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LONDON STOCK EXCHANGE GROUP TO ACQUIRE *MillenniumIT* FOR US\$30m (£18m)

Transaction Highlights:

- *Brings broad range of IT development expertise within the Group, increasing its ability to innovate*
- *Provides Group with new, high performance trading platform*
- *Creates new revenue stream for Group; will provide MillenniumIT with backing to develop its business further*
- *Generates at least £10 million pa of transaction-related cost savings from FY2011-12*

London Stock Exchange Group plc ('the Group') has today agreed to acquire MillenniumIT, a Sri Lankan-based technology services company serving the capital markets industry, for US\$30 million.

MillenniumIT's high performance technology will provide the Group with a highly scalable and very low latency in-house developed trading system with multi-asset class functionality and quicker product speed to market. In addition, the transaction will give MillenniumIT the backing of the Group to enable it to develop further its global exchange technology business.

MillenniumIT will retain its culture of innovation and creativity, build on its commercial operations and continue serving its existing clients, with its CEO, Tony Weeresinghe, reporting directly to Xavier Rolet.

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Xavier Rolet, Chief Executive of London Stock Exchange Group, said:

“Improving our technology and increasing our competitive position in the fast-moving trading environment is vital. This transaction enables the Group to implement a new, more agile, innovative and efficient IT capability for our future business development as well as running a new cash trading platform which will provide substantially lower latency, significantly higher capacity and improved scalability.

“It will also offer cost saving opportunities in the future and give the Group a footprint in Asia. Moreover, MillenniumIT is a proven business, already serving multiple clients in multiple geographies, including some of the best known in their fields. The potential from this transaction is considerable for both parties.”

Tony Weeresinghe, CEO of MillenniumIT, said:

“This transaction with London Stock Exchange Group is a tribute to the innovative culture of our company, the quality of our technology solutions and our deep pool of talented staff. The Group’s backing gives us the resources to continue supporting our existing customers, expanding the company into other markets and investing for the future.”

David Lester, Director of Information and Technology, London Stock Exchange Group, said:

“MillenniumIT are a leader in developing low cost high performance trading platforms and financial markets software. Going forward, as well as serving existing and new clients, they will be the Group’s in-house software development team, gradually replacing our current suppliers and bringing intellectual property and know how fully within the company. We look forward to introducing their proven trading platform before the end of 2010, which will provide our clients with sub-millisecond trading latencies and give the Group a very fast, multi-product, cost-efficient, scalable trading platform. The transition will be carefully managed, with further enhancements to TradElect planned in the interim.”

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The Group will begin migrating clients to MillenniumIT's trading system from the end of 2010, replacing TradElect, Infolect, and other interfaces. The new platform will allow the Group to enrich its functionality, in particular for Italian clients, with the possibility of accommodating both trading after hours and stop loss orders.

IT development and operational costs for the Group will be reduced, resulting in estimated annual cost savings of at least £10 million from FY2011-12.

Depreciation of investment in the current TradElect trading platform will be accelerated as a result of the transaction, and further planned upgrades that take place in the interim will be taken as operating expenses in the period they occur. In total, these are expected to represent non-recurring incremental costs of £25 million in FY2010 and £6 million in FY2011.

Under the terms of the Offer, the Group has offered to acquire 100 per cent of MillenniumIT's shares for cash consideration with a share alternative. It is estimated that 73 per cent of the total deal consideration will be paid in cash, with the rest in new LSEG shares to be issued, estimated at around 600,000 shares.

The Group has already received irrevocable undertakings representing over 90 per cent of the shares in MillenniumIT.

The transaction is expected to complete by mid October 2009, subject to satisfaction of all conditions to the Offer and receipt of all necessary clearances. The offer document and the form of acceptance in relation to the Offer will be posted to MillenniumIT's shareholders on 16 September 2009. MillenniumIT's shareholders may also request a faxed copy of either the offer document or the form of acceptance by calling + 94 11 4899368.

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Notes to editors:

About MillenniumIT:

MillenniumIT was founded in 1996, with corporate HQ and Software Development located in Colombo, Sri Lanka. It employs 451 people, in two divisions – Proprietary Software Products and Enterprise Service. In the financial year ended 31 March 2009, MillenniumIT generated revenues of US\$28 million.

MillenniumIT systems are used by ICAP, the London Metal Exchange, and a series of emerging market exchanges and depositories and have been previously deployed at the American Stock Exchange and the Boston Stock Exchange.

MillenniumIT's suite of capital market products includes Millennium Exchange (multi-product trading platform), Millennium SOR (smart order router), Millennium Surveillance (market surveillance and regulatory compliance system) and Millennium Depository (integrated clearing, settlement and depository functions).

About London Stock Exchange Group:

London Stock Exchange Group is Europe's leading diversified exchange business, incorporating Borsa Italiana and London Stock Exchange. With over 500 member firms and more than 3,000 companies quoted across its markets, the Group operates the largest and most liquid equity marketplace in Europe.

The Group offers trading in a wide range of instruments, holding the number one position in trading exchange traded products (ETFs and ETCs) and through its interest in MTS, is the leading platform for the trading of fixed income products. Through MOT it offers a comprehensive range of European corporate and government bond trading services. Its Italian Derivatives Exchange Market (IDEM) sees over €2.5 billion worth of trading every day, and through EDX London the Group provides a facility for the trading of Scandinavian and Russian equity derivatives.

London Stock Exchange Group also offers post-trade services such as netting, clearing and settlement on an efficient and competitive basis. These include services from Monte Titoli, the Central Securities Depository for all Italian financial instruments, and Cassa di Compensazione & Garanzia (CC&G), which in July 2009 was granted Recognised Overseas Clearing House (ROCH) status by the FSA to operate in the UK.

London Stock Exchange itself is the world's most international exchange with over 600 overseas companies from more than 70 countries quoted on its markets. These figures include international companies on AIM, the London Stock Exchange's growth market, which has grown to become the world's most successful market for small and medium sized enterprises with 1,385 companies at the end of July 2009.