

Collins Stewart reports resilient revenues for 2009 and strengthened net cash position

London, 19 May 2009. Collins Stewart, a leading independent financial advisory group, today issues its Interim Management Statement (see separate RNS announcement: www.collinsstewart.com/InvestorRelations/RNS.asp) and the following corporate update for the period from 1 January 2009 to date.

As referred to in the 2008 Preliminary Results statement issued in March this year, the difficult market conditions have continued into 2009. Total revenues in the first four months of 2009 at £57 million were broadly similar to those generated in the same period of 2008. However, this partly reflects favourable exchange rate movements. Excluding the US business, revenues were 9% lower in the first four months of 2009 compared to the corresponding period of 2008. This fall has been offset by cost reductions and the business was broadly breakeven in both periods.

The Wealth Management division has continued to perform resiliently throughout. In contrast to 2008, there have been net positive business flows so far in 2009. The highlights have been Collins Stewart's appointment as investment manager to its first defined benefit pension scheme; new business from the recently opened Geneva office and business inflows resulting from the restructuring of its multi-manager funds.

Both Securities and Hawkpoint started the year slowly but have improved in recent months. The Securities division has been strengthened with the appointment of a Head of Small and Mid-cap Equities and the recent hire of a Capital Goods analyst. Collins Stewart's European equity analysts now have 223 stocks under coverage, an increase of 55 since the beginning of the year.

Hawkpoint is also beginning to improve its revenue contribution against a backdrop of slow conversion of a good quality pipeline. The most notable mandate win during the period was the appointment by the Icelandic Government to lead negotiations with the country's banking creditors.

Good progress has been made to support Collins Stewart's long-term objective of building a mid-cap corporate broking model in the UK. The Corporate Broking team has expanded with six new hires this year including two directors. There has been some notable Main Market client wins including Yule Catto & Co plc and Mears Group plc this year with Management Consulting Group plc announced in late 2008. Earlier this month also saw completion of a placing for Gas Turbine Efficiency Plc.

In addition, the Investment Companies team has made significant progress winning a further three corporate broking mandates during the period, including MedicX Fund, for which a placing was undertaken during April. This brings the team's total number of client wins since joining Collins Stewart in September 2008 to 23 of which seven are FTSE 250.

Following the closure of the US investment banking division at the beginning of 2009 as part of a restructuring and cost reduction programme, the US business is now well placed to take advantage of the opportunities that are arising from the fall-out amongst the 'bulge-bracket' banks. We have recently started to invest in the platform, which is now focused on the sales, trading and research of US equities.

Although financial market conditions have improved recently Collins Stewart will continue to manage the business cautiously with a focus on cash management, as the general market outlook remains uncertain. At 30 April 2009, net cash amounted to £77.5m, compared with £57.8m at the same point in 2008.

Mark Brown, Group Chief Executive of Collins Stewart, comments: "Although financial market conditions have improved recently we will continue to manage the business cautiously. Nevertheless, we are in a strong financial position, which we intend to capitalise upon. We aim to

further strengthen the business in each of our key areas of competency - Corporate Advisory and Broking, Securities and Wealth Management - and thereby build upon our position as a leading independent financial advisory house.”

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Collins Stewart plc is a leading independent financial advisory group listed on the London Stock Exchange. Collins Stewart plc employs 700 staff in 10 international locations and is organised around four operational divisions: Advisory, Corporate Broking, Securities and Wealth Management, all served by its unique research tool, Quest™. More information at www.collinsstewart.com

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