

**25 May 2006**

**London Capital Group Holdings plc**

**AGM Statement**

At the Annual General Meeting of London Capital Group Holdings plc (AIM: LCG), to be held later today, Frank Chapman, Chief Executive Officer, will give the following update on trading:

I am pleased to report that LCG is trading in line with market expectations.

Recent volatility in the financial markets has resulted in strong trading over the last month. I am particularly encouraged by the growth in new client numbers in our spread betting division, which is currently expanding at the rate of circa 400 new clients per month. Client acquisition is a key growth factor in the business and the current rate is almost double the number forecast at the beginning of the year.

As a result of this and our generally more competitive spreads, our spread betting client trading volumes have continued to increase – reaching a high point of 8,300 bets on our busiest day this year compared to a peak of 3,900 last year. Our first quarter trading volumes were 33% higher than those in the fourth quarter of 2005; our average number of trades per day in April 2006 were 47% higher than in December 2005; and our number of live accounts on 17 May 2006 is an increase of 40% on the number at 31 December 2005. These are all very encouraging indicators for our spread betting business and bode well for the future.

As mentioned in our preliminary results statement released in February, we have recently launched several new spread betting white label partnerships, including one in Norway, and others in Sweden, Denmark and Greece. In addition to our international expansion, we have also signed white label agreements with *The Spectator* magazine as well as two other strategic UK partners.

Our other activities, foreign exchange (“FX”) and derivative broking, are both performing well. The recent volatility in the currency markets, precipitated by the decline of the US Dollar, has assisted us greatly in increasing our FX volumes to \$5bn in April, up from \$1bn in December 2005. With the expectation of signing further significant institutional clients, we look forward to making continued progress in this division during the course of the year.

Finally, we have also made good progress as regards the appointment of a Finance Director and expect to make an announcement shortly.

***For further information, please contact:***

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**Notes to Editors:**

London Capital Group Holdings plc is a rapidly growing and profitable spread betting and financial services company offering online trading in the financial markets. Its core activity is the provision of spread betting products on the financial markets to retail clients under the trading name **Capital Spreads**. LCG also provides online foreign exchange trading services to institutional and intermediate clients under the **Capital Forex** brand and institutional derivatives broking under the name **Capital Derivatives**.

Based in London, LCG is regulated and authorised by the Financial Services Authority, has a European passport and is a member of the London Stock Exchange, Liffe, Eurex and Euronext, giving it direct access to all European markets. LCG also has access to international markets through its global clearing relationships.

LCG floated on the London Stock Exchange's AIM market on 22nd December 2005 at an issue price of 82p. LCG is included in the General Financial sector (8770) and Specialty Finance sub sector (8775) and has a RIC code of LCG.L.