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 2010. 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 covers the period from 1 January 2011 to 15 April 2011, and includes trading results for the three and nine months ended 31 March 2011.

Assets Under Administration

The value of Hargreaves Lansdown's total assets under administration has grown by £1.3 billion (6 per cent) from £22.3 billion as at 31 December 2010 to £23.6 billion as at 31 March 2011. During the same period, the UK stock market has been flat (a rise in the FTSE All-Share of just 0.2% during the quarter to 31 March 2011).

Total assets under administration can be broken down as follows:

	31 Mar 2011 £'billion	31 Dec 2010 £'billion	30 June 2010 £'billion	31 Mar 2010 £'billion
Vantage Assets Under Administration (AUA)[1]	**22.1**	**20.9**	**16.3**	**16.3**
Assets Under Administration and Management (AUM)				
Portfolio Management Services (PMS)	1.5	1.4	1.2	1.3
Multi-Manager Funds held outside of PMS	0.7	0.7	0.6	0.6
AUM Total	**2.2**	**2.1**	**1.8**	**1.9**
Less: Multi-manager funds (AUM) included in Vantage AUA	(0.7)	(0.7)	(0.6)	(0.3)
Total Assets Under Administration	**23.6**	**22.3**	**17.5**	**17.6**

The value of assets held within the Vantage service, the Group's direct-to-private investor platform, increased by 6% from £20.9 billion at 31 December 2010 to £22.1 billion at 31 March 2011. This can be attributed to £1.1 billion net new business inflows and a £0.1 billion positive impact of the market and other growth factors during the period. During the nine months to 31 March 2011, net business inflows to Vantage totalled £2.4 billion compared with £2.3 billion during the nine months to 31 March 2010.

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 2011, new ISA contributions were £1,089 million, compared with £812 million for the tax year ended 5 April 2010. In addition, the Group continued to attract transfers of assets into its Vantage ISA service. Investments into SIPPs (including transferred business and basic rate tax relief) were £1.65 billion in the tax year ended 5 April 2011, compared with £1.35 billion in the previous tax year. There have been further inflows outside tax shelters, namely into the Vantage Fund and Share account.

The number of active Vantage clients increased by 20,000 over the third quarter, from 346,000 as at 31 December 2010 to 366,000 as at 31 March 2011. This is compared to an increase of 18,000 new active clients in the third quarter of 2010. The number of active accounts held by these clients increased from 538,000 to 567,000 and included an increase of 10,000 SIPP accounts and 14,000 ISA accounts, taking the totals to 115,000 and 306,000 respectively.

The value of assets held in Hargreaves Lansdown’s Portfolio Management Service (PMS) and range of multi-manager funds, increased by 5% from £2.1 billion as at 31 December 2010 to £2.2 billion as at 31 March 2011. This figure includes £0.7 billion (31 December 2010: £0.6 billion) of Hargreaves Lansdown multi-manager funds administered through Vantage.

Operating revenue

Operating revenue by division	**Third Quarter of Year Ending 30 June 2011 £’million**	**Third Quarter of Year Ending 30 June 2010 £’million**	**Increase**	**9 Months Ended 31 March 2011 £’million**	**9 Months Ended 31 March 2010 £’million**	**Increase**
Vantage	42.6	28.3	51%	116.0	79.6	46%
Discretionary	6.3	5.6	12%	18.0	17.1	5%
Third Party & Other	4.3	5.4	-20%	16.3	17.2	-5%
Total	**53.3**	**39.3**	**36%**	**150.3**	**113.9**	**32%**

Note: In addition to the above operating revenue, the Group received £1.0 million of interest on its own cash in the nine month period ended 31 March 2011 compared with £0.7 million for the same period in the previous year. This increase is predominantly attributed to higher interest rates achieved on the Group’s own cash balances.

Operating revenue for the third quarter is 36% higher than the corresponding quarter last year. Operating revenue for the nine months to 31 March 2011 is £150.3 million, 32% higher than the same period last year (31 March 2010: £113.9 million). During the nine months ended 31 March 2011, 77% of Group operating revenues were recurring in nature: being renewal income, management fees or interest (Year ended 30 June 2010: 72%).

