



London
STOCK EXCHANGE

13 July 2005

LONDON STOCK EXCHANGE plc
TRADING STATEMENT
FOR THE THREE MONTHS ENDED 30 JUNE 2005

Unless otherwise stated, all figures referenced below refer to the three months ended 30 June 2005 and the corresponding period last year, re-stated on an International Financial Reporting Standards (IFRS) basis.

Turnover for the three months ended 30 June 2005 ("Q1") was strong, increasing by 13 per cent to £67.7 million (2004: £60.1 million).

Issuer Services

Issuer Services performed strongly in the first quarter with turnover up 40 per cent to £14.3 million from £10.2 million in the corresponding period last year. The rise in revenue mainly reflects the notable increase in the number of new and further issues on our Main Market and the continued success of AIM in attracting new companies.

In Q1 there were 184 new issues on the Exchange's markets (2004: 92) including 82 in June, the highest monthly number for eight years. The number of new issues in the first quarter on the Main Market more than doubled to 37 (2004: 16). AIM, our international market for smaller, growing companies, also performed strongly with a total of 147 new issues compared to 76 in the corresponding period last year. Further issues rose to 308 from 211 on the Main Market. At 30 June 2005, a total of 2,994 companies were traded on our markets (2004: 2,722) including 1,240 on AIM (2004: 846).

RNS, now included in Issuer Services' revenue under IFRS, contributed £2.0 million to turnover (2004: £1.8 million).

Broker Services

Continued good secondary market trading contributed to an 11 per cent increase in Broker Services' turnover to £27.1 million (2004: £24.4 million). The total number of equity bargains increased 27 per cent to 19.4 million (2004: 15.3 million), a daily average of 308,000 (2004: 250,000).

The volume of trading on the SETS electronic order book continued to grow, up 27 per cent to 196,000 bargains per day (2004: 154,000) while the total value of shares traded increased 13 per cent to £238 billion (2004: £210 billion). Growth in SETS volumes was in part attributable to trading on SETSmm, the hybrid electronic order book, which averaged 27,000 bargains per day during the quarter (2004:12,000). On 11 July 2005 a further 197 securities were added to SETSmm.

The average value of a SETS bargain reduced 14 per cent compared to the same quarter last year to £19,000 (2004: £22,000). This fall reflects an increasing number of smaller order sizes from both “black box” or automated algorithmic trading, and from SETSmm trades.

The daily average number of UK off book bargains was 45,000 (2004: 51,000). The daily average number of international bargains for the period was 67,000 (2004: 45,000).

Information Services

Information Services’ turnover rose six per cent to £22.4 million (2004: £21.2 million). The increase reflects growth in terminal numbers over the corresponding period last year and increased contributions from Proquote and SEDOL Masterfile.

At the end of Q1, the total number of terminals receiving real time Exchange data was 96,000 (31 March 2005: 95,000; 30 June 2004: 90,000) of which approximately 83,000 were attributable to the higher yield professional user base (31 March 2005: 83,000; 30 June 2004: 80,000). Proquote continues to make progress, with the number of screens rising to 2,800 (30 June 2004: 2,100).

SEDOL Masterfile, the Exchange’s service providing unique identification for a range of global tradable instruments, continued to perform well since its launch in March 2004.

Derivatives Services

Derivatives Services’ revenue was unchanged, contributing £2.0 million to turnover (2004: £2.0million). EDX London performed steadily with 5.0 million contracts traded (2004: 5.1 million).

Prospects

Commenting on the first quarter, Clara Furse, Chief Executive, said:

“The Exchange has made a strong start to the financial year, increasing turnover by 13 per cent. The performance was characterised by continued growth in issuer activity on both our Main Market and on AIM, good trading on SETS and an overall increase in the number of terminals receiving Exchange data. This strong start to the year demonstrates why our confidence in the future is high.”

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Summary Turnover - Three months ended 30 June 2005

Turnover	Three months ended 30 June on IFRS basis		Three months ended 30 June on UK GAAP basis
	2005	2004	2004
	£m	£m	£m
Continuing operations			
Issuer services	14.3	10.2	8.4
Broker services	27.1	24.4	24.2
Information services	22.4	21.2	26.7
Derivatives services	2.0	2.0	2.0
Other income	1.9	2.3	2.4
Gross turnover			63.7
Less: share of joint venture's turnover	-	-	(3.6)
Net turnover	67.7	60.1	60.1