

CASE STUDY: LONDON STOCK EXCHANGE

IR Web Modules

BACKGROUND

The London Stock Exchange (LSE) is at the forefront of the development of new products and services to help listed companies meet their obligations under a growing list of financial reporting requirements. The LSE are adopting new and emerging technologies as the enabler for these product developments. One of these new products is IR Web Modules, a managed investor relations website product that was developed for the LSE by Priocept, an internet technology consulting firm.

THE LONDON STOCK EXCHANGE SOLUTION

Eighteen months ago, the London Stock Exchange discovered that its small cap and AiM customers needed a simple and cost effective means of creating an investor relations presence on the web. EU legislation was also a driver for Main Market participants, the Market Abuse Directive (July 05) stating that all companies that have a website should make all material that is published to investors, and two years worth of Regulatory News, available on the site.

The LSE found that many small cap and AiM companies did not have the necessary IT and web design expertise or resource that is required to implement and host web-based communications and fulfil investor relations requirements.

These companies needed to make corporate information available on the web for investors, researchers and others, covering financial performance, business operations and corporate governance. This data needed to be available in one place and in a standardised, easy-to-access way. The solution to this problem was to introduce a product that the LSE would call Investor Relations Web Modules (IR Web Modules).

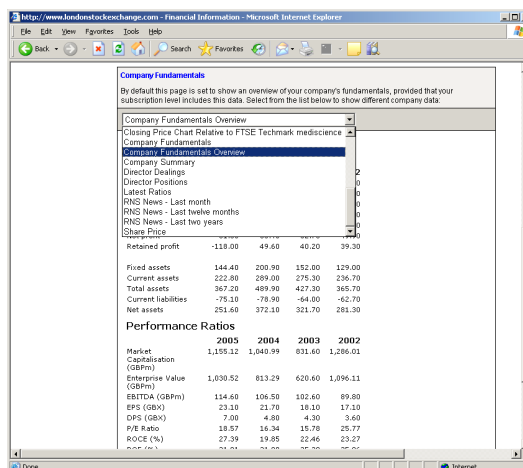
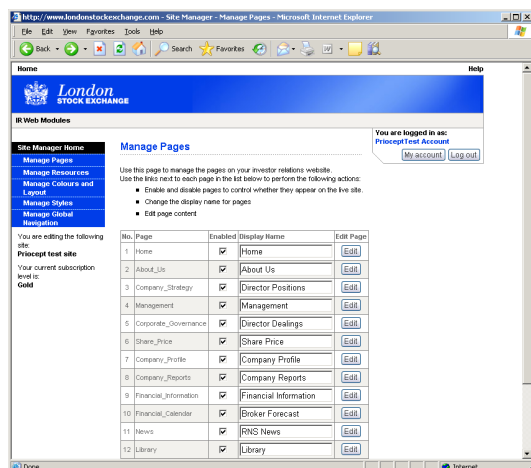
CHALLENGES

The LSE had two key drivers when deciding to initiate the IR Web Modules product development initiative:

- A perceived market opportunity to meet small cap companies' desire to improve communications and transparency for investors and meet their regulatory obligation to provide published documentation about their company to investors, researchers, fund managers, etc.
- A desire to deliver a lower cost, less technologically taxing website product for small cap companies, providing an alternative to commissioning an IT consultancy or web design firm to develop a bespoke website.

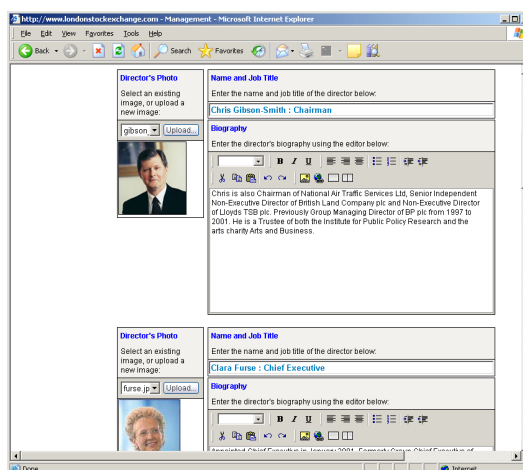
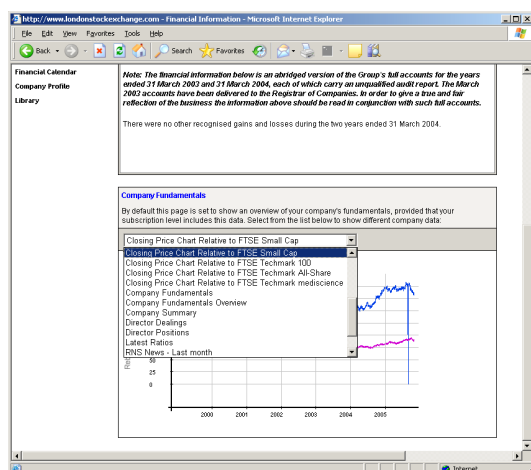
PRODUCT OVERVIEW

