

16 July 2003

LONDON STOCK EXCHANGE plc

TRADING STATEMENT FOR THE THREE MONTHS ENDED 30 JUNE 2003

Turnover for the three months ended 30 June 2003 ("Q1") was £58.7 million (2002: £58.5 million).

Issuer Services

Issuer Services' turnover decreased five per cent to £9.4 million from £9.9 million in the corresponding period last year, reflecting continued weakness in the Initial Public Offerings (IPOs) market.

There were 40 new issues on the Exchange's markets during the quarter (2002: 71) of which 13 were IPOs (2002: 44). At 30 June 2003, a total of 2,727 companies were traded on our markets (2002: 2,891) including 701 on AIM, our international market for smaller, growing companies (2002: 673).

Broker Services

Broker Services' turnover increased one per cent to £21.0 million (2002: £20.8 million). The total number of equity bargains increased eight per cent to 13.4 million (2002: 12.4 million), a daily average of 220,000 (2002: 203,000). Trading on SETS, the electronic order book, continued to be strong at an average of 126,000 bargains per day (2002: 85,000), a 48 per cent increase on the corresponding period last year.

The growth in SETS bargains was offset in part by a 33 per cent fall in the average value of a SETS bargain to £22,000 (2002: £33,000) and a decline in the number of off book and international bargains reported to the Exchange. The daily average number of UK off book bargains was 54,000 (2002: 59,000). The daily average number of international bargains for the period decreased 32 per cent to 40,000 (2002: 59,000).

Information Services

Information Services' turnover was up four per cent to £25.6 million (2002: £24.7 million). Despite a further decline in the overall number of terminals receiving Exchange data on a real-time basis, the increase in turnover reflects generally resilient demand for the Exchange's range of information products including RNS, the UK's leading distributor of financial communications to the global financial markets, FTSE, the Exchange's joint venture with the Financial Times, and Proquote, a low cost software and data provider acquired by the Exchange in February 2003.

At the end of Q1, the total number of terminals fell to 92,000 (31 March 2003: 94,000; 30 June 2002: 103,000) reflecting difficult conditions in the financial services sector. Approximately 84,000 were attributable to the higher yield professional user base (31 March 2003: 88,000; 30 June 2002: 94,000).

RNS contributed £1.8 million (2002: £1.7 million) to turnover with over 85 companies in the FTSE 100 using RNS to release regulatory announcements. Turnover from FTSE was £3.1 million, up from £2.7 million in the corresponding period last year.

With over 1,300 screens and over 90 corporate customers, Proquote continues to be further developed.

EDX London

On 27 June 2003, following approval as a Recognised Investment Exchange by the Financial Services Authority, the Exchange and OM AB announced the completion of EDX London, a new equity derivatives business jointly owned by both companies. EDX London commenced trading on 30 June 2003.

Prospects

Market conditions continue to be difficult, with pressure on terminal numbers and weak IPO activity. However, the Exchange continues to invest in new markets to expand its product offering.

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

“The current year is proving challenging but broadly in line with our expectations. We are investing in new markets to expand and diversify our business and continue to view the Exchange’s future with confidence.”

Further information is available from:

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Summary Turnover - Three months ended 30 June 2003

Turnover	Three months ended 30 June		Year ended 31 March
	2003 £m	2002 £m	2003 £m
Continuing operations			
Issuer services	9.4	9.9	36.0
Broker services	21.0	20.8	87.3
Information services	25.6	24.7	102.2
Other income	2.7	3.1	11.8
Gross turnover	58.7	58.5	237.3
Less: share of joint venture's turnover	(3.1)	(2.7)	(11.4)
Net turnover	55.6	55.8	225.9