

22 August 2014

**LONDON STOCK EXCHANGE GROUP plc**  
**ANNOUNCEMENT OF INTERIM RESULTS**  
**FOR THE THREE MONTHS ENDED 30 JUNE 2014**

London Stock Exchange Group is publishing interim results for the three months ended 30 June 2014 (Q1), to provide latest financial information in connection with the Group's proposed acquisition of Frank Russell Company and associated fully underwritten rights issue

- Strong financial performance - Q1 adjusted total income<sup>1</sup> up 16 per cent to £323.9 million
- Revenue increased 20 per cent overall and 12 per cent on an organic and constant currency basis, with growth across nearly all business segments
- Adjusted operating expenses<sup>1</sup> up 8 per cent to £175.7 million, reflecting inclusion of acquisitions, including LCH.Clearnet (Q1 FY 2014: £162.1 million)
- Core operating expenses<sup>1</sup>, excluding impact of acquisitions and FX, decreased 3 per cent
- Strong operational leverage with adjusted operating profit<sup>1</sup> up 25 per cent at £148.2 million (Q1 FY 2014: £118.2 million); operating profit up 36 per cent at £102.0 million (Q1 FY 2014: £74.8 million)
- Adjusted profit before tax<sup>1</sup> up 26 per cent at £129.8 million (Q1 FY 2014: £103.1 million); profit before tax of £83.6 million (Q1 FY 2014: £59.7 million)
- Adjusted basic EPS<sup>1</sup> up 18 per cent at 31.9 pence (Q1 FY 2014: 27.0 pence); basic EPS of 19.2 pence (Q1 FY 2014: 13.1 pence)
- Capital Markets revenues up 16 per cent, with strong growth in primary markets as the number of new issues more than doubled; secondary markets benefitted from improvements in fixed income trading and Italian cash equity volumes
- Post Trade Services (CC&G and Monte Titoli) revenues up 4 per cent, and up 8 per cent on an organic and constant currency basis with increases in clearing volumes and within settlement and custody
- LCH.Clearnet total income up 14 per cent on a pro forma, constant currency basis, with good growth in OTC and commodities revenues
- Information Services revenues up 5 per cent, reflecting good performances from FTSE and a number of other services
- Technology Services revenues declined 8 per cent, mainly as the result of the phasing of customer deliveries
- The Group announced the proposed acquisition of Frank Russell Company on 26 June 2014; a Circular for a shareholder meeting and a Prospectus for the accompanying rights issue is expected to be posted later today

Commenting on performance of the Group, Xavier Rolet, Chief Executive said:

“We continue to make good progress, delivering a strong financial performance this quarter with an increase in operating profit, reflecting organic growth and inorganic revenues across the Group. We have seen a resurgence in the IPO market with an increase in both the number of companies joining our markets and the amount of money raised. While the summer period is seasonally slower, our diversified business is very well positioned for further growth.

“As previously stated, the proposed acquisition of Russell Investments will help to expand the global footprint of the Group, particularly in the key U.S. market. This is a strong strategic acquisition for the Group, which will accelerate development in one of our core strengths, intellectual property, and offers significant growth potential. We continue to make good progress on obtaining the necessary approvals to complete the acquisition and to deliver the financial benefits of the transaction to the Group.”

### **Current trading and outlook**

In primary markets, new issues remained strong in July with 28 new issues on the Group’s UK and Italian markets, compared with a total of 25 in July last year. The amount of money raised in the month also rose, doubling to £5.2 billion. New issue activity has continued in August, with 7 IPOs so far in what is normally a seasonally quiet period.

In secondary markets, cash equities trading in London increased 6 per cent in July compared with the same month last year. Trading in July in Italy was also good with a 25 per cent rise year on year in the number of trades, and Turquoise delivered a 23 per cent increase in pan-European value traded. In fixed income markets, MTS saw year on year growth in both cash and repo trading in July, up 27 and 4 per cent respectively. Fixed income and equities trading across the Group’s markets to date in August has been good with average daily volumes above the levels for the same month last year. Both FTSE and LCH.Clearnet have continued to perform well since the quarter end.

The Group has made good progress so far in the financial year. Activity in both primary and secondary markets so far in the current quarter has been good and the pipeline of companies seeking to raise capital on the Group’s markets remains encouraging. Overall, the Group remains well placed to benefit from continued positive market trends through its increasingly diversified businesses and from the work to realise the previously announced integration synergies at LCH.Clearnet Group.

The Group expects to provide a pre-close update for the five month period to 30 August 2014 on 10 September 2014

<sup>1</sup> before amortisation of purchased intangibles, non-recurring items and unrealised net investment gains/losses at LCH.Clearnet. All comparisons are against the same corresponding period in the previous year unless stated otherwise.

### **Further information is available from:**

|                                    |   |  |
|------------------------------------|---|--|
| London Stock Exchange<br>Group plc | Gavin Sullivan – Media<br>Paul Froud – Investor Relations | +44 (0) 20 7797 1222<br>+44 (0) 20 7797 3322 |
| RLM Finsbury                       | Guy Lamming / David Henderson                             | +44 (0) 20 7251 3801                         |

Additional information on London Stock Exchange Group can be found at [www.lseg.com](http://www.lseg.com)

## Further information

A conference call for analysts and investors will be held at 9:00 (UK time) on Friday 22 August. On the call will be Xavier Rolet (CEO), David Warren (CFO) and Paul Froud (Head of Investor Relations).

To access the Telephone conference call dial 0800 694 0257 or +44 (0) 1452 555 566

Conference ID: 9056 9314

For further information, please call the Group's Investor Relations team on +44 (0) 20 7797 3322.

## Financial Summary

Unless otherwise stated, all figures below refer to the three months ended 30 June 2014. Comparative figures are for the three months ended 30 June 2013. Variance is also provided at organic and constant currency. The basis of preparation is set out at the end of this report.

|   | Three months ended<br>30 June |              |               | Organic and<br>constant<br>currency |
|---|-------------------------------|--------------|---------------|-------------------------------------|
|   | 2014<br>£m                    | 2013<br>£m   | Variance<br>% | variance <sup>1</sup><br>%          |
| <b>Revenue</b>  |                               |              |               |                                     |
| Capital Markets   | 87.0                          | 75.0         | 16%           | 14%                                 |
| Post Trade Services – CC&G and Monte Titoli                     | 26.0                          | 25.1         | 4%            | 8%                                  |
| Post Trade Services – LCH.Clearnet <sup>2</sup>                 | 83.2                          | 49.0         | 70%           | 21%                                 |
| Information Services  | 88.0                          | 83.9         | 5%            | 7%                                  |
| Technology Services   | 14.3                          | 15.5         | (8%)          | (2%)                                |
| Other revenue   | 1.4                           | 1.2          | 17%           | 17%                                 |
| <b>Total revenue</b>  | <b>299.9</b>                  | <b>249.7</b> | <b>20%</b>    | <b>12%</b>                          |
| Net treasury income through CCP business:                       |                               |              |               |                                     |
| CC&G  | 7.5                           | 16.7         | (55%)         | (53%)                               |
| LCH.Clearnet <sup>2</sup>                                       | 15.1                          | 11.8         | 28%           | (13%)                               |
| Other income  | 1.4                           | 2.1          | (33%)         | (30%)                               |
| LCH.Clearnet unrealised gain / (loss)                           | 0.7                           | (1.2)        |               |                                     |
| Total income  | 324.6                         | 279.1        | 16%           | 7%                                  |
| <b>Adjusted total income excluding unrealised gain / (loss)</b> | <b>323.9</b>                  | <b>280.3</b> | <b>16%</b>    | <b>7%</b>                           |
| Operating expenses  | (175.7)                       | (162.1)      | 8%            | (3%)                                |
| <b>Adjusted operating profit<sup>3</sup></b>                    | <b>148.2</b>                  | <b>118.2</b> | <b>25%</b>    | <b>17%</b>                          |
| Amortisation of purchased intangibles and non-recurring items   | (46.9)                        | (42.2)       | 11%           | 7%                                  |
| <b>Operating profit</b>   | <b>102.0</b>                  | <b>74.8</b>  | <b>36%</b>    | <b>22%</b>                          |
| Basic earnings per share (p)                                    | 19.2                          | 13.1         | 47%           |                                     |
| Adjusted basic earnings per share (p) <sup>3</sup>              | 31.9                          | 27.0         | 18%           |                                     |

<sup>1</sup>Exchange rates for the relevant period are detailed at the end of this section  
Adjustments to calculate organic growth:

- 1) Removal of EuroTLX and Bonds.com revenue (Capital Markets – Fixed Income)
- 2) LCH.Clearnet pro forma for three months
- 3) MTS Indices remove from Capital Markets Fixed Income revenue and include in Information Services FTSE revenue

<sup>2</sup>LCH.Clearnet Q1 FY 2014 represents two months ended 30 June 2013

<sup>3</sup> before amortisation of purchased intangibles, non-recurring items and unrealised net investment gains/losses at LCH.Clearnet

*Unless otherwise stated, all figures refer to the three months 30 June 2014 and comparisons are against the same corresponding period in the previous year*

For a breakdown of segmental revenues and key performance indicators, see our Interim Management Statement for the period April to June 2014 issued 16 July 2014

## **Operational Performance**

### **Capital Markets**

The Group's Capital Markets revenue, which comprises primary and secondary market activities, increased by £12.0 million, or 16 per cent., from £75.0 million in the three months ended 30 June 2013 to £87.0 million in the three months ended 30 June 2014. This increase was due to strong growth in primary markets as the number of new issues more than doubled; secondary markets benefitted from improvements in fixed income trading and Italian cash equity volumes.

Primary Markets revenues increase by 30 per cent. to £25.3 million, reflecting continued IPO activity with 78 issuers joining our markets over the three months ended 30 June 2014 compared to 33 in the three months ended 30 June 2013. The total amount of capital raised across our equity markets, both through new issues and further issues increase from £6.1 billion in the three months ended 30 June 2013 to £19.9 billion in the three months ended 30 June 2014 with strength in both domestic and international markets.

Secondary Market revenues increase by 11 per cent. to £59.3 million, mainly driven by increased activity in Italian equity trading with the number of trades up 20 per cent. to 273,000 in the three months ended 30 June 2014. In the UK the average order book daily value traded was down 5 per cent., offset by buoyant trading in Turquoise, our pan-European equities platform, which was up 40 per cent. with €3.83 billion average daily equity value traded.

Fixed income also produced a strong performance up 28 per cent. from £15.5 million in the three months ended 30 June 2013 to £19.9 million in the three months ended 30 June 2014. This increase included £3.8 million of revenue relating to businesses acquired after the three months to 30 June 2013 (Euro TLX £3.4 million and Bonds.com £0.4 million). Organic revenue also increased, primarily due to MTS cash and BondVision value traded up 36 per cent., partly offset by an 18 per cent. decrease in MOT volumes.

### **Post Trade Services - CC&G and Monte Titoli**

The Group's revenue from Post Trade Services – CC&G and Monte Titoli increased by £0.9 million, or 4 per cent., from £25.1 million in the three months ended 30 June 2013 to £26.0 million in the three months ended 30 June 2014 with increases in clearing volumes and within settlement and custody. Settlement revenues increased by 14 per cent. to £5.0 million with Monte Titoli processing 18.4 million trades for the 3 months ended 30 June 2014 compared with 14.4 million in the three months ended 30 June 2013.

### **Post Trade Services – LCH.Clearnet**

The Group's revenue from Post Trade Services – LCH.Clearnet increased by £34.2 million, or 70 per cent. The period ended 30 June 2013 included only two months' worth of LCH.Clearnet revenue, which was £49.0 million compared to £83.2 million for the three months ended 30 June 2014. The underlying increase excluding the impact of one extra month's revenue was due to growth in OTC revenues (Swapclear members increased from 83 as at 30 June 2013 to 106 members as at 30 June 2014), commodities and fixed income clearing.

### **Information Services**

The Group's Information Services revenue increased by £4.1 million, or 5 per cent., from £83.9 million in the three months ended 30 June 2013 to £88.0 million in the three months ended 30 June 2014. This increase reflected good performances from FTSE and a number of other information services. FTSE revenue increase by 6 per cent. to £44.1 million in the three months ended 30 June 2014, reflecting a 31 per cent. increase in ETF AUM benchmarked in the period. Real time data declined 5 per cent. to £21.3 million as a result of fewer users in both the UK and Italy, down 2 per cent. and 4 per cent. respectively. These falls were largely the result of headcount reductions and general cost cutting in the sector.

### **Technology Services**

The Group's Technology Services revenue decreased by £1.2 million, or 8 per cent., from £15.5 million in the three months ended 30 June 2013 to £14.3 million in the three months ended 30 June 2014. This decrease mainly reflecting timing of third party systems work.

