<table>
<thead>
<tr>
<th>Agenda</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>Chris Gibson-Smith</td>
<td>Chairman</td>
</tr>
<tr>
<td>Financial Review</td>
<td>Jonathan Howell</td>
<td>Director of Finance</td>
</tr>
<tr>
<td>CEO Overview</td>
<td>Clara Furse</td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td>Q&amp;A</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Introduction

- 4% growth in gross turnover
- Total dividend payout up 26% to £18m
- Confident we will deliver value to shareholders
Overview of results

<table>
<thead>
<tr>
<th></th>
<th>Year ended 31 March</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2005</td>
</tr>
<tr>
<td></td>
<td>£m</td>
</tr>
<tr>
<td><strong>Turnover</strong></td>
<td></td>
</tr>
<tr>
<td>Issuer Services</td>
<td>35.2</td>
</tr>
<tr>
<td>Broker Services</td>
<td>99.8</td>
</tr>
<tr>
<td>Information Services</td>
<td>110.3</td>
</tr>
<tr>
<td>Derivatives Services</td>
<td>6.8</td>
</tr>
<tr>
<td>Other income</td>
<td>7.6</td>
</tr>
<tr>
<td><strong>Gross turnover</strong></td>
<td>259.7</td>
</tr>
<tr>
<td><strong>Net turnover</strong></td>
<td>244.4</td>
</tr>
<tr>
<td><strong>Operating costs</strong></td>
<td>(164.4)</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td>82.0</td>
</tr>
<tr>
<td><strong>Operating margin</strong></td>
<td>34%</td>
</tr>
</tbody>
</table>

1 restated for fair value of share awards under UITF 17 – £0.3m cost increase
2 nine months to 31 March 2004
3 before exceptional items and goodwill amortisation
Overview of results (continued)

<table>
<thead>
<tr>
<th>Year ended 31 March</th>
<th>2005 £m</th>
<th>2004 £m</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exceptional items</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>— Exceptional costs</td>
<td>(6.8)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>— Exceptional profit on Tower disposal</td>
<td>7.2</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>89.1</td>
<td>88.8</td>
<td>-</td>
</tr>
<tr>
<td>Tax</td>
<td>(27.6)</td>
<td>(25.7)</td>
<td>7</td>
</tr>
<tr>
<td>Profit after tax ²</td>
<td>61.5</td>
<td>63.1</td>
<td>(3)</td>
</tr>
<tr>
<td>Basic earnings per share</td>
<td>23.1p</td>
<td>21.6p</td>
<td>7</td>
</tr>
<tr>
<td>Adjusted basic earnings per share ³</td>
<td>23.5p</td>
<td>21.2p</td>
<td>11</td>
</tr>
<tr>
<td>Dividend per share</td>
<td>7.0p</td>
<td>4.8p</td>
<td>46</td>
</tr>
</tbody>
</table>

1 restated for fair value of share awards under UITF 17 – £0.3m cost increase
2 before minority interests
3 before exceptional costs and goodwill amortisation
Issuer Services

New issues more than double previous year

Turnover down 9%

Key metrics

- New issues up from 236 to 514 of which:
  - Main Market – 82 (2004: 43)
- Annual Fees represented 49% of Issuer Services turnover (2004: 56%)
- 2,916 companies (2004: 2,693) including 1,127 on AIM
Broker Services

SETS continues to drive growth

Turnover up 6%

Key metrics

- Average daily equity bargains up 16% to 271,000
  - order book bargains up 24% to 170,000 per day
  - off book bargains down 16% to 48,000 per day
  - international bargains up 30% to 52,000 per day
- Average SETS bargain size £21,000 (2004: £22,000) and average SETS yield down to c£1.50
- SETS contributed 66% of Broker Services revenue
Information Services

Increase in professional terminals

**Key metrics**

- Terminal population **95,000** (2004: 90,000)
- Professional investor terminals at **83,000** (2004: 80,000)
- SEDOL turnover **£6m**
- RNS turnover **£7.5m** (2004: £7.2m)
- FTSE JV – share of turnover **£15.3m** (2004: £13.3m)
Derivatives Services
Core business steady

Turnover up 11%

Key metrics

- **18.3m** contracts traded (9 months to 31 March 2004: 13.7m)
- Average daily contracts traded **73,000** (9 months to 31 March 2004: 72,000)
Operating costs

