

17 August 2010

LONDON CAPITAL GROUP HOLDINGS PLC
("LCG", the "Company" or the "Group")
INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2010

London Capital Group Holdings plc, a leading online financial spread betting and trading company, announces interim results for the six months ended 30 June 2010.

Financial Highlights:

- Revenue up 61% to £20.90 million (H1'09: £12.95 million)
- Trading revenue from continuing operations* up 63% to £20.82 million (H1'09: £12.76 million), as a result of more volatile market conditions in the second quarter of H1'10
- Profit before tax (excluding exceptional software impairment charges and share based payment expense) up 12% to £4.21 million (H1'09: £3.75 million)
- Profit before tax down 74% to £0.86 million (H1'09 £3.33 million) as a result of £3.2 million software impairment previously announced
- Net cash** position increased to £14.13 million (H1'09: £8.20 million)
- Interim dividend of 1p per share (H1'09: 2.50p)

Operational Highlights:

- Strong UK spread betting performance
 - Total UK financial spread betting accounts up 29% to 57,890 (H1 '09: 45,000)
 - 22% increase in average trades per day to 31,894 (H1'09: 26,208)
 - Net revenue per active client increased 75% to £1,051 (H1'09: £599)
- Robust Forex performance
 - 4% increase in trade volumes to \$194 billion (H1'09: \$187 billion)
 - 31% increase in divisional operating profit to £1.38 million (H1'09: £1.05 million)

Commenting on the results, Simon Denham, Chief Executive, said:

"I am pleased to report that the Group enjoyed better trading conditions in the first half of 2010 and it was a period of significant developments for LCG. The continued growth in our core business as well as the launch of our CFD platforms gives us many reasons to be optimistic. Whilst we are mindful of the economic climate we are confident that our new product offerings will place LCG in a strong position for the longer term."

**Trading revenue from continuing operations represents total revenue excluding interest income on client funds.*

*** Net cash represents total cash and cash equivalents less client money held*

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www.vismedia.co.uk

Notes to Editors:

London Capital Group Holdings plc (hereafter "LCGH plc" or "LCG" or "London Capital Group" or "the Group") is a rapidly growing financial services company offering online trading services.

London Capital Group Limited (LCG Ltd), a wholly owned trading subsidiary of LCGH plc, is authorised and regulated by the Financial Services Authority. Its core activity is the provision of spread betting products on the financial markets to retail clients under the trading name Capital Spreads. Its other divisions provide online foreign exchange trading services to institutional and professional clients and also institutional derivatives broking. LCG Ltd is one of the leading providers of white label financial spread trading platforms and its white label partners include TradeFair, Paddy Power, PartyGaming Plc, Saxo Bank, and TD Waterhouse. Prospreads.com is authorised and regulated by the Financial Services Commission in Gibraltar and provides spread betting products on financial markets to professional clients.

LCG Ltd has a European passport and is a member of the London Stock Exchange. London Capital Group Limited also has access to international markets through its global clearing relationships.

LCGH plc is listed on the London Stock Exchange's AIM market. LCG is included in the General Financial sector (8770) and Speciality Finance sub sector (8775) and has a RIC code of LCG.L.

Chairman's statement

The first half of 2010 was a period of significant change and progress. Following on from the difficulties experienced in 2009, market conditions have been more favourable to LCG's business in the first half of 2010. Increased volatility in the second quarter resulted in higher revenues and better than expected profits. Revenue for the six months was up 61% to £20.90m (2009: £12.95m) and adjusted profit before tax was up 12% (before share based payments and exceptional impairment).

During the first quarter we successfully migrated our UK spread betting business onto one platform and closed our LCG Digital unit. This resulted in an exceptional impairment of £3.2m to software assets and further closure costs of £0.7m. The benefits of running a single spread betting platform are expected to be realised from H2'10. We expect that the consolidation of our IT base will allow us to improve the delivery of new products and assist in enhancing the Group's earnings in the future.

During the second quarter we launched two CFD platforms, namely our Capital CFD platform and an LCG branded Metatrader platform. The launch of CFDs allows the Group to significantly diversify its customer base both in the UK and internationally.