*Total revenue.* As a result of the factors detailed above, including an additional month of LCH.Clearnet, the Group's total revenue increased by £50.2 million, or 20 per cent., from £249.7 million in the three months ended 30 June 2013 to £299.9 million in the three months ended 30 June 2014.

*Net treasury income—CC&G.* The Group's net treasury income—CC&G decreased by £9.2 million, or 55 per cent., from £16.7 million in the three months ended 30 June 2013 to £7.5 million in the three months ended 30 June 2014. CC&G as already guided completed the move to a minimum 95 per cent. secured investment level for cash margin, required to meet EMIR regulatory standards, with a subsequent reduction in yields resulting in a decrease in income.

*Net treasury income—LCH.Clearnet.* The Group's net treasury income—LCH.Clearnet increased by £3.3 million, or 28 per cent., from £11.8 million in the three months ended 30 June 2013 to £15.1 million in the three months ended 30 June 2014. Net treasury income is earned by investing the cash margin held, retaining any surplus after members are paid a return on their cash collateral contributions. The average cash collateral held increased by 12 per cent. to €46.5 billion in the period.

*Other income.* The Group's other income decreased by £0.7 million, or 33 per cent., from £2.1 million in the three months ended 30 June 2013 to £1.4 million in the three months ended 30 June 2014.

*Total income.* As a result of the factors discussed above, the Group's total income increased by £45.5 million, or 16 per cent., from £279.1 million in the three months ended 30 June 2013 to £324.6 million in the three months ended 30 June 2014.

*Operating expenses before amortisation of purchased intangible assets and non-recurring items.* The Group's operating expenses before amortisation of purchased intangible assets and non-recurring items, increased by £13.6 million, or eight per cent., from £162.1 million in the three months ended 30 June 2013 to £175.7 million in the three months ended 30 June 2014. This increase included one extra month's cost of £21.5 million of costs relating to LCH.Clearnet which was included for only two months in the period ending 30 June 2013. Excluding acquisitions, costs were down £3.4 million with cost increases in IT costs and professional fees more than offset by decreases in depreciation and property costs.

*Operating profit before amortisation of purchased intangible assets and non-recurring items.* As a result of the factors discussed above, the Group's profit increased by £31.9 million, or 27 per cent., from £117.0 million in the three months ended 30 June 2013 to £148.9 million in the three months ended 30 June 2014.

*Amortisation of purchased intangible assets and non-recurring items.* The Group's amortisation of purchased intangible assets and non-recurring items increased by £4.7 million, or 11 per cent., from £42.2 million in the three months ended 30 June 2013 to £46.9 million in the three months ended 30 June 2014. This increase was due to additional acquisition amortisation of £1.8 million and integration costs of £1.7 million as a result of the acquisition of LCH.Clearnet Group.

*Operating profit.* As a result of the factors discussed above, the Group's operating profit increased by £27.2 million, or 36 per cent., from £74.8 million in the three months ended 30 June 2013 to £102.0 million in the three months ended 30 June 2014.

*Finance income.* The Group's finance income increased by £0.1 million, or four per cent., from £2.7 million in the three months ended 30 June 2013 to £2.8 million in the three months ended 30 June 2014. This increase was due to interest earned on higher levels of cash balances.

*Finance expense.* The Group's finance expense increased by £3.4 million, or 19 per cent., from £17.8 million in the three months ended 30 June 2013 to £21.2 million in the three months ended 30 June 2014. This increase was due to interest paid on additional debt and fees in relation to a new credit facility.

*Taxation.* The Group's taxation increased by £0.2 million, or one per cent., from £22.5 million in the three months ended 30 June 2013 to £22.7 million in the three months ended 30 June 2014.

*Profit for the financial period.* As a result of the factors discussed above, the Group's profit for the financial period increased by £23.7 million, or 64 per cent., from £37.2 million in the three months ended 30 June 2013 to £60.9 million in the three months ended 30 June 2014.

### **Cash flow and balance sheet**

*Net cash inflow/(outflow) from operating activities.* Net cash inflows from operating activities increased by £42.4 million, or 39 per cent., from £108.7 million in the three months ended 30 June 2013 to £151.1 million in the three months ended 30 June 2014. This increase was primarily due to increased cash generated from operations.

*Net cash inflow/(outflow) from investing activities.* Net cash flows from investing activities decreased by £92.4 million, or 167 per cent., from an inflow of £55.2 million in the three months ended 30 June 2013 to an outflow of £37.2 million in the three months ended 30 June 2014. This decrease was primarily due to net cash recognised on the acquisition of LCH.Clearnet Group.

*Net cash inflow/(outflow) from financing activities.* Net cash flows from financing activities decreased by £385.8 million, or 106 per cent., from an inflow of £365.6 million in the three months ended 30 June 2013 to an outflow of £20.2 million in the three months ended 30 June 2014. This decrease was primarily due to these proceeds received by LCH.Clearnet Group pursuant to a capital raise from non-controlling interests and proceeds from borrowings receipt to fund the LCH.Clearnet Group acquisition.

At 30 June 2014, adjusted net debt (after setting aside £822.6 million of cash for regulatory and operational support purposes for the core LSEG businesses and assuming no surplus cash at LCH.Clearnet) was £1,023.0 million while drawn borrowings of £1,189.3 million are £34.4 million lower than at the start of the current financial year.

Prior to the announcement of the proposed acquisition of Frank Russell Company, the Group put in place new, committed, multicurrency revolving credit facilities of £600 million for a term of up to 3 years. The new facilities have been arranged on similar terms to the Group's existing £700 million syndicated deal, signed in July 2013, and are available for part financing the Russell transaction. Committed debt and credit lines available for general group purposes at 30 June 2014 totalled £2.26 billion, extending out to 2016 or beyond. At 30 June 2014, adjusted net debt:EBITDA had reduced to 1.7 times.

Other than the new facility arrangements, there are no material changes to the Group's financial position since the last financial year end.

The Group had net assets of £1,961.1 million at 30 June 2014 (31 March 2014: £1,956.9 million), including LCH.Clearnet following the acquisition of a 57.8 per cent stake from 1 May 2013. The central counterparty clearing business assets and liabilities within both CC&G and LCH.Clearnet are shown gross on the balance sheet as the amounts receivable and payable, which largely offset each other, are unable to be netted under accounting treatments.

#### **Basis of Preparation**

Results for Borsa Italiana and LCH.Clearnet for the period ended 30 June 2014 have been translated into Sterling using the average monthly exchange rate for the period of €1.23: £1. Constant currency growth rates have been calculated by translating prior period results at the average exchange rate for the current period.

| Average €:£ rate<br>3 months ended<br>30 June 2014 | Closing €:£ rate at 30<br>June 2014 | Average €:£ rate<br>3 months ended<br>30 June 2013 | Closing €:£ rate at 30<br>June 2013 |
|--|-------------------------------------|--|-------------------------------------|
| € 1.23   | € 1.25                              | € 1.18   | € 1.18                              |

## CONDENSED CONSOLIDATED INCOME STATEMENT

|  | Notes | Three months ended<br>30 June |                         | Year ended<br>31 March |
|--|-------|-------------------------------|-------------------------|------------------------|
|  |       | 2014<br>Unaudited<br>£m       | 2013<br>Unaudited<br>£m | 2014<br>£m             |
| <b>Revenue</b>   |       | <b>299.9</b>                  | 249.7                   | 1,088.3                |
| <b>Net treasury income through CCP business</b>  |       | <b>22.6</b>                   | 28.5                    | 109.8                  |
| <b>Other Income</b>  |       | <b>2.1</b>                    | 0.9                     | 11.5                   |
| <b>Total Income</b>  | 2     | <b>324.6</b>                  | 279.1                   | 1,209.6                |
| <b>Expenses</b>  |       |                               |                         |                        |
| Operating expenses before amortisation of purchased intangible assets and non-recurring items      | 3     | <b>(175.7)</b>                | (162.1)                 | (698.4)                |
| <b>Operating profit before amortisation of purchased intangible assets and non-recurring items</b> |       | <b>148.9</b>                  | 117.0                   | 511.2                  |
| Amortisation of purchased intangible assets  | 4     | <b>(29.3)</b>                 | (27.5)                  | (116.5)                |
| Non-recurring items  | 4     | <b>(17.6)</b>                 | (14.7)                  | (41.6)                 |
| <b>Operating profit</b>  | 2     | <b>102.0</b>                  | 74.8                    | 353.1                  |
| Finance income   |       | <b>2.8</b>                    | 2.7                     | 5.5                    |
| Finance expense  |       | <b>(21.2)</b>                 | (17.8)                  | (74.3)                 |
| <b>Net finance expense</b>   | 5     | <b>(18.4)</b>                 | (15.1)                  | (68.8)                 |
| <b>Profit before taxation</b>  |       | <b>83.6</b>                   | 59.7                    | 284.3                  |
| Taxation on profit before amortisation of purchased intangible assets and non-recurring items      |       | <b>(31.8)</b>                 | (25.6)                  | (124.7)                |
| Taxation on amortisation of purchased intangible assets and non-recurring items                    | 4     | <b>9.1</b>                    | 3.1                     | 23.1                   |
| <b>Total taxation</b>  | 6     | <b>(22.7)</b>                 | (22.5)                  | (101.6)                |
| <b>Profit for the financial period</b>   |       | <b>60.9</b>                   | 37.2                    | 182.7                  |
| Profit/(loss) attributable to non-controlling interests  |       | <b>8.9</b>                    | 1.8                     | 12.6                   |
| Profit attributable to equity holders  |       | <b>52.0</b>                   | 35.4                    | 170.1                  |
|  |       | <b>60.9</b>                   | 37.2                    | 182.7                  |
| <b>Basic earnings per share</b>  | 7     | <b>19.2p</b>                  | 13.1p                   | 63.0p                  |
| <b>Diluted earnings per share</b>  | 7     | <b>18.9p</b>                  | 12.9p                   | 61.4p                  |
| <b>Adjusted basic earnings per share</b>   | 7     | <b>31.9p</b>                  | 27.0p                   | 107.1p                 |
| <b>Adjusted diluted earnings per share</b>   | 7     | <b>31.3p</b>                  | 26.5p                   | 104.4p                 |
| <b>Dividend per share in respect of the financial period:</b>                                      |       |                               |                         |                        |

The notes on pages 6 to 22 form an integral part of this Interim Report.



## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

|   | Three months ended<br>30 June |           | Year ended<br>31 March |
|---|-------------------------------|-----------|------------------------|
|   | 2014                          | 2013      | 2014                   |
|   | Unaudited                     | Unaudited |                        |
|   | £m                            | £m        | £m                     |
| <b>Profit for the financial period</b>                                    | <b>60.9</b>                   | 37.2      | 182.7                  |
| <b>Other comprehensive income/(loss):</b>                                 |                               |           |                        |
| <b>Items that will not be subsequently reclassified to profit or loss</b> |                               |           |                        |
| Defined benefit pension scheme remeasurement (loss)/gain                  | (1.2)                         | 12.7      | (1.3)                  |
|   | (1.2)                         | 12.7      | (1.3)                  |
| <b>Items that may be subsequently reclassified to profit or loss</b>      |                               |           |                        |
| Cash flow hedge   | (3.2)                         | (0.3)     | (0.3)                  |
| Net investment hedge  | 4.7                           | (12.9)    | (16.4)                 |
| Change in value of available for sale financial assets                    | 2.3                           | (4.1)     | 6.1                    |
| Exchange (loss)/gain on translation of foreign operations                 | (61.8)                        | 5.9       | (43.7)                 |
| Tax related to items not recognised in income statement                   | (0.5)                         | (3.5)     | 1.5                    |
|   | (58.5)                        | (14.9)    | (52.8)                 |
| <b>Other comprehensive loss net of tax</b>                                | <b>(59.7)</b>                 | (2.2)     | (54.1)                 |
| <b>Total comprehensive income for the financial period</b>                | <b>1.2</b>                    | 35.0      | 128.6                  |
| Attributable to non-controlling interests                                 | (4.4)                         | 1.7       | 5.2                    |
| Attributable to equity holders  | 5.6                           | 33.3      | 123.4                  |
| <b>Total comprehensive income for the financial period</b>                | <b>1.2</b>                    | 35.0      | 128.6                  |

The notes on pages 13 to 29 form an integral part of this Interim Report.

