



London
STOCK EXCHANGE

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www.londonstockexchange.com

9 June 2006

Dear Shareholder,

Annual General Meeting 2006

I am pleased to report that London Stock Exchange Group plc became the new holding company of London Stock Exchange plc with effect from 15 May 2006 as a result of the scheme of arrangement approved by shareholders at the Court Meeting and Extraordinary General Meeting held on 19 April 2006. The return of approximately £510 million to our shareholders has now been implemented and eligible shareholders should have received their portion of the return on or shortly after 26 May 2006.

Following the scheme of arrangement, shareholders are now shareholders of London Stock Exchange Group plc (*the "Company"*) and I am pleased to send you details of the Annual General Meeting (*"AGM"*) of the Company together with the Annual Report and Accounts of London Stock Exchange plc for the year ended 31 March 2006.

The AGM will be held on 12 July 2006 at Merchant Taylors' Hall, 30 Threadneedle Street, London EC2R 8JB and will start at 12.00 noon. Shareholder registration will be available from 11.00 a.m. Due to security measures we suggest you leave a little extra time to register. **A map showing how to get to Merchant Taylors' Hall is set out on the reverse side of my letter.**

The following documentation is enclosed with this letter:

- Notice of AGM that sets out the details of the Resolutions to be proposed at the AGM;
- Annual Report and Accounts of London Stock Exchange plc;
- Pink Form of Proxy;
- Green Corporate Representative Card - corporate shareholders should complete this and the representative attending on behalf of the corporate shareholder should bring it with them to the meeting; and
- Blue AGM Shareholder Admission Card (please bring this with you to the meeting).

Resolution 1

Shareholders are being asked to receive the Report and Accounts for the year ended 31 March 2006 of London Stock Exchange plc, being the listed company during the relevant period.

Resolution 2

Shareholders are being asked to approve the Report of the Remuneration Committee of London Stock Exchange plc for the year ended 31 March 2006, as set out on pages 29 to 35 of the Report and Accounts of London Stock Exchange plc, being the listed company during the relevant period.

THIS DOCUMENT IS IMPORTANT and requires your immediate attention. If you are in any doubt about its contents or the action you should take you are recommended to seek your own personal financial advice from your stockbroker or other independent professional adviser who, if you are taking advice in the United Kingdom, is authorised under the Financial Services and Markets Act 2000.

If you have sold or transferred all your shares in London Stock Exchange Group plc, please forward this document together with the accompanying Form of Proxy to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Resolutions 3 to 8

All of the current Directors were appointed at an Extraordinary General Meeting of the Company held on 4 May 2006 and, in accordance with the Company's Articles of Association, the Directors of the Company (being the same directors as were on the board of London Stock Exchange plc prior to the scheme of arrangement) have agreed to continue with the arrangements for retirement and reappointment as were in place for London Stock Exchange plc. Accordingly, resolutions 3 to 8 seek your approval to re-elect Chris Gibson-Smith, Clara Furse, Nigel Stapleton, Oscar Fanjul, Gary Allen and Peter Meinertzhagen respectively as Directors of the Company.

Biographies of the Directors seeking re-election are set out at pages 9 to 10 in the Appendix to this document. All of the Directors offering themselves for re-election have wide business knowledge and all bring valuable skills and experience to the Board. The Board is content that each of them is independent in character and there are no relationships or circumstances which are likely to affect their character or judgement. Following formal performance evaluation each of these Directors continues to be effective and to demonstrate commitment to the role.

Resolution 9

Resolution 9 seeks your approval to re-appoint PricewaterhouseCoopers LLP as auditors of the Company, to hold office until the conclusion of the next Annual General Meeting of the Company at which accounts are laid before the Company.

Resolution 10

Shareholders are being asked to authorise the Directors to determine PricewaterhouseCoopers LLP's remuneration as auditors.

Resolutions 11 and 12

These Resolutions replace the authority given at the Extraordinary General Meeting of the Company held on 4 May 2006 (and before that the authority given to London Stock Exchange plc at its Annual General Meeting held on 13 July 2005) and will empower the Directors to allot relevant securities in an aggregate nominal amount of £4,980,000 (representing approximately one third of the ordinary share capital in issue as at 7 June 2006, the latest practicable date before publication of this document) and to effect a rights issue, open offer or other pre-emptive offer of equity securities for cash up to such amount disapplying certain technical statutory requirements. The Directors will also be able to allot equity securities for cash and to dispose of treasury shares in an aggregate nominal amount of £747,000 (representing approximately 5 per cent. of the ordinary share capital in issue as at 7 June 2006, the latest practicable date before publication of this document) on a non-pre-emptive basis. The Directors have no present intention to make any allotments other than pursuant to the issue of shares following the exercise of options or vesting of share awards granted under the Company's employee share plans. The authorities given by these Resolutions will each expire on the conclusion of the Annual General Meeting of the Company to be held in 2007.