Based on the performance in the first half and the net cash position of the Group, the Board is recommending an interim dividend of 1p per share (2009: 2.5p) representing a total cost of £0.4m (2009: £1.0m). Our dividend policy is to pay dividends out of recurring profits which reflect the earnings and cash flow potential of the Group whilst also ensuring retention of sufficient capital to meet regulatory and working capital requirements.

Looking forward to the second half of the year, there are a number of reasons for optimism, specifically the continued increase in our client numbers and trade volumes, as well as the launch of our CFD platforms which will diversify our target customer base and geographies. Whilst we recognise that economic conditions are still uncertain and there is little visibility in forecasting Group revenues, the positive KPIs and CFD strategy means we remain confident of the Group's ability to grow.

Richard Davey
Chairman
17 August 2010

Chief Executive's Statement

I am pleased to report that the Group enjoyed better trading conditions in the first half of 2010. Our operational KPIs remain positive and financial results have been better than management expected. It has also been a successful period for product and platform development with the launch of two new CFD platforms and the successful migration of our UK spread betting business onto one platform.

Financial Review

Trading conditions were much improved in the first half of 2010, particularly during the second quarter, with revenue up 61% on last year to £20.90m (2009: £12.95m). However, increased costs resulted in a smaller increase to adjusted profit before tax of 12% to £4.21m (2009: £3.75m). Adjusted profit before tax excludes share based payment expense of £0.2m (2009: £0.4m) and the previously reported exceptional software impairment of £3.2m.

Profitability for the first half of the year has in part been constrained by the limited capital resources at LCG's disposal. Regulatory risk limits have meant that an increasing proportion of revenue from clients is lost in hedging costs. The increase in retained profits through 2010 should give LCG the ability to reduce hedging restrictions and therefore realise a greater proportion of gross revenue as net profit.

Cost of sales increased 86% to £7.5m (2009: £4.0m) as a result of higher white label costs, betting duty as well as clearing and exchange costs. Administrative expenses (excluding software impairment) increased 65% to £9.4m (2009: £5.7m) as a result of higher IT and platform costs including non-recurring costs of £0.7m to close down our LCG Digital unit and initial costs to launch our CFD platforms of £0.3m. The remaining increases relate to staff and other overheads.

Net cash resources increased 72% to £14.13m from £8.20m at 30 June 2009. Based on the results and resources available to the Group, the Board is recommending a dividend of 1p per share (2009: 2.5p).

Operating Review

Financial spread betting, UK

UK financial spread betting generated 77% of Group revenue in the period (2009: 73%). Whilst revenue per client fell significantly in 2009, the period was notable for the recovery in active client numbers and funds on account from the low point of March 09 to new highs at the beginning of 2010.

2010 has started very encouragingly with Average Revenue per User "ARPU" recovering from £599 to £1,051 and trade volumes also increasing by 22% to 31,950 per day (2009: 26,208). On our busiest day we handled almost 73,000 trades demonstrating the robustness of our systems. White label volumes continue to gain ground over Capital Spreads as a consequence of their overall numbers but Capital Spreads still remains the biggest single provider generating 42% of total trade volumes.

The FSA recently published a consultation paper on the treatment of Client Money. The changes proposed do not impact on LCG's business since we have not relied on the provisions which are now being amended. The changes will level the playing field against some spread betting and CFD providers who may now be required to find additional funds to support their business.

We have received £0.4m payment against the professional client debt outlined in our trading announcement of 7th July. The remaining balance continues to be due and payable to the firm and no further provision has been made as the Directors have been advised the amount is recoverable.

Institutional Foreign Exchange

The FX unit also delivered a solid performance producing a 29% increase in revenue on a 4% increase in trade volumes. Total active clients have increased 11% to 170, with 91 new accounts opened in the 6 months. This relatively small business unit is valuable to LCG and growth is heavily dependent on establishing institutional relationships. Volumes in global FX have been

shrinking through 2010 so the Board considers that the performance of the unit in such an environment is exceptional and very encouraging.

Financial spread betting, Gibraltar

The first half of 2010 has been a challenging period for ProSpreads; the company delivered a stronger performance in Q2 and our expectation is for the business to continue to grow through to the end of the year. Revenue was up 37% to £0.85m (2009: £0.62m) and number of bets executed was also up 32% to 66,507.

