Agenda

Introduction
Don Cruickshank
Chairman

Financial Review
Jonathan Howell
Director of Finance

CEO Overview
Clara Furse
Chief Executive Officer

Q&A
Introduction

- Successful transition to a commercially focused, listed company
- Financial highlights:
  - Turnover up 11%
  - Operating profit up 22%
  - Adjusted EPS growth of 20%
  - Full year dividend up 13%
- Building a global business
- Leading in Europe
Jonathan Howell
Director of Finance
**Overview of Results**

**Strong growth in turnover and profit**

<table>
<thead>
<tr>
<th>Year ended 31 March</th>
<th>2002</th>
<th>2001</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£m</td>
<td>£m</td>
<td>%</td>
</tr>
<tr>
<td><strong>Turnover</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Broker services</td>
<td>81.2</td>
<td>64.2</td>
<td>26</td>
</tr>
<tr>
<td>Issuer services</td>
<td>26.9</td>
<td>31.9</td>
<td>(16)</td>
</tr>
<tr>
<td>Information services</td>
<td>94.9</td>
<td>87.0</td>
<td>9</td>
</tr>
<tr>
<td>Other income</td>
<td>12.6</td>
<td>10.3</td>
<td>22</td>
</tr>
<tr>
<td><strong>Gross turnover</strong></td>
<td><strong>215.6</strong></td>
<td><strong>193.4</strong></td>
<td><strong>11</strong></td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>70.5</td>
<td>57.9</td>
<td>22</td>
</tr>
<tr>
<td><strong>Exceptional items</strong></td>
<td>(3.6)</td>
<td>(36.5)</td>
<td></td>
</tr>
<tr>
<td><strong>Profit before tax</strong></td>
<td><strong>75.2</strong></td>
<td><strong>30.4</strong></td>
<td><strong>147</strong></td>
</tr>
<tr>
<td><strong>Tax</strong></td>
<td>(25.3)</td>
<td>(15.2)</td>
<td></td>
</tr>
<tr>
<td><strong>Profit after tax</strong></td>
<td><strong>49.9</strong></td>
<td><strong>15.2</strong></td>
<td><strong>228</strong></td>
</tr>
<tr>
<td><strong>Adjusted EPS</strong></td>
<td>18.3</td>
<td>15.2</td>
<td>20</td>
</tr>
<tr>
<td><strong>Dividend per share</strong></td>
<td>3.6</td>
<td>3.2</td>
<td>13</td>
</tr>
</tbody>
</table>

* *continuing operations before exceptional items*
Broker Services

Turnover increase driven by growth in bargains and migration to SETS

Key metrics

- Daily average equity bargains up 25% to 200,000
- Increased use of high-yield order book – order book bargains up 86%
- Order book averaged 60% of value traded in eligible stocks
Issuer Services
Decrease in turnover reflects weaker IPO market

Key metrics

- UK main market new issues fell 44% from 212 to 119
- 66% of all Western European IPOs took place on our markets
- Number of companies: 2,879 (2001: 2,922)
- AIM companies up 17% to 641
Information Services

Turnover growth reflects higher average terminal numbers

Key metrics

- Average terminal numbers **109,000**, up 5%
- Year-end terminal population **105,000** (2001: 107,000)
- Professional investor terminals in line with 2001 at **96,000**
- FTSE JV – share of turnover up **£2.8m**
Operating and development costs

Good management of cost base

- H2 costs in line with H1
- Improved cost/income ratio
- Total costs up 5%

* continuing operations before exceptional items
Recent Track Record

Strong financial progress over the last four years

Progress over last four years:

- Turnover – increased 47%
- Operating profit – more than trebled
- Adjusted EPS almost trebled to 18.3p

Note: All figures from continuing operations before exceptional items
**Summarised Cash Flow**

