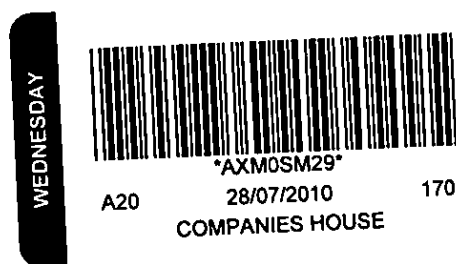


TULLETT PREBON (NO.3) LIMITED

Report and Financial Statements
31 December 2009



TULLETT PREBON (NO 3) LIMITED

DIRECTORS' REPORT

The directors present their annual report and financial statements for the year ended 31 December 2009

This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to \$16,638,000 (2008 \$24,658,000) and will be transferred to reserves

The directors paid an interim dividend of \$15,900,000 (2008 \$24,658,000) on 16 December 2009

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The Company is a wholly owned subsidiary of Tullett Prebon plc

The principal activity of the Company is that of an investment company within the Tullett Prebon plc group (the "Group") The directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the next year

PRINCIPAL RISKS AND UNCERTAINTIES

The key risks which the Company faces in its day to day operations can broadly be categorised as operational, liquidity and reputational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people activities, systems or external events

Liquidity risk is the risk that the Company, in periods of corporate or market volatility, will not have access to an appropriate level of cash or funding to enable it to finance its ongoing operations and any other reasonable unanticipated events on cost effective terms Cash and equivalent balances are held with the primary objective of capital security and availability, with a secondary objective of generating returns Funding requirement and cash and equivalent exposures are monitored by the Group Risk and Treasury Committee In event of a liquidity issue arising, the Company has recourse to Group funds

Reputational risk is the risk that the Company's ability to do business might be damaged as a result of its reputation being tarnished

Management in front office and support functions have the day to day responsibility for ensuring that the Company operates in accordance with the Group Risk Assessment Framework which includes policies and procedures for these key risks Further details of the Group Risk Assessment Framework are fully outlined in the Group's Annual Report which does not form part of this report

ENVIRONMENTAL POLICY

The nature of the Company's activities is such that it has a minimal direct effect on the environment However, management have agreed to adopt Group policies to safeguard the environment to meet statutory requirements or where such policies are commercially sensible

DIRECTORS

The following directors held office during the year

A K Evans (appointed 15 May 2009)

A C Peel (resigned 15 May 2009)

D H Williams

DIRECTORS' REPORT

AUDITORS

Each of the persons who is a director at the date of approval of this annual report confirms that

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements are being made for them to be deemed reappointed as auditors in the absence of an Annual General Meeting

This report was approved by the Board of Directors and signed on its behalf by



N L Challen
Company Secretary

Date **22 JUL 2010**

Registered office
Level 37
Tower 42
25 Old Broad Street
London
EC2N 1HQ

Registered No
6262157

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE
FINANCIAL STATEMENTS

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TULLETT PREBON (NO.3) LIMITED

We have audited the financial statements of Tullett Prebon (No 3) Limited for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 8. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

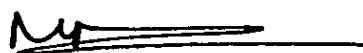
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors report, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Manbinder Rana (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom
Date 22 July 2010

TULLETT PREBON (NO 3) LIMITED

PROFIT AND LOSS ACCOUNT for the year ended 31 December 2009

	<i>Notes</i>	<i>2009</i> <i>\$000</i>	<i>2008</i> <i>\$000</i>
Interest receivable and similar income	3	16,638	24,658
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>16,638</u>	<u>24,658</u>
Tax charge on profit on ordinary activities	4	-	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	7	<u>16,638</u>	<u>24,658</u>

Profit for the current and preceding year results solely from continuing operations

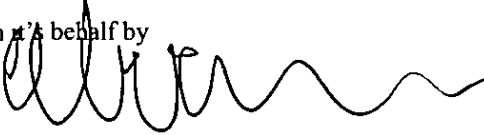
The Company had no recognised gains or losses other than the profit from the current year and profit for the preceding year. Accordingly, no separate statement of total recognised gains and losses is presented

TULLETT PREBON (NO 3) LIMITED

BALANCE SHEET as at 31 December 2009

	Notes	2009 \$000	2008 \$000
CURRENT ASSETS			
Debtors due within one year	5	740	2
due after one year	5	350,000	350,000
NET CURRENT ASSETS		<u>350,740</u>	<u>350,002</u>
NET ASSETS		<u>350,740</u>	<u>350,002</u>
 CAPITAL AND RESERVES			
Called-up share capital	6	35,002	35,002
Share premium account	7	315,000	315,000
Profit and loss account	7	738	-
SHAREHOLDERS' FUNDS		<u>350,740</u>	<u>350,002</u>

The financial statements of Tullett Prebon (No 3) Limited (registered number 6262157) were approved by the Board of Directors and authorised for issue on