Resolution 13

This Resolution replaces the authority given at the Extraordinary General Meeting of the Company held on 4 May 2006 (and before that the authority given to London Stock Exchange plc at its Annual General Meeting held on 13 July 2005) for the Company to make market purchases of its own ordinary shares pursuant to Section 166 of the Companies Act 1985. The terms of the authority are set out in the Resolution. Approval of the resolution would enable the Company to purchase up to a maximum of 22,000,000 ordinary shares of 6⁷/₈ pence each in the capital of the Company (representing approximately 10 per cent. of the issued ordinary share capital of the Company as at 7 June 2006, the latest practicable date before publication of this document). This authority will expire at the conclusion of the Annual General Meeting of the Company to be held in 2007. The price per ordinary share that the Company may pay is set at a minimum amount of the nominal value of each ordinary share and a maximum amount of the higher of: (i) 5 per cent. over the average of the previous 5 days' middle market prices and (ii) a price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share as derived from the London Stock Exchange Trading System (SETS).

As the Directors have stated previously, it is their intention to implement a share repurchase programme of up to £50 million per annum. Initial purchases were made on 8 June 2006. It is intended that any further purchases will only be made if the Directors believe that to do so would result in an increased earnings per share and would be in the interests of shareholders generally.

Any purchases of ordinary shares would be by means of market purchases through the London Stock Exchange's markets and may be cancelled or held by the Company as treasury shares, within the limits allowed by law. The Directors may dispose of treasury shares in accordance with the requirements of the relevant legislation and the authority relating to rights of pre-emption granted by the shareholders in general meeting.

The total number of ordinary shares which may be issued on the exercise of outstanding options as at 7 June 2006 is 5,067,987 which represents 2.35 per cent. of the issued ordinary share capital as at that date. If the Company were to purchase shares up to the maximum permitted by this resolution the proportion of ordinary shares subject to outstanding options would represent 2.61 per cent. of the issued ordinary share capital as at 7 June 2006. There are no warrants outstanding.

Final Dividend

In addition to the return of approximately £510 million to shareholders on or shortly after 26 May 2006, the directors of London Stock Exchange plc resolved to pay on or shortly after 26 May 2006 a second interim dividend, in lieu of a final dividend for the year ended 31 March 2006, of 8.0 pence per share. We usually pay our final dividend in August each year. However, payment of the balance of the dividend for the year was paid by way of second interim dividend on London Stock Exchange plc's shares to ensure shareholders received entitlement to the dividend of 8.0 pence per share prior to the share consolidation that accompanied the return of £510 million. Accordingly, a final dividend will not be proposed to shareholders at the AGM this year.

What to do next

I would ask you to complete the pink Form of Proxy, and return it (no postage is required) to the Company's Registrars, Lloyds TSB Registrars, at The Causeway, Worthing, West Sussex BN99 6ZL so as to arrive as soon as possible but in any event not later than 12.00 noon on 10 July 2006. This will not prevent you from also attending the AGM and voting in person. Further details relating to voting by proxy are set out in the Notes to the Notice of AGM on pages 7 to 8 of this document.

Shareholder Helpline

If you have any questions relating to the enclosed documents, please call our shareholder helpline on (+44) 020 7797 3322. The helpline cannot give any financial advice.

Documents available for inspection

The following documents are available for inspection at the registered office of the Company and at the offices of Freshfields Bruckhaus Deringer, 65 Fleet Street, London EC4Y 1HS during usual business hours on any weekday (Saturdays and public holidays excepted) from 9.00 a.m. on 9 June 2006 until the conclusion of the AGM and will also be available for inspection at the AGM venue for at least 15 minutes prior to and during the meeting itself:

- a copy of the Company's existing Memorandum and Articles of Association;
- copies of the service contracts or letters of appointment of the Directors of the Company; and
- the register of Directors' interests in the shares of the Company (maintained pursuant to Section 325 of the Companies Act 1985).

