappropriated data supplied to its information sales subsidiary in violation of a redistribution agreement, is scheduled to be heard in arbitration under the rules of the American Arbitration Association during August 2011. A provision for the estimated cost of the resolution of this claim has been included in the first half results.

OTC Market Regulation

There has been significant progress during the first half in the process of agreeing and implementing reforms designed to strengthen the financial system and to improve the operation of the financial markets.

In the United States, however, due to the delay in agreeing the definition of certain reference terms, it is now unlikely that the final detailed rules and regulations to apply the principles of the Dodd-Frank Wall Street Reform and Consumer Protection Act governing the regulation and operation of OTC derivatives markets will be issued by the CFTC and SEC much before the end of this calendar year. The implementation of the mandatory clearing requirement for swaps and the requirement that such instruments are traded through Swap Execution Facilities (SEFs) is therefore likely to be during 2012.

In Europe, the European Market Infrastructure Regulation (EMIR) is still under legislative review. This regulation contains provisions governing the mandatory clearing requirement and trade reporting requirements for derivatives. The European Parliament and the Council expect to reach agreement by the end of the year. The proposed revisions to the Markets in Financial Instruments Directive, commonly known as MiFID II, which is expected to include provisions for permissible execution venues for OTC derivative transactions, is expected to be published in October 2011. It is envisaged that the EMIR and MiFID II reforms will come into force during 2013.

As we have previously commented, we agree with the objectives and support the direction of these proposed reforms. We believe that their introduction will be positive for our business as the proposals formalise the role of the intermediary in the OTC markets. We have a broad and successful electronic broking offering and we are well positioned to successfully respond to, and benefit from, both regulatory and market developments.

Regulatory Capital

The Company's application for a renewal of its waiver from consolidated capital resources requirements was approved by the FSA on 8 June 2011. The renewed investment firm consolidation waiver runs for five years and will expire on 6 June 2016. The terms of the renewed waiver are the same as those under the previous waiver. Each investment firm within the group must be either a limited activity or limited licence firm and must comply with its individual regulatory capital resources requirements. Tullett Prebon plc, as the parent company, must continue to maintain capital resources in excess of the solo notional capital resources requirements for each relevant firm within the group.

Revenue and Operating Profit

The tables below analyse revenue and operating profit for the first half of 2011 compared with the equivalent period in 2010. A significant proportion of the group's activity is conducted outside the UK and the reported results are therefore impacted by the movement in the foreign exchange rates used to translate the results of non-UK operations. In order to give a more complete analysis of performance, revenue and operating profit growth rates for the first half of 2011 shown below are presented both as reported and using translation exchange rates consistent with those used for 2010. The commentary below refers to growth rates at constant exchange rates.

Revenue by product group

	H1 2011 £m	H1 2010 £m	Change	
			Reported	Constant Exchange Rates
Treasury Products	127.8	125.2	+2%	+2%
Interest Rate Derivatives	103.8	107.5	-3%	-3%
Fixed Income	126.8	132.7	-4%	-3%
Equities	23.7	38.1	-38%	-36%
Energy	53.8	55.6	-3%	-3%
Information Sales and Risk Management Services	18.9	16.7	+13%	+15%
	454.8	475.8	-4%	-4%

The increase in revenue in Treasury Products reflects growth in forward FX, including non-deliverable-forwards, and in FX options, offset by a reduction in revenue from cash and deposits.

In Interest Rate Derivatives, strong growth in emerging market interest rate swaps and in interest rate options was offset by lower activity in the traditional interest rate swaps markets, reflecting the low level of interest rates in the world's major economies throughout the period.

The overall decline in revenue in Fixed Income reflects the lower level of market activity in government bonds in Europe offset by higher revenues in credit products, particularly corporate bonds in North America, reflecting the investments that have been made in rebuilding our presence in that area, including the twenty-six strong credit broking team who started with the business in early January 2011.

The reduction in revenue in Equities reflects the exit of the cash equities business that was part of the satellite office closures in the second half of last year, and a reduction in market activity and revenue in equity derivatives.

In Energy, after adjusting for the revenue from the satellite offices that were exited, revenue was unchanged compared with last year.

The Information Sales business has continued to benefit from increasing customer demand for both real time and end of day data, and from an expansion of the customer base. The post trade Risk Management Services business has continued to gain market share in electronic LIBOR reset matching through the tpMATCH platform.

Revenue by region

	H1 2011 £m	H1 2010 £m	Change	
			Reported	Constant Exchange Rates
Europe	269.9	288.1	-6%	-7%
North America	123.4	135.6	-9%	-4%
Asia Pacific	61.5	52.1	+18%	+13%
	454.8	475.8	-4%	-4%

Europe

Revenue in Europe was 7% lower than last year. We have continued to increase broker headcount, particularly in corporate bonds, with total broker headcount at the end of June of 833, 4% higher than at June last year. Average revenue per broker was 9% lower than in the same period a year ago. Europe's revenue also includes most of the revenue from Information Sales.

