

12 July 2002

LONDON STOCK EXCHANGE plc
TRADING STATEMENT
FOR THE THREE MONTHS ENDED 30 JUNE 2002

Turnover for the three months ended 30 June 2002 ("Q1") increased to £58.5 million (2001: £54.4 million), representing 8 per cent growth over the same period last year.

Issuer Services

Issuer Services turnover in Q1 increased 32 per cent to £9.9 million (2001: £7.5 million), reflecting a marginal increase in the number of Initial Public Offerings (IPOs) on the Exchange s markets and the benefit from tariff changes for annual and admission fees which have been effective since 1 April 2002.

There were 44 IPOs (2001: 43) on the Exchange s markets during the quarter which in total raised £2.9 billion (2001: £2.3 billion) of new capital.

Broker Services

Broker Services turnover in Q1 increased 3 per cent to £20.8 million (2001: £20.2 million). Equity bargains per day increased by 7 per cent to 203,000 (2001: 190,000) and trading volumes on SETS, the electronic order book, continued to be strong at an average 85,000 bargains per day (2001: 58,000), a 47 per cent increase on the corresponding period last year. The average number of off-book trades reduced to 59,000 bargains per day (2001: 68,000), due in part to migration to SETS trading, and international trades declined to 59,000 bargains per day (2001: 65,000).

Information Services

Against the backdrop of particularly difficult conditions in the financial services sector, Information Services turnover in Q1 increased 4 per cent to £24.7 million (2001: £23.8 million), reflecting generally resilient demand for the Exchange s range of information products.

The Exchange s Regulatory News Service ("RNS") has made a positive contribution since becoming a commercial operation at the beginning of the financial year. RNS has secured a significant share of the highly competitive primary information market, with 95 companies in the FTSE 100 using RNS to release regulatory announcements, 85 of these on an exclusive basis.

During Q1, the number of terminals receiving Exchange data fell from 105,000 to 103,000 (30 June 2001: 110,000), reflecting a small decline in professional terminals from 96,000 to 94,000 (30 June 2001: 100,000).

Prospects

Although the Exchange does not foresee improvement in market conditions in the immediate term, the business continues to demonstrate resilience in a difficult trading environment.

Commenting on the Exchange, Clara Furse, Chief Executive, said:

"Despite difficulties in the financial services sector, our first quarter performance was encouraging, demonstrating the robustness of our business model, the ability to grow our businesses and the attractiveness of our markets to issuers and participants. Although we are not predicting any immediate improvement in market conditions, we continue to view the Exchange's future with confidence."

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Summary Turnover - Three months ended 30 June 2002

Turnover	Three months ended		Year ended
	2002	2001	2002
	£m	£m	£m
Continuing operations			
Issuer services	9.9	7.5	26.9
Broker services	20.8	20.2	81.2
Information services	24.7	23.8	94.9
Other income	3.1	2.9	12.6
Gross turnover	58.5	54.4	215.6
Less: share of joint venture's turnover	(2.7)	(2.0)	(9.0)
Net turnover	55.8	52.4	206.6