

B.I.S. NOMINEES LIMITED

Company Registration Number 3618983

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2006



B.I.S. NOMINEES LIMITED

DIRECTORS' REPORT

The directors present their report and financial statements for the year ended 31 March 2006.

ACTIVITIES

The Company has not traded during the year. The Company was set up to act as a nominee for the London Stock Exchange in a buying-in regime for securities traded on the Exchange's markets. This regime was implemented on 1 June 1999.

DIRECTORS

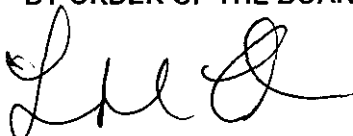
The directors during the year were as follows:

L M Condrón
D G Shrimpton
C A Thomas

DIRECTORS' INTERESTS

Directors interests in the shares of the Company or ultimate parent undertaking as at 31 March 2006 according to the register maintained under the Companies Act 1985 are set out on page 4 to 6.

BY ORDER OF THE BOARD



L M Condrón

Director

25 August 2006

10 Paternoster Square
London
EC4M 7LS

B.I.S. NOMINEES LIMITED
BALANCE SHEET at 31 March 2006

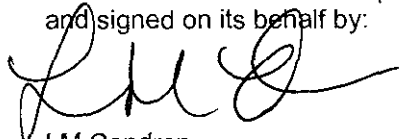
	Note	2006	2005
CURRENT ASSETS			
Amount due from parent undertaking	3	£ 2	£ 2
		—	—
Total Assets		£ 2	£ 2
		—	—
CAPITAL AND RESERVES			
Called up share capital	3	£ 2	£ 2
		—	—
Total Shareholders' Funds		£ 2	£ 2
		—	—

For the year ended 31 March 2006 the Company was entitled to apply the audit exemption under section 249AA(1) of the Companies Act 1985. No members have required the Company to obtain an audit of its accounts for the year in question in accordance with section 249B(2).

The directors acknowledge their responsibilities for:

- ensuring that the Company keeps accounting records which comply with section 221; and
- preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of the financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the Company.

The financial statements on pages 2 to 6 were approved by the Board of Directors on 25 August 2006 and signed on its behalf by:



LM Condron
Director

B.I.S. NOMINEES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

Up until 31 March 2005 the Company prepared its financial statements under UK Generally Accepted Accounting Principles (UK GAAP). From 1 April 2005 the Company's financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union. The transition to IFRS has had no impact on the comparative data for the year ended 31 March 2005.

The financial statements have been prepared under the historical cost convention.

2. ACTIVITIES

During the period the Company has not traded and has not incurred any liabilities. Consequently, it has made neither profit nor loss. No remuneration has been paid to the directors for services rendered to the company (2004: nil).

The Company has no cash or cash equivalents, and has experienced no cash movements during the year. Therefore no cash flow statement has been prepared.

3. CALLED UP SHARE CAPITAL

	<u>Authorised</u> 2005 & 2006	<u>Allotted, called-up and fully paid</u> 2005 & 2006
Ordinary shares of £1 each	£1,000	£2

4. ULTIMATE PARENT UNDERTAKING

As at 31 March 2006, the Company's ultimate parent undertaking and the parent that headed the largest and smallest group of undertakings for which consolidated financial statements were prepared was London Stock Exchange plc, a company incorporated in Great Britain. The whole of the issued share capital of the Company was beneficially owned by its ultimate parent undertaking.

The results of the Company formed part of the consolidated accounts of the ultimate parent undertaking for the year ended 31 March 2006. A copy of those accounts can be obtained from the London Stock Exchange, 10 Paternoster Square, London EC4M 7LS.

In May 2006, London Stock Exchange Group plc became the ultimate parent undertaking of the Company, following a scheme of arrangement under which it became the holding company of London Stock Exchange plc.

B.I.S. NOMINEES LIMITED**NOTES TO THE FINANCIAL STATEMENTS****5. DIRECTORS' SHARE INTERESTS**

Following the scheme of arrangement in May 2006, the directors' shares interests set out below are now in respect of London Stock Exchange Group plc.

Current Share Schemes**Long-Term Incentive Plan**

At the AGM in 2004, shareholders approved a new Long-Term Incentive Plan ('LTIP'). The LTIP has two elements, a conditional award of Performance Shares and an award of Matching Shares linked to investment by the executive of annual bonus in the parent company's shares. Performance conditions are based on the parent company's total shareholder return over a three-year period beginning on the first day of the financial year in which the award is made.