Revenue in Treasury Products and Interest Rate Derivatives was slightly lower than last year, with growth in emerging markets products, and in FX options and interest rate options, offset by lower volumes in cash and in the traditional interest rate swaps markets. In Fixed Income, revenue from government bonds was lower reflecting the very strong performance in the comparable period, with revenue from credit products

unchanged compared with a year ago. The quality of the business and the value of the service it provides to clients in credit products were recognised by the business being voted the number one broker in both investment grade and high yield bonds in Credit magazine's 2011 European Interdealer Broker rankings in May this year. Revenue in equity derivatives was lower than last year reflecting the lower level of activity in the market. In Energy, revenue from natural gas products was higher, with revenue from oil products and power products little changed. The new base metals desk, broking LME contracts, commenced operation in January.

North America

Revenue in North America has reduced by 4%. Adjusting for the impact of the closure during the second half of last year of the six satellite offices in the region, revenue was 4% higher than a year ago. Broker headcount in North America has increased to 466 at the end of June, 9% higher than a year ago excluding the satellite offices, but average revenue per broker reduced by 3% on the same basis.

The revenue performance by product group in North America was mixed. In Treasury Products, revenue in forward FX and FX options increased strongly, reflecting buoyant markets in those products especially in emerging markets currencies. In Fixed Income, revenue from credit products, primarily corporate bonds, doubled compared to a year ago reflecting the investment made in that area, but this was partly offset by lower activity in mortgage backed securities and repos. Similarly to Europe, revenue in Interest Rate Derivatives and in equity derivatives was lower, reflecting the market conditions. Revenue in Energy products, excluding the impact from the exit of the satellite offices, was higher, with good growth in natural gas and oil products.

Asia

Revenue in Asia has increased by 13%. Broking revenue in the region has benefited from an increase in broker headcount to 367 at the end of June, 2% higher than a year ago, and from an increase in average revenue per broker reflecting the continued recovery of market activity in the region. The increase in revenue also reflects the development of the Risk Management Services business, much of which is operated from Singapore.

The rate of growth in revenue in Asia was held back by the performance in Japan, where revenue was slightly lower than last year. We successfully dealt with the disruption caused by the earthquake in March, and we were able to provide full services to clients in Japan from both Tokyo and from temporarily relocated staff in Singapore. The relocated staff returned to the office in Tokyo within two weeks. Activity in that centre, however, has not yet recovered to the levels before the earthquake.

In the other centres in the Asia Pacific region, volumes in forward FX, especially in non-deliverable-forwards for non-convertible currencies have continued to increase, and the region has also benefited from good revenue growth in interest rate derivatives in both convertible and non-convertible currencies.

Operating profit by region	Change			
	H1 2011 £m	H1 2010 £m	Reported	Constant Exchange Rates
Europe	65.5	69.6	-6%	-6%
North America	7.4	11.7	-37%	-33%
Asia Pacific	7.3	3.4	+115%	+109%
Reported	80.2	84.7	-5%	-5%

Operating margin by region	H1 2011	H1 2010
Europe	24.3%	24.2%
North America	6.0%	8.6%
Asia Pacific	11.9%	6.5%
	17.6%	17.8%

Operating profit in Europe has reduced by 6%. The operating profit in 2011 includes a net credit arising from the costs and income relating to the major legal actions between the Company and BGC, compared with a net charge in the comparable period. The underlying operating margin in 2011 was 1.6% points lower than in 2010 mainly reflecting the impact of the reduction in revenue, as fixed costs have not reduced in line. Broker employment costs as a percentage of revenue were also slightly higher than in the same period last year.

Operating profit in North America has fallen by one-third with a reduction in operating margin to 6.0%. The fall in operating profit and margin reflects the decline in revenue and an increase in the broker employment costs to revenue percentage due to the general increase in the costs of employment in the light of competitor action, the costs associated with new hires, and the initial inefficiencies as new hires build up to their full run rate of revenue. The operating profit in 2011 also includes a net charge relating to the major legal actions between the Company and BGC.

In Asia Pacific operating profit has more than doubled reflecting the higher broking revenue compared to a year ago, together with the growth in Risk Management Services which has a higher operating margin than broking. Broker employment costs as a percentage of revenue are lower than a year ago due to the benefit of higher revenue and the development of the scale of the equity derivatives business in Tokyo which commenced operations during the first half of last year and was still building up to the anticipated revenue run rate.

Financial Review

The results for the first half of 2011 compared with those for the first half of 2010 are shown in the table below.