The IR Web Modules product allows a company to edit their investor relations content via a web-based interface. It also allows them to insert financial performance, real-time share-price and regulatory news data, sourced directly from the LSE's corporate data warehouse, using a simple point-and-click interface.



IR Web Modules User Interface

Insertion of financial data



Insertion of share price data

Editing of board of directors content

Reusing company information that is already stored within the LSE's corporate data warehouse makes IR Web Modules an attractive solution because all the information that is used has already been validated via existing processes in place at the LSE for collecting and verifying this data for each listed company. This ensures the accuracy and timeliness of data on a continual basis, removing the possibility of an investor relations website with incorrect or out of date information.

Furthermore, the system was designed to be user friendly and easy to use – both for those wanting to publish the data and those seeking it. This allows companies to set

up a sophisticated investor relations web presence with little technical knowledge, while providing investors and other end users with content and functionality that are often missing from the websites of small cap companies.

PRIOCEPT'S ROLE

The LSE chose Priocept to develop the IR Web Modules product because of its track record in product development for the web and its cost effective and creative approach to web technology projects. Furthermore, Priocept was chosen because it fully understood the LSE's needs and could collaborate effectively with its product marketing team.

Priocept helps its clients manage internet technology projects and build internet based products and services that increase revenue streams and add value to customer relationships. Priocept's founders came from a leading web agency but left to independently leverage their IT expertise by creating web-based technology products for clients.

Simon Wilkinson, Deputy Head of IR Solutions at the London Stock Exchange said: "As an agency, Priocept was selected because it is specialised enough to understand our specific needs but broad enough to handle the challenge. Priocept impressed us with their ability to visualise the IR Web Modules product and then deliver it on time and within budget."

TECHNOLOGIES AND PROCESS

Priocept developed the IR Web Modules product within the existing LSE corporate website framework, therefore reusing a sophisticated and reliable technology platform that supports many existing web-based services developed by the LSE. This enabled the IR Web Modules product to provide enterprise grade performance and reliability, without a large additional investment in technology infrastructure.

This LSE corporate website platform is based entirely on Microsoft technologies including Windows Server 2003, .NET framework, Commerce Server 2002, Content Management Server 2002, and SQL Server 2000.

Priocept adopts an "agile" approach to its software development projects, using a continual delivery cycle that allows ongoing customer feedback and product innovation throughout the project. This approach allowed the "1.0" release of IR Web Modules to provide numerous customer benefits and product refinements that may have been deferred to a later release if using a less flexible development methodology and more formalised requirements definition phase.

Paul Rennison, Product Development, PM&D, LSE said: "Priocept's approach to software development projects allows my team to focus on the product concept and its marketing, while having the confidence that they will deliver what is required to ensure the product is a success. "

THE RESULTS

The IR Web Modules product is an ideal web-based tool for public companies to meet increasing corporate communication regulations and growing analyst, investor and fund manager appetites for corporate data. IR Web Modules clients stand to save considerably as they will not have to create or host a dedicated investor relations website or perform complex integration work to incorporate market data feeds.

IR Web Modules launched officially in November 2005 with the introduction of new marketing materials, although five clients had already been signed up during the pilot phase. In order for companies to take advantage of the IR Web Modules offering, they pay a one-time £1,000 set-up fee. In addition to the set up fee and the hosting charge, the user chooses one of three data packages ranging in price from £1,000 to £1,800 per annum.

KEY LEARNINGS

Priocept's combined use of agile software development processes, sophisticated project management and careful software architecture allowed for a creative product development process, combined with tight quality controls and firm delivery schedule.

Greg Murray, Priocept Co-founder and Principal Consultant said of the project: "When you are trying to develop an innovative software product, you have to expect ideas and new requirements to emerge throughout the entire project lifecycle. Priocept has adopted processes that work effectively in this kind of environment. IR Web Modules is an example of these processes working to deliver an innovative and technically complex product - quickly and cost effectively."

CONTACT DETAILS

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