## CONDENSED CONSOLIDATED BALANCE SHEET

|  | Notes | 30 June                 |                         | 31 March         |
|--|-------|-------------------------|-------------------------|------------------|
|  |       | 2014<br>Unaudited<br>£m | 2013<br>Unaudited<br>£m | 2014<br>£m       |
| <b>Assets</b>  |       |                         |                         |                  |
| <b>Non-current assets</b>  |       |                         |                         |                  |
| Property, plant and equipment  |       | 91.5                    | 91.5                    | 93.3             |
| Intangible assets  | 8     | 2,408.8                 | 2,525.6                 | 2,476.0          |
| Investment in associates   |       | 0.3                     | 0.6                     | 0.3              |
| Deferred tax assets  |       | 32.7                    | 28.9                    | 42.2             |
| Derivative financial instruments   | 11    | 9.9                     | 2.3                     | 6.7              |
| Available for sale investments   | 11    | 4.8                     | 0.4                     | 4.8              |
| Retirement benefit asset   | 9     | 13.7                    | 21.5                    | 14.5             |
| Other non-current assets   |       | 0.3                     | 22.9                    | 38.0             |
|  |       | <b>2,562.0</b>          | <b>2,693.7</b>          | <b>2,675.8</b>   |
| <b>Current assets</b>  |       |                         |                         |                  |
| Inventories  |       | 0.7                     | 1.5                     | 0.5              |
| Trade and other receivables  | 10    | 340.9                   | 292.5                   | 250.5            |
| Derivative financial instruments   | 11    | -                       | 0.2                     | -                |
| CCP financial assets   |       | 447,450.6               | 521,411.8               | 470,497.7        |
| CCP cash and cash equivalents (restricted)                               |       | 33,377.0                | 39,157.7                | 33,278.5         |
| CCP clearing business assets   | 11    | 480,827.6               | 560,569.5               | 503,776.2        |
| Current tax  |       | 24.2                    | 29.8                    | 22.3             |
| Assets held at fair value  | 11    | 31.6                    | 9.9                     | 18.7             |
| Cash and cash equivalents  | 11    | 985.1                   | 978.1                   | 919.2            |
|  |       | <b>482,210.1</b>        | <b>561,881.5</b>        | <b>504,987.4</b> |
| <b>Total assets</b>  |       | <b>484,772.1</b>        | <b>564,575.2</b>        | <b>507,663.2</b> |
| <b>Liabilities</b>   |       |                         |                         |                  |
| <b>Current liabilities</b>   |       |                         |                         |                  |
| Trade and other payables   | 13    | 500.3                   | 521.5                   | 401.5            |
| Derivative financial instruments   | 11    | 3.8                     | 15.2                    | 3.4              |
| CCP clearing business liabilities  | 11    | 480,824.1               | 560,422.8               | 503,747.4        |
| Current tax  |       | 26.3                    | 61.6                    | 14.8             |
| Borrowings   | 14    | 249.0                   | 347.2                   | 278.7            |
| Provisions   | 11    | 1.9                     | 1.2                     | 2.8              |
|  |       | <b>481,605.4</b>        | <b>561,369.5</b>        | <b>504,448.6</b> |
| <b>Non-current liabilities</b>   |       |                         |                         |                  |
| Borrowings   | 14    | 940.3                   | 947.7                   | 945.0            |
| Derivative financial instruments   | 11    | 2.3                     | 8.9                     | 4.0              |
| Deferred tax liabilities   |       | 160.6                   | 177.0                   | 176.0            |
| Retirement benefit obligations   | 9     | 36.4                    | 30.5                    | 36.9             |
| Other non-current liabilities  | 11    | 50.0                    | 49.2                    | 79.2             |
| Provisions   | 11    | 16.0                    | 25.7                    | 16.6             |
|  |       | <b>1,205.6</b>          | <b>1,239.0</b>          | <b>1,257.7</b>   |
| <b>Total liabilities</b>   |       | <b>482,811.0</b>        | <b>562,608.5</b>        | <b>505,706.3</b> |
| <b>Net assets</b>  |       | <b>1,961.1</b>          | <b>1,966.7</b>          | <b>1,956.9</b>   |
| <b>Equity</b>  |       |                         |                         |                  |
| <b>Capital and reserves attributable to the Company's equity holders</b> |       |                         |                         |                  |
| Ordinary share capital   |       | 18.9                    | 18.8                    | 18.8             |
| Retained losses  |       | (23.3)                  | (104.9)                 | (79.0)           |
| Other reserves   |       | 1,539.8                 | 1,630.4                 | 1,587.0          |
| <b>Total shareholder funds</b>   |       | <b>1,535.4</b>          | <b>1,544.3</b>          | <b>1,526.8</b>   |
| <b>Non-controlling interests</b>   |       | <b>425.7</b>            | <b>422.4</b>            | <b>430.1</b>     |
| <b>Total equity</b>  |       | <b>1,961.1</b>          | <b>1,966.7</b>          | <b>1,956.9</b>   |

The notes on pages 13 to 29 form an integral part of this Interim Report.

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT

|  | Notes | Three months ended<br>30 June |              | Year ended    |
|--|-------|-------------------------------|--------------|---------------|
|  |       | 2014                          | 2013         | 31 March      |
|  |       | Unaudited                     | Unaudited    | 2014          |
|  |       | £m                            | £m           | £m            |
| <b>Cash flow from operating activities</b>                     |       |                               |              |               |
| Cash generated from operations                                 | 16    | 198.1                         | 136.7        | 515.4         |
| Interest received  |       | 1.5                           | 2.1          | 4.6           |
| Interest paid  |       | (34.4)                        | (25.6)       | (71.7)        |
| Corporation tax paid   |       | (14.1)                        | (4.5)        | (99.8)        |
| Withholding tax paid   |       | -                             | -            | (23.2)        |
| <b>Net cash inflow from operating activities</b>               |       | <b>151.1</b>                  | <b>108.7</b> | <b>325.3</b>  |
| <b>Cash flow from investing activities</b>                     |       |                               |              |               |
| Purchase of property, plant and equipment                      |       | (8.2)                         | (6.5)        | (23.6)        |
| Purchase of intangible assets                                  |       | (20.2)                        | (11.4)       | (67.3)        |
| Investment in subsidiaries                                     |       | (10.0)                        | (350.7)      | (376.5)       |
| Dividends received   |       | 0.2                           | 0.3          | 0.3           |
| Net cash inflow from acquisitions                              |       | 1.0                           | 423.5        | 432.0         |
| Proceeds from sale of investment in associate                  |       | -                             | -            | 7.1           |
| <b>Net cash inflow/ (outflow) from investing activities</b>    |       | <b>(37.2)</b>                 | <b>55.2</b>  | <b>(28.0)</b> |
| <b>Cash flow from financing activities</b>                     |       |                               |              |               |
| Capital raise  |       | -                             | 114.4        | 114.4         |
| Dividends paid to shareholders                                 |       | -                             | -            | (80.8)        |
| Dividends paid to non-controlling interests                    |       | -                             | (0.2)        | (2.9)         |
| Cost of capital raise  |       | -                             | (2.7)        | (2.7)         |
| Proceeds from own shares on exercise of employee share options |       | -                             | -            | 2.3           |
| Purchase of own shares by ESOP Trust                           |       | 1.4                           | -            | (28.0)        |
| Repayment of borrowings  |       | (21.6)                        | (85.0)       | (91.4)        |
| Proceeds from borrowings                                       |       | -                             | 339.1        | 283.5         |
| <b>Net cash inflow/(outflow) from financing activities</b>     |       | <b>(20.2)</b>                 | <b>365.6</b> | <b>194.4</b>  |
| <b>Increase in cash and cash equivalents</b>                   |       |                               |              |               |
| Cash and cash equivalents at beginning of period               |       | 919.2                         | 446.2        | 446.2         |
| Exchange (loss)/gain on cash and cash equivalents              |       | (27.8)                        | 2.4          | (18.7)        |
| <b>Cash and cash equivalents at end of period</b>              |       | <b>985.1</b>                  | <b>978.1</b> | <b>919.2</b>  |

The notes on pages 13 to 29 form an integral part of this Interim Report.

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

|   | Attributable to equity holders |                           |                |                                      |                           |                |
|---|--------------------------------|---------------------------|----------------|--------------------------------------|---------------------------|----------------|
|   | Ordinary share capital         | Retained (loss)/ earnings | Other reserves | Total attributable to equity holders | Non-controlling interests | Total equity   |
|   | £m                             | £m                        | £m             | £m                                   | £m                        | £m             |
| 31 March 2013   | 18.8                           | (126.8)                   | 1,638.5        | 1,530.5                              | 68.5                      | 1,599.0        |
| Profit for the period                                     | -                              | 35.4                      | -              | 35.4                                 | 1.8                       | 37.2           |
| Other comprehensive income for the financial period       | -                              | 6.0                       | (8.1)          | (2.1)                                | (0.1)                     | (2.2)          |
| Employee share scheme expenses                            | -                              | 6.2                       | -              | 6.2                                  | -                         | 6.2            |
| Purchase of non-controlling interests                     | -                              | (25.7)                    | -              | (25.7)                               | 352.2                     | 326.5          |
| 30 June 2013 (unaudited)                                  | 18.8                           | (104.9)                   | 1,630.4        | 1,544.3                              | 422.4                     | 1,966.7        |
| Profit for the period                                     | -                              | 134.7                     | -              | 134.7                                | 10.8                      | 145.5          |
| Other comprehensive income for the financial period       | -                              | (1.2)                     | (43.4)         | (44.6)                               | (7.3)                     | (51.9)         |
| Final dividend relating to the year ended 31 March 2013   | -                              | (53.5)                    | -              | (53.5)                               | -                         | (53.5)         |
| Interim dividend relating to the year ended 31 March 2014 | -                              | (27.3)                    | -              | (27.3)                               | -                         | (27.3)         |
| Employee share scheme expenses                            | -                              | (19.2)                    | -              | (19.2)                               | -                         | (19.2)         |
| Dividend payments to non-controlling interests            | -                              | -                         | -              | -                                    | (5.4)                     | (5.4)          |
| Purchase of non-controlling interests                     | -                              | (7.6)                     | -              | (7.6)                                | 9.6                       | 2.0            |
| 31 March 2014   | 18.8                           | (79.0)                    | 1,587.0        | 1,526.8                              | 430.1                     | 1,956.9        |
| Profit for the period                                     | -                              | <b>52.0</b>               | -              | <b>52.0</b>                          | <b>8.9</b>                | <b>60.9</b>    |
| Other comprehensive income for the financial period       | -                              | <b>0.8</b>                | <b>(47.2)</b>  | <b>(46.4)</b>                        | <b>(13.3)</b>             | <b>(59.7)</b>  |
| Issue of shares   | <b>0.1</b>                     | -                         | -              | <b>0.1</b>                           | -                         | <b>0.1</b>     |
| Employee share scheme expenses                            | -                              | <b>2.9</b>                | -              | <b>2.9</b>                           | -                         | <b>2.9</b>     |
| 30 June 2014 (unaudited)                                  | <b>18.9</b>                    | <b>(23.3)</b>             | <b>1,539.8</b> | <b>1,535.4</b>                       | <b>425.7</b>              | <b>1,961.1</b> |

The other reserves are set out on page 109 of the Group's Annual Report for the year ended 31 March 2014. The movement in the current period comprises a charge of £48.7m to the foreign exchange reserves and a credit of £1.5m to the hedging reserve, both of which are distributable reserves.

The notes on pages 13 to 29 form an integral part of this Interim Report.

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

The Interim Report for the London Stock Exchange Group plc ('the Group' or 'the Company') for the three months ended 30 June 2014 was approved by the Directors on 21 August 2014.

### 1. Basis of Preparation and Accounting Policies

This Interim Report has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Services Authority and in accordance with International Accounting Standard (IAS) 34 - 'Interim Financial Reporting'.

The accounting policies used are consistent with those set out on pages 110 to 113 of the Group's Annual Report for the year ended 31 March 2014, with the exception of the changes in the standards identified below:

The following standards and interpretations have been issued by the International Accounting Standards Board (IASB) and IFRS Interpretations Committee (IFRIC) and have been adopted in these condensed consolidated interim financial statements:

IFRS 10, 'Consolidated financial statements' and amendments;  
IFRS 11, 'Joint arrangements';  
IFRS 12, 'Disclosure of interests in other entities' and amendments;  
IAS 27 (Revised 2011), 'Separate financial statements' and amendments;  
IAS 28 (Revised 2011), 'Associates and joint ventures';  
Amendments to IAS 32, 'Financial instruments: Presentation';  
Amendments to IAS 36, 'Impairment of assets';  
Amendment to IAS 39 'Financial instruments: Recognition and measurement', on novation of derivatives and hedge accounting; and  
IFRIC 21, 'Levies'.

The adoption of these standards did not have a material impact on these condensed consolidated interim financial statements.