	H1 2011	H1 2010
	£m	£m
Revenue	454.8	475.8
Underlying operating profit	79.4	87.3
Net credit/(charge) relating to major legal actions	0.8	(2.6)
Operating profit	80.2	84.7
Net cash finance expense	(7.1)	(6.1)
Adjusted Profit before tax *	73.1	78.6
Tax	(20.8)	(24.8)
Associates	0.8	1.0
Minority interests	(0.3)	(0.2)
Adjusted Earnings **	52.8	54.6
Weighted average number of shares	216.5m	214.3m
Adjusted Earnings per share	24.4p	25.5p

* Adjusted PBT reconciles to reported PBT as follows:

	H1 2011	H1 2010
	£m	£m
Adjusted Profit before tax	73.1	78.6
Non cash finance income	1.5	0.7
Reported Profit before tax	74.6	79.3

** Adjusted Earnings reconciles to reported Earnings as follows:

	H1 2011	H1 2010
	£m	£m
Adjusted Earnings	52.8	54.6
Non cash finance income	1.5	0.7
Tax on non cash finance income	(0.5)	(0.2)
Reported Earnings	53.8	55.1

Finance Expense

The increase in the net cash finance expense reflects the higher interest and commitment fees payable on the new bank facilities entered into in February 2011. Non cash finance income comprises the expected return and interest on pension scheme assets and liabilities.

Taxation

The effective rate of tax on adjusted PBT is 28.5% (2010: 31.5%). The effective rate of tax reflects the estimated effective rate for the full year. The reduction in the effective rate compared with 2010 results from the reduction in the UK corporation tax rate to 26.5% for 2011 from 28.0% for 2010, and an increase in the proportion of taxable profits generated in the UK and Asia relative to the US.

Exchange rates

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

	Average			Period End		
	H1 2011	H1 2010	H2 2010	30 June 2011	31 Dec 2010	30 June 2010
US dollar	\$1.62	\$1.54	\$1.56	\$1.61	\$1.57	\$1.50
Euro	€1.15	€1.14	€1.19	€1.11	€1.17	€1.22
Singapore dollar	S\$2.04	S\$2.15	S\$2.08	S\$1.97	S\$2.01	S\$2.09
Japanese Yen	¥132	¥141	¥131	¥130	¥127	¥132

Cash flow and financing

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

	H1 2011 £m	H1 2010 £m
Operating profit	80.2	84.7
Share based compensation	0.6	1.3
Depreciation and amortisation	4.2	4.5
EBITDA	85.0	90.5
Capital expenditure (net of disposals)	(5.6)	(5.2)
Increase in sign-on prepayment	(16.2)	(8.9)
Other working capital	(29.6)	(38.1)
Operating cash flow	33.6	38.3
Interest	(1.3)	(0.5)
Taxation	(22.9)	(20.1)
Defined benefit pension scheme funding	(0.5)	(6.3)
ESOT transactions	-	1.7
Dividends received from associates / paid to minorities	0.9	1.4
Acquisitions/investments	(6.6)	(2.4)
Cash flow	3.2	12.1

Reflecting the normal seasonal pattern of working capital movements, trade receivables and net settlement balances were higher, and bonus accruals were lower, at June than at December last year, resulting in operating cash flow for the first half of the year that is lower than operating profit. The working capital cash flow in the first half also reflects an increase in the broker sign-on prepayment balance, as new sign-on payments in the first half were higher than the amortisation.

The triennial actuarial valuations of the two defined benefit pension schemes in the UK undertaken in 2010 concluded that each scheme has a significant funding surplus. As a result, the group agreed with the trustees of each scheme that, with effect from February 2011 until the next actuarial valuation, contributions will be equal to the schemes' administration expenses.

Acquisition and investment expenditure in the first half of 2011 includes a deferred consideration payment relating to the acquisition of Aspen, investment in membership of the LME, and the payment of consideration to the former employer of the credit broking team who joined the business in North America in January 2011.

The movement in cash and debt is summarised below.

£m	Cash	Debt	Net
At 31 December 2010	425.7	(357.9)	67.8
Cash flow	3.2	-	3.2
Dividends	(22.6)	-	(22.6)
Debt repayments / draw downs	(90.1)	90.1	-
Debt issue costs	(3.4)	3.4	-
Effect of movement in exchange rates	0.2	-	0.2
Amortisation of debt issue costs	-	(0.7)	(0.7)
At 30 June 2011	<u>313.0</u>	<u>(265.1)</u>	<u>47.9</u>

At 31 December 2010 the group's outstanding debt comprised £141.1m Eurobonds due July 2016, the remaining £8.5m of the Eurobonds due August 2014, £210m of bank debt drawn under an amortising term loan maturing in February 2014, and a small amount of finance leases. In addition, the group had a committed £50m revolving credit facility that was undrawn. On 8 February 2011 the Group entered into new bank facilities comprising a £120m amortising term loan facility and a committed £115m revolving credit facility, replacing the bank facilities discussed above. The revolving credit facility remained undrawn throughout the period.

Dividend

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

Outlook

The world's financial markets remain unsettled and, although it is difficult to predict market conditions accurately, it seems reasonable to expect that there will be periods of market volatility and heightened activity in the remaining months of the year.

Broker headcount at the end of the first half was 4% higher than at the end of last year. We will continue to invest in the development of the business through broker hires, the development and introduction of electronic platforms which complement and support our strong voice broking capability, and the continued extension of

Information Sales and Risk Management Services. The acquisition of Convenção will provide the base for expansion both in Brazil and in other countries in South America.