Product/Geographical Expansion

Recently we have seen that much of our peer group growth has been heavily geared to non-UK CFD business. During Q2, the Group launched two CFD platforms which will enable LCG to focus more effort on international expansion primarily through our own brands and white label partnerships. Similar to our spread betting strategy our CFD offering will be a low cost, simplified alternative to the main providers.

The first platform is an extension of our current UK spread betting offering and may be used by clients as either a CFD/Spread Bet multi-asset platform or a stand alone CFD platform.

The second platform is the increasingly popular Meta Trader CFD platform which we have launched with a team of highly experienced traders. The product will be focused towards retail clients in regions that are not economically accessible to LCG such as the Far and Middle East.

As part of our expansion plan we have recruited an experienced management team in Australia and have obtained initial regulatory approval for our own brand CFD product for the retail market.

Our IT development and hosting partner has signed a long term contract with us ensuring the ongoing stability of our overall product offering. We are also working towards delivery of a number of new developments in H2 including an iPhone application and new charting package.

Competitive Environment

The first half of 2010 saw the commencement of a price war as our major competitors tried to gain market share by significantly cutting their spreads. After lengthy consideration, and to retain our "value" rating we cut our spreads in a handful of our major markets but the vast majority of price spreads remained unchanged as, even after our competitor spread cuts, Capital Spreads still represents best value spread betting overall.

We believe the recent spread cuts by the larger spread betting providers combined with the ever increasing regulatory and capital requirements for retail providers make it increasingly unlikely that a significant new entrant will be able to successfully launch into the financial spread betting/CFD market in the UK.

Partnerships

In addition to PartyGaming which was signed in January 2010, we have launched a further four new white labels.

LMAX Limited, the parent company of our white label partner Tradefair, has announced that it has received FSA authorisation and plans to launch and operate a multilateral trading facility (MTF) to trade CFDs. We do not see this as competing in our core market offering and indeed we expect their product launch, coupled with the continuing marketing expenditure of our existing competitors, to be of such size and scope as to materially increase the overall global market for CFDs.

Outlook

Our core financial spread betting business has continued to grow at a significant rate and with our new CFD products we are looking to the future with confidence. The board is confident that H2 2010 will continue along the same path as the H1 and that our new product offerings and global presence will place LCG in a strong position for growth over the longer term.

Simon Denham
Chief Executive
17 August 2010

London Capital Group Holdings plc
CONDENSED CONSOLIDATED INCOME STATEMENT
For the period ending 30 June 2010

		Unaudited 6 Months to 30 June 2010	Unaudited 6 Months to 30 June 2009	Audited Year to 31 December 2009
	Notes	£'000	£'000	£'000
Revenue	3	20,903	12,947	27,645
Cost of sales		(7,480)	(4,013)	(8,671)
GROSS PROFIT		13,423	8,934	18,974
Administrative expenses (excluding depreciation, amortisation, impairment charge and share based payment charge)				
		(8,241)	(4,253)	(10,867)
Depreciation and amortisation		(1,005)	(1,019)	(2,251)
Impairment charge	4	(3,194)	-	-
Share based payment charge		(157)	(420)	(157)
Total administrative expenses		(12,597)	(5,692)	(13,275)
OPERATING PROFIT		826	3,242	5,699
Investment revenue		30	85	149
PROFIT BEFORE TAXATION		856	3,327	5,848
Tax expense	5	(315)	(1,286)	(1,981)
Profit and total comprehensive income for the financial period attributable to equity holders of the parent		541	2,041	3,867
Earnings per share				
		Pence	Pence	Pence
Basic	6	1.39	5.27	9.95
Diluted	6	1.37	5.05	9.53
Adjusted basic	6	7.58	6.05	10.24

All the Group's revenue and total comprehensive income for the financial period and prior financial periods relate to continuing activities.

The Group has no other income in the periods presented and consequently no statement of other comprehensive income is included.