Share awards	Number of shares			At end of year	Price at award date (£)	Date of award	Final vesting date
	At start of year	Awarded during year	Vested during year				
L M Condron	5,933	-	-	5,933	3.63	15/07/04	15/07/07
	-	11,111	-	11,111	8.55	28/02/06	28/02/09
	-	10,423	-	10,423	8.64	09/03/06	09/03/09
	5,933	21,534	-	27,467			
C A Thomas	10,679	-	-	10,679	3.63	15/07/04	15/07/07
	-	18,129	-	18,129	8.55	28/02/06	28/02/09
	-	15,635	-	15,635	8.64	09/03/06	09/03/09
	10,679	33,764	-	44,443			
D G Shrimpton	11,075	-	-	11,075	3.63	15/07/04	15/07/07
	-	17,544	-	17,544	8.55	28/02/06	28/02/09
	-	17,372	-	17,372	8.64	09/03/06	09/03/09
	11,075	34,916	-	45,991			

Directors are entitled to participate in the all employee SAYE Share Option Scheme. Options granted under this scheme are:

Share option grants	Number of options			At end of year	Option Price (£)	Date of grant	Expiry date
	At start of year	Granted during year	Exercised/lapsed during year				
L M Condron	3,213	-	-	3,213	3.09	06/09/02	01/04/08
D G Shrimpton	6,048	-	-	6,048	2.79	16/08/01	01/04/07

B.I.S. NOMINEES LIMITED**NOTES TO THE FINANCIAL STATEMENTS****5. DIRECTORS' SHARE INTERESTS (continued)**

Previous Share Schemes – all now closed and no awards granted after August 2004

Executive Share Option Plan

The following grants were made under the parent company Executive Share Option Plan approved by shareholders in July 2002. The performance condition attaching to options granted is average earnings per share growth of RPI plus four per cent per annum over the initial three year period.

Share option grants	At start of year	Number of options		At end of year	Option price (£)	Date of grant	Expiry date
		Granted during year	Exercised during year				
L M Condron	14,359	-	-	14,359	3.90	15/07/02	15/07/12
	18,593	-	-	18,593	3.23	16/05/03	16/05/13
	15,846	-	-	15,846	3.79	20/05/04	20/05/14
	48,798	-	-	48,798			
C A Thomas	30,770	-	20,000	10,770	3.90	15/07/02	15/07/12
	39,939	-	-	39,939	3.23	16/05/03	16/05/13
	34,011	-	-	34,011	3.79	20/05/04	20/05/14
	104,720	-	20,000	84,720			
D G Shrimpton	19,385	-	-	19,385	3.90	15/07/02	15/07/12
	37,152	-	-	37,152	3.23	16/05/03	16/05/13
	31,663	-	-	31,663	3.79	20/05/04	20/05/14
	88,200	-	-	88,200			

The options granted become exercisable after three years from the date of grant.

Annual Bonus Plan

As part of the short-term incentive scheme, a proportion of the annual bonus may be deferred as shares, delivered after 12 and 24 months, subject to continued service. Awards of shares under this scheme are set out below:

Share awards	At start of year	Number of shares		At end of year	Price at award date (£)	Date of award	Final vesting date
		Awarded during year	Vested during year				
CA Thomas	4,746	-	4,746	-	3.23	16/05/03	01/04/05

B.I.S. NOMINEES LIMITED**NOTES TO THE FINANCIAL STATEMENTS****5. DIRECTORS' SHARE INTERESTS (continued)****Share option grants and Share awards in 2001 and prior**

The following grants and awards were made under the parent company's long term incentive scheme approved by the shareholders of the parent company in March 2000. No performance conditions apply to the exercise of these options, although options priced at £2.97 are premium priced.

Share option grants	At start of year	Number of options		At end of year	Option Price (£)	Date of grant	Expiry date
		Granted During year	Exercised during year				
L M Condrón	45,450	-	30,000	15,450	2.37	16/11/00	16/11/10
	33,650	-	30,000	3,650	2.97	16/11/00	16/11/10
	6,860	-	-	6,860	3.65	25/06/01	25/06/11
	85,960	-	60,000	25,960			
C A Thomas	35,370	-	26,250	35,370	2.37	16/11/00	16/11/10
	33,650	-	24,000	33,650	2.97	16/11/00	16/11/10
	10,980	-	8,790	10,980	3.65	25/06/01	25/06/11
	80,000	-	59,040	20,960			
D G Shrimpton	18,180	-	18,180	-	2.37	16/11/00	16/11/10
	13,460	-	13,460	-	2.97	16/11/00	16/11/10
	10,980	-	-	10,980	3.65	25/06/01	25/06/11
	42,620	-	31,640	10,980			

The options set out above become exercisable between one year and five years of the date of grant, at 20 per cent in each year.

The market price of the shares as at 31 March 2006 was £10.56 and the range during the year was £4.49 to £11.90.

Directors' interests in shares

The directors who held office at 31 March 2006 had the following other beneficial interests in the Ordinary shares of London Stock Exchange plc. With effect from 15 May 2006 interests are in the shares of London Stock Exchange Group plc:

	2006	2005
L M Condrón	8,125	8,125
C A Thomas	15,956	10,380
D G Shrimpton	8,329	428