The enduring strength of the business is the valuable service it provides to clients through its ability to create liquidity through price and volume discovery to facilitate trading in a wide range of financial instruments. We believe that we are well positioned to continue to provide a valuable service to clients and that our offering can be developed to meet the various OTC market rules and regulations that will be introduced in both the United States and Europe.

Condensed Consolidated Income Statement

for the six months ended 30 June 2011

	Notes	Six months ended 30 June 2011 (unaudited) £m	Six months ended 30 June 2010 (unaudited) £m	Year ended 31 December 2010 £m
Revenue	5	454.8	475.8	908.5
Administrative expenses		(393.8)	(393.8)	(764.4)
Other operating income	6	19.2	2.7	8.3
Operating profit	5	80.2	84.7	152.4
Finance income	7	6.5	5.6	11.3
Finance costs	8	(12.1)	(11.0)	(22.4)
Profit before tax		74.6	79.3	141.3
Taxation		(21.3)	(25.0)	(33.7)
Profit of consolidated companies		53.3	54.3	107.6
Share of results of associates		0.8	1.0	1.5
Profit for the period		54.1	55.3	109.1
Attributable to:				
Equity holders of the parent		53.8	55.1	108.5
Minority interests		0.3	0.2	0.6
		54.1	55.3	109.1
Earnings per share				
Adjusted basic	9	24.4p	25.5p	46.4p
Basic	9	24.8p	25.7p	50.5p
Diluted	9	24.8p	25.4p	50.3p

Condensed Consolidated Statement of Comprehensive Income

for the six months ended 30 June 2011

	Six months ended 30 June 2011 (unaudited) £m	Six months ended 30 June 2010 (unaudited) £m	Year ended 31 December 2010 £m
Profit for the period	54.1	55.3	109.1
Other comprehensive income:			
Revaluation of available-for-sale assets	(0.5)	-	0.3
Effect of changes in exchange rates on translation of foreign operations	(1.4)	12.2	9.1
Actuarial gains/(losses) on defined benefit pension schemes	21.4	(0.9)	14.5
Taxation charge on components of other comprehensive income	(5.9)	(3.2)	(6.8)
Other comprehensive income for the period	13.6	8.1	17.1
Total comprehensive income for the period	67.7	63.4	126.2
Attributable to:			
Equity holders of the parent	67.4	63.0	125.3
Minority interests	0.3	0.4	0.9
	67.7	63.4	126.2

Condensed Consolidated Balance Sheet

as at 30 June 2011

	30 June 2011 (unaudited) £m	30 June 2010 (unaudited) £m	31 December 2010 £m
Non-current assets			
Goodwill	380.1	378.1	376.5
Other intangible assets	14.3	10.2	12.1
Property, plant and equipment	23.4	24.3	24.3
Interest in associates	3.5	3.1	3.6
Other financial assets	5.7	4.7	4.1
Deferred tax assets	11.3	14.7	13.0
Retirement benefit asset	47.0	4.8	23.6
	485.3	439.9	457.2
Current assets			
Trade and other receivables	28,188.9	15,289.1	4,186.9
Other financial assets	28.5	33.0	35.6
Cash and cash equivalents	284.5	331.3	390.1
	28,501.9	15,653.4	4,612.6
Total assets	28,987.2	16,093.3	5,069.8
Current liabilities			
Trade and other payables	(28,186.8)	(15,303.1)	(4,229.4)
Interest bearing loans and borrowings	(29.4)	(30.0)	(30.1)
Derivative financial instruments	-	(0.1)	-
Current tax liabilities	(31.5)	(44.9)	(40.3)
Short term provisions	(6.2)	(1.1)	(0.5)
	(28,253.9)	(15,379.2)	(4,300.3)
Net current assets	248.0	274.2	312.3
Non-current liabilities			
Interest bearing loans and borrowings	(235.7)	(327.1)	(327.8)
Deferred tax liabilities	(30.7)	(11.1)	(19.5)
Long term provisions	(3.9)	(9.0)	(3.9)
Other long term payables	(5.5)	(9.4)	(6.5)
	(275.8)	(356.6)	(357.7)
Total liabilities	(28,529.7)	(15,735.8)	(4,658.0)
Net assets	457.5	357.5	411.8
Equity			
Share capital	53.8	53.8	53.8
Share premium account	9.9	9.9	9.9
Reverse acquisition reserve	(1,182.3)	(1,182.3)	(1,182.3)
Other reserves	146.5	140.1	146.7
Retained earnings	1,426.5	1,333.4	1,380.9
Equity attributable to equity holders of the parent	454.4	354.9	409.0
Minority interests	3.1	2.6	2.8
Total equity	457.5	357.5	411.8

