

## Interim Management Statement

### Hargreaves Lansdown Plc

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 2007. 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 presentation should be seen as a promotion or solicitation to buy HL 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 period from 1 January 2008 to 31 March 2008.

### Assets Under Administration

During the third quarter, the FTSE All Share fell by 11 per cent from 3286.67 to 2927.05. Despite the less favourable market conditions, Hargreaves Lansdown suffered less than a 2 per cent drop in asset values and had £10.7 billion of total assets under administration as at 31 March 2008. This remains £0.5 billion ahead of the 30 June 2007 value of £10.2 billion.

	31 Mar 2008 £'bn	31 Dec 2007 £'bn	30 Sept 2007 £'bn	30 June 2007 £'bn
<b>Assets Under Administration (AUA)</b>				
Vantage	9.6	9.8	9.5	9.1
Other	0.2	0.2	0.2	0.2
<b>AUA Total (*)</b>	<b>9.8</b>	<b>10.0</b>	<b>9.7</b>	<b>9.3</b>
<b>Assets Under Administration and Management (AUM)</b>				
Portfolio Management Service (PMS)	0.9	0.9	0.8	0.8
Multi-manager funds excluding PMS	0.4	0.5	0.5	0.5
<b>AUM Total</b>	<b>1.3</b>	<b>1.4</b>	<b>1.3</b>	<b>1.3</b>
<b>Less: Multi-manager funds included in both AUA and AUM</b>	<b>(0.4)</b>	<b>(0.5)</b>	<b>(0.5)</b>	<b>(0.5)</b>
<b>Total Assets Under Administration</b>	<b>10.7</b>	<b>10.9</b>	<b>10.6</b>	<b>10.2</b>

	31 Mar 2008 £'m	31 Dec 2007 £'m	30 Sept 2007 £'m	30 June 2007 £'m
(*) includes the following values of shares in Hargreaves Lansdown plc	681	697	811	805

The value of assets held within the Vantage service, the Group's direct-to-private investor fund supermarket and wrap platform, dropped by just 2% from £9.8 billion at 31 December 2007 to £9.6 billion at 31 March 2008 despite the market decline of 11%. This can be attributed to strong business inflows which have compensated for the negative impact of the market during the period. The third quarter leading up to the tax year-end on 5 April is

traditionally the most important in the financial year from the perspective of gathering assets. In the full tax year ended 5 April 2008, new ISA contributions increased by 2% to £430 million, compared to £420 million for the tax year ended 5 April 2007. In addition, the Group continued to attract transfers of PEP and ISA assets into its Vantage service. Investments into SIPPs (including transferred business and basic tax relief) were approximately £1.16 billion in the tax year ended 5 April 2008, 53% more than the £0.76 billion raised in the previous tax year. There have been further inflows of investments outside tax shelters.

The number of active Vantage clients at the 31 March 2008 was around 237,000 compared with 227,000 as at 31 December 2007. 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 31 December 2007 to £1.3 billion as at 31 March 2008. This figure includes £0.4 billion (31 December 2007: £0.5 billion) of Hargreaves Lansdown multi-manager funds administered through Vantage.

## Revenue

Operating Revenue	Third Quarter Year Ending 30 June 2008 £'million	Third Quarter Year Ended 30 June 2007 £'million	Increase	9 Months Ended 31 March 2008 £'million	9 Months Ended 31 March 2007 £'million	Increase
Vantage	17.7	13.5	31%	51.9	35.9	45%
Advisory	3.8	2.9	31%	10.8	8.1	33%
Discretionary	2.5	1.9	32%	7.6	5.1	49%
Third Party	4.1	6.2	-34%	12.0	14.8	-19%
Stockbroking	1.3	1.5	-13%	4.0	4.4	-9%
Central Services	0.4	0.4	-	1.2	1.3	-8%
<b>Total</b>	<b>29.8</b>	<b>26.4</b>	<b>13%</b>	<b>87.5</b>	<b>69.6</b>	<b>26%</b>

Note: In addition to the above operating revenue, the Group received £2.3m of interest on its own cash in the 9 month period ended 31 March 2008 compared to £0.8m 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 previous interim management statement, covering the first quarter of the year ending 30 June 2008, this interest was included in the divisional revenue figures.

The Vantage, Advisory and Discretionary divisions continue to generate higher revenues in the third quarter compared to the same period last year as a result of higher average asset values during the period. In the 9 month period ended 31 March 2008, these areas accounted for 80% of revenue, compared to 72% for the year ended 30 June 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 £94m into the Portfolio Management Service (PMS) during the third quarter, compared with £74m for the same period in the previous year. No additional advisers have been added during this period.

The Group's revenue from Third Party Business is primarily made up of commission earned on corporate pension business, the renewal commission earned on investments sold through Hargreaves Lansdown but held outside of its nominee and the broking of annuities. The value and timing of revenue earned on corporate solutions business is the least predictable of all of the divisions. This year has proved to be difficult so far, with intense competition and indecision in the marketplace. 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 Personal Life and Pensions division remains the only growth area in Third Party Business so far this year, driven by strong

annuity sales. The revenue from term assurance has declined and the Group is no longer actively marketing in this area.

The level of stockbroking revenue is dependent on general levels of market activity. An increased dealing charge for certificated share trades was introduced on 1<sup>st</sup> January 2008 and in advance of this, clients were encouraged to deposit their shares into the Vantage Share Account. As a result, the 13% drop in stockbroking revenue for the period was not unexpected.

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:

***“It has been a remarkable period for financial markets. World stock markets have been more volatile than in most people’s memories and at the same time we have seen banks bailed out on both sides of the Atlantic. There is also concern about property prices, both commercial and residential.”***

***“It is pleasing to report that despite the market creating poor trading conditions for the tax year ended 5<sup>th</sup> April 2008, we have taken more into our ISA and our SIPP than in the previous year. The full benefit of assets gathered this year will be reflected in the 2009 financial year, in the form of a full year of revenue. Our results continue to demonstrate the resilience of the Hargreaves Lansdown business model.”***

***“We expect market conditions to remain challenging but will continue to innovate and exploit any opportunities the market presents. As always, our asset values, revenues and profitability will be impacted by the performance of the market.”***

***“Irrespective of what market conditions prevail, we endeavour to provide our clients with the best service, the best prices and the best information.”***