Recommendation

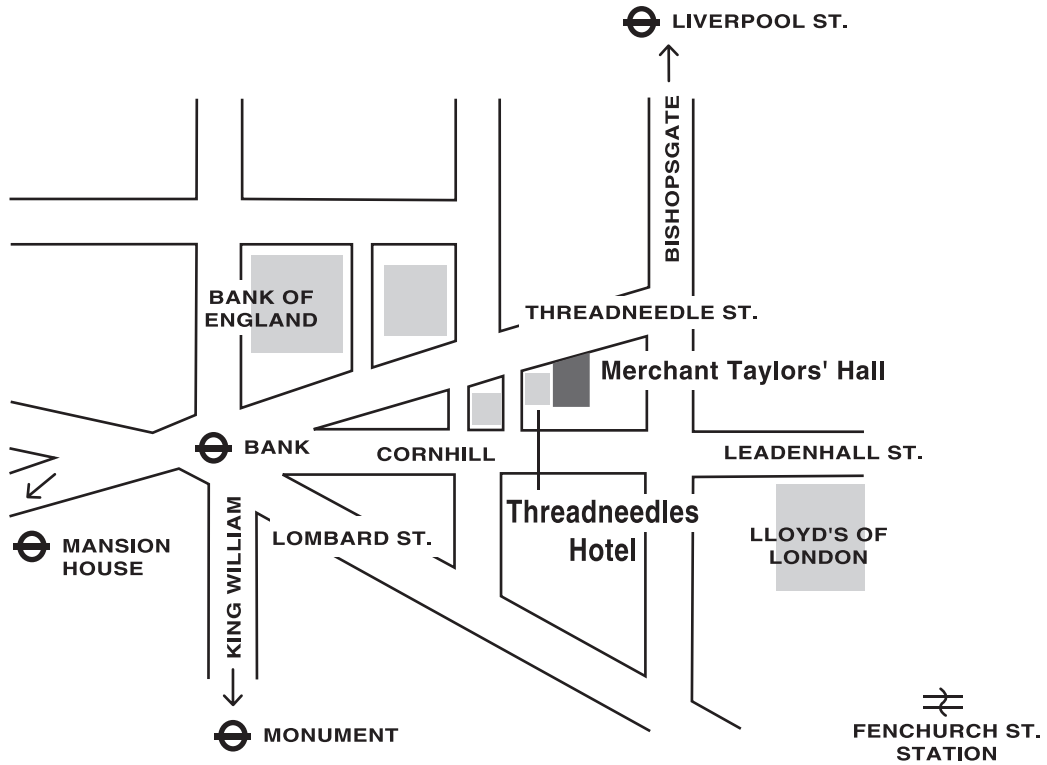
The Directors believe that all the proposals to be considered at the Annual General Meeting are in the best interests of the Company and Shareholders as a whole. Accordingly, the Directors unanimously recommend you to vote in favour of the proposed Resolutions at the Annual General Meeting, as they intend to do in respect of their own beneficial holdings, totalling 530,560 ordinary shares and representing 0.25 per cent. of the issued ordinary share capital of the Company.

Yours sincerely



Christopher Gibson-Smith
Chairman

Directions to Merchant Taylors' Hall
30 Threadneedle Street, London EC2R 8JB



Merchant Taylors' Hall has two entrances.
Please use the Functions Entrance next to 28/29 Threadneedle Street

Nearest Underground Stations

- Bank** (Central, Northern (City Branch) and DLR Lines).
- Liverpool Street** (Central, Hammersmith & City, Circle and Metropolitan Lines).
- Monument** (District and Circle Lines).

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 2006 Annual General Meeting of London Stock Exchange Group plc (the “*Company*”) will be held at Merchant Taylors’ Hall, 30 Threadneedle Street, London EC2R 8JB on 12 July 2006 at 12.00 noon to transact the following business:

Ordinary Resolutions

RESOLUTION 1

To receive the accounts of London Stock Exchange plc and the reports of the directors and the auditors thereon for the year ended 31 March 2006.

RESOLUTION 2

To approve the Remuneration Report contained in the report and accounts of London Stock Exchange plc for the year ended 31 March 2006.

RESOLUTION 3

To re-elect Chris Gibson-Smith as a director of the Company who retires by rotation and, being eligible, offers himself for re-election.

RESOLUTION 4

To re-elect Clara Furse as a director of the Company who retires by rotation and, being eligible, offers herself for re-election.