The following standards and interpretations were issued by the IASB and IFRIC since the last Annual Report, but have not been adopted either because they were not endorsed by the European Union (EU) at 30 June 2014 or they are not yet mandatory and the Group has not chosen to early adopt. The impact on the Group's financial statements of the future standards, amendments and interpretations is still under review, but the Group does not expect any of these changes to have a material impact on the results or the net assets of the Group:

| <b>International accounting standards and interpretations</b>                                 | <b>Effective date</b> |
|---|-----------------------|
| Amendment to IAS 19, 'Employee Benefits' on defined benefit plans                             | 1 July 2014           |
| Annual improvements 2012 and 2013   | 1 July 2014           |
| Amendment to IFRS 11, 'Joint arrangements' on acquisition of an interest in a joint operation | 1 January 2016        |
| Amendment to IAS 16, 'Property, plant and equipment'  | 1 January 2016        |
| Amendment to IAS 16, IAS 38, 'Intangible assets', on depreciation and amortisation            | 1 January 2016        |
| IFRS 14, 'Regulatory deferral accounts'   | 1 January 2016        |
| IFRS 15 'Revenue from contracts with customers'   | 1 January 2017        |
| IFRS 9 'Financial instruments' – classification and measurement                               | 1 January 2018        |
| Amendments to IFRS 9, 'Financial instruments', regarding general hedge accounting             | 1 January 2018        |

The preparation of the Interim Report requires management to make estimates and assumptions that affect the reported income and expense, assets and liabilities and disclosure of contingencies at the date of the interim report. Although these estimates and assumptions are based on management's best judgment at the date of the Interim Report, actual results may differ from these estimates.

For these condensed consolidated interim financial statements the Group is not adopting the columnar format for its consolidated income statement as stated in the Group basis of preparation and accounting policies in the Group's Annual Report for the year ended 31 March 2014.

The statutory financial statements of London Stock Exchange Group plc for the year ended 31 March 2014, which carried an unqualified audit report, have been delivered to the Registrar of Companies and did not contain a statement under section 498 of the Companies Act 2006.

The Interim Report does not constitute statutory financial statements within the meaning of section 434 of the Companies Act 2006.

## 2. Segmental Information

Segmental disclosures for the three months ended 30 June 2014 are as follows:

|  | Capital<br>Markets<br>£m | Post Trade<br>Services -<br>CC&G and<br>Monte<br>Titoli<br>£m | Post Trade<br>Services -<br>LCH.Clear<br>net<br>£m | Information<br>Services<br>£m | Technology<br>Services<br>£m | Other<br>£m | Eliminations<br>£m | Group<br>£m  |
|--|--------------------------|---|--|-------------------------------|------------------------------|-------------|--------------------|--------------|
| Revenue from external customers  | 87.0                     | 26.0  | 83.2   | 88.0                          | 14.3                         | 1.4         | -                  | 299.9        |
| Inter-segmental revenue  | -                        | 0.3   | -  | -                             | 1.7                          | -           | (2.0)              | -            |
| Revenue  | 87.0                     | 26.3  | 83.2   | 88.0                          | 16.0                         | 1.4         | (2.0)              | 299.9        |
| Net treasury income through CCP business   | -                        | 7.5   | 15.1   | -                             | -                            | -           | -                  | 22.6         |
| Other Income   | -                        | -   | 0.7  | -                             | -                            | 1.4         | -                  | 2.1          |
| <b>Total Income</b>  | <b>87.0</b>              | <b>33.8</b>   | <b>99.0</b>  | <b>88.0</b>                   | <b>16.0</b>                  | <b>2.8</b>  | <b>(2.0)</b>       | <b>324.6</b> |
| <b>Operating profit before amortisation of purchased intangible assets and non-recurring items</b> | <b>47.0</b>              | <b>17.8</b>   | <b>34.8</b>  | <b>45.1</b>                   | <b>3.0</b>                   | <b>1.8</b>  | <b>(0.6)</b>       | <b>148.9</b> |
| Amortisation of purchased intangible assets  |                          |   |  |                               |                              |             |                    | (29.3)       |
| Non-recurring items  |                          |   |  |                               |                              |             |                    | (17.6)       |
| <b>Operating profit</b>  |                          |   |  |                               |                              |             |                    | <b>102.0</b> |
| Net finance expense  |                          |   |  |                               |                              |             |                    | (18.4)       |
| <b>Profit before taxation</b>  |                          |   |  |                               |                              |             |                    | <b>83.6</b>  |
| <b>Other income statement items</b>  |                          |   |  |                               |                              |             |                    |              |
| Depreciation and software amortisation   | (1.9)                    | (1.2)   | (6.1)  | (2.3)                         | 0.1                          | -           | (0.4)              | (11.8)       |

Segmental disclosures for the three months ended 30 June 2013 are as follows:

|  | Capital<br>Markets<br>£m | Post Trade<br>Services -<br>CC&G and<br>Monte<br>Titoli<br>£m | Post Trade<br>Services -<br>LCH.Clear<br>net<br>£m | Information<br>Services<br>£m | Technology<br>Services<br>£m | Other<br>£m | Eliminations<br>£m | Group<br>£m |
|--|--------------------------|---|--|-------------------------------|------------------------------|-------------|--------------------|-------------|
| <b>Revenue from external customers</b>   | 75.0                     | 25.1  | 49.0   | 83.9                          | 15.5                         | 1.2         | -                  | 249.7       |
| Inter-segmental revenue  | -                        | 0.2   | -  | -                             | 2.7                          | -           | (2.9)              | -           |
| <b>Revenue</b>   | 75.0                     | 25.3  | 49.0   | 83.9                          | 18.2                         | 1.2         | (2.9)              | 249.7       |
| <b>Net treasury income through CCP business</b>  | -                        | 16.7  | 11.8   | -                             | -                            | -           | -                  | 28.5        |
| <b>Other Income</b>  | -                        | -   | (1.2)  | -                             | -                            | 2.1         | -                  | 0.9         |
| <b>Total Income</b>  | 75.0                     | 42.0  | 59.6   | 83.9                          | 18.2                         | 3.3         | (2.9)              | 279.1       |
| <b>Operating profit before amortisation of purchased intangible assets and non-recurring items</b> | 36.5                     | 27.3  | 10.4   | 38.4                          | 0.5                          | 0.9         | 3.0                | 117.0       |
| Amortisation of purchased intangible assets  |                          |   |  |                               |                              |             |                    | (27.5)      |
| Non-recurring items  |                          |   |  |                               |                              |             |                    | (14.7)      |
| <b>Operating profit</b>  |                          |   |  |                               |                              |             |                    | 74.8        |
| Net finance expense  |                          |   |  |                               |                              |             |                    | (15.1)      |
| <b>Profit before taxation</b>  |                          |   |  |                               |                              |             |                    | 59.7        |
| <b>Other income statement items</b>  |                          |   |  |                               |                              |             |                    |             |
| Depreciation and software amortisation   | (6.9)                    | (1.4)   | (2.6)  | (4.2)                         | (1.2)                        | -           | 3.2                | (13.1)      |

The segmental reporting incorporates LCH.Clearnet's results since its acquisition by the Group on 1 May 2013.

## 2. Segmental Information

Segmental disclosures for the year ended 31 March 2014 are as follows:

|  | Capital Markets | Post Trade Services - CC&G and Monte Titoli | Post Trade Services - LCH.Clear net | Information Services | Technology Services | Other       | Eliminations  | Group          |
|--|-----------------|---|-------------------------------------|----------------------|---------------------|-------------|---------------|----------------|
|  | £m              | £m  | £m                                  | £m                   | £m                  | £m          | £m            | £m             |
| Revenue from external customers  | 309.5           | 98.4  | 263.0                               | 348.7                | 64.0                | 4.7         | -             | 1,088.3        |
| Inter-segmental revenue  | -               | 0.9   | -                                   | -                    | 10.9                | -           | (11.8)        | -              |
| Revenue  | 309.5           | 99.3  | 263.0                               | 348.7                | 74.9                | 4.7         | (11.8)        | 1,088.3        |
| Net treasury income through CCP business   | -               | 47.6  | 62.2                                | -                    | -                   | -           | -             | 109.8          |
| Other Income   | -               | -   | (3.5)                               | -                    | -                   | 15.0        | -             | 11.5           |
| <b>Total Income</b>  | <b>309.5</b>    | <b>146.9</b>                                | <b>321.7</b>                        | <b>348.7</b>         | <b>74.9</b>         | <b>19.7</b> | <b>(11.8)</b> | <b>1,209.6</b> |
| <b>Operating profit before amortisation of purchased intangible assets and non-recurring items</b> | <b>144.7</b>    | <b>83.5</b>                                 | <b>81.1</b>                         | <b>169.7</b>         | <b>11.8</b>         | <b>8.7</b>  | <b>11.7</b>   | <b>511.2</b>   |
| Amortisation of purchased intangible assets  |                 |   |                                     |                      |                     |             |               | (116.5)        |
| Non-recurring items  |                 |   |                                     |                      |                     |             |               | (41.6)         |
| <b>Operating profit</b>  |                 |   |                                     |                      |                     |             |               | <b>353.1</b>   |
| Net finance expense  |                 |   |                                     |                      |                     |             |               | (68.8)         |
| <b>Profit before taxation</b>  |                 |   |                                     |                      |                     |             |               | <b>284.3</b>   |
| <b>Other income statement items</b>  |                 |   |                                     |                      |                     |             |               |                |
| Depreciation and software amortisation   | (25.3)          | (5.5)                                       | (23.0)                              | (15.6)               | (5.3)               | (0.2)       | 12.6          | (62.3)         |

The segmental reporting incorporates LCH.Clearnet's results since its acquisition by the Group on 1 May 2013.

## 3. Expenses by nature

Expenses comprise the following:

|  | Three months ended 30 June |              | Year ended 31 March |
|--|----------------------------|--------------|---------------------|
|  | 2014                       | 2013         | 2014                |
|  | £m                         | £m           | £m                  |
| Cost of sales  | 21.7                       | 19.0         | 74.1                |
| Employee costs   | 77.5                       | 69.4         | 303.9               |
| Depreciation and non-acquisition software amortisation | 11.8                       | 13.1         | 62.3                |
| IT costs   | 31.0                       | 25.9         | 92.0                |
| Other costs  | 33.7                       | 34.7         | 166.1               |
| <b>Total expenses</b>                                  | <b>175.7</b>               | <b>162.1</b> | <b>698.4</b>        |



#### 4. Amortisation of purchased intangible assets and non-recurring items

|  | Notes | Three months ended<br>30 June |              | Year ended<br>31 March |
|--|-------|-------------------------------|--------------|------------------------|
|  |       | 2014<br>£m                    | 2013<br>£m   | 2014<br>£m             |
| Amortisation of purchased intangible assets                  | 8     | 29.3                          | 27.5         | 116.5                  |
| Transaction costs  |       | 17.3                          | 13.4         | 14.9                   |
| Transaction credit   |       | (2.4)                         | -            | -                      |
| Restructuring costs  |       | 0.7                           | 1.0          | 28.8                   |
| Pension curtailment credit                                   |       | -                             | -            | (2.1)                  |
| Integration costs  |       | 2.0                           | 0.3          | -                      |
| <b>Total affecting operating profit</b>                      |       | <b>46.9</b>                   | <b>42.2</b>  | <b>158.1</b>           |
| Charge for new transaction related revolving credit facility |       | 1.8                           | -            | -                      |
| <b>Total affecting profit before tax</b>                     |       | <b>48.7</b>                   | <b>42.2</b>  | <b>158.1</b>           |
| <b>Tax effect on items affecting profit before tax</b>       |       |                               |              |                        |
| Deferred tax on amortisation of purchased intangible assets  |       | (2.8)                         | (2.2)        | (11.8)                 |
| Current tax on amortisation of purchased intangible assets   |       | (0.6)                         | (0.6)        | (2.2)                  |
| Tax effect on other items affecting profit before tax        |       | (5.7)                         | (0.3)        | (9.1)                  |
| <b>Total tax effect on items affecting profit before tax</b> |       | <b>(9.1)</b>                  | <b>(3.1)</b> | <b>(23.1)</b>          |
| <b>Total charge to income statement</b>                      |       | <b>39.6</b>                   | <b>39.1</b>  | <b>135.0</b>           |

Transaction costs comprise charges incurred for ongoing services for legal and professional fees along with settlement of other costs related to acquisitions.

Transaction credit relates to a reduction in obligations arising from the acquisition of LCH.Clearnet.

Integration costs primarily relate to the charges incurred on the addition of LCH.