Free cash flow (before exceptional items) up 46%

<table>
<thead>
<tr>
<th>Year ended 31 March</th>
<th>2002</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>£m</td>
<td>£m</td>
<td>£m</td>
</tr>
<tr>
<td>Net cash inflow from:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- ongoing operating activities</td>
<td>82.4</td>
<td>74.5</td>
</tr>
<tr>
<td>Taxation</td>
<td>(15.8)</td>
<td>(20.6)</td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>(15.8)</td>
<td>(22.7)</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>(9.7)</td>
<td>(3.0)</td>
</tr>
<tr>
<td>Exceptional items</td>
<td>(3.8)</td>
<td>(22.4)</td>
</tr>
<tr>
<td>Free cash flow - after exceptional items</td>
<td>37.3</td>
<td>5.8</td>
</tr>
<tr>
<td>- before exceptional items</td>
<td>41.1</td>
<td>28.2</td>
</tr>
</tbody>
</table>
### Summarised Balance Sheet

Balance sheet further strengthened

<table>
<thead>
<tr>
<th></th>
<th>2002 £m</th>
<th>2001 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fixed assets</strong></td>
<td>129.0</td>
<td>129.5</td>
</tr>
<tr>
<td><strong>Current assets - debtors</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- cash</td>
<td>189.9</td>
<td>147.9</td>
</tr>
<tr>
<td><strong>Creditors: due within one year</strong></td>
<td>(62.7)</td>
<td>(58.8)</td>
</tr>
<tr>
<td><strong>Provisions</strong></td>
<td>(21.7)</td>
<td>(24.6)</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td>281.3</td>
<td>242.0</td>
</tr>
</tbody>
</table>
Financial summary

2002

- Strength and resilience of our business
- Improvements in turnover, operating margins and cash flows

Outlook

- Current trading conditions similar to H2 2002:
  - Trading volumes remain stable
  - Encouraging signs in the IPO market but difficult to predict upturn
  - Professional terminal numbers stable
Clara Furse
Chief Executive Officer
Strategic Overview

- We are the leading exchange organisation in Europe
- We are shaping the globalisation of capital markets
- Our existing businesses are growing and we have extended their reach and scale
Financial Strength

- Outstanding results
- Significantly higher cash flows
- £82m operating cash flow before exceptional items
- £190m net cash
- Dividend increase of 13%
Positioned For Growth

- Fully listed and demonstrably commercial
- A new senior management team
- A centralised Marketing function
- 90% of employees in share incentive schemes
Improving Our Service

Issuer Services

- 66% of Western European IPOs
- Increasing choice of markets – techMARK mediscience
- International focus – NTT DoCoMo, Xstrata, MoC with NASSCOM
- Agent for the Nordic region
Broadening Our Product Range

Broker Services

- 86% growth in SETS trades
- Increasing revenue from cross-border trading services
- A product growth strategy
- Lower clearing and settlement costs
New and Better Products

Information Services

- Review of new business opportunities
- Corporate Data Warehouse
- Commercial RNS – a new revenue stream
A Plan of Action for Long Term Success

- Promotion of open competition in global capital markets
- World class trading infrastructure
- Extranex global information network service
- JSE SETS – unlocking further deals
The Next Step

• Partnership with the Hong Kong Stock Exchange
  – Asia’s second largest and most international market
  – Listing and trading facilitation programme

• Creating a global network
The London Advantage

- World’s most robust technology
- Gateway to Europe - 37% of Eurotop 300
- Renowned and respected market rules and regulation
- Serving the most international financial markets community in the world
- Host to the world’s largest pool of investment funds
- Strong foundation for a thriving future
Appendix
Quarterly turnover analysis

<table>
<thead>
<tr>
<th>Gross turnover</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>FY</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
</tr>
<tr>
<td>Broker Services</td>
<td>20.2</td>
<td>19.7</td>
<td>21.2</td>
<td>20.1</td>
<td>81.2</td>
</tr>
<tr>
<td>Issuer Services</td>
<td>7.5</td>
<td>6.3</td>
<td>6.3</td>
<td>6.8</td>
<td>26.9</td>
</tr>
<tr>
<td>Information Services*</td>
<td>23.8</td>
<td>23.4</td>
<td>24.3</td>
<td>23.4</td>
<td>94.9</td>
</tr>
<tr>
<td>Other</td>
<td>2.9</td>
<td>3.0</td>
<td>3.8</td>
<td>2.9</td>
<td>12.6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>54.4</strong></td>
<td><strong>52.4</strong></td>
<td><strong>55.6</strong></td>
<td><strong>53.2</strong></td>
<td><strong>215.6</strong></td>
</tr>
</tbody>
</table>

* Includes RNS (previously included in other income)