Condensed Consolidated Cash Flow Statement

for the six months ended 30 June 2011

	Notes	Six months ended 30 June 2011 (unaudited) £m	Six months ended 30 June 2010 (unaudited) £m	Year ended 31 December 2010 £m
Net cash from operating activities	11(a)	13.8	15.7	94.7
Investing activities				
Sale/(purchase) of other financial assets		7.0	(2.5)	(5.2)
Interest received		0.7	0.9	1.9
Dividends from associates		0.9	1.4	1.4
(Purchase)/sale of available-for-sale assets		(1.9)	-	1.7
Expenditure on intangible fixed assets		(3.8)	(3.8)	(7.5)
Purchase of property, plant and equipment		(1.8)	(1.4)	(4.9)
Proceeds on disposal of property, plant and equipment		-	0.1	0.2
Investment in subsidiaries		(4.7)	(2.4)	(2.4)
Net cash used in investment activities		(3.6)	(7.7)	(14.8)
Financing activities				
Dividends paid	10	(22.6)	(21.4)	(32.7)
Dividends paid to minority interests		-	-	(0.3)
Sale of own shares		-	1.7	1.7
Repayment of debt		(210.0)	(30.3)	(30.3)
Funds received from debt issue		120.0	-	-
Debt issue costs		(3.4)	-	-
Repayment of obligations under finance leases		(0.1)	(0.2)	(0.3)
Net cash used in financing activities		(116.1)	(50.2)	(61.9)
Net (decrease)/increase in cash and cash equivalents		(105.9)	(42.2)	18.0
Cash and cash equivalents at the beginning of the period		390.1	366.1	366.1
Effect of foreign exchange rate changes		0.3	7.4	6.0
Cash and cash equivalents at the end of the period	11(b)	284.5	331.3	390.1

Condensed Consolidated Statement of Changes in Equity

for the six months ended 30 June 2011

(unaudited)	Equity attributable to equity holders of the parent											Total equity £m
	Share capital £m	Share premium account £m	Reverse acquisition reserve £m	Equity reserve £m	Re-valuation reserve £m	Merger reserve £m	Hedging and translation £m	Own shares £m	Retained earnings £m	Total £m	Minority interests £m	
Balance at 1 January 2011	53.8	9.9	(1,182.3)	5.3	2.6	121.5	17.4	(0.1)	1,380.9	409.0	2.8	411.8
Profit for the period	-	-	-	-	-	-	-	-	53.8	53.8	0.3	54.1
Revaluation of available-for-sale assets	-	-	-	-	(0.5)	-	-	-	-	(0.5)	-	(0.5)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	(1.4)	-	-	(1.4)	-	(1.4)
Actuarial gains on defined benefit pension schemes	-	-	-	-	-	-	-	-	21.4	21.4	-	21.4
Taxation credit/(charge) on components of other comprehensive income	-	-	-	-	-	-	1.7	-	(7.6)	(5.9)	-	(5.9)
Other comprehensive income for the period	-	-	-	-	(0.5)	-	0.3	-	13.8	13.6	-	13.6
Total comprehensive income for the period	-	-	-	-	(0.5)	-	0.3	-	67.6	67.4	0.3	67.7
Dividends paid in the period	-	-	-	-	-	-	-	-	(22.6)	(22.6)	-	(22.6)
Credit arising on share-based payment awards	-	-	-	-	-	-	-	-	0.6	0.6	-	0.6
Balance at 30 June 2011	53.8	9.9	(1,182.3)	5.3	2.1	121.5	17.7	(0.1)	1,426.5	454.4	3.1	457.5

(unaudited)	Equity attributable to equity holders of the parent											Total equity £m
	Share capital £m	Share premium account £m	Reverse acquisition reserve £m	Equity reserve £m	Re-valuation reserve £m	Merger reserve £m	Hedging and translation £m	Own shares £m	Retained earnings £m	Total £m	Minority interests £m	
Balance at 1 January 2010	53.8	9.9	(1,182.3)	-	2.3	121.5	7.6	(2.8)	1,300.3	310.3	2.2	312.5
Profit for the period	-	-	-	-	-	-	-	-	55.1	55.1	0.2	55.3
Revaluation of available-for-sale assets	-	-	-	-	-	-	-	-	-	-	-	-
Exchange differences on translation of foreign operations	-	-	-	-	-	-	12.0	-	-	12.0	0.2	12.2
Actuarial loss on defined benefit pension schemes	-	-	-	-	-	-	-	-	(0.9)	(0.9)	-	(0.9)
Taxation credit/(charge) on components of other comprehensive income	-	-	-	-	-	-	(3.1)	-	(0.1)	(3.2)	-	(3.2)
Other comprehensive income for the period	-	-	-	-	-	-	8.9	-	(1.0)	7.9	0.2	8.1
Total comprehensive income for the period	-	-	-	-	-	-	8.9	-	54.1	63.0	0.4	63.4
Dividends paid in the period	-	-	-	-	-	-	-	-	(21.4)	(21.4)	-	(21.4)
Sale of own shares	-	-	-	-	-	-	-	2.3	(0.6)	1.7	-	1.7
Shares used to meet share award exercises	-	-	-	-	-	-	-	0.3	(0.3)	-	-	-
Credit arising on share-based payment awards	-	-	-	-	-	-	-	-	1.3	1.3	-	1.3
Balance at 30 June 2010	53.8	9.9	(1,182.3)	-	2.3	121.5	16.5	(0.2)	1,333.4	354.9	2.6	357.5