#### 5. Net finance expense

|   | Three months ended<br>30 June |               | Year ended<br>31 March |
|---|-------------------------------|---------------|------------------------|
|   | 2014<br>£m                    | 2013<br>£m    | 2014<br>£m             |
| <b>Finance income</b>                           |                               |               |                        |
| Bank deposit and other interest income          | 2.4                           | 2.3           | 5.2                    |
| Defined benefit pension scheme interest income  | 0.2                           | 0.1           | -                      |
| Other finance income                            | 0.2                           | 0.3           | 0.3                    |
|   | <b>2.8</b>                    | <b>2.7</b>    | <b>5.5</b>             |
| <b>Finance expense</b>                          |                               |               |                        |
| Interest payable on bank and other borrowings   | (18.4)                        | (17.2)        | (71.2)                 |
| Other finance expense                           | (0.7)                         | (0.6)         | (2.3)                  |
| Defined benefit pension scheme interest expense | (0.3)                         | -             | (0.8)                  |
| Non-recurring credit facility arrangement fees  | (1.8)                         | -             | -                      |
|   | <b>(21.2)</b>                 | <b>(17.8)</b> | <b>(74.3)</b>          |
| <b>Net finance expense</b>                      | <b>(18.4)</b>                 | <b>(15.1)</b> | <b>(68.8)</b>          |

## 6. Taxation

|   | Three months ended<br>30 June |             | Year ended<br>31 March |
|---|-------------------------------|-------------|------------------------|
|   | 2014<br>£m                    | 2013<br>£m  | 2014<br>£m             |
| <b>Taxation charged to the income statement</b>                       |                               |             |                        |
| Current tax:  |                               |             |                        |
| UK corporation tax for the period                                     | 11.3                          | 5.7         | 43.5                   |
| Overseas tax for the period   | 12.4                          | 19.1        | 77.6                   |
| Adjustments in respect of previous years                              | (0.7)                         | (0.1)       | (1.2)                  |
|   | 23.0                          | 24.7        | 119.9                  |
| Deferred tax:   |                               |             |                        |
| Deferred tax for the period   | 3.3                           | 0.1         | (4.7)                  |
| Adjustments in respect of previous years                              | (0.8)                         | (0.1)       | (1.8)                  |
| Deferred tax liability on amortisation of purchased intangible assets | (2.8)                         | (2.2)       | (11.8)                 |
|   | (0.3)                         | (2.2)       | (18.3)                 |
| <b>Taxation charge</b>  | <b>22.7</b>                   | <b>22.5</b> | <b>101.6</b>           |

|   | Three months ended<br>30 June |            | Year ended<br>31 March |
|---|-------------------------------|------------|------------------------|
|   | 2014<br>£m                    | 2013<br>£m | 2014<br>£m             |
| <b>Taxation on items not credited/(charged) to income statement</b>       |                               |            |                        |
| Current tax credit:   |                               |            |                        |
| Tax allowance on share options/awards in excess of expense recognised     | 1.6                           | -          | 3.5                    |
| Deferred tax (loss)/credit:   |                               |            |                        |
| Tax allowance on defined benefit pension scheme remeasurement (gain)/loss | 0.3                           | (4.8)      | (1.7)                  |
| Tax allowance on share options/awards in excess of expense recognised     | (1.6)                         | -          | 1.0                    |
| Movement in value of available for sale financial assets                  | (0.8)                         | 1.3        | (0.7)                  |
| Adjustments relating to change in UK tax rate                             | -                             | -          | (0.6)                  |
|   | (0.5)                         | (3.5)      | 1.5                    |

### Factors affecting the tax charge for the period

The income statement tax charge for the period differs from the standard rate of corporation tax in the UK of 21% as explained below:

|   | Three months ended<br>30 June |             | Year ended<br>31 March |
|---|-------------------------------|-------------|------------------------|
|   | 2014<br>£m                    | 2013<br>£m  | 2014<br>£m             |
| Profit before taxation  | 83.6                          | 59.7        | 284.3                  |
| Profit multiplied by standard rate of corporation tax in the UK | 17.6                          | 13.7        | 65.4                   |
| Expenses not deductible/(income not taxable)                    | 0.3                           | (1.9)       | 4.3                    |
| Adjustment arising from change in UK tax rate                   | -                             | -           | 2.4                    |
| Overseas earnings taxed at higher rate                          | 3.0                           | 7.6         | 19.1                   |
| Adjustments in respect of previous years                        | (0.7)                         | (0.2)       | (3.0)                  |
| Amortisation of purchased intangibles                           | 2.5                           | 3.3         | 13.4                   |
| <b>Taxation charge</b>  | <b>22.7</b>                   | <b>22.5</b> | <b>101.6</b>           |

The tax rate applied as at 30 June 2014 is the expected rate for the full financial year.

The standard UK corporation tax rate was 21% (23% for the periods ended 30 June 2013 and 31 March 2014).

## 7. Earnings per share

Earnings per share is presented on four bases: basic earnings per share; diluted earnings per share; adjusted basic earnings per share; and adjusted diluted earnings per share. Basic earnings per share is in respect of all activities and diluted earnings per share takes into account the dilution effects which would arise on conversion or vesting of share options and share awards under the Employee Share Ownership Plan (ESOP). Adjusted basic earnings per share and adjusted diluted earnings per share exclude amortisation of purchased intangible assets and adjusted items to enable a better comparison of the underlying earnings of the business with prior periods.

|   | Three months ended<br>30 June |           | Year ended<br>31 March |
|---|-------------------------------|-----------|------------------------|
|   | 2014                          | 2013      | 2014                   |
| <b>Basic earnings per share</b>   | <b>19.2p</b>                  | 13.1p     | 63.0p                  |
| <b>Diluted earnings per share</b>   | <b>18.9p</b>                  | 12.9p     | 61.4p                  |
| <b>Adjusted basic earnings per share</b>  | <b>31.9p</b>                  | 27.0p     | 107.1p                 |
| <b>Adjusted diluted earnings per share</b>  | <b>31.3p</b>                  | 26.5p     | 104.4p                 |
|   | <b>£m</b>                     | <b>£m</b> | <b>£m</b>              |
| <b>Profit for the financial period attributable to equity holders</b>               | <b>52.0</b>                   | 35.4      | 170.1                  |
| <b>Adjustments:</b>   |                               |           |                        |
| <b>Amortisation and non-recurring items</b>   |                               |           |                        |
| Amortisation of purchased intangible assets   | <b>29.3</b>                   | 27.5      | 116.5                  |
| Transaction costs   | <b>17.3</b>                   | 13.4      | 14.9                   |
| Transaction credit  | <b>(2.4)</b>                  |           |                        |
| Restructuring costs   | <b>0.7</b>                    | 1.0       | 28.8                   |
| Pension curtailment costs   | <b>-</b>                      | -         | (2.1)                  |
| Integration costs   | <b>2.0</b>                    | 0.3       | -                      |
| Charge for new revolving credit facility  | <b>1.8</b>                    | -         | -                      |
| <b>Other adjusting items:</b>   |                               |           |                        |
| Unrealised net investment (gain)/loss   | <b>(0.7)</b>                  | 1.2       | 3.5                    |
| Tax effect of amortisation and non-recurring items                                  | <b>(9.1)</b>                  | (3.1)     | (23.1)                 |
| Tax effect of other adjusting items   | <b>0.2</b>                    | (0.4)     | (1.2)                  |
| Adjusted items, amortisation and taxation attributable to non-controlling interests | <b>(4.7)</b>                  | (2.5)     | (18.1)                 |
| <b>Adjusted profit for the financial period attributable to equity holders</b>      | <b>86.4</b>                   | 72.8      | 289.3                  |
| <b>Weighted average number of shares - million</b>                                  | <b>270.7</b>                  | 270.1     | 270.1                  |
| Effect of dilutive share options and awards - million                               | <b>4.9</b>                    | 5.1       | 7.0                    |
| <b>Diluted weighted average number of shares - million</b>                          | <b>275.6</b>                  | 275.2     | 277.1                  |

The weighted average number of shares excludes those held in the ESOP.

## 8. Intangible Assets

|  | Purchased intangible assets |   |              |  |              |                |
|--|-----------------------------|---|--------------|--|--------------|----------------|
|  | Goodwill                    | Customer<br>and supplier<br>relationships | Brands       | Software,<br>licenses<br>and<br>intellectual<br>property | Software     | Total          |
|  | £m                          | £m  | £m           | £m   | £m           | £m             |
| Cost:                                    |                             |   |              |  |              |                |
| 1 April 2013                             | 1,211.9                     | 968.2                                     | 237.0        | 344.6  | 157.7        | 2,919.4        |
| Additions                                | -                           | -   | -            | -  | 8.7          | 8.7            |
| Acquisition of subsidiaries              | 151.2                       | 221.2                                     | 17.3         | 80.8   | 35.3         | 505.8          |
| Foreign exchange                         | 1.8                         | (3.4)                                     | (0.3)        | (0.2)  | (0.3)        | (2.4)          |
| 30 June 2013                             | 1,364.9                     | 1,186.0                                   | 254.0        | 425.2  | 201.4        | 3,431.5        |
| Additions                                | -                           | -   | -            | -  | 98.1         | 98.1           |
| Acquisition of subsidiaries              | 14.9                        | 10.8                                      | 0.8          | 1.2  | 0.1          | 27.8           |
| Disposals                                | -                           | -   | -            | -  | (30.3)       | (30.3)         |
| Foreign exchange                         | (33.6)                      | (29.1)                                    | (1.2)        | (5.8)  | (3.6)        | (73.3)         |
| 31 March 2014                            | 1,346.2                     | 1,167.7                                   | 253.6        | 420.6  | 265.7        | 3,453.8        |
| Additions                                | -                           | -   | -            | -  | 16.3         | 16.3           |
| Acquisition of subsidiaries              | -                           | -   | -            | -  | 0.6          | 0.6            |
| Foreign exchange                         | (31.6)                      | (25.5)                                    | (0.7)        | (6.1)  | (9.4)        | (73.3)         |
| <b>30 June 2014</b>                      | <b>1,314.6</b>              | <b>1,142.2</b>                            | <b>252.9</b> | <b>414.5</b>   | <b>273.2</b> | <b>3,397.4</b> |
| Amortisation and accumulated impairment: |                             |   |              |  |              |                |
| 1 April 2013                             | 445.6                       | 188.2                                     | 17.4         | 107.5  | 111.4        | 870.1          |
| Amortisation charge for the period       | -                           | 14.7                                      | 2.7          | 10.3   | 5.6          | 33.3           |
| Foreign exchange                         | 1.5                         | 0.6                                       | -            | 0.4  | -            | 2.5            |
| 30 June 2013                             | 447.1                       | 203.5                                     | 20.1         | 118.2  | 117.0        | 905.9          |
| Amortisation charge for the period       | -                           | 46.3                                      | 8.2          | 34.3   | 32.7         | 121.5          |
| Disposals                                | -                           | -   | -            | -  | (30.3)       | (30.3)         |
| Foreign exchange                         | (9.9)                       | (5.0)                                     | (0.3)        | (3.2)  | (0.9)        | (19.3)         |
| 31 March 2014                            | 437.2                       | 244.8                                     | 28.0         | 149.3  | 118.5        | 977.8          |
| Amortisation charge for the period       | -                           | 15.4                                      | 2.7          | 11.2   | 5.8          | 35.1           |
| Foreign exchange                         | (13.2)                      | (6.7)                                     | (0.3)        | (2.9)  | (1.2)        | (24.3)         |
| <b>30 June 2014</b>                      | <b>424.0</b>                | <b>253.5</b>                              | <b>30.4</b>  | <b>157.6</b>   | <b>123.1</b> | <b>988.6</b>   |
| Net book values:                         |                             |   |              |  |              |                |
| <b>30 June 2014</b>                      | <b>890.6</b>                | <b>888.7</b>                              | <b>222.5</b> | <b>256.9</b>   | <b>150.1</b> | <b>2,408.8</b> |
| 31 March 2014                            | 909.0                       | 922.9                                     | 225.6        | 271.3  | 147.2        | 2,476.0        |
| 30 June 2013                             | 917.8                       | 982.5                                     | 233.9        | 307.0  | 84.4         | 2,525.6        |

The fair values of purchased intangible assets were principally valued using discounted cash flow methodologies and are being amortised over their useful economic lives, which do not normally exceed 25 years. The goodwill arising on consolidation represents the growth potential and assembled workforces of the Italian Group, LCH.Clearnet Group, FTSE Group, MillenniumIT and Turquoise.

