Press Release

ICAP plc Interim Management Statement

London, 2 February 2011 - ICAP plc (IAP.L), the world's premier interdealer broker, is making this Interim Management Statement in relation to the period from 1 October 2010 to February 2011 and the outlook for ICAP's financial year ending 31 March 2011.

Trading across the Group's businesses is in line with our prior forecasts and the guidance given at the half year results in November 2010, at which time we stated that we expected pre-tax profits[1] of between £333 million and £357 million for the year to 31 March 2011. In the quarter ended 31 December 2010, group revenue from continuing operations grew by 9% compared with the same period the previous year.

Commenting on the third quarter and outlook, Michael Spencer, Chief Executive of ICAP, said "ICAP has continued to benefit from volatility in financial markets driven by quantitative easing and imbalances in the global economy. We are well positioned in markets that are active and remain focused on the disciplined execution of our strategy. We are delighted with the continuing progress of the electronic interest rate swaps platform that we launched with market maker support last September. While we are very excited by this opportunity we are only at a very early stage of what we expect will be a multi-year project, the benefits of which will take time to emerge.

The regulatory agenda is progressing and we welcome the opportunities provided by the moves to make OTC derivatives markets more robust. Looking ahead to the next financial year, I am confident that we will build on these strong foundations to increase our market share and create a more balanced distribution of our operating profit between voice broking, electronic markets and post trade risk and information services."

Recent developments

The core voice broking businesses were driven by positive performances in interest rate swaps, futures, commodities and emerging markets. This was partially offset by weaker activity in corporate bonds and cash products. Our commodities performance was boosted by active markets in natural gas and coal. In emerging markets, higher short-end interest rates in Central Europe helped to drive volatility in swaps. We continue to make headway in Brazil where revenues increased by 44% for the quarter ended 31 December 2010 compared to the same period in the previous year and market share rankings improved further. Our LME desk continues to perform well.

In electronic markets, total average daily volumes for the quarter ended 31 December 2010 on the EBS and BrokerTec platforms reached $788 billion, an increase of 24% year on year. In fixed income products total average daily volumes on the BrokerTec platform were $644 billion, an increase of 26% on the previous year. Overall repo volumes reached $500 billion, up 25% year on year. US Treasury electronic broking volumes increased 30% year on year to $144 billion. Average daily volumes on EBS increased 14% year on year to $144 billion for the quarter.

For the month of January 2011 total average daily volumes on the EBS and BrokerTec platforms reached US$792 billion, an increase of 19% year on year. In fixed income products total average daily volumes on the BrokerTec platform were $640 billion, an increase of 23% on the previous year. Overall repo volumes reached $488 billion, up 21% year on year. US Treasury electronic broking volumes increased 32% year on year to $152 billion. Total average daily volumes on the EBS platform were $152 billion, up 3% year on year.

The performance of our new electronic euro interest rate swaps platform continues to exceed our initial expectations. Almost 5 months since its launch we have transacted over €230 billion in volume, more than 2,400 trades representing 17% of our euro interest rate swap activity.

In January TriOptima announced that its triReduce portfolio compression service had eliminated $46 trillion in interest rate swap notionals in a record 53 cycles and $8 trillion in credit default swap notionals in a record 95 compression cycles during 2010. The elimination of superfluous trades facilitates systems processing and reduces the administrative burden in the event of a default. TriOptima also announced that the total notional amounts outstanding for all interest rate derivative transactions reported by the G-14 financial institutions to the Global Interest Rate Trade Repository (the Rates Repository) as of 31 December 2010 were $472 trillion, represented by close to 4 million transactions. When the Rates Repository began public reporting in March 2010, there was $449 trillion in notional outstandings and 3.6 million trades.

Traiana's Harmony network is now processing on average over $500 billion of foreign exchange transactions daily. Harmony was developed to reduce operational risk, lower post trade costs and rationalise and consolidate legacy post-trade processes in the global FX markets. In December Traiana announced that the CLS Aggregation Service, which is powered by Harmony, recently processed the highest daily volume recorded so far aggregating over 164,000 gross trades down to 9,000 (a compression rate of nearly 95 per cent). The aggregated trades are submitted for settlement in CLS thereby both reducing the processing burdens on participating banks by over 90 per cent and settlement risk. Volumes continue to increase as members bring more flows onto the service.

Post Trade Risk and Information continues to grow revenues but the pace of growth is below what we expect in the medium term as a result of the change in the mix of business at TriOptima and low LIBOR volatility in the Reset business.

Regulatory landscape

There is increasing clarity from governments and regulators on their intentions regarding strengthening financial regulation, supervision and market infrastructure and ensuring safe and transparent OTC derivatives markets. We continue to expect that our electronic markets and post trade services businesses will be a substantial beneficiary of a shift to more resilient and transparent markets arising from increased electronic trading and clearing of more standardised contracts.

The financial reforms contained in the US Dodd-Frank Act are an important step forward for the US economy and financial market participants. Regulators are now working on the detailed regulations required by the Act. The CFTC is currently consulting on the rules for swap execution facilities (SEF) although a date for a final definition of a SEF is still to be agreed.

In Europe, the European Markets Infrastructure Regulations that are scheduled to come into force by the end of 2012 are focused on the central clearing and reporting requirements for OTC derivatives. The key proposals include (i) that standard eligible OTC derivatives need to be cleared through central counterparties; (ii) that information on OTC derivatives needs to be reported to trade repositories; and (iii) exemptions for non-financial counterparties.

The European Commission is now consulting the industry on MiFID II which is concerned with regulation of the OTC derivatives trading. A consultation paper for MiFID Review was released in December 2010 which focuses on a number of areas including the trading of OTC derivatives. The MiFID II proposals are due to be released mid 2011. In line with our expectations, the consultation paper proposed that all trading in derivatives that are eligible for central clearing should trade exclusively on multilateral trading facilities, organised trading facilities or regulated markets.

ICAP continues to be in a strong position to work with market participants and lead new initiatives to address regulatory changes as they are implemented over the next few years.

Notes

1. Profit is defined as pre-tax profit from continuing operations before amortisation and impairment of intangibles arising on consolidation and exceptional items.

2. This document contains forward-looking statements with respect to the financial condition, results and business of ICAP plc. By their nature, forward looking statements involve risk and uncertainty and there may be subsequent variations to estimates. ICAP plc's actual future results may differ materially from the results expressed or implied in these forward-looking statements.

A conference call for analysts and investors will be held at 9:00am (GMT) on Wednesday 2 February 2011 to discuss the Interim Management Statement. For dial in details please contact Maitland on +44 (0) 20 7379 5151.

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