

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 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 statement 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 first Interim Management Statement as required by the UK Listing Authority's Disclosure and Transparency rules. This statement is in respect of our financial years first quarter of trading i.e. the period from 1 July 2007 to 30 September 2007 ('the period').

Assets Under Administration

During the period, the FTSE All Share has fallen by 2.6 per cent from 3404.14 to 3316.89. Despite the less favourable market conditions, Hargreaves Lansdown has increased its assets under administration from £10.2 billion as at 30 June 2007 to £10.6 billion as at 30 September 2007. This can be broken down as follows:

	30 Sept 2007 £'bn	30 June 2007 £'bn
Assets Under Administration (AUA)		
Vantage (*)	9.5	9.1
Other	0.2	0.2
AUA Total	9.7	9.3
Assets Under Administration and Management (AUM)		
Portfolio Management Service (PMS)	0.8	0.8
Multi-manager funds excluding PMS	0.5	0.5
AUM Total	1.3	1.3
Less: Multi-manager funds included in both AUA and AUM	(0.5)	(0.5)
Total Assets Under Administration	10.6	10.2

(*) 30 September 2007 figure includes 811m of shares in Hargreaves Lansdown plc (30 June 2007 £805m)

The value of assets held within the Vantage service, the Group's direct-to-private investor fund supermarket and wrap platform, increased from £9.1 billion as at 30 June 2007 to £9.5 billion as at 30 September 2007. This can be attributed to strong net business inflows which have more than compensated for the negative impact of the market during the period. The net inflow of business into the Vantage ISA during the first quarter of the 2008 financial year was more than 70% higher than the same period last year whilst net inflows into the Vantage PEP were around 20% lower. The first quarter also saw net inflows into the Vantage Fund and Share Account of more than double the levels of the first quarter of 2007. Finally, the SIPP also made a positive start with the first quarter's contributions over 50% higher than the first quarter last financial year.

The number of active Vantage clients at the 30 September 2007 was around 223,000 compared with 218,000 as at 30 June 2007. The value of assets held in our managed services, namely our Portfolio Management Service and our range of multi-manager funds, was £1.3 billion as at 30 September 2007 (unchanged from the year end 30 June 2007 figure) including £0.5 billion of Hargreaves Lansdown multi-manager funds administered through Vantage.

Revenue

	First Quarter year ended 30 June 2008 £'m	First Quarter year ended 30 June 2007 £'m	Increase
Vantage	16.5	10.3	60%
Advisory	3.3	2.3	43%
Discretionary	2.5	1.5	67%
Third Party	4.2	4.2	-
Stockbroking	1.6	1.5	7%
Central Services	0.8	0.3	167%
Total Revenue	28.8	20.1	43%

The Vantage, Advisory and Discretionary divisions have achieved strong revenue growth in the first quarter compared to the same period last year as a result of higher average asset values during the period. These areas accounted for 72% of revenue for the year ended 30 June 2007 and continue to drive the business forward by generating recurring higher quality earnings for the Group.

In addition to higher management fees based upon assets held in our Portfolio Management Service, our Financial Practitioners division has made a strong start to the year generally and continues to seek out good quality, experienced advisers to add to its team.

Our revenue from the Third Party Business division has remained fairly flat for the first quarter compared to the same period last year. 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 nature of revenue earned on corporate solutions business is such that the inflow will depend largely on the timing of when schemes are implemented throughout the year. The first quarter is down on the same period last year but the pipeline of prospective business remains positive. Whilst strong annuity sales in the first quarter has boosted revenue from third party life and pensions business, the revenue from personal pensions continues to decline in favour of the Vantage SIPP. We have now scaled back our marketing activity in relation to term assurance.

The Stockbroking division has made a positive start to the year, boosted by higher levels of trading activity often associated with a more volatile market.

Finally, revenue from the Central Services division includes interest on the Group's own money and has increased due to higher cash balances held during the period compared to the previous year.

In the past week, we have agreed the terms of our new leasehold premises with a target occupation date of December 2009. We currently occupy four premises and have recently taken out a short-term lease on a fifth. The new premises will replace all of these offices and accommodate in the region of a thousand staff, compared to 654 employed as at 30 September 2007. We believe that a single site will be extremely beneficial for us in terms of efficiency gains, improving communication and harmonising the culture which has been a key element in the Group's success to date.

Commenting on the first quarter and outlook, Peter Hargreaves, Chief Executive, said:

"It is difficult to draw too many conclusions from the first quarter of trading. However, we are pleased that, despite the less favourable market conditions, we have continued to attract new clients into Vantage and existing clients continue to entrust us with more of their wealth. We remain confident of our prospects for the remainder of the current financial year, although as always the market will have some say in our overall performance."

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