## 9. Retirement benefit obligations

The Group operates separate defined benefit and defined contribution schemes. The assets of the defined benefit and defined contribution schemes are held separately from those of the Group. The 'Other plans' referred to below relate to the unfunded severance and leaving indemnity scheme trattamento di fine rapporto (TFR) operated by the Italian Group in accordance with Italian law, the employee benefit and retirement plan operated by MillenniumIT and the defined benefit pension scheme operated by LCH Group.

| Defined benefit (obligations)/assets for LSEG and LCH UK pension scheme | 30 June       |             |               |             | Year ended 31 March |             |
|---|---------------|-------------|---------------|-------------|---------------------|-------------|
|   | 2014          | 2014        | 2013          | 2013        | 2014                | 2014        |
|   | LSEG UK       | LCH UK      | LSEG UK       | LCH UK      | LSEG UK             | LCH UK      |
|   | £m            | £m          | £m            | £m          | £m                  | £m          |
| Fair value of assets  | 278.1         | 171.8       | 266.3         | 161.0       | 276.7               | 167.5       |
| Present value of funded obligations                                     | (302.3)       | (158.1)     | (281.9)       | (139.5)     | (300.6)             | (153.0)     |
| <b>Deficit</b>  | <b>(24.2)</b> | <b>13.7</b> | <b>(15.6)</b> | <b>21.5</b> | <b>(23.9)</b>       | <b>14.5</b> |

### Movement in defined benefit net (liability)/asset during the period (LSEG and LCH UK Pension)

|   | Three months ended 30 June |             |               |             | Year ended 31 March |             |
|---|----------------------------|-------------|---------------|-------------|---------------------|-------------|
|   | 2014                       | 2014        | 2013          | 2013        | 2014                | 2014        |
|   | LSEG UK                    | LCH UK      | LSEG UK       | LCH UK      | LSEG UK             | LCH UK      |
|   | £m                         | £m          | £m            | £m          | £m                  | £m          |
| At beginning of period                    | (23.9)                     | 14.5        | (17.7)        | 8.2         | (17.7)              | -           |
| Assets acquired in a business combination | -                          | -           | -             | -           | -                   | 9.0         |
| Current service cost                      | (0.1)                      | (0.2)       | (0.1)         | (0.1)       | (0.9)               | (0.5)       |
| Interest expense                          | (0.3)                      | 0.2         | -             | 0.1         | (0.7)               | 0.4         |
| Contributions paid                        | 0.2                        | -           | -             | -           | 3.6                 | -           |
| Remeasurement (loss)/gain                 | (0.1)                      | (0.8)       | 2.2           | 10.3        | (8.2)               | 6.6         |
| Foreign exchange                          | -                          | -           | -             | 3.0         | -                   | (1.0)       |
| <b>At end of period</b>                   | <b>(24.2)</b>              | <b>13.7</b> | <b>(15.6)</b> | <b>21.5</b> | <b>(23.9)</b>       | <b>14.5</b> |

### Movement in defined benefit net asset/(liability) during the period (Other plans)

|   | Three months ended 30 June |               | Year ended 31 March |
|---|----------------------------|---------------|---------------------|
|   | 2014                       | 2013          | 2014                |
|   | £m                         | £m            | £m                  |
| At beginning of period                    | (13.0)                     | (15.2)        | (7.9)               |
| Assets acquired in a business combination | -                          | -             | (7.5)               |
| Current service credit                    | 0.6                        | 0.1           | 0.6                 |
| Interest income                           | -                          | -             | (0.5)               |
| Contributions paid                        | -                          | -             | 0.1                 |
| Benefits paid                             | 0.1                        | -             | 1.7                 |
| Remeasurement (loss)/gain                 | (0.3)                      | 0.2           | 0.3                 |
| Exchange differences                      | 0.4                        | -             | 0.2                 |
| <b>At end of period</b>                   | <b>(12.2)</b>              | <b>(14.9)</b> | <b>(13.0)</b>       |

The main actuarial assumptions of the LSEG UK Pension plan are set out below:

|   | Three months ended 30 June |        |         |        | Year ended 31 March |        |
|---|----------------------------|--------|---------|--------|---------------------|--------|
|   | LSEG UK                    | LCH UK | LSEG UK | LCH UK | LSEG UK             | LCH UK |
|   | 2014                       | 2014   | 2013    | 2013   | 2014                | 2014   |
| Inflation rate - RPI                    | 3.3%                       | 3.3%   | 3.4%    | 3.5%   | 3.4%                | 3.4%   |
| Inflation rate - CPI                    | 2.3%                       | 2.3%   | 2.4%    | 2.5%   | 2.4%                | 2.4%   |
| Rate of increase in salaries            | 3.3%                       | n/a    | 3.4%    | n/a    | 3.4%                | n/a    |
| Rate of increase in pensions in payment | 3.5%                       | 2.2%   | 3.6%    | 2.2%   | 3.6%                | 2.2%   |
| Discount rate                           | 4.4%                       | 4.4%   | 4.8%    | 4.8%   | 4.5%                | 4.5%   |
| Life expectancy from age 60 (Years)     |                            |        |         |        |                     |        |
| - Non retired male member               | 28.6                       | 30.8   | 28.0    | 30.7   | 28.6                | n/a    |
| - Non retired female member             | 30.5                       | 33.0   | 30.8    | 32.9   | 30.5                | n/a    |
| - Retired male member                   | 27.1                       | 29.3   | 26.5    | 29.2   | 27.1                | 29.3   |
| - Retired female member                 | 29.2                       | 31.3   | 29.3    | 31.2   | 29.2                | 31.3   |

The mortality assumptions are based on the standard tables S1NA published by the Institute and Faculty of Actuaries adjusted to take account of projected future improvements in life expectancy from the Self Administered Pension Scheme (SAPS) mortality survey, which was published in 2008. We have used an allowance for CMI 2013 projections and applied a 1.25 per cent/1.00 per cent for male/female long term trend rate in respect of future mortality improvements. In 2013 we used an allowance for the medium cohort effect and applied a one per cent underpin in respect of future mortality improvements.

## 10. Trade and other receivables

|   | 30 June      |              | 31 March     |
|---|--------------|--------------|--------------|
|   | 2014         | 2013         | 2014         |
|   | £m           | £m           | £m           |
| <b>Current</b>                                |              |              |              |
| Trade receivables                             | 142.4        | 126.3        | 133.5        |
| Less: provision for impairment of receivables | (6.4)        | (5.0)        | (5.2)        |
| Trade receivables - net                       | 136.0        | 121.3        | 128.3        |
| Other receivables                             | 117.7        | 77.8         | 38.3         |
| Prepayments and accrued income                | 87.2         | 93.4         | 83.9         |
| <b>Total trade and other receivables</b>      | <b>340.9</b> | <b>292.5</b> | <b>250.5</b> |

The carrying values less impairment provision of trade and other receivables are reasonable approximations of fair values.

Trade receivables that are not past due are not considered to be impaired.

## 11. Financial instruments by category

The financial instruments of the Group are categorised as follows:

|   | 30 June          |                  | 31 March         |
|---|------------------|------------------|------------------|
|   | 2014             | 2013             | 2014             |
|   | £m               | £m               | £m               |
| <b>Assets as per balance sheet</b>                  |                  |                  |                  |
| Financial assets of the CCP clearing business       |                  |                  |                  |
| - CCP trading assets                                | 333,634.2        | 390,117.2        | 337,211.5        |
| - Receivables for repurchase transactions           | 96,152.5         | 116,227.7        | 117,702.6        |
| - Other receivables from clearing members           | 3,500.1          | 4,723.2          | 4,442.5          |
| - Financial assets held at fair value               | 14,163.8         | 10,343.7         | 11,141.1         |
| - Cash and cash equivalents of clearing members     | 33,377.0         | 39,157.7         | 33,278.5         |
| Financial assets of the CCP clearing business       | 480,827.6        | 560,569.5        | 503,776.2        |
| Assets held at fair value                           | 31.6             | 9.9              | 18.7             |
| <b>Total financial assets for CCP clearing</b>      | <b>480,859.2</b> | <b>560,579.4</b> | <b>503,794.9</b> |
| Trade and other receivables                         | 142.4            | 126.3            | 133.5            |
| Cash and cash equivalents                           | 985.1            | 978.1            | 919.2            |
| Available for sale financial assets                 | 4.8              | 0.4              | 4.8              |
| Forward foreign exchange contracts                  | -                | 0.2              | -                |
| Cross currency interest rate swaps                  | 9.9              | 2.3              | 6.7              |
| <b>Total</b>  | <b>482,001.4</b> | <b>561,686.7</b> | <b>504,859.1</b> |
| <b>Liabilities as per balance sheet</b>             |                  |                  |                  |
| Financial liabilities of the CCP clearing business  |                  |                  |                  |
| - CCP trading liabilities                           | 333,634.2        | 390,117.2        | 337,211.5        |
| - Liabilities under repurchase transactions         | 96,152.5         | 116,227.7        | 117,702.6        |
| - Other payables to clearing members                | 51,028.4         | 54,053.9         | 48,808.2         |
| - Financial liabilities held at fair value          | 9.0              | 24.0             | 25.1             |
| <b>Total financial liabilities for CCP clearing</b> | <b>480,824.1</b> | <b>560,422.8</b> | <b>503,747.4</b> |
| Trade and other payables                            | 500.3            | 521.5            | 401.5            |
| Other non-current liabilities                       | 50.0             | 49.2             | 79.2             |
| Provisions  | 17.9             | 26.9             | 19.4             |
| Borrowings  | 1,189.3          | 1,294.9          | 1,223.7          |
| Forward foreign exchange contracts                  | 3.2              | -                | -                |
| Interest rate swaps                                 | 0.6              | 15.2             | 3.4              |
| Cross currency interest rate swaps                  | 2.3              | 8.9              | 4.0              |
| <b>Total</b>  | <b>482,587.7</b> | <b>562,339.4</b> | <b>505,478.6</b> |

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: other techniques for which all inputs, which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data. The Group has no financial instruments in this category.

For assets and liabilities classified as level 2, the fair value is calculated using valuation techniques with market observable inputs. Frequently applied techniques include forward pricing and swap models using present value calculations. The models incorporate various inputs including foreign exchange spot and forward rates, interest rate curves and forward rate curves.

Level 1 CCP trading assets and liabilities were £6,044.9m (2013:£3,396.6m), Level 2 CCP trading assets and liabilities were £327,589.3m (2013: £386,720.6m).

Level 1 Financial assets held at fair value were £14,195.4m (2013:£10,353.6m), Level 2 Financial assets held at fair value was nil (2013:nil).

The nature and composition of the CCP clearing business assets and liabilities is explained in the accounting policies note on pages 112 to 113 of the Group's Annual Report for the year ended 31 March 2014.

## 12. Offsetting financial assets and financial liabilities

The Group reports financial assets and financial liabilities on a net basis on the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liabilities simultaneously.

The following table shows the impact of netting arrangements on all financial assets and liabilities that are reported net on the balance sheet.

|                                  | Gross<br>amounts    | Amount<br>offset    | Net amount as<br>reported |
|----------------------------------|---------------------|---------------------|---------------------------|
|                                  | £m                  | £m                  | £m                        |
| <b>30 June 2014</b>              |                     |                     |                           |
| Derivative financial assets      | 191,670             | (19,790)            | 171,880                   |
| Reverse repurchase agreements    | 325,875             | (172,767)           | 153,108                   |
| Other movements during the year  | 20,454,921          | (20,451,217)        | 3,704                     |
| <b>Total assets</b>              | <b>20,972,466</b>   | <b>(20,643,774)</b> | <b>328,692</b>            |
| Derivative financial liabilities | (191,670)           | 19,790              | (171,880)                 |
| Reverse repurchase agreements    | (325,875)           | 172,767             | (153,108)                 |
| Other                            | (20,454,921)        | 20,451,217          | (3,704)                   |
| <b>Total liabilities</b>         | <b>(20,972,466)</b> | <b>20,643,774</b>   | <b>(328,692)</b>          |

|                                  | Gross<br>Amounts    | Amount<br>Offset    | Net amount as<br>Reported |
|----------------------------------|---------------------|---------------------|---------------------------|
|                                  | £m                  | £m                  | £m                        |
| <b>30 June 2013</b>              |                     |                     |                           |
| Derivative financial assets      | 238,197             | (24,375)            | 213,822                   |
| Reverse repurchase agreements    | 375,141             | (205,870)           | 169,271                   |
| Other movements during the year  | 22,972,807          | (22,969,174)        | 3,633                     |
| <b>Total assets</b>              | <b>23,586,145</b>   | <b>(23,199,419)</b> | <b>386,726</b>            |
| Derivative financial liabilities | (238,197)           | 24,375              | (213,822)                 |
| Reverse repurchase agreements    | (375,141)           | 205,870             | (169,271)                 |
| Other                            | (22,972,807)        | 22,969,174          | (3,633)                   |
| <b>Total liabilities</b>         | <b>(23,586,145)</b> | <b>23,199,419</b>   | <b>(386,726)</b>          |

All offset amounts are held in the CCP trading assets and CCP trading liabilities within the Group's financial instruments.

As CCPs, the Group's operating companies sit in the middle of members' transactions and hold default funds and margin amounts as a contingency against the default of a member. As such, further amounts are available to offset in the event of a default reducing the asset and liability of £328,697m to nil. Default funds for derivatives of £2,420m, repos of £723m and other transactions of £3,706m are held by the Group. In addition, the Group holds margin for derivatives, repos and other transactions, as well as additional variation margin amounts which are not allocated by business line.