RESOLUTION 5

To re-elect Nigel Stapleton as a director of the Company who retires by rotation and, being eligible, offers himself for re-election.

RESOLUTION 6

To re-elect Oscar Fanjul as a director of the Company who retires by rotation and, being eligible, offers himself for re-election.

RESOLUTION 7

To re-elect Gary Allen as a director of the Company who retires by rotation and, being eligible, offers himself for re-election.

RESOLUTION 8

To re-elect Peter Meinertzhagen as a director of the Company who retires by rotation and, being eligible, offers himself for re-election.

RESOLUTION 9

To re-appoint PricewaterhouseCoopers LLP as auditors of the Company, to hold office until the conclusion of the next Annual General Meeting of the Company.

RESOLUTION 10

To authorise the Directors to determine PricewaterhouseCoopers LLP’s remuneration as auditors of the Company.

RESOLUTION 11

That the authority conferred on the Directors by Article 32 of the Company’s articles of association be renewed for a period expiring at the end of the next annual general meeting of the Company after the date on which this resolution is passed and for that period the Section 80 amount is £4,980,000.

Notice of Annual General Meeting

Continued

Special Resolutions

RESOLUTION 12

That the power conferred on the Directors by Article 33 of the Company's articles of association be renewed for a period expiring at the end of the next annual general meeting of the Company after the date on which this resolution is passed and for that period the Section 89 amount is £747,000.

RESOLUTION 13

That, pursuant to Article 78 of the Articles of Association of the Company, the Company is generally and unconditionally authorised to make market purchases (within the meaning of Section 163(3) of the Act) of its own ordinary shares, provided that:

- (a) the maximum number of ordinary shares to be purchased is 22,000,000 ordinary shares in the capital of the Company.
- (b) the minimum price which may be paid for an ordinary share shall not be less than the nominal value of the ordinary shares at the time of purchase which amount shall be exclusive of expenses;
- (c) the maximum price which may be paid for an ordinary share is, in respect of an ordinary share contracted to be purchased on any day, the higher of:
 - (i) an amount (exclusive of expenses) equal to 105 per cent. of the average of the mid-market quotations for an ordinary share of the Company and derived from the Daily Official List of the London Stock Exchange for the five business days immediately preceding the day on which the ordinary share is contracted to be purchased; and
 - (ii) an amount equal to the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share as derived from the London Stock Exchange Trading System (SETS);
- (d) the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company following the passing of this resolution, unless such authority is renewed prior to such time; and
- (e) the Company may conclude a contract to purchase ordinary shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after such expiry, and may make a purchase of ordinary shares in pursuance of any such contract as if the authority hereby conferred had not expired.

By Order of the Board

Lisa Condron, Secretary
9 June 2006

Registered Office:

London Stock Exchange
10 Paternoster Square
London EC4M 7LS

Notice of Annual General Meeting

Continued

Notes to the Notice of Annual General Meeting

1. A shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies to attend and, on a poll, to vote on his or her behalf. A person appointed to be a proxy need not be a shareholder of the Company. A form of proxy is enclosed with this Notice of AGM for use at the Annual General Meeting.

2. To be valid, a form of proxy, duly completed, signed or sealed (as appropriate) and dated, together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be returned to the Company's Registrars, Lloyds TSB Registrars, at The Causeway, Worthing, West Sussex BN99 6ZL so as to arrive not later than 12.00 noon on 10 July 2006 or not less than 48 hours before the time of any adjourned meeting or the taking of a poll at which the person named in the form of proxy proposes to vote.

3. The form of proxy must be executed by the shareholder or his or her attorney duly authorised in writing and (in the case of an individual) must be signed by the individual or his or her attorney duly authorised in writing or (in the case of a corporation) either executed under its common seal or signed on its behalf by a duly authorised officer or attorney of the corporation.

4. In the case of joint registered holders, the signature of one holder will be accepted and the vote of the senior holder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority will be determined by the order in which the names stand on the register of shareholders of the Company in respect of the relevant joint holding.

5. Alternatively a shareholder may appoint a proxy electronically either via the website run by Lloyds TSB Registrars at www.sharevote.co.uk using the number provided on the pink Form of Proxy or, if such shareholder is a CREST member, by using the procedure described in paragraph 6 below.

6. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with CRESTCo's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 7RA01) by the latest time(s) for receipt of proxy appointments specified in the notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that CRESTCo does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

Notice of Annual General Meeting

Continued

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

7. The Company pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 specifies that only those shareholders registered on the register of shareholders of the Company as of 6.00 p.m. on 10 July 2006 or, in the event that the Annual General Meeting is adjourned, on the register of shareholders by 6.00 p.m. two days before the time of the adjourned meeting(s), shall be entitled to attend or vote in respect of the shareholding registered in their name at the relevant time. Changes to entries on the register of shareholders after 6.00 p.m. on 10 July 2006, or in the event that the Annual General Meeting is adjourned, less than 48 hours before the time of any adjourned meeting(s), shall be disregarded in determining the rights of any person to attend or vote at the Annual General Meeting.

Appendix

Biographies of the Directors seeking re-election

Chris Gibson-Smith (60)

Chairman

Appointed to the Board in 2003. Chairman of the Nomination Committee. Senior Independent Non-Executive Director of British Land Company plc and Non-Executive Director of Qatar Financial Centre Authority. He is a Trustee of London Business School and the arts charity Arts and Business Limited.

Directorships held in the past five years

BP plc from 1997 to 2001, BP Carr Finance Limited (resigned 2001), BP Pension Trustees Limited (resigned 2001), The BOC Foundation (resigned 2003), Lloyds TSB Bank plc (resigned 2005), National Air Traffic Services Limited (resigned 2005), NATS (En Route) Public Limited Company (resigned 2005), NATS (Services) Limited (resigned 2005), NATS Holdings Limited (resigned 2005) and Institute for Public Policy Research (resigned 2005).

Clara Furse (48)

Chief Executive

Appointed to the Board in 2001. Non-Executive Director of Euroclear plc, LCH. Clearnet Group Limited and Fortis N.V.

Directorships held in the past five years

RICS Foundation from 2002 to 2005.

Nigel Stapleton (59)

Non-Executive Director

Appointed to the Board in 2001. Chairman of the Remuneration Committee and Member of the Audit and Nomination Committees. Chairman of Uniq plc and board member of Ashley Walls Investment Limited, Reliance Security Group plc and Uniq Prepared Foods Limited.

Directorships held in the past five years

PBI Media Limited (until 2001), The Royal Opera House Foundation (until 2001), ITE Group plc (until 2001), AXA UK plc (until 2002), Centaur Communications Limited (until 2002), Origindeal Limited (until 2002), Veronis Suhler Stevenson International Limited (until 2002), M (2003) plc (until 2002) and Cordiant Communications Group Limited (until 2003).

Oscar Fanjul (57)

Non-Executive Director

Appointed to the Board in 2001. Member of the Audit and Nomination Committees. Vice-Chairman and Chief Executive of Omega Capital S.L. and Non-Executive Director of Acerinox, Marsh & McLennan Companies Inc., 59 Cadogan Place Limited and Lafarge. Trustee of the International Accounting Standards Committee Foundation.

Directorships held in the past five years

Hidroeléctrica del Cantábrico (until 2001), Ericsson S.A. (until 2001), Banco Bilbao Vizcaya Argentaria (until 2002), Técnicas Reunidas (until 2005) and Unilever plc (until 2006).

Gary Allen CBE DL (61)

Non-Executive Director

Appointed to the Board in 1994. Chairman of the Audit Committee. Non-Executive Director of NV Bekaert S.A., Belgium, the National Exhibition Centre Limited, NEC Finance plc and Temple Bar Investment Trust plc.

Appendix

Biographies of the Directors seeking re-election

Continued

Directorships held in the past five years

IMI plc from 1978 to 2004, IMI Group Services (until 2001), IMI Kynoch Limited (until 2001), IMI Overseas Investment Limited (until 2001). The Lord's Taverners Limited (until 2001), Polypipe Building Products Limited (until 2001), Birmingham Royal Ballet Trust (until 2002), Birmingham Royal Ballet (until 2003) and Industry in Education Limited (until 2005).

Peter Meinertzhagen (60)

Non-Executive Director

Appointed to the Board in 1997. Member of the Remuneration Committee. Chairman Hoare Govett Limited.

Directorships held in the past five years

Hoare Govett Limited (until 2004). ABN Amro Equities Holdings (UK) Limited (until 2004), ABN Amro Management Services (until 2004), Hoare Govett Trustees Limited (until 2004) and MVM Limited (until 2005).