London Capital Group Holdings plc
CONDENSED CONSOLIDATED BALANCE SHEET
As at 30 June 2010

		Unaudited	Unaudited	Audited
		30 June	30 June	31
		2010	2009	December
		£'000	£'000	2009
	Notes			£'000
NON-CURRENT ASSETS				
Property, plant and equipment		867	799	911
Intangible assets		13,023	15,664	15,753
Investment		100	-	-
Deferred tax asset		278	150	3
		<u>14,268</u>	<u>16,613</u>	<u>16,667</u>
CURRENT ASSETS				
Trade and other receivables		3,024	1,469	1,325
Cash and cash equivalents	8	58,078	61,816	63,871
		<u>61,102</u>	<u>63,285</u>	<u>65,196</u>
TOTAL ASSETS		<u>75,370</u>	<u>79,898</u>	<u>81,863</u>
CURRENT LIABILITIES				
Trade and other payables		49,697	55,397	56,723
Current tax liabilities		608	723	773
		<u>50,305</u>	<u>56,120</u>	<u>57,496</u>
TOTAL LIABILITIES		50,305	56,120	57,496
NET ASSETS		<u>25,065</u>	<u>23,778</u>	<u>24,367</u>
EQUITY				
Share capital	9	3,981	3,899	3,899
Share premium account		13,358	12,153	12,153
Own shares held		(1,287)	-	-
Retained profits		14,357	13,070	13,659
Other reserves		(5,344)	(5,344)	(5,344)
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		<u>25,065</u>	<u>23,778</u>	<u>24,367</u>

London Capital Group Holdings plc
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the period ending 30 June 2010 (unaudited)

	Share capital	Share premium account	Own Shares held	Retained profits	Other reserves	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January, 2009	3,864	11,855	-	14,138	(5,344)	24,513
Profit and total comprehensive income for the period	-	-	-	2,041	-	2,041
Dividends paid	-	-	-	(3,291)	-	(3,291)
Share based payment transactions including deferred taxation	-	-	-	182	-	182
Issue of Share Capital	35	298	-	-	-	333
At 30 June, 2009	3,899	12,153	-	13,070	(5,344)	23,778
Profit and total comprehensive income for the period	-	-	-	1,826	-	1,826
Dividends paid	-	-	-	(976)	-	(976)
Share based payment transaction including deferred taxation	-	-	-	(261)	-	(261)
At 1 January, 2010	3,899	12,153	-	13,659	(5,344)	24,367
Profit and total comprehensive income for the period	-	-	-	541	-	541
Issue of new shares to Joint Share Ownership Plan	82	1,205	(1,287)	-	-	-
Share based payment transactions including deferred taxation	-	-	-	157	-	157
At 30 June, 2010	3,981	13,358	(1,287)	14,357	(5,344)	25,065

London Capital Group Holdings plc
CONDENSED CONSOLIDATED CASH FLOW STATEMENT
For the period ending 30 June 2010

	Unaudited 6 Months to 30 June 2010	Unaudited 6 Months to 30 June 2009	Audited 12 Months to 31 December 2009
Notes	£'000	£'000	£'000
Profit for the financial period	541	2,041	3,867
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment	258	173	418
Amortisation of intangible assets	747	846	1,833
Equity settled share based payment	157	420	157
Impairment of intangible assets	3,194	-	-
Investment income	(30)	(85)	(149)
Current tax charge	589	1,159	1,707
Movement in deferred tax asset	(275)	126	512
Operating cash flows before movements in working capital	5,181	4,680	8,345
(Increase)/decrease in receivables	(1,699)	1,451	1,969
(Decrease)/increase in payables	(7,026)	5,435	5,788
Cash (used in)/generated from operations	(3,544)	11,566	16,102
Taxation paid	(755)	(1,931)	(2,430)
Net cash (used in)/generated from operations	(4,299)	9,635	13,672
Investing activities			
Investment income	30	85	149
Acquisitions of property, plant and equipment	(214)	(37)	(393)
Acquisitions of intangible assets	(1,210)	(1,714)	(2,564)
Acquisitions of investments	(100)	(353)	(353)
Net cash used in investing activities	(1,494)	(2,019)	(3,161)
Financing activities			
Dividends paid	-	(3,291)	(4,267)
Cash from issue of share capital	-	197	333
Net cash flow used in financing activities	-	(3,094)	(3,934)
Net (decrease)/increase in cash and cash equivalents	(5,793)	4,522	6,577
Cash and cash equivalents at beginning of period	63,871	57,294	57,294
Cash and cash equivalents at end of period	58,078	61,816	63,871

London Capital Group Holdings plc
Notes to the condensed consolidated financial statements
For the period ending 30 June 2010 (unaudited)

1. General information

The condensed consolidated financial statements of London Capital Group Holdings plc and its subsidiaries for the six months ended 30 June 2010 were authorised for issue by the board of directors on 17 August 2010. The information for the year ended 31 December 2009 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditors' report on those accounts was not qualified and did not contain statements under section 498(2) or (3) of the Companies Act 2006.

