Hargreaves Lansdown Plc

Interim Management Statement

The following statement is unaudited except where reference is made to figures published in the Report and Financial Statements for the year ended 30 June 2008. Certain figures contained in this report have been subjected to rounding adjustments. Accordingly, in certain instances the sum of the numbers in a column contained in this document may not conform exactly to the total figure given for that column.

Nothing in this statement should be seen as a promotion or solicitation to buy Hargreaves Lansdown Plc shares. It should be remembered that the value of shares can fall as well as rise and therefore you could get back less than you invested.

Hargreaves Lansdown Plc ('the Group') is pleased to publish today its Interim Management Statement as required by the UK Listing Authority's Disclosure and Transparency rules. This statement is in respect of the first quarter of trading of the current financial year and covers the period from 1st July 2008 to 30th September 2008.

Assets Under Administration

During the first quarter of our financial year, the FTSE All Share index fell by 13 per cent from 2855.69 to 2483.67. Despite these challenging market conditions, Hargreaves Lansdown saw a drop in the value of assets under administration of just 7 per cent and had £10.3 billion of total assets under administration as at 30th September 2008.

	30 Sept 2008 £'billion	30 June 2008 £'billion	30 Sept 2007 £'billion	30 June 2007 £'billion
Assets Under Administration ("AUA")				
Vantage	9.3	10.0	9.5	9.1
Other	0.1	0.2	0.2	0.2
AUA Total (*)	**9.4**	**10.2**	**9.7**	**9.3**
Assets Under Administration and Management ("AUM")				
Portfolio Management Service ("PMS")	0.9	0.9	0.8	0.8
Multi-manager funds excluding PMS	0.4	0.4	0.5	0.5
AUM Total	**1.3**	**1.4**	**1.3**	**1.3**
Less: Multi-manager funds included in both AUA and AUM	**(0.4)**	**(0.4)**	**(0.5)**	**(0.5)**
Total Assets Under Administration	**10.3**	**11.1**	**10.6**	**10.2**
	£'million	**£'million**	**£'million**	**£'million**
(*) includes the following values of shares in Hargreaves Lansdown plc	689	569	811	805

The first quarter of our financial year is historically our quietest. Investors are distracted by the pursuits of the summer months. This year's turbulent markets have exacerbated this trend. Nevertheless, we have seen reasonable inflows of business predominantly in the form of transfers to our Vantage platform, specifically transfers into our SIPP.

The value of assets held within the Vantage service, the Group's direct-to-private investor fund supermarket and wrap platform, dropped by just 7 per cent from £10.0 billion at 30th June 2008 to £9.3 billion at 30th September 2008 despite the market decline of 13 per cent. This can be attributed to good business inflows which have partially compensated for the negative impact of the market during the period. The number of active Vantage clients at 30th September 2008 was 247,000 compared with 223,000 at 30th September 2007 and 245,000 as at 30th June 2008.

The value of assets held in Hargreaves Lansdown's managed services, namely its Portfolio Management Service (PMS) and range of multi-manager funds, dropped from £1.4 billion as at 30th June 2008 to £1.3 billion as at 30th September 2008. This figure includes £0.4 billion (30th June 2008: £0.4 billion) of Hargreaves Lansdown multi-manager funds administered through Vantage.

Revenue

Operating revenue	**1st Quarter 2008/09** Quarter ended 30 Sept 2008 **£'million**	**1st Quarter 2007/08** Quarter ended 30 Sept 2007 **£'million**	**Change**
Vantage	20.1	16.5	22%
Advisory	3.5	3.3	6%
Discretionary	2.6	2.4	8%
Third Party	4.2	4.2	-
Stockbroking	1.0	1.5	-33%
Central Services	0.6	0.4	50%
Total	**32.0**	**28.3**	**13%**

Note: In addition to the above operating revenue, the Group received £0.8m of interest on its own cash in the 3 month period ended 30 September 2008 compared to £0.5m for the same period in the previous year. This can be attributed to higher cash balances held throughout this period compared to the previous year. In the Group's interim management statement covering the first quarter of the year ending 30 June 2008, interest on the group's own cash was included in divisional revenue figures; this has been removed from the comparative in this statement.

Total revenue from the Vantage, Advisory and Discretionary divisions increased by 18 per cent compared to the same period last year, despite the FTSE All Share index falling by 25 per cent between 30th September 2007 and 30th September 2008. These divisions continued to generate higher revenues in the first quarter as a result of a combination of improved margins on assets under administration and higher asset values during the period compared to the same period in the previous year. In the 3 month period ended 30th September 2008, these areas accounted for 82 per cent of revenue, compared to 78 per cent for the 3 months ended 30th September 2007. These divisions continue to drive the business forward by generating recurring, higher quality, earnings for the Group.

The Financial Practitioners division continues to service the needs of its clients and introduced £73m into the Portfolio Management Service (PMS) during the first quarter, compared with £70m for the same period in the previous year.

The Group's revenue from Third Party Business is primarily commission earned on corporate pension business, renewal commission on investments held outside of the Vantage service, and the broking of annuities. There has been a decline in the number of new corporate pension schemes written on an initial commission basis. Instead, the division continues to focus on the Hargreaves Lansdown Group SIPP whereby recurring revenues are earned in the form of renewal commission, management fees and interest on the assets invested in the scheme each year. The Personal Life and Pensions business remains a growth area, driven by strong annuity sales. As previously advised, the revenue from third party investments is expected to continue its gradual decline as more clients choose to transfer their assets onto the Vantage platform.

The Stockbroking division has seen a decrease in revenue in this quarter compared to the comparative quarter last year. Stockbroking figures are distorted because much of the dealing now goes through Vantage. If dealing centres are aggregated the stockbroking volumes would show a slight increase.

Finally, revenue from the Central Services division includes interest on some client cash accounts, together with revenue from subscription and information services.

Commenting on the Interim Management Statement, Peter Hargreaves, Chief Executive, said:

"During a period of turmoil not previously experienced during most people's working lives we nevertheless have managed to continue trading satisfactorily. Although there is very little money for new investment we continue to gather assets whereby investors are transferring their portfolios to be included in our Vantage service."

"We have not been immune from the decline in the value of client investments but we have been vigilant to ensure we have not been exposed to investments that have been directly affected by defaults. An area where we have been typically cautious has been in staffing levels. By sensible use of temporary contracts during our busy spring period we have moved into the quieter trading period with appropriate manning levels."

"Investor confidence is clearly shaken. There has been fear about the security of cash deposits even with major banks. The immediate and medium term will be a testing time for all investment businesses. Our financial strength and the high regard in which our clients hold us will be crucial. The flow of ideas to help clients through these turbulent times will be the platform on which we envisage we shall be able to increase our market share."

"We remain focused on continuing to generate recurring and sustainable profits. Trading will be difficult but we are convinced that our philosophy of putting our clients first and providing them with the best service, the best prices and the best information will result in us continuing to succeed in our field."