Condensed Consolidated Statement of Changes in Equity (continued)

for the six months ended 30 June 2011

(unaudited)	Equity attributable to equity holders of the parent											Total equity £m
	Share capital £m	Share premium account £m	Reverse acquisition reserve £m	Equity reserve £m	Re-valuation reserve £m	Merger reserve £m	Hedging and translation £m	Own shares £m	Retained earnings £m	Total £m	Minority interests £m	
Balance at 1 January 2010	53.8	9.9	(1,182.3)	-	2.3	121.5	7.6	(2.8)	1,300.3	310.3	2.2	312.5
Profit for the year	-	-	-	-	-	-	-	-	108.5	108.5	0.6	109.1
Revaluation of available-for-sale assets	-	-	-	-	0.3	-	-	-	-	0.3	-	0.3
Exchange differences on translation of foreign operations	-	-	-	-	-	-	8.8	-	-	8.8	0.3	9.1
Actuarial gains on defined benefit pension schemes	-	-	-	-	-	-	-	-	14.5	14.5	-	14.5
Taxation credit/(charge) on components of other comprehensive income	-	-	-	-	-	-	1.0	-	(7.8)	(6.8)	-	(6.8)
Other comprehensive income for the year	-	-	-	-	0.3	-	9.8	-	6.7	16.8	0.3	17.1
Total comprehensive income for the year	-	-	-	-	0.3	-	9.8	-	115.2	125.3	0.9	126.2
Equity component of deferred consideration	-	-	-	5.3	-	-	-	-	-	5.3	-	5.3
Dividends paid in the year	-	-	-	-	-	-	-	-	(32.7)	(32.7)	(0.3)	(33.0)
Sale of own shares	-	-	-	-	-	-	-	2.3	(0.6)	1.7	-	1.7
Shares used to meet share award exercises	-	-	-	-	-	-	-	0.4	(0.4)	-	-	-
Debit arising on share-based payment awards	-	-	-	-	-	-	-	-	(0.9)	(0.9)	-	(0.9)
Balance at 31 December 2010	53.8	9.9	(1,182.3)	5.3	2.6	121.5	17.4	(0.1)	1,380.9	409.0	2.8	411.8

Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2011

1. General information

The condensed consolidated financial information for the six months ended 30 June 2011 has been prepared in accordance with the Disclosure and Transparency Rules (DTR) of the Financial Services Authority and with IAS 34 'Interim Financial Reporting' as adopted by the European Union (EU). This condensed financial information should be read in conjunction with the statutory accounts for the year ended 31 December 2010 which were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

The statutory accounts for the year ended 31 December 2010 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 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 2011 has been prepared using accounting policies consistent with IFRS. The interim information, together with the comparative information contained in this report for the year ended 31 December 2010, does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006. The financial information is unaudited but has been reviewed by the Company's auditors, Deloitte LLP, and their report appears at the end of the interim financial report.

2. Accounting policies

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

The same accounting policies, presentation and methods of computation are followed in the condensed financial statements as applied in the Group's latest annual audited financial statements for the year ended 31 December 2010, except as described below.

The Group has adopted the amendment to IAS 32 'Financial Instruments: Presentation' regarding the classification of rights issues, the amendment to IFRIC 14 'IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction' regarding prepayments of a Minimum Funding Requirement, IFRIC 19 'Extinguishing Financial Liabilities with Equity Instruments', Improvements to IFRSs (2010), and the revised IAS 24 'Related Party Disclosures'. The adoption of these amendments has not had any significant impact on the condensed consolidated financial statements.

Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2011

3. Related party transactions

Related party transactions are described in the 2010 annual report and accounts in note 36 to the consolidated financial statements. There have been no material changes in the nature or value of related party transactions in the six months ended 30 June 2011.

4. Principal risks and uncertainties

Robust risk management is fundamental to the achievement of the Group's objectives. The Group maintains a Risk Assessment Framework which identifies risks within the following eight risk categories: credit risk, market risk, operational risk, strategic and business risk, financial risk, reputational risk, governance risk and regulatory, legal and human resource risk. A detailed explanation of the above risks can be found on pages 16 to 19 of the latest annual report which is available at www.tullettprebon.com. The directors do not consider that the principal risks and uncertainties have changed since the publication of the annual report for the year ended 31 December 2010. Risks and uncertainties which could have a material impact on the Group's performance over the remaining six months of the financial year are discussed in the Interim Management Report.