2. Basis of preparation

The interim condensed consolidated financial statements for the six months ended 30 June 2010 have been prepared using accounting policies consistent with International Financial Reporting Standards as adopted by the EU (IFRS) and in accordance with IAS 34 *Interim Financial Reporting*.

The same accounting policies, presentation and methods of computation are followed in the condensed set of financial statements as applied in the Group's latest annual audited financial statements.

The directors are satisfied that the Group has sufficient resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis for preparing the financial statements.

3. Segment information

Unaudited 6 Months to 30 June 2010	Financial spread betting, UK	CFDs	Institutional foreign exchange	Institutional Brokerage	Financial Spread Betting, Gibraltar	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Revenue						
Segmental revenue	16,188	4	3,020	831	846	20,889
Foreign exchange gain on trading						14
Total group revenue						20,903
Segmental operating profit/(loss)	7,501	(297)	1,383	294	(169)	8,712
Unallocated corporate expenses						(7,886)
Operating profit						826
Net financing income						30
Profit before taxation						856
Taxation expense						(315)
						541
Segmental assets	26,354	38	17,648	291	7,854	52,185
Unallocated corporate assets						23,185
Consolidated total assets						75,370
Segmental liabilities	21,407	38	17,364	238	5,719	44,766
Unallocated corporate liabilities						5,539
Consolidated total liabilities						50,305

3. Segment information (continued)

Unaudited 6 Months to 30 June 2009	Financial Spread Betting, UK £'000	Institutional foreign exchange £'000	Institutional Brokerage £'000	Financial spread betting, Gibraltar £'000	Total £'000
Revenue					
Segmental revenue	9,519	2,333	545	622	13,019
Foreign exchange loss on trading					(72)
Net group revenue					12,947
Segmental operating profit	5,995	1,047	154	(115)	7,081
Unallocated corporate expenses					(3,839)
Operating profit					3,242
Net financing income					85
Profit before taxation					3,327
Taxation expense					(1,286)
					2,041
Segmental assets	36,882	20,360	736	6,729	64,707
Unallocated corporate assets					15,191
Consolidated total assets					79,898
Segmental liabilities	26,766	22,449	-	4,401	53,616
Unallocated corporate liabilities					2,504
Consolidated total liabilities					56,120
Audited 12 Months to 31 December 2009					
	Financial Spread Betting, UK £'000	Institutional Foreign Exchange £'000	Institutional Brokerage £'000	Financial spread betting, Gibraltar £'000	Total £'000
Revenue					
Segmental revenue	19,711	5,582	815	1,346	27,454
Foreign exchange gain on trading					191
Total group revenue					27,645
Segmental operating profit	11,062	2,523	171	(257)	13,499
Unallocated corporate expenses					(7,800)
Operating profit					5,699
Net financing income					149
Profit before taxation					5,848
Taxation expense					(1,981)
					3,867
Segmental assets	39,616	19,340	403	7,529	66,888
Unallocated corporate assets					14,975
Consolidated total assets					81,863
Segmental liabilities	30,178	19,130	-	5,084	54,392
Unallocated corporate liabilities					3,104
Consolidated total liabilities					57,496

Included within revenue is interest income earned on client money held.

All of the segment revenue reported above is from external customers.

4. Impairment charge

In February 2010 the Group completed its IT strategy review, the conclusion of which was that the Group would change the focus of its IT asset use. Consequently the Board determined that the value of its software assets was not supportable and therefore recognised an impairment charge of £3.2m.