Revenue from the Vantage division increased by 51% in the third quarter compared to the same period last year. Higher asset values and new business inflows have been the key drivers of the increase. The average Vantage revenue margin for the year to date has been in line with the Vantage margin achieved in the prior year. In the nine month period ended 31 March 2011, the Vantage division accounted for 77% of Group revenue, compared to 70% for the year ended 30 June 2010.

The Discretionary division has seen an increase in revenue of 12% in the third quarter compared to the same period last year. The overall level of funds under management has increased by 13% to £1.48 billion since 31 March 2010, with the number of clients using PMS increasing by 4% and the value of HL Multi-Manager Funds held outside of PMS increasing by 28% to £755m.

Revenue from the Third Party and Other Services division fell 20% in the third quarter compared to the same period last year. As previously advised, revenue from third party pensions and investments is expected to continue to gradually decline as more clients chose to transfer their assets onto the Vantage platform, from which Hargreaves Lansdown receives an ongoing income rather than initial commissions. Revenue from the sale of annuities in the nine months ending 31 March 2011 has been 50% up on the same period last year, with the number of annuities handled by the Group in the period rising to 6,100 cases (9 months to 31 March 2010: 5,500 cases) combined with an increase in the average case size.

Financial position

On 6 April 2011 the Group paid an interim dividend totalling £20.8m, as announced in February in the Interim Report. The Group's operating activities remain highly cash generative. Throughout the quarter the Group remained free from debt and maintained a strong cash and balance sheet position, with a high level of surplus regulatory capital.

Commenting on the Interim Management Statement, Ian Gorham, Chief Executive, said:

"The third quarter of our accounting year is historically the busiest. Activity and conditions in the run up to the tax year-end can be a key driver of annual results. This year, earthquakes in the Pacific region, uncertainty around North Africa and the Middle East, looming spending cuts and flat stock markets should have formed a less than ideal backdrop for equity investment. Conversely, last year saw excellent conditions, with the FTSE All-Share rising 5.4% in the 3 months to 31 March 2010 alone and further incentives to invest provided by fund launches, publicity around increased ISA allowances and the prospect of long term low interest rates.

Despite this comparative headwind, I am pleased to report that at 31 March 2011 total Assets under Administration stand at new record levels of £23.6 billion, up £6.0 billion (34%) since 31 March 2010. This should be considered in the context of the FTSE All-Share index standing just 5% higher than a year ago. We have gathered a record £1.16 billion of net new assets in the quarter to 31 March 2011, a record for any quarter in the history of Hargreaves Lansdown and 15% better than the £1.01 billion gathered in the same period last year – the previous record. Client growth continues, with 366,000 active clients using our Vantage service at 31 March 2011, a rise of 20,000 in the quarter, up 11% on the 18,000 new clients we welcomed in the 3 months to 31 March 2010. We have had an excellent quarter, especially given the comparatively unfavourable conditions.

The new tax year sees improvements and simplification in pension allowances that offer opportunity and we believe there may be value for investors in stock markets. Against that the full effect of public sector cuts, tax rises and a focus on debt reduction may affect the UK population's investing behaviour. Uncertainty persists around world events, particularly in key oil producing countries. With this economic outlook, investors may be more reluctant to invest excess cash.

Where investment is made, we must give investors every possible reason to invest through Hargreaves Lansdown. Our market-leading position, excellent pricing, service and information will be enhanced by a raft of new initiatives in the next 6 months. These include Android and Apple mobile phone services, improved stockbroking functionality and tariff, and online overseas share dealing. We also expect to offer the new Junior ISA from November. The effect of these initiatives should be positive in the medium term. Our long term prospect, the Corporate Vantage service, also progresses well with further new clients added during the quarter. I am pleased to report all these initiatives are on track, on budget and on time.

Finally, the quarter has been notable for the inclusion for the first time of Hargreaves Lansdown Plc in the FTSE 100 index of the UK's largest companies. For a company to reach such heights from a standing start, in a single generation, with no debt or material acquisitions is a testament to its founders, its staff and the satisfaction and loyalty of its clients. The company is very proud and we thank all those who have worked with us over the years and helped us achieve FTSE 100 status."

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