### 13. Trade and other payables

|                                       | 30 June      |       | 31 March |
|---------------------------------------|--------------|-------|----------|
|                                       | 2014         | 2013  | 2014     |
|                                       | £m           | £m    | £m       |
| Trade payables                        | 116.7        | 285.3 | 43.9     |
| Social security and other taxes       | 34.9         | 22.2  | 17.2     |
| Other payables                        | 94.8         | 19.2  | 110.5    |
| Accruals and deferred income          | 253.9        | 194.8 | 229.9    |
| <b>Total trade and other payables</b> | <b>500.3</b> | 521.5 | 401.5    |

## 14. Borrowings

|                      | 30 June      |              | 31 March     |
|----------------------|--------------|--------------|--------------|
|                      | 2014         | 2013         | 2014         |
|                      | £m           | £m           | £m           |
| <b>Current</b>       |              |              |              |
| Bank borrowings      | 244.5        | 347.2        | 278.7        |
| Bank overdraft       | 4.5          | -            | -            |
|                      | <b>249.0</b> | <b>347.2</b> | <b>278.7</b> |
| <b>Non-current</b>   |              |              |              |
| Bonds                | 796.6        | 796.5        | 796.6        |
| Preferred securities | 143.7        | 151.2        | 148.4        |
|                      | <b>940.3</b> | <b>947.7</b> | <b>945.0</b> |

The Group has the following unsecured notes and bank facilities:

| Type                                     | Expiry Date | Notes/<br>Facility<br>£m | Drawn<br>value<br>£m | Interest rate<br>% |
|--|-------------|--------------------------|----------------------|--------------------|
| <b>Drawn value of facilities</b>         |             |                          |                      |                    |
| Multi-currency revolving credit facility | Jul 2016    | 250.0                    | 117.0                | LIBOR + 0.8        |
| Multi-currency revolving credit facility | Jun 2017    | 600.0                    | -                    | LIBOR + 0.6        |
| Multi-currency revolving credit facility | Jul 2018    | 450.0                    | 126.6                | LIBOR + 0.95       |
| Bank overdraft                           |             | -                        | 4.5                  | LIBOR + 1.0        |
| <b>Total Bank facilities</b>             |             | <b>1,300.0</b>           | <b>248.1</b>         |                    |
| Notes due July 2016                      | Jul 2016    | 250.0                    | 250.9                | 6.125              |
| Notes due October 2019                   | Oct 2019    | 250.0                    | 248.2                | 9.125              |
| Notes due November 2021                  | Nov 2021    | 300.0                    | 297.5                | 4.750              |
| <b>Total bonds</b>                       |             | <b>800.0</b>             | <b>796.6</b>         |                    |
| Preferred securities                     | May 2017    | 160.3                    | 143.7                | 6.576              |
| <b>Total debt and facilities</b>         |             | <b>2,260.3</b>           | <b>1,188.4</b>       |                    |

In addition, a number of Group entities have access to uncommitted operational, money market and overdraft facilities which support post trade activities and day to day liquidity requirements across its operations. As at 30 June 2014, £0.9 million was the aggregate drawing against these facilities.

Cassa di Compensazione e Garanzia S.p.A. (CC&G) has direct intra-day access to refinancing with the Bank of Italy to cover its same day operational liquidity requirements. In addition, CC&G is in the process of arranging commercial bank back-up credit lines to provide liquidity support for overnight and longer durations as required under the European Markets Infrastructure Regulation (EMIR).

LCH.Clearnet SA has a French banking licence and is able to access refinancing at the Banque de France to support its liquidity position and LCH.Clearnet Limited is deemed to have sufficient fungible liquid assets to maintain an appropriate liquidity position, currently without the requirement for committed credit lines.



## 16. Net cash flow generated from operations

|  | Three months ended<br>30 June |              | Year ended<br>31 March |
|--|-------------------------------|--------------|------------------------|
|  | 2014<br>£m                    | 2013<br>£m   | 2014<br>£m             |
| Profit before taxation   | 83.6                          | 59.7         | 284.3                  |
| Depreciation and amortisation  | 41.1                          | 40.6         | 178.6                  |
| (Loss)/gain on disposal of property, plant and equipment                         | -                             | -            | 0.2                    |
| Profit on disposal/acquisition of shares in subsidiary and joint venture         | -                             | -            | (6.9)                  |
| Net finance expense  | 18.4                          | 15.2         | 68.8                   |
| (Increase)/decrease in inventories   | (0.2)                         | -            | 0.8                    |
| (Increase)/decrease in trade and other receivables                               | (94.9)                        | 2.5          | 37.2                   |
| Increase/(decrease) in trade and other payables                                  | 126.0                         | 49.0         | (118.6)                |
| Decrease/(increase) in CCP financial assets                                      | 2,483.2                       | 38,598.7     | 92,323.0               |
| (Decrease)/increase in CCP clearing business liabilities                         | (2,457.5)                     | (38,628.3)   | (92,236.4)             |
| Defined benefit pension obligation - contributions in excess of expenses charged | (0.8)                         | -            | (3.3)                  |
| Provisions utilised during the period  | 7.2                           | 8.1          | (9.7)                  |
| (Increase)/decrease in assets held at fair value from operating activities       | (14.1)                        | (5.0)        | (9.5)                  |
| Share scheme expense   | 3.3                           | 3.6          | 13.4                   |
| Foreign exchange (gains)/losses on operating activities                          | 2.8                           | (7.4)        | (6.5)                  |
| <b>Cash generated from operations</b>  | <b>198.1</b>                  | <b>136.7</b> | <b>515.4</b>           |
| Comprising:  |                               |              |                        |
| Ongoing operating activities   | 203.2                         | 142.4        | 548.7                  |
| Non-recurring items  | (5.1)                         | (5.7)        | (33.3)                 |
|  | <b>198.1</b>                  | <b>136.7</b> | <b>515.4</b>           |

## 17. Transactions with related parties

The nature and contractual terms of key management compensation and inter-company transactions with subsidiary undertakings during the period are consistent with the disclosures in Note 31 of the Annual Report for the year ended 31 March 2014.

## 18. Commitments and contingencies

Contracted capital commitments and other contracted commitments not provided for in the Interim Report of the Group were nil.

22 August 2014

**LONDON STOCK EXCHANGE GROUP plc (LSEG)  
NON-STATUTORY FINANCIAL INFORMATION FOR 6 MONTHS TO  
30 JUNE 2014 FOLLOWING CHANGE TO ACCOUNTING REFERENCE DATE**

In March 2014 it was announced that the London Stock Exchange Group plc's accounting reference date would be changed from 31 March to 31 December, with effect from 1 April 2014.

This document contains non-statutory financial statements for the 6 month period to 30 June 2014. It has been prepared to provide comparative interim financial information for future financial results on a December year end basis.

## **Independent review report to the directors of the London Stock Exchange Group plc**

We have reviewed the accompanying non-statutory financial information of London Stock Exchange Group plc (the "Company"), which comprise the condensed consolidated balance sheet as at 30 June 2014, and the condensed consolidated income statement and cash flows for the six months then ended and accompanying notes.

### **Directors' responsibility for the non-statutory financial information**

The directors are responsible for the preparation of the non-statutory financial information in accordance with the basis of preparation and accounting policies in note 1 to the non-statutory financial information and for such internal control as they determine is necessary to enable the preparation of non-statutory financial information that are free from material misstatement, whether due to fraud or error.

### **Our responsibility**

Our responsibility is to express a conclusion on the accompanying non-statutory financial information. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Historical Financial Statements. ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the non-statutory financial information, taken as a whole, is not prepared in all material respects in accordance with the basis of preparation and accounting policies in note 1 to the non-statutory financial information. This Standard also requires us to comply with relevant ethical requirements.

A review of financial information in accordance with ISRE 2400 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on this financial information.

This report, including the conclusion, has been prepared for and only for the directors of the Company as a body for management purposes for use as comparative data in future financial reporting and for no other purpose. Our report may not be made available to any other party without our prior written consent. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that this non-statutory financial information is not prepared, in all material respects, in accordance with the basis of preparation and accounting policies in note 1 to the non-statutory financial information.

PricewaterhouseCoopers LLP  
Chartered Accountants  
22<sup>nd</sup> August 2014  
London

## CONDENSED CONSOLIDATED INCOME STATEMENT

|  | Notes | 6 Months to<br>30 June 2014<br>Unaudited<br>£m |
|--|-------|--|
| <b>Revenue</b>   |       | 611.6  |
| <b>Net treasury income through CCP business</b>  |       | 46.1   |
| <b>Other Income</b>  |       | 3.5  |
| <b>Total Income</b>  | 2     | 661.2  |
| <b>Expenses</b>  |       |  |
| Operating expenses before amortisation of purchased intangible assets and non-recurring items      | 3     | (372.4)  |
| <b>Operating profit before amortisation of purchased intangible assets and non-recurring items</b> |       | 288.8  |
| Amortisation of purchased intangible assets  | 4     | (58.8)   |
| Non-recurring items  | 4     | (24.3)   |
| <b>Operating profit</b>  |       | 205.8  |
| Finance income   |       | 5.1  |
| Finance expense  |       | (40.4)   |
| <b>Net finance expense</b>   |       | (35.4)   |
| <b>Profit before taxation</b>  |       | 170.5  |
| Taxation on profit before amortisation of purchased intangible assets and non-recurring items      |       | (61.9)   |
| Taxation on amortisation of purchased intangible assets and non-recurring items                    | 4     | 16.5   |
| <b>Total taxation</b>  |       | (45.4)   |
| <b>Profit for the financial period</b>   |       | 125.0  |
| Profit attributable to non-controlling interests   |       | 16.8   |
| Profit attributable to equity holders  |       | 108.3  |
|  |       | 125.0  |
| <b>Basic earnings per share</b>  | 5     | 40.0p  |
| <b>Adjusted basic earnings per share</b>   | 5     | 62.2p  |

## CONDENSED CONSOLIDATED BALANCE SHEET

30 June 2014  
Unaudited

| Notes  | £m               |
|--|------------------|
| <b>Assets</b>  |                  |
| <b>Non-current assets</b>  |                  |
| Property, plant and equipment  | 91.5             |
| Intangible assets  | 2,408.8          |
| Investment in associates   | 0.3              |
| Deferred tax assets  | 32.7             |
| Derivative financial instruments   | 9.9              |
| Available for sale investments   | 4.8              |
| Retirement benefit asset   | 13.7             |
| Other non-current assets   | 0.3              |
|  | <b>2,562.0</b>   |
| <b>Current assets</b>  |                  |
| Inventories  | 0.7              |
| Trade and other receivables  | 340.9            |
| CCP financial assets   | 447,450.6        |
| CCP cash and cash equivalents (restricted)                               | 33,377.0         |
| CCP clearing business assets   | 480,827.6        |
| Current tax  | 24.2             |
| Assets held at fair value  | 31.6             |
| Cash and cash equivalents  | 985.1            |
|  | <b>482,210.1</b> |
| <b>Total assets</b>  | <b>484,772.1</b> |
| <b>Liabilities</b>   |                  |
| <b>Current liabilities</b>   |                  |
| Trade and other payables   | 500.3            |
| Derivative financial instruments   | 3.8              |
| CCP clearing business liabilities  | 480,824.1        |
| Current tax  | 26.3             |
| Borrowings   | 249.0            |
| Provisions   | 1.9              |
|  | <b>481,605.4</b> |
| <b>Non-current liabilities</b>   |                  |
| Borrowings   | 940.3            |
| Derivative financial instruments   | 2.3              |
| Deferred tax liabilities   | 160.6            |
| Retirement benefit obligations   | 36.4             |
| Other non-current liabilities  | 50.0             |
| Provisions   | 16.0             |
|  | <b>1,205.6</b>   |
| <b>Total liabilities</b>   | <b>482,811.0</b> |
| <b>Net assets</b>  | <b>1,961.1</b>   |
| <b>Equity</b>  |                  |
| <b>Capital and reserves attributable to the Company's equity holders</b> |                  |
| Ordinary share capital   | 18.9             |
| Retained losses  | (23.3)           |
| Other reserves   | 1,539.8          |
| <b>Total shareholder funds</b>   | <b>1,535.4</b>   |
| <b>Non-controlling interests</b>   | <b>425.7</b>     |
| <b>Total equity</b>  | <b>1,961.1</b>   |



## CONDENSED CONSOLIDATED CASH FLOW STATEMENT

6 Months to  
30 June 2014  
Unaudited

|  | Notes | £m            |
|--|-------|---------------|
| <b>Cash flow from operating activities</b>                     |       |               |
| Cash generated from operations                                 | 7     | 316.5         |
| Interest received  |       | 2.0           |
| Interest paid  |       | (44.8)        |
| Corporation tax paid   |       | (74.7)        |
| <b>Net cash inflow from operating activities</b>               |       | <b>199.0</b>  |
| <b>Cash flow from investing activities</b>                     |       |               |
| Purchase of property, plant and equipment                      |       | (15.8)        |
| Purchase of intangible assets                                  |       | (37.8)        |
| Investment in subsidiaries                                     |       | (10.0)        |
| Dividends received   |       | 0.2           |
| Net cash inflow from acquisitions                              |       | 1.0           |
| <b>Net cash inflow/ (outflow) from investing activities</b>    |       | <b>(62.4)</b> |
| <b>Cash flow from financing activities</b>                     |       |               |
| Dividends paid to shareholders                                 |       | (27.3)        |
| Dividends paid to non-controlling interests                    |       | (1.3)         |
| Proceeds from own shares on exercise of employee share options |       | 1.4           |
| Purchase of own shares by ESOP Trust                           |       | (0.1)         |
| Repayment of borrowings  |       | (45.8)        |
| <b>Net cash inflow/(outflow) from financing activities</b>     |       | <b>(73.1)</b> |
| <b>Increase in cash and cash equivalents</b>                   |       |               |
| Cash and cash equivalents at beginning of period               |       | 955.4         |
| Exchange (loss) on cash and cash equivalents                   |       | (33.8)        |
| <b>Cash and cash equivalents at end of period</b>              |       | <b>985.1</b>  |

## NOTES TO THE FINANCIAL INFORMATION

The non-statutory financial information for London Stock Exchange Group plc ('the Group' or 'the Company') for the six months ended 30 June 2014 was approved by the Directors on 21 August 2014.