5. Segmental analysis

Products and services from which reportable segments derive their revenues

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

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

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

	Six months ended 30 June 2011 £m	Six months ended 30 June 2010 £m	Year ended 31 December 2010 £m
Revenue			
Europe	269.9	288.1	536.1
North America	123.4	135.6	259.0
Asia Pacific	61.5	52.1	113.4
	<hr/> 454.8	<hr/> 475.8	<hr/> 908.5
Operating profit			
Europe	65.5	69.6	120.7
North America	7.4	11.7	22.5
Asia Pacific	7.3	3.4	9.2
Reported operating profit	<hr/> 80.2	<hr/> 84.7	<hr/> 152.4
Finance income	6.5	5.6	11.3
Finance costs	(12.1)	(11.0)	(22.4)
Profit before tax	<hr/> 74.6	<hr/> 79.3	<hr/> 141.3
Taxation	(21.3)	(25.0)	(33.7)
Profit of consolidated companies	<hr/> 53.3	<hr/> 54.3	<hr/> 107.6
Share of results of associates	0.8	1.0	1.5
Profit for the period	<hr/> 54.1	<hr/> 55.3	<hr/> 109.1

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

Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2011

5. Segmental analysis (continued)

Other segmental information

	Six months ended 30 June 2011 £m	Six months ended 30 June 2010 £m	Year ended 31 December 2010 £m
Segment assets			
Europe	15,636.0	7,279.7	1,834.1
North America	13,276.5	8,743.0	3,155.0
Asia Pacific	74.7	70.6	80.7
	<u>28,987.2</u>	<u>16,093.3</u>	<u>5,069.8</u>

Segmental assets exclude all inter-segment balances.

Analysis by product group

	Six months ended 30 June 2011 £m	Six months ended 30 June 2010 £m	Year ended 31 December 2010 £m
Revenue			
Treasury Products	127.8	125.2	248.4
Interest Rate Derivatives	103.8	107.5	205.0
Fixed Income	126.8	132.7	249.3
Equities	23.7	38.1	67.2
Energy	53.8	55.6	105.8
Information Sales and Risk Management Services	18.9	16.7	32.8
	<u>454.8</u>	<u>475.8</u>	<u>908.5</u>

6. Other operating income

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

7. Finance income

	Six months ended 30 June 2011 £m	Six months ended 30 June 2010 £m	Year ended 31 December 2010 £m
Interest receivable and similar income	1.2	0.9	1.9
Expected return on pension schemes' assets	5.3	4.7	9.4
	<u>6.5</u>	<u>5.6</u>	<u>11.3</u>

Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2011

8. Finance costs

	Six months ended 30 June 2011 £m	Six months ended 30 June 2010 £m	Year ended 31 December 2010 £m
Interest payable on bank loans	1.9	1.2	2.5
Interest payable on Eurobonds	5.2	5.2	10.5
Other interest payable	0.5	0.1	0.4
Amortisation of debt issue costs	0.7	0.5	1.2
Total borrowing costs	8.3	7.0	14.6
Fair value loss on derivative instruments	-	0.1	-
Interest cost on pension schemes' liabilities	3.8	3.9	7.8
	<u>12.1</u>	<u>11.0</u>	<u>22.4</u>

9. Earnings per share

	Six months ended 30 June 2011	Six months ended 30 June 2010	Year ended 31 December 2010
Adjusted basic	24.4p	25.5p	46.4p
Basic	24.8p	25.7p	50.5p
Diluted	24.8p	25.4p	50.3p

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

	Six months ended 30 June 2011 No. (m)	Six months ended 30 June 2010 No. (m)	Year ended 31 December 2010 No. (m)
Weighted average shares in issue used for calculating basic and adjusted basic earnings per share	216.5	214.3	214.9
Contingently issuable shares	0.3	2.0	0.2
Issuable on exercise of options	0.3	0.8	0.6
Diluted weighted average shares in issue	<u>217.1</u>	<u>217.1</u>	<u>215.7</u>

Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2011

9. Earnings per share (continued)

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

	Six months ended 30 June 2011 £m	Six months ended 30 June 2010 £m	Year ended 31 December 2010 £m
Profit for the period	54.1	55.3	109.1
Minority interests	(0.3)	(0.2)	(0.6)
Earnings for calculating basic and diluted earnings per share	53.8	55.1	108.5
Expected return on pension schemes' assets	(5.3)	(4.7)	(9.4)
Interest cost on pension schemes' liabilities	3.8	3.9	7.8
Fair value movement on derivative financial instruments	-	0.1	-
Tax on above items	0.5	0.2	0.5
Tax on capital related items	-	-	(6.0)
Prior year tax	-	-	(1.6)
Adjusted earnings for calculating adjusted basic earnings per share	52.8	54.6	99.8

10. Dividends

	Six months ended 30 June 2011 £m	Six months ended 30 June 2010 £m	Year ended 31 December 2010 £m
Amounts recognised as distributions to equity holders in the period:			
Final dividend for the year ended 31 December 2010 of 10.5p per share	22.6	-	-
Interim dividend for the year ended 31 December 2010 of 5.25p per share	-	-	11.3
Final dividend for the year ended 31 December 2009 of 10.0p per share	-	21.4	21.4
	22.6	21.4	32.7

An interim dividend of 5.25p per share will be paid on 17 November 2011 to all shareholders on the Register of Members on 28 October 2011.