Signed on  behalf by

A K Evans
Director

NOTES TO THE FINANCIAL STATEMENTS
as at 31 December 2009

1. ACCOUNTING POLICIES

Accounting convention

The financial statements are prepared under the historical cost convention, and in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

The Company has a US dollar denominated reporting and functional currency as it is the currency of the primary economic environment in which it generates its net cash flows

Going concern

After consideration of the Company's business review and the risks and uncertainties as set out on page 1 of the directors' report, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the going concern basis continues to be used in preparing these financial statements

Cash flow statement

The Company is exempt from reporting a cash flow statement in accordance with FRS 1 Cash Flow Statements (Revised 1996), as the Company is a wholly owned subsidiary of Tullett Prebon plc, which is registered in England and Wales and which prepares group financial statements which are publicly available

Foreign currencies

Transactions in foreign currencies are converted at exchange rates ruling at the transaction dates

Monetary assets and liabilities, denominated in foreign currencies at the balance sheet date are translated into US dollars at the rates of exchange ruling at the balance sheet date. Exchange gains and losses are taken to the profit and loss account

Taxation

Current taxation is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

Deferred tax assets are recognised to the extent that it is regarded as more likely than not they will be recovered. Deferred tax assets and liabilities are not discounted

Related party transactions

The Company has taken advantage of reporting exemptions in accordance with FRS 8 Related Party Disclosures, since it is a wholly owned subsidiary of a group where the voting rights are controlled within the group and the groups parent financial statements are publicly available

Segmental reporting

The Company has taken advantage of reporting exemptions in accordance with SSAP 25 Segmental Reporting, since it is a subsidiary of a group which provides segmental information in compliance with this accounting standard

TULLETT PREBON (NO 3) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2009

2. OPERATING PROFIT

The Company had no operating income or costs during 2009 (2008 \$nil)

A material proportion of the Company's expenditure, including auditors' remuneration of £4,000 (2008 £5,000) in respect of audit services is incurred by Tullett Prebon Administration Limited

Employees during the period were nil (2008 nil)

The directors did not receive any remuneration for their services to the Company (2008 \$nil)

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	2009 \$000	2008 \$000
Group interest receivable	16,638	24,658

4. TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES

	2009 \$000	2008 \$000
Current tax		
UK corporation tax charge on profit on ordinary activities	-	-

Factors affecting the current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 28% (2008 28.5%) The differences are reconciled below

	2009 \$000	2008 \$000
Profit on ordinary activities before tax	16,638	24,658
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK	4,659	7,027
Group relief received for no payment	(4,659)	(7,027)
Current tax charge for the year	-	-

TULLETT PREBON (NO 3) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2009

5. DEBTORS

	2009 \$000	2008 \$000
Amounts owed by group undertakings payable in less than one year	740	2
payable in more than one year	350,000	350,000
	<u>350,740</u>	<u>350,002</u>

Promissory note

On 1 June 2007 a promissory note of \$350,000,000 was issued by the Company to Tullett Prebon (Americas) Holdings Inc, a fellow group undertaking. The principal amount is repayable on 1 June 2012 or at any time upon 5 days prior notice. Interest is payable on the unpaid principal at a rate per annum equal to LIBOR plus 2.75% and is payable annually on 31 December.

6. CALLED-UP SHARE CAPITAL

	2009 \$000	2008 \$000
Allotted, called-up and fully paid 350,020 ordinary shares of \$100 each	<u>35,002</u>	<u>35,002</u>

The authorised share capital article in the Company's Articles of Association was removed by shareholder resolution on 4 February 2010.

7. RECONCILIATION OF SHAREHOLDERS' FUNDS

	Share capital \$000	Share premium account \$000	Profit and loss account \$000	Total shareholders' funds \$000
At 1 January 2008	35,002	315,000	-	350,002
Profit for the period	-	-	24,658	24,658
Dividend paid	-	-	(24,658)	(24,658)
At 1 January 2009	35,002	315,000	-	350,002
Profit for the period	-	-	16,638	16,638
Dividend paid	-	-	(15,900)	(15,900)
At 31 December 2009	<u>35,002</u>	<u>315,000</u>	<u>738</u>	<u>350,740</u>

TULLETT PREBON (NO 3) LIMITED

NOTES TO THE FINANCIAL STATEMENTS **as at 31 December 2009**

8. PARENT UNDERTAKING AND CONTROLLING PARTY

The Company's immediate parent undertaking was Tullett Prebon Group Limited prior to 18 June 2010. From 18 June 2010, following restructuring within the Group, the immediate parent undertaking is Tullett Prebon Investment Holdings Limited.

The Company's ultimate parent undertaking and controlling party is Tullett Prebon plc.

The parent undertaking of the smallest group which includes the Company for which group accounts are prepared is Tullett Prebon Group Holdings plc.

The parent undertaking of the largest group which includes the Company for which group accounts are prepared is Tullett Prebon plc.

Copies of Tullett Prebon Group Holdings plc and Tullett Prebon plc financial statements are available from the registered office: Tower 42, Level 37, 25 Old Broad Street, London EC2N 1HQ.