29 September 2011

LONDON STOCK EXCHANGE GROUP plc
PRE-CLOSE PERIOD UPDATE FOR THE FIVE MONTHS ENDED 31 AUGUST 2011

Highlights:

- Strong performance from increasingly diversified Group
- Growth being driven from a range of business operations
- Capital raised on our markets up 35 per cent to £22.9 billion (FY 2011: £17.0 billion); increase in number of new issues - up 19 per cent to 92 (FY 2011: 77)
- Average daily UK equity volumes up 12 per cent and Italian average daily volumes up five per cent; trading on Turquoise's lit equity platform increased 67 per cent
- Increase in fixed income trading - up 11 per cent in MTS cash and eight per cent increase in MTS money markets; derivatives trading up 11 per cent
- Clearing volumes up five per cent; net treasury income remained strong
- Notable developments in the period included the launch of FTSE 100 Futures on our new Turquoise Derivatives platform, a key technology contract signed with the Oslo Børs and the launch of Sponsored Access

Commenting on performance for the period, Xavier Rolet, Chief Executive, said:

"We have had a good five months. Following strong first quarter results, the business has continued to perform well and we saw increases in trading volumes across our cash equities, derivatives and fixed income businesses. Our post trade operations have also performed particularly well and we saw another significant new win for our world-beating MillenniumIT technology.

"Our diversification strategy is delivering. We remain absolutely focused on growth opportunities, driving innovation, strong cost control, working with our customers and delivering results. We expect the Group to report good first half results."

Divisional Performance

Capital Markets

- Growth in the number of new issues, increasing from 77 last year to 92, with a 35 per cent rise in total money raised by new and further issues in the UK and Italy; and, as expected, the level of new issues was lower in the traditionally quieter summer months

- Average daily UK equity volumes up 12 per cent and Italian average daily volumes up five per cent at 270,000 trades per day; average daily value traded in UK equities remained stable year on year at £5 billion; trading in both markets was boosted by the much busier than normal summer months

- Share of order book trading in UK cash equities for the financial year to date was 62.9 per cent; in Italy the share of order book trading in the five month period was steady at 83.4 per cent

- Trading on Turquoise has been good, with integrated order book (lit) average daily value traded for five months up 67 per cent at €1.9 billion and midpoint (dark) average daily value traded up 17 per cent at €215 million; Turquoise was the second largest European MTF in July and August with share of trading over six per cent, and the number two MTF dark pool with 28 per cent share of the European dark segment

- Derivatives trading volumes on IDEM increased six per cent over the same period last year; Turquoise Derivatives increased 19 per cent

- In fixed income markets the MTS Cash and Repo markets value traded rose by 11 and eight per cent respectively and trading volume on the MOT retail bond market increased 10 per cent. ORB welcomed a number of important new issues, including our first ever retail bond from a housing trust, Places for People, which successfully raised £140 million