During the period the ordinary shares held by the Tullett Prebon plc Employee Share Ownership Trust were transferred to the Tullett Prebon plc Employee Benefit Trust 2007. The trustees of the Tullett Prebon plc Employee Benefit Trust 2007 have waived their rights to dividends.

As at 30 June 2011 the Tullett Prebon plc Employee Benefit Trust 2007 held 202,029 ordinary shares (2010: 200,833 ordinary shares) and the Tullett Prebon plc Employee Share Ownership Trust held nil ordinary shares (2010: 1,196 ordinary shares).

Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2011

11. Notes to the Condensed Consolidated Cash Flow Statement

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

	Six months ended 30 June 2011 £m	Six months ended 30 June 2010 £m	Year ended 31 December 2010 £m
Operating profit	80.2	84.7	152.4
Adjustments for:			
Share-based compensation	0.6	1.3	(0.9)
Profit on sale of other non-current financial assets	-	-	(1.0)
Loss on sale of property, plant and equipment	-	-	0.2
Depreciation of property, plant and equipment	2.8	3.3	6.4
Amortisation of intangible assets	1.4	1.2	3.0
Increase/(decrease) in provisions for liabilities and charges	5.6	0.2	(5.4)
Retirement benefit obligation funding	(0.5)	(6.3)	(8.8)
Decrease in non-current liabilities	(0.4)	-	(1.1)
Operating cash flows before movement in working capital	89.7	84.4	144.8
Increase in trade and other receivables	(29.6)	(31.7)	(15.0)
(Increase)/decrease in net settlement balances	(5.8)	(0.6)	0.2
(Decrease)/increase in trade and other payables	(15.6)	(14.9)	5.6
Cash generated from operations	38.7	37.2	135.6
Income taxes paid	(22.9)	(20.1)	(27.5)
Interest paid	(2.0)	(1.4)	(13.4)
Net cash from operating activities	13.8	15.7	94.7

(b) Cash and cash equivalents

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

Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2011

12. Analysis of net funds

	At 1 January 2011 £m	Cash flow £m	Non-cash items £m	Exchange differences £m	At 30 June 2011 £m
Cash	242.4	(40.4)	-	0.4	202.4
Cash equivalents	145.3	(65.9)	-	(0.1)	79.3
Client settlement money	2.4	0.4	-	-	2.8
Cash and cash equivalents	390.1	(105.9)	-	0.3	284.5
Other current financial assets	35.6	(7.0)	-	(0.1)	28.5
Total funds	425.7	(112.9)	-	0.2	313.0
Bank loans within one year	(30.0)	30.0	(29.4)	-	(29.4)
Bank loans after one year	(180.0)	63.4	28.9	-	(87.7)
Loans due after one year	(147.6)	-	(0.2)	-	(147.8)
Finance leases	(0.3)	0.1	-	-	(0.2)
	(357.9)	93.5	(0.7)	-	(265.1)
Total net funds	67.8	(19.4)	(0.7)	0.2	47.9

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

Other current financial assets comprise short term government securities and term deposits held with banks and clearing organisations.

On 8 February 2011, the Group entered into a new £235m credit agreement consisting of a £120m amortising term loan facility and a £115m committed revolving credit facility. These facilities replaced the previous facilities outstanding at that date, a £180m term loan and a £50m committed revolving credit facility that were due to mature in January 2012. The new term loan is subject to repayments of £30m in each of February 2012 and February 2013 with £60m maturing in February 2014. The committed revolving credit facility, which has not been drawn, will also mature in February 2014.

13. Legal Proceedings

The claim by BGC Market Data and certain of its affiliates, alleging that the Company misappropriated data supplied to its information sales subsidiary in violation of a redistribution agreement, is scheduled to be heard in arbitration under the rules of the American Arbitration Association during August 2011. A provision for the estimated cost of the resolution of this claim has been included in the first half results. The amount claimed against the Company is significantly higher than the amount provided. The outcome remains uncertain and is dependent upon the conclusion of the arbitration process.

14. Events after the balance sheet date

Approval from the President of Brazil for the Company's acquisition of Convenção was received on 12 July 2011. The acquisition is expected to complete during August 2011.

Directors' Responsibility Statement

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

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

By order of the Board

Terry Smith
Chief Executive

2 August 2011

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 2011 which comprises the Condensed Consolidated Income Statement, the Condensed Consolidated Statement of Comprehensive Income, the Condensed Consolidated Balance Sheet, the Condensed Consolidated Cash Flow Statement, the Condensed Consolidated Statement of Changes in Equity and related notes 1 to 14. We have read the other information contained in the half year report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

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

Directors' responsibilities

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

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

Our responsibility

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

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half year report for the six months ended 30 June 2011 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

Deloitte LLP

Chartered Accountants and Statutory Auditor
2 August 2011
London, UK