



London
Stock Exchange Group



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New York - September 2011



Agenda

- Strategy - overview and progress
- Developments by business segment
- Recent results overview
- Q&A

Delivering on our strategy



Getting in shape

- **Driving efficiency**
 - Control operational costs
 - Implement new technology
 - Adjust business model and pricing to align with customer needs

Leveraging our assets Developing opportunities

- **Building scale**
 - Service to international customers
 - Scale drives efficiencies
- **Increasing scope**
 - Increase diversification of products / markets
 - Service customer needs across multiple asset classes
- **Extending reach**
 - Organic and inorganic extension of services as capital markets globalise

Delivering on our strategy



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Getting in shape

- Continued focus on cost reduction -
 - FY 2011 operating expenses down 4% overall, down 8% on organic basis
 - FY 2010 down 8% on organic basis
- Technology systems replacement programme - starting with roll-out of low-cost, high performance Millennium Exchange
- Share of UK cash equities trading broadly stable over 15 months, helped by:
 - Tariffs to reward greater trading
 - Reduced costs of post trade

Strategy - Leveraging our assets



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- Launch of Turquoise Derivatives through integration with EDX
 - Operating on SOLA technology
 - FTSE 100 Index Futures June 2011; FTSE 100 and single stock options to follow
 - On-going programme of product launches
- Launch new markets - Retail Bonds (ORB), MTS Credit and Gilts
- Expansion of Information Services portfolio e.g. UnaVista Confirmation and Swaps portals
- Co-location services - expanding data centre space for clients
- Roll out of new post trade assets - New MIC Interbank collateralised deposit market; clearing services for Turquoise Derivatives
- UK retail strategy using Italian market experience

Strategy - Developing opportunities



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- Building scale and diversity through acquisition - Turquoise, MillenniumIT and FSA Transaction Reporting Service (to complete Oct 2011)
- Financial Technology opportunities across asset classes, including services to back offices through technology, post trade functions and information products (e.g. UnaVista)
- MillenniumIT benefiting from Group brand and financial backing
- Technology sales - Johannesburg SE, Oslo Bors and strategic partnership with Mongolia SE - good pipeline
- LSE selected to provide clearing technology services for a new, cross-market Central counterparty (CCP) mechanism for Central and Eastern European (CEE) capital markets.



Strength in diversification

Attractive and established building blocks for growth

| | | | |
|--|---|---|--|
|  Main Market |  | #1 market globally for international listings | |
|  London Stock Exchange |  | #1 cash equity trading business in Europe | |
|  ETFplus |  | #1 ETF / ETC market in Europe by volume #1 electronic retail bond platform in Europe | |
|  | | #1 European MTF dark pool for cash and derivatives | |
|  IDEX |  |  | #3 derivatives exchange in Europe |
|  | | #1 electronic government fixed income trading market in Europe | |
|  |  |  | Italian Post-trade - clearing, settlement, custody |
|  | | | Global index provider; #1 provider of Chinese ETFs |
|  | | | Core capital markets technology used both internally and by third parties, e.g. LME, ICAP, Tullet Prebon |
| UnaVista | | | Secure hosted platform for data validation, matching and reconciliation for over 7500 customers |
| RNS | | | Regulatory and financial communications channel with the professional investor |
| SEDOL | | | Unique global securities identifiers (over 19m unique identifiers) |

Current strategic focus

- **Primary markets:** Expand our global franchise - #1 global listing venue for international companies
- **Equities:** Modernise cash equity franchise - revised tariffs, new technology, lower cost post trade and new services
- **Derivatives:** Integrate derivatives assets to build European and Emerging Market scale
- **Fixed income:** Build upon assets to develop leading integrated Pan-European fixed income platform
- **Turquoise:** Establish as the leading multi-asset pan-European crossing network (including dark pool trading)
- **Commodities:** Harness growth potential by expanding into commodity derivatives
- **Post-trade:** Build upon Italian assets to create efficient, interoperable pan-European post-trade provider; CC&G already has a London ROCH licence