- Depreciation up £9m
- IT costs down £1.4m
- Staff costs up £3m
- Property/marketing/other costs down £2m
- Year end headcount of 519 (2004: 522)

1 before exceptional costs and goodwill amortisation
**Summarised Cash Flow**

**Continued strong cash generation**

<table>
<thead>
<tr>
<th>Year ended 31 March</th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>£m</td>
<td></td>
<td>£m</td>
</tr>
<tr>
<td>Net cash inflow from operating activities</td>
<td>100.9</td>
<td>105.4</td>
</tr>
<tr>
<td>Taxation</td>
<td>(24.3)</td>
<td>(22.2)</td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>(40.8)</td>
<td>(54.2)</td>
</tr>
<tr>
<td>Ordinary dividends paid</td>
<td>(15.1)</td>
<td>(12.9)</td>
</tr>
<tr>
<td><strong>Free cash flow before one-off items</strong></td>
<td><strong>20.7</strong></td>
<td><strong>16.1</strong></td>
</tr>
<tr>
<td>One-off items — disposals/(acquisitions)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>— exceptional advisors' fees</td>
<td>(5.5)</td>
<td></td>
</tr>
<tr>
<td>— special dividend</td>
<td>(162.5)</td>
<td></td>
</tr>
<tr>
<td><strong>Free cash flow</strong></td>
<td><strong>(115.0)</strong></td>
<td><strong>0.6</strong></td>
</tr>
</tbody>
</table>

1 before interest and dividends received.
### Summarised balance sheet

<table>
<thead>
<tr>
<th></th>
<th>31 March 2005 £m</th>
<th>31 March 2004 1 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total fixed assets</strong></td>
<td>144.4</td>
<td>194.5</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>— debtors</td>
<td>98.4</td>
<td>61.1</td>
</tr>
<tr>
<td>— cash</td>
<td>124.4</td>
<td>227.9</td>
</tr>
<tr>
<td><strong>Creditors: due within one year</strong></td>
<td>(75.1)</td>
<td>(78.9)</td>
</tr>
<tr>
<td><strong>Creditors: due after one year</strong></td>
<td>(0.5)</td>
<td>(0.5)</td>
</tr>
<tr>
<td><strong>Provisions</strong></td>
<td>(40.0)</td>
<td>(38.4)</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td><strong>251.6</strong></td>
<td><strong>365.7</strong></td>
</tr>
</tbody>
</table>

1 restated under UITF 38 Accounting for ESOP Trusts — £6.4m reduction in reserves
**IFRS**

**Summary of impact on 2004/05**

- The impact of IFRS on PBT, EPS and net assets for 2004/05 financial year is estimated as follows:

<table>
<thead>
<tr>
<th></th>
<th>UK GAAP</th>
<th>IFRS</th>
<th>Change</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Profit before tax</strong></td>
<td>£89.1m</td>
<td>£92.2m</td>
<td>£3.1m</td>
<td>3%</td>
</tr>
<tr>
<td><strong>Earnings per share</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Basic</td>
<td>23.1p</td>
<td>24.2p</td>
<td>1.1p</td>
<td>5%</td>
</tr>
<tr>
<td>• Adjusted¹</td>
<td>23.5p</td>
<td>24.2p</td>
<td>0.7p</td>
<td>3%</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td>£251.6m</td>
<td>£236.3m</td>
<td>(£15.3m)</td>
<td>(6%)</td>
</tr>
</tbody>
</table>

¹ before goodwill and exceptional items
Track Record
Significant growth over 5 years

Net turnover (£m) CAGR 7%

Operating profit (£m) CAGR 9%

1 before exceptional costs and goodwill amortisation
Track Record
Continuous improvement in Adjusted EPS and Dividend per Share

Adjusted EPS (p)
CAGR 12%

Dividend per share (p)
CAGR 22%
Current trading

• Since year-end trends remain positive:
  
  — Good new issue activity on Main Market and AIM
  
  — Trading volumes on SETS have continued strongly
  
  — Professional terminals up from year end
Clara Furse
Chief Executive Officer
Introduction
Overview

- London — the leading international equity market
- Good customer relationships drive growth
- New trading strategies improve market efficiency
- Our technology leads
- We are well positioned for the future
Operational milestones
A few of last year’s highlights