### 1. Basis of Preparation and Accounting Policies

This non-statutory financial information has been prepared for use as comparative data for future financial reporting following the change in the accounting reference date to 31 December.

Whilst this non-statutory financial information does not comply with IAS 34 'Interim financial reporting' or IAS 1 'Presentation of financial information' the accounting policies used in this non-statutory financial information are consistent with those set out in the Group's Annual Report for the year ended 31 March 2014, with the exception of the changes in the standards identified below.

The non-statutory financial information does not contain a condensed consolidated statement of changes in comprehensive income, a condensed consolidated statement of changes in equity or comparative information. In addition the Group is not adopting the columnar format for its consolidated income statement as stated in the Group basis of preparation and accounting policies.

The non-statutory financial information is a set of non-statutory unaudited accounts, therefore in accordance with section 435 of Companies Act 2006 the directors confirm:

- a) they are not the company's statutory accounts;
- b) statutory accounts relating to the financial year ended 31 March 2014 have been delivered to the registrar; and
- c) an unqualified auditor's report has been made on the company's statutory accounts for the years ended 31 March 2014 and did not contain a statement under section 498 of the Companies Act 2006

The following standards and interpretations have been issued by the International Accounting Standards Board (IASB) and IFRS Interpretations Committee (IFRIC) and have been adopted in this non-statutory financial information:

IFRS 10, 'Consolidated financial statements' and amendments;  
IFRS 11, 'Joint arrangements';  
IFRS 12, 'Disclosure of interests in other entities' and amendments;  
IAS 27 (Revised 2011), 'Separate financial statements' and amendments;  
IAS 28 (Revised 2011), 'Associates and joint ventures';  
Amendments to IAS 32, 'Financial instruments: Presentation';  
Amendments to IAS 36, 'Impairment of assets';  
Amendment to IAS 39 'Financial instruments: Recognition and measurement', on novation of derivatives and hedge accounting; and  
IFRIC 21, 'Levies'.

The adoption of these standards did not have a material impact on this non-statutory financial information.

In the financial period from 1 January 2014 to 31 March 2014 the restatement relating to IAS19 revised 'Employee benefits' resulted in reclassification of net finance expenses with an immaterial impact to profit for the financial year.

The following standards and interpretations were issued by the IASB and IFRIC since the last Annual Report, but have not been adopted either because they were not endorsed by the European Union (EU) at 30 June 2014 or they are not yet mandatory and the Group has not chosen to early adopt for the financial year ended 31 December 2014. The impact on the Group's financial statements of the future standards, amendments and interpretations is still under review, but currently the Group does not expect any of these changes to have a material impact on the results or the net assets of the Group for the financial years ended 31 December 2014 and 2015:

| International accounting standards and interpretations  | Effective date |
|---|----------------|
| Amendment to IAS 19, 'Employee Benefits' on defined benefit plans                             | 1 July 2014    |
| Annual improvements 2012 and 2013   | 1 July 2014    |
| Amendment to IFRS 11, 'Joint arrangements' on acquisition of an interest in a joint operation | 1 January 2016 |
| Amendment to IAS 16, 'Property, plant and equipment'  | 1 January 2016 |
| Amendment to IAS 16, IAS 38, 'Intangible assets', on depreciation and amortisation            | 1 January 2016 |
| IFRS 14, 'Regulatory deferral accounts'   | 1 January 2016 |
| IFRS 15 'Revenue from contracts with customers'   | 1 January 2017 |
| IFRS 9 'Financial instruments' – classification and measurement                               | 1 January 2018 |
| Amendments to IFRS 9, 'Financial instruments', regarding general hedge accounting             | 1 January 2018 |

The preparation of the non-statutory financial information requires management to make estimates and assumptions that affect the reported income and expense, assets and liabilities and disclosure of contingencies at the date of the non-statutory financial statements. Although these estimates and assumptions are based on management's best judgment at the date of the non-statutory financial statements, actual results may differ from these estimates.

## 2. Segmental Information

Unaudited segmental disclosures for the 6 Months to 30 June 2014 are as follows:

|  | Capital<br>Markets | Post Trade<br>Services –<br>CC&G and<br>Monte Titoli | Post Trade<br>Services – LCH.<br>Clearnet | Information<br>Services | Technology<br>Services | Other | Eliminations | Group  |
|--|--------------------|--|---|-------------------------|------------------------|-------|--------------|--------|
|  | £m                 | £m   | £m  | £m                      | £m                     | £m    | £m           | £m     |
| <b>Revenue from external customers</b>   | 171.2              | 51.0   | 173.8                                     | 180.0                   | 32.8                   | 2.7   | -            | 611.6  |
| Inter-segmental revenue  | -                  | 0.5  | -   | -                       | 4.5                    | -     | (5.0)        | -      |
| <b>Revenue</b>   | 171.2              | 51.5   | 173.8                                     | 180.0                   | 37.3                   | 2.7   | (5.0)        | 611.6  |
| <b>Net treasury income through CCP business</b>  | -                  | 16.8   | 29.3                                      | -                       | -                      | -     | -            | 46.1   |
| <b>Other Income</b>  | -                  | -  | 0.2                                       | -                       | -                      | 3.4   | -            | 3.5    |
| <b>Total Income</b>  | 171.2              | 68.4   | 203.3                                     | 180                     | 37.3                   | 6.1   | (5.0)        | 661.2  |
| <b>Operating profit before amortisation of purchased intangible assets and non-recurring items</b> | 84.6               | 33.6   | 67.3                                      | 90.1                    | 10.4                   | 2.1   | 0.9          | 288.8  |
| Amortisation of purchased intangible assets  |                    |  |   |                         |                        |       |              | (58.8) |
| Non-recurring items  |                    |  |   |                         |                        |       |              | (24.3) |
| <b>Operating profit</b>  |                    |  |   |                         |                        |       |              | 205.8  |
| Net finance expense  |                    |  |   |                         |                        |       |              | (35.4) |
| <b>Profit before taxation</b>  |                    |  |   |                         |                        |       |              | 170.5  |
| <b>Other income statement items</b>  |                    |  |   |                         |                        |       |              |        |
| Depreciation and non-acquisition software amortisation   | (7.3)              | (2.6)  | (12.3)                                    | (5.7)                   | (2.0)                  | (0.1) | 2.0          | (28.0) |

## 3. Expenses by nature

Expenses comprise the following:

|  | 6 Months to<br>30 June<br>2014<br>Unaudited<br>£m |
|--|---|
| Cost of sales  | 41.1  |
| Employee costs   | 170.2   |
| Depreciation and non-acquisition software amortisation | 28.1  |
| IT costs   | 61.0  |
| Other costs  | 72.0  |
| <b>Total expenses</b>                                  | <b>372.4</b>                                      |

#### 4. Amortisation of purchased intangible assets and non-recurring items

|  | 6 Months to<br>30 June<br>2014<br>Unaudited<br>£m |
|--|---|
| Amortisation of purchased intangible assets                  | 58.8  |
| Transaction costs  | 18.8  |
| Transaction credit   | (2.4)   |
| Restructuring costs  | 4.4   |
| Integration costs  | 3.4   |
| <b>Total affecting operating profit</b>                      | <b>83.0</b>                                       |
| Charge for new transaction related revolving credit facility | 1.8   |
| <b>Total affecting profit before tax</b>                     | <b>84.8</b>                                       |
| <b>Tax effect on items affecting profit before tax</b>       |   |
| Deferred tax on amortisation of purchased intangible assets  | (5.2)   |
| Current tax on amortisation of purchased intangible assets   | (2.4)   |
| Tax effect on other items affecting profit before tax        | (8.9)   |
| <b>Total tax effect on items affecting profit before tax</b> | <b>(16.5)</b>                                     |
| <b>Total charge to income statement</b>                      | <b>68.3</b>                                       |

#### 5. Earnings per share

|   | 6 Months to<br>30 June<br>2014<br>Unaudited |
|---|---|
| <b>Basic earnings per share</b>   | <b>40.0p</b>                                |
| <b>Adjusted basic earnings per share</b>  | <b>62.2p</b>                                |
|   | £m  |
| <b>Profit for the financial period attributable to equity holders</b>               | <b>108.3</b>                                |
| <b>Adjustments:</b>   |   |
| <b>Amortisation and non-recurring items:</b>  |   |
| Amortisation of purchased intangible assets   | 58.8  |
| Transaction costs   | 18.8  |
| Transaction credit  | (2.4)                                       |
| Restructuring costs   | 4.4   |
| Integration costs   | 3.4   |
| Charge for new transaction related revolving credit facility                        | 1.8   |
| <b>Other adjusting items:</b>   |   |
| Unrealised net investment (gain)/loss (included in other income)                    | (0.2)                                       |
| Tax effect of amortisation and non-recurring items                                  | (16.5)                                      |
| Tax effect of other adjusting items   | 0.0   |
| Adjusted items, amortisation and taxation attributable to non-controlling interests | (8.0)                                       |
| <b>Adjusted profit for the financial period attributable to equity holders</b>      | <b>168.4</b>                                |
| <b>Weighted average number of shares - million</b>                                  | <b>270.6</b>                                |

## 6. Analysis of net debt

|                                  | 30 June<br>2014<br>£m |
|----------------------------------|-----------------------|
| <b>Due within one year</b>       |                       |
| Cash and cash equivalents        | 985.1                 |
| Bank overdraft                   | (4.5)                 |
| Bank borrowings                  | (244.5)               |
| Derivative financial assets      | -                     |
| Derivative financial liabilities | (3.8)                 |
|                                  | 732.3                 |
| <b>Due after one year</b>        |                       |
| Bonds                            | (796.6)               |
| Preferred securities             | (143.7)               |
| Derivative financial assets      | 9.9                   |
| Derivative financial liabilities | (2.3)                 |
| <b>Total net debt</b>            | <b>(200.4)</b>        |

### Reconciliation of net cash flow to movement in net debt

|   | 30 June<br>2014<br>£m |
|---|-----------------------|
| <b>Increase in cash in the period</b>                   | <b>63.5</b>           |
| Increase in bank overdraft                              | (4.5)                 |
| Bank loan repayments less new drawings                  | 50.3                  |
| <b>Change in net debt resulting from cash flows</b>     | <b>109.3</b>          |
| Foreign exchange movements                              | (18.8)                |
| Movement on derivative financial assets and liabilities | 21.5                  |
| Bond valuation adjustment                               | 0.1                   |
| Net debt at the start of the period                     | (312.5)               |
| <b>Net debt at the end of the period</b>                | <b>(200.4)</b>        |

## 7. Net cash flow generated from operations

|  | 6 Months to<br>30 June<br>2014<br>Unaudited<br>£m |
|--|---|
| Profit before taxation   | 170.5   |
| Depreciation and amortisation  | 86.6  |
| Gain on disposal of property, plant and equipment                                | 0.2   |
| Profit on disposal of shares in subsidiary/associate                             | -   |
| Net finance expense  | 35.4  |
| Decrease in inventories  | 1.8   |
| (Increase) in trade and other receivables  | (102.3)   |
| Increase in trade and other payables   | 54.6  |
| Borrowings costs capitalised   | -   |
| Goodwill valuation amendment   | -   |
| Decrease in CCP financial assets   | 11,962.4  |
| (Decrease) in CCP clearing business liabilities                                  | (11,906.0)  |
| Defined benefit pension obligation - contributions in excess of expenses charged | (0.2)   |
| Provisions utilised during the period  | 5.7   |
| Provisions (released)/created during the period                                  | 0.5   |
| (Increase) in assets held at fair value from operating activities                | (2.0)   |
| Share scheme expense   | 5.1   |
| Foreign exchange losses on operating activities                                  | 4.2   |
| <b>Cash generated from operations</b>  | <b>316.5</b>                                      |
| Comprising:  |   |
| Ongoing operating activities   | 327.5   |
| Non-recurring items  | (11.0)  |
|  | <b>316.5</b>                                      |