Capital Markets - Pre-eminent international capital raising venue



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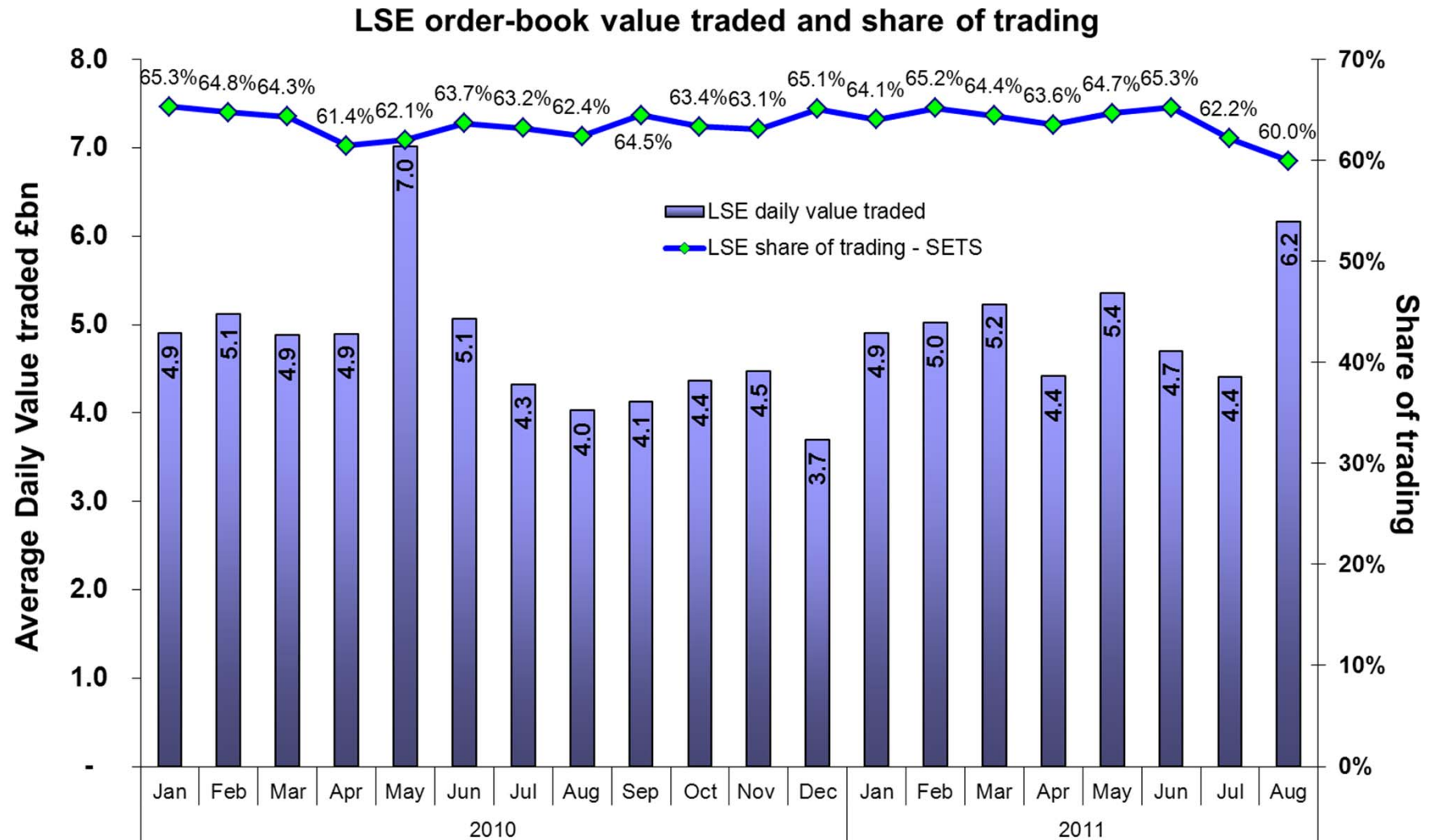
- Good start to 2011 - Primary issuance increased
 - Pre-eminent venue - maintaining a competitive position versus other exchanges
 - Pipeline good - more international - though subject to market conditions in near term



Capital Markets - Share of trading



- UK and Italy share of trading 63.5% and 83.6% (Jan-Aug 2011, excluding Turquoise)