• First *increase* in professional terminals in 3 years

• **1,000th** company on AIM

• Average total bargains/day exceed **300,000**

• Average SETS bargains/day exceed **200,000**
London
Leading international equity market

- Rigorous but intelligent approach to regulation
- Regulatory regime provides integrity — foundation for growth
- World leading corporate governance
UK Corporate Governance regime
Leading standards

GMI - Global Governance Ratings

Country
UK
USA
Netherlands
Switzerland
Germany
Singapore
Sweden
Hong Kong
France
Japan

Average overall rating
0 1 2 3 4 5 6 7 8

Source: Governance Metrics International March 2005
Improving market efficiency

Virtuous Circle

1. Lower explicit costs
   - Improved economies of scale
2. Increased technical trading
   - Tighter spreads and lower implicit costs
3. Improved liquidity and lower market impact
   - Increased customer trading

Increased economies of scale
Improved liquidity and lower market impact
Lower explicit costs
Increased technical trading
Tighter spreads and lower implicit costs
Improved customer trading
Our market

Europe’s capital raising centre - 80% of Western European IPOs

Share of Western European IPOs

- Deutsche Börse
- Euronext
- Others
- LSE

2004/05
UK equity trading
SETS - growth driver

Total UK equity trading

Value traded/day (£m)

Bargains/day (000's)

Value (left axis)  Bargains (right axis)
Broker services

Strong SETS volumes
Narrower spreads
Reducing implicit costs

FTSE100 average volume weighted spreads

Average spreads (bps)
Strong relative growth
A conspicuous success story

Year on year growth in quarterly total number of cash trades

Q1 2004/05
-13%
17%
Q2 2004/05
-15%
16%
Q3 2004/05
-25%
26%
Q4 2004/05
-20%
13%

Source: FESE monthly statistics
Technology Roadmap
Leadership in technology driving market change

• Current trading platform supports choice of market structure and product

• TRM will deliver a radical shift

• A combination of lower operating costs, cheaper capacity upgrades, and simpler diversification
Issuer Services
Continued growth in Main Market and AIM new issues

<table>
<thead>
<tr>
<th></th>
<th>H1 2003/04</th>
<th>H2 2003/04</th>
<th>H1 2004/05</th>
<th>H2 2004/05</th>
</tr>
</thead>
<tbody>
<tr>
<td>AIM New Issues</td>
<td>76</td>
<td>117</td>
<td>184</td>
<td>248</td>
</tr>
<tr>
<td>Main Market New Issues</td>
<td>18</td>
<td>25</td>
<td>30</td>
<td>52</td>
</tr>
</tbody>
</table>
Issuer Services
Record growth on AIM
Success of SETSmm
Extending the Virtuous Circle

Average daily bargains in SETSmm securities

Order Book  Off Book

Average daily number of SETSmm bargains

## Information Services

### Pick up in terminal numbers

<table>
<thead>
<tr>
<th>Terminal numbers</th>
<th>Mar-03</th>
<th>Jun-04</th>
<th>Sep-04</th>
<th>Dec-04</th>
</tr>
</thead>
<tbody>
<tr>
<td>75,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>80,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>85,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>90,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>95,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Terminal numbers

- **Mar-03**: 95,000
- **Jun-03**: 89,000
- **Sep-03**: 86,000
- **Dec-03**: 100,000
- **Mar-04**: 100,000
- **Jun-04**: 100,000
- **Sep-04**: 100,000
- **Dec-04**: 100,000
- **Mar-04**: 95,000

- **No. of terminals**
- **Total Terminals**
- **Professional Terminals**

### Chart

- **Total Terminals**
- **Professional Terminals**
Information Services
New initiatives support growth

• Proquote
  — Up 50% to **2,700** screens (31 March 2004: 1,800)
  — Proquote International launched in April 2005

• SEDOL
  — Over **1,000** licences
  — Number of securities doubled from 225k to **450k**

• RNS
  — Over **90** FTSE100 companies using RNS

• FTSE
  — Ninth consecutive year of turnover growth
Derivatives Services
Steady progress

- Expanded product offering – Finnish derivatives
- OTC clearing service launched
- Steady growth in covered warrants
Summary

- Core business growing as market quality improves

- Delivering growth through:
  - Increasingly productive customer relationships
  - Technology that is “best in class”
  - An ever more Virtuous Circle

- A successful business model well positioned for future growth