5. Taxation

Income tax for the six month period is charged at 36.8% (six months ended 30 June 2009: 38.7%; year ended 31 December 2009: 33.9%), representing the best estimate of the average annual effective income tax rate expected at the full year, applied to the pre-tax income of the six month period.

6. Earnings per share

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year, after deducting any own shares held (JSOP). Fully diluted earnings per share is calculated by dividing the earnings attributable to the ordinary shareholders by the total of the weighted average number of ordinary shares in issue during the year and the dilutive potential ordinary shares relating to share options.

	Unaudited 6 Months to 30 June 2010	Unaudited 6 Months to 30 June 2009	Audited Year to 31 December 2009
	£'000	£'000	£'000

Basic EPS

Profit after tax	541	2,041	3,867
Weighted average no of shares	38,989,228	38,739,861	38,865,569
Weighted average basic EPS	1.39p	5.27p	9.95p

Diluted EPS

Profit after tax	541	2,041	3,867
Weighted average no of shares	39,527,442	40,466,196	40,559,908
Weighted average fully diluted EPS	1.37p	5.05p	9.53p

	Unaudited 6 Months to 30 June 2010	Unaudited 6 Months to 30 June 2009	Audited Year to 31 December 2009
	£'000	£'000	£'000

Adjusted basic EPS

Profit after tax	541	2,041	3,867
Share based payment	157	420	157
Impairment of intangible assets	3,194	-	-
Tax effect	(938)	(118)	(44)
Adjusted profit after tax	2,954	2,343	3,980
Weighted average no of shares	38,989,228	38,739,861	38,865,569
Weighted average adjusted basic EPS	7.58p	6.05p	10.24p

7. Dividends

	Unaudited 6 months to 30 June 2010	Unaudited 6 months to 30 June 2009	Audited Year to 31 December 2009
	pence	pence	pence
<i>Amounts recognised as distributions to shareholders in the period:</i>			
Final dividend for the year to 31 December 2009 (31 December 2008)	-	8.5	8.5
Interim dividend for the year to 31 December 2009	-	-	2.5
	-	8.5	11

Dividends declared in respect of the period:

Interim dividend for the year to 31 December 2010 (31 December 2009)	1.0	2.5	2.5
	1.0	2.5	2.5

8. Cash and cash equivalents

	Unaudited 6 Months to 30 June 2010	Unaudited 6 Months to 30 June 2009	Audited Year to 31 December 2009
	£'000	£'000	£'000
Cash at bank and in hand	6,356	3,196	1,992
Short-term deposits	7,769	5,004	8,033
Net cash position	14,125	8,200	10,025
<i>Client money held:</i>			
Spread Betting Clients (UK and Gibraltar)	26,552	31,167	34,716
Forex Clients	17,363	22,449	19,130
CFD Clients	38	-	-
	58,078	61,816	63,871

9. Share capital

During the period the Group set up a Joint Share Ownership Plan ("JSOP") to provide incentives to Directors and employees. The Company issued ordinary shares of 10p each to the London Capital Group Holdings Employee Benefit Trust in relation to the Joint Share Ownership Plan ("JSOP"). At 30 June 2010 820,000 shares were held in the JSOP all with an initial participation price of £1.57. This results in a total mid market value in the Own Shares held reserve of £1,287,400.

10. Related party transactions

Transactions between the company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. There have been no transactions between the company and other related parties, except for the key management personnel compensation.

11. Capital commitments

There were no contractual commitments for future capital expenditure as at 30 June 2010 (31 December 2009: £nil).

12. Contingent liabilities

There were no contingent liabilities as at 30 June 2010 (31 December 2009: £nil).

13. Events after balance sheet date

There were no adjusting events or non-adjusting events after the balance sheet date.

INDEPENDENT REVIEW REPORT TO LONDON CAPITAL GROUP HOLDINGS PLC

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2010 which comprises the consolidated income statement, the consolidated balance sheet, the consolidated statement of changes in equity, the consolidated cash flow statement and related notes 1 to 13. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the company those matters we are required to state to them in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the AIM Rules of the London Stock Exchange.

As disclosed in note 2, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting," as adopted by the European Union.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2010 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the AIM Rules of the London Stock Exchange.

Deloitte LLP

Chartered Accountants and Statutory Auditors
London, United Kingdom
17 August 2010