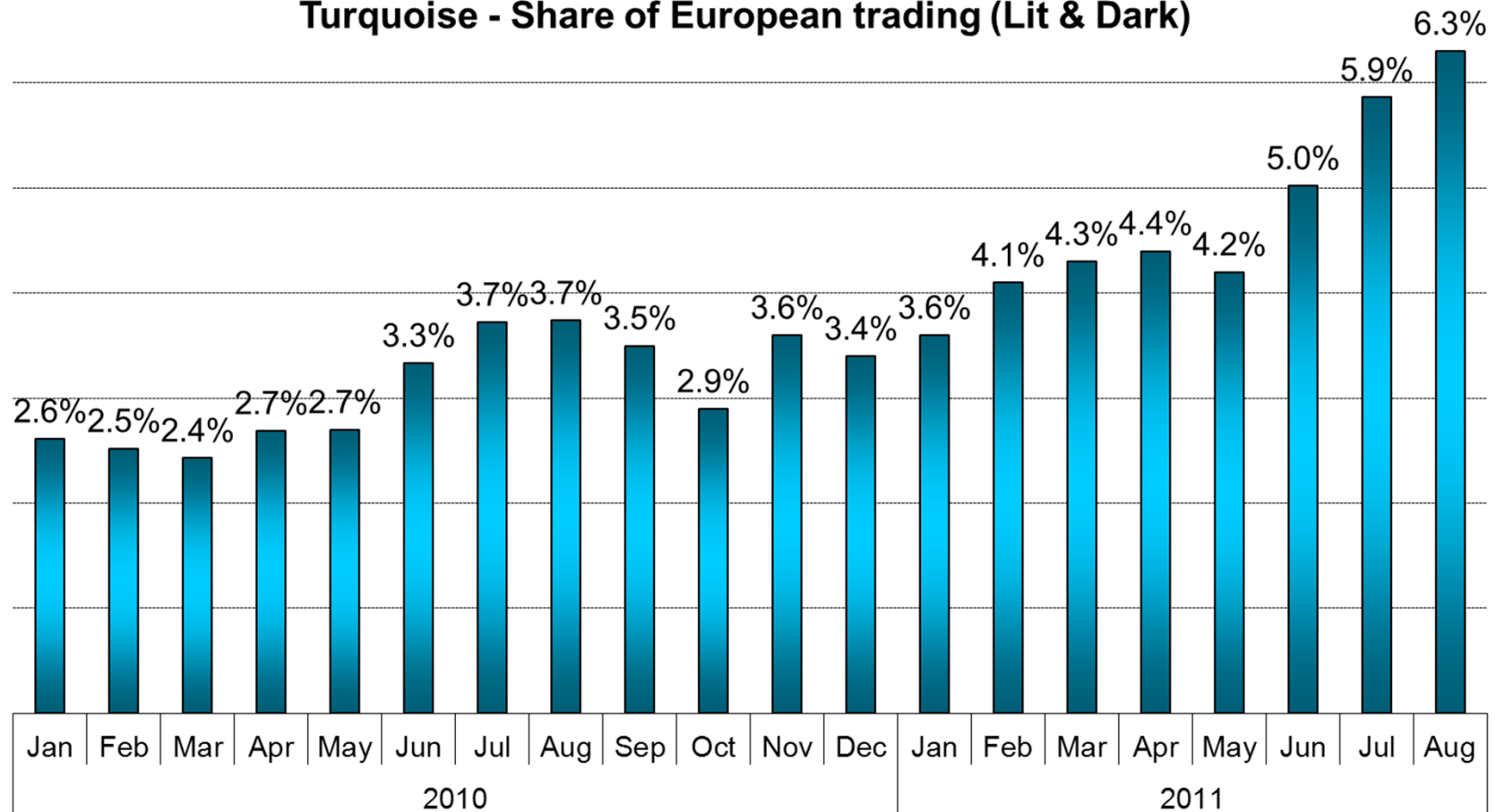


Capital Markets - Turquoise



- Turquoise growing; now 6% of European cash equities trading - no 2 MTF in Europe
- 28% share of European MTF dark segment; no 2 in Europe
- Launch of Turquoise Derivatives - June 2011

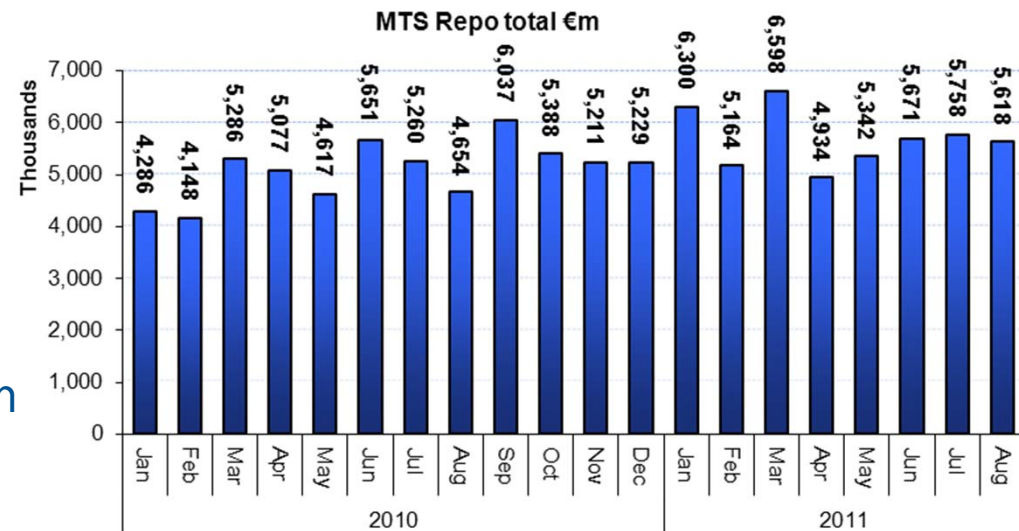
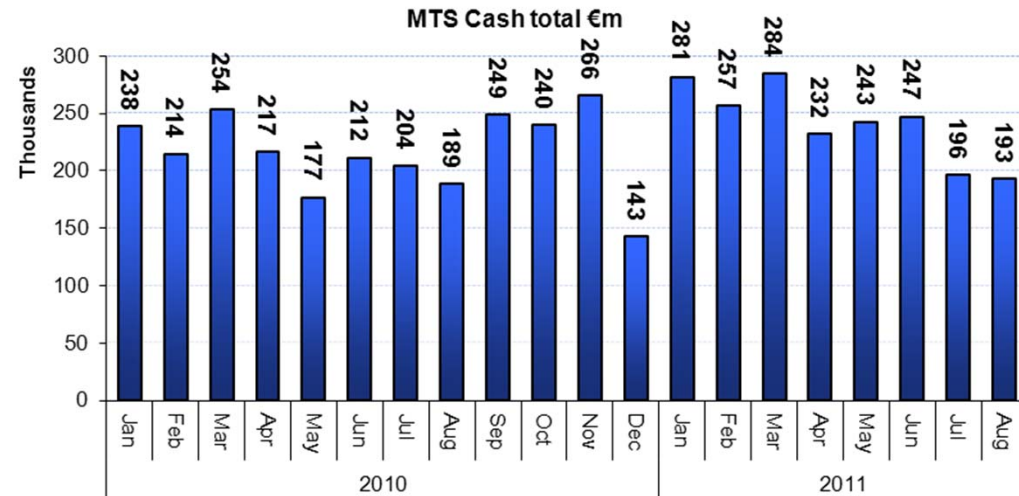
Turquoise - Share of European trading (Lit & Dark)



Capital Markets - Fixed Income



- MTS covers 15 European markets: strong growth seen over last year in France, Netherlands and Spain
- Gilts launched on the interdealer MTS Cash platform and the MTS BondVision multi-dealer-to-client platform
- MTS Credit to launch by end 2011; trading in more than 2,400 corporate bonds
- Continued high level sovereign debt issuance is positive in medium term



Post Trade: Strategy



- Provide capital markets with the most efficient post trade arrangements
- Build the scale of our offering throughout the post trade process
- Champion greater post trade efficiency and competition in Europe

Clearing

- Providing clearing services for Turquoise derivatives
- New MIC interbank collateralised deposit market
- CCP service for Italian retail bond market
- 22% increase in membership - 171 clients across 10 countries (73 outside Italy)

Settlement

- Multi-purpose routing engine (X-TRM) routes client trades to [14] clearing and CSD entities
- T2S - Monte Titoli the only confirmed major CSD participant in first wave of implementation (expected 2014)
- Aligned to interests of major clients that want simplification and harmonisation of European equity settlement process

Custody

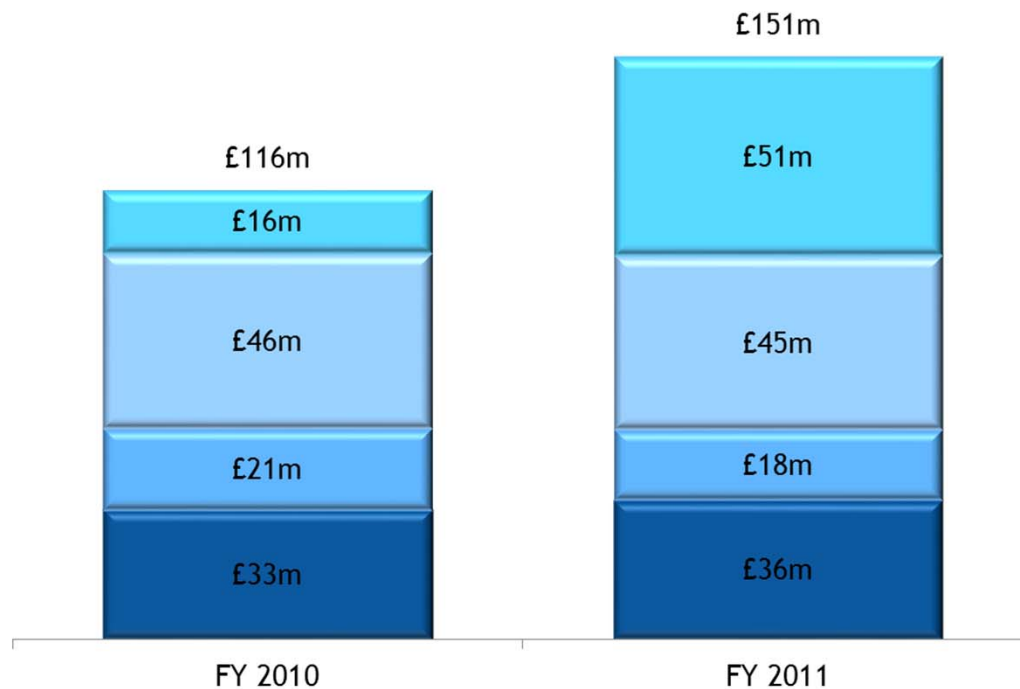
- Develop and extend assets serviced

Post Trade Services



Growth in underlying volumes and good treasury management

Total income



Highlights

- Clearing revenues higher on increased Italian derivatives and strong MTS fixed income volumes
- Settlement revenues lower following increased netting efficiency
- Custody Assets under management increased 5% to over €3.0 trillion
- Servizio Titoli disposal completed for €32m, revenue FY2011 £7.9m

■ Clearing ■ Settlement ■ Custody & other ■ Net treasury income through CCP business

Note: Minor rounding differences, figures may not cast down

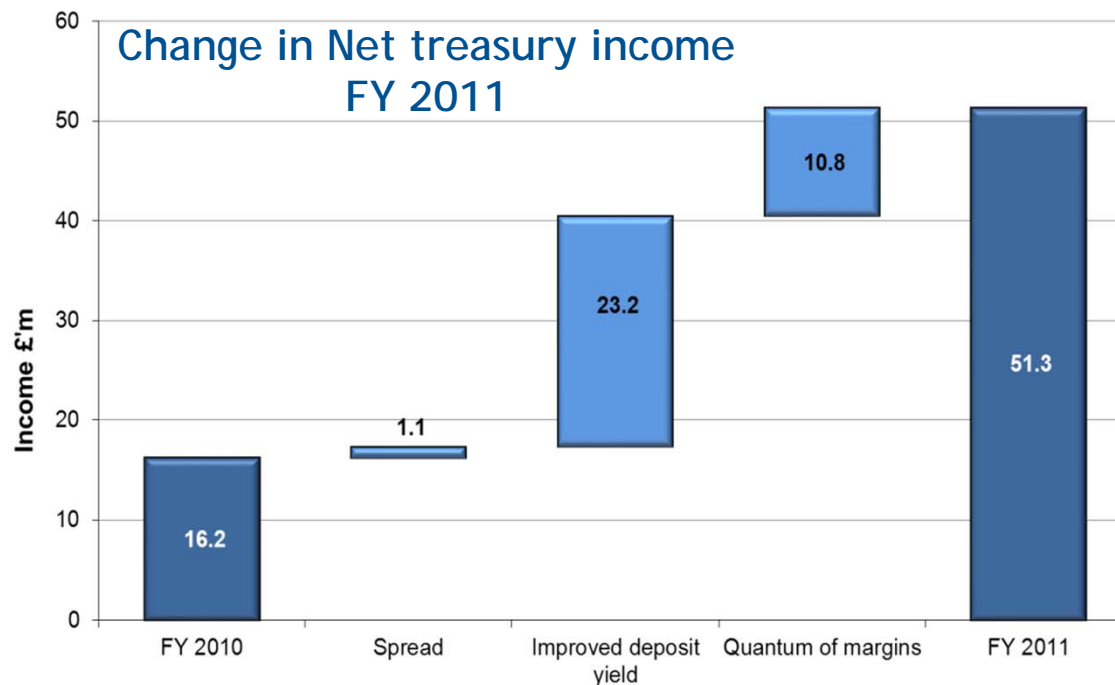
Post Trade: Delivering on our strategy



Clearing

Net treasury income benefiting from:

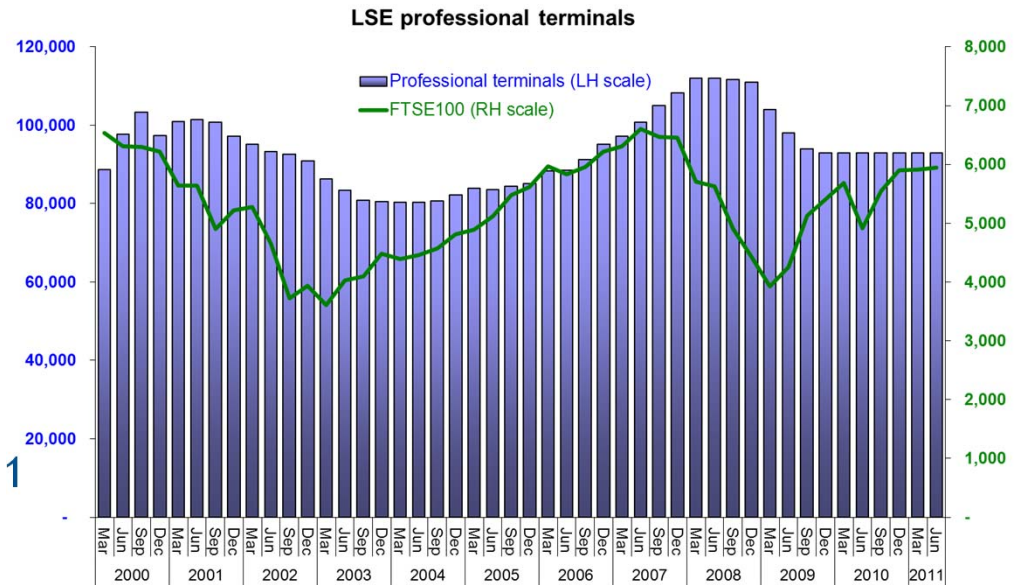
- Management changes - greater use of broader range of banks
- Investment made in risk and treasury management
- Increased margin collected from higher volumes, new markets and increased direct participation from non-Italian banks
- Relative low liquidity in Italian inter-bank loan market



Information Services



- Real time data - terminals stable,
- New initiatives:
 - Non-displayed data fees implemented January 2011
 - Direct reporting service live 2011

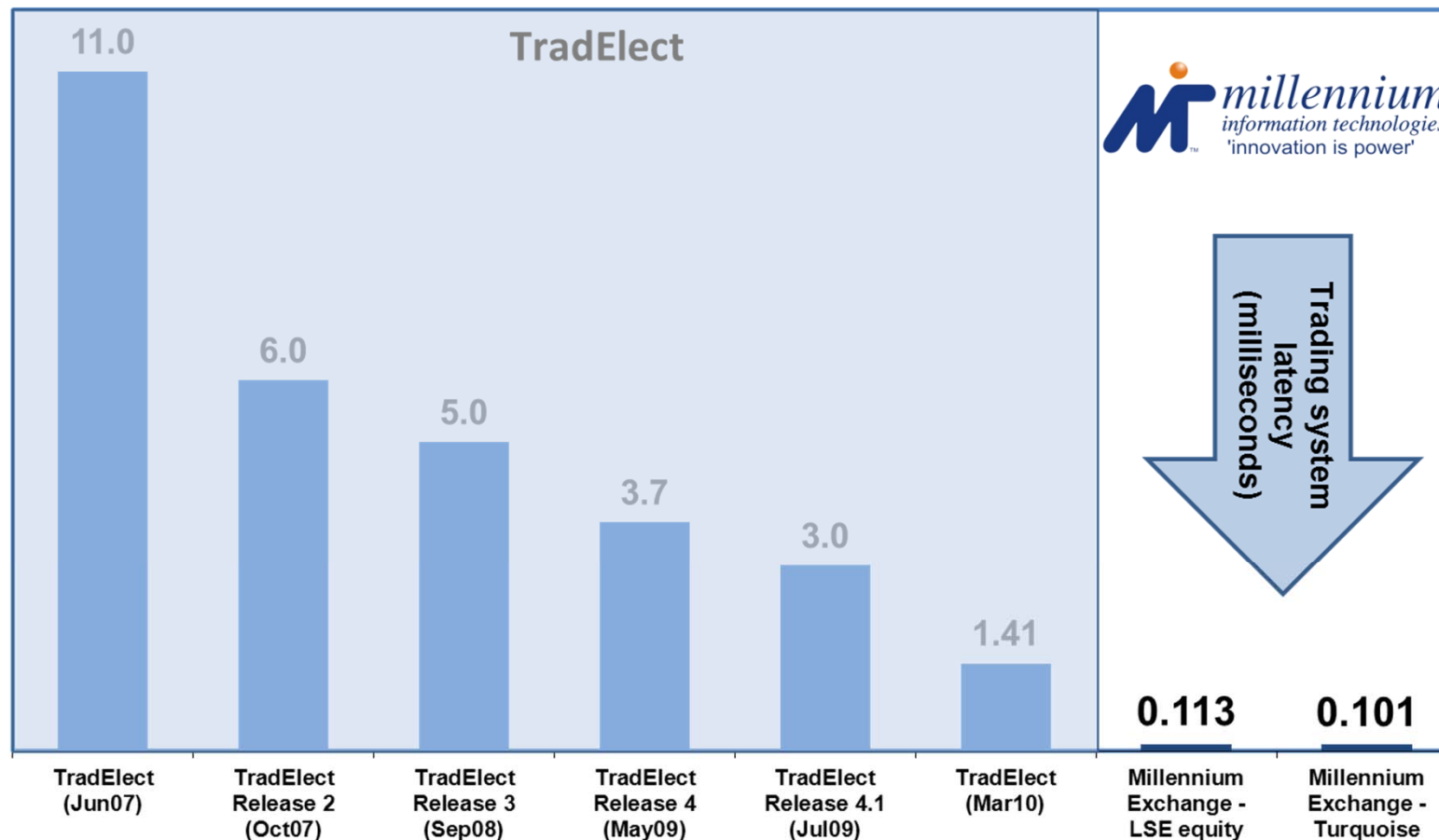


- Other Information Services
 - FTSE - FY 2011 total revenues up 18%, FTSE/Xinhua index now 100% owned (renamed FTSE China) - largest Chinese ETF benchmark:
 - UnaVista - post trade solutions, strong growth, FSA TRS acquisition to close Oct 2011
 - SEDOL - global numbering system, FY 2011 revenues up 13%
 - ProQuote - RSP network, FY 2011 revenues up 5%
 - RNS - regulatory news service for company announcements

Technology Services



- Millennium Exchange successfully rolled out on Turquoise and LSE - and will be used by Johannesburg SE and Oslo Bors
- World leading consistent low latency performance
- IDEM roll out on SOLA and upgrade for Turquoise Derivatives



FY 2012 Q1

- Interim Management Statement 20 July 2011



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- Strong increase in total income, up 14% on Q1 last year (up 12% at constant currency) to £190.2 million
- Primary markets revenues up 22%, with growth in number of new issues and money raised
- Share of cash equities trading was stable:
 - 64.6% in UK cash equities,
 - 85.3% in Italy;
 - Turquoise progressing well - the no.2 MTF for pan-European lit and dark trading
- Post Trade Services total income up 58%; revenues up 7% on like-for-like basis

- New initiatives:
 - Turquoise Derivatives launched - FTSE 100 Index Futures
 - MTS market for UK Government bonds and European corporate bonds
 - Contract for clearing technology services for Central and Eastern European Capital Markets (OeKB)

Diversified Group income

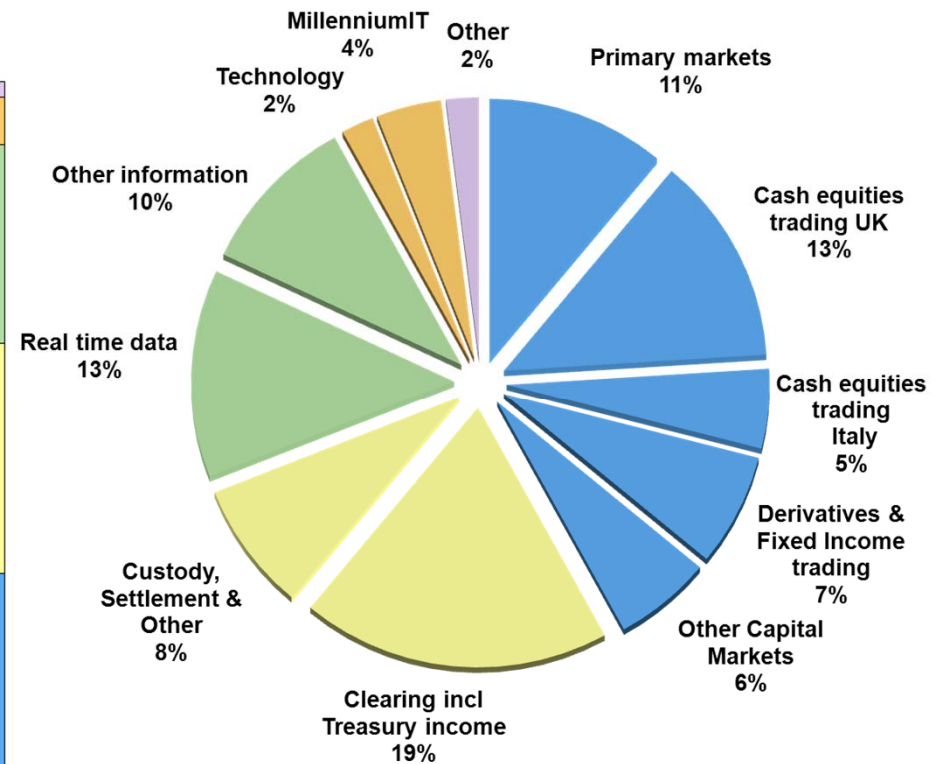
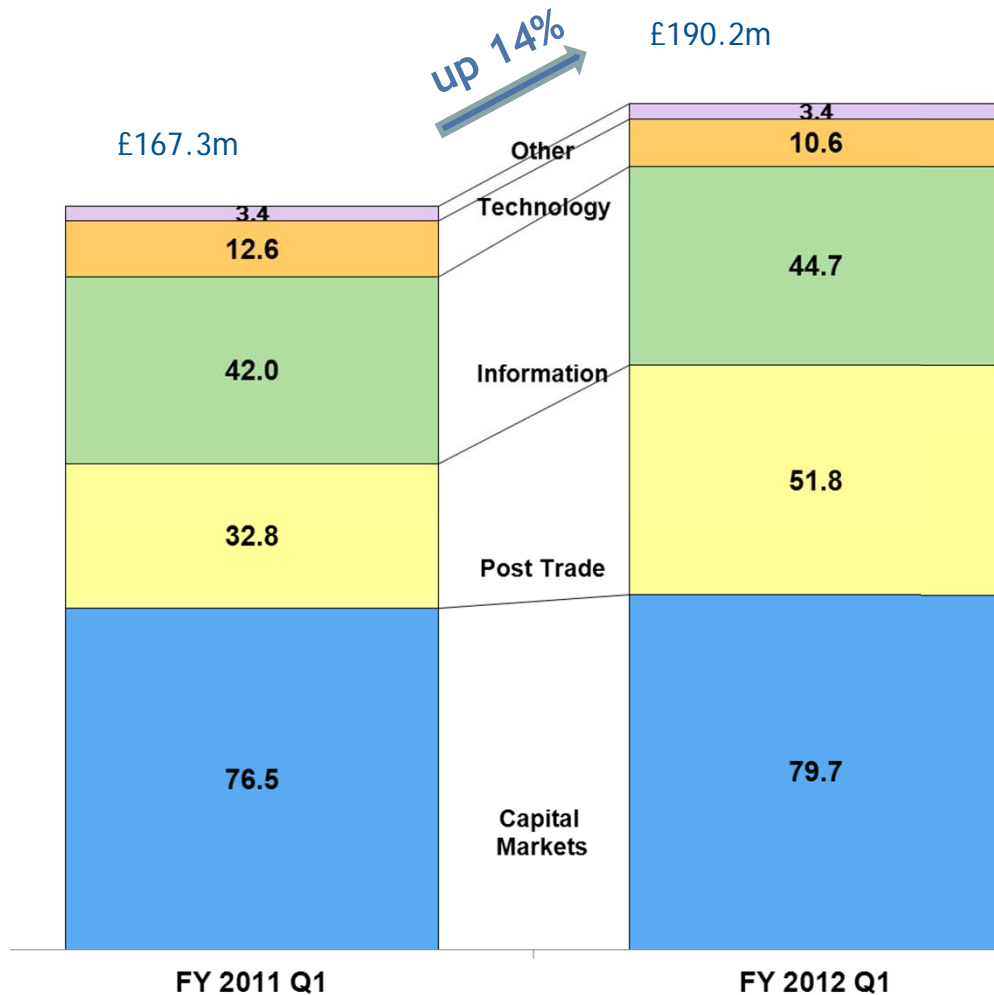
FY 2012 Q1: £190.2m



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Total income £m

Total income % FY 2012 Q1



| Capital Markets | Post Trade | Information | Technology | Other |
|-----------------|------------|-------------|------------|-------|
| 42% | 27% | 23% | 6% | 2% |

Summary



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Financial Performance

- Solid FY 2011 financial results - total income up 7%, 4% reduction in operating expense and AEPS up 23%
- Q1 FY 2012 income up 14% to £190m
- Benefits of diversified business delivering growth across number of business activities

Delivering on Strategy

- Getting in shape - key steps taken include:
 - Millennium Exchange roll out for Turquoise and SETS UK trading platform, SOLA for IDEM and Turquoise Derivatives
 - On-going focus on cost control, improving client service and increasing competitiveness
- Leveraging our assets and developing opportunities
 - Turquoise derivatives FTSE 100 Index Futures launched in June
 - Launch of new Information, Technology and Post Trade products
- Growth opportunities
 - Many organic / inorganic development opportunities - disciplined approach to deliver shareholder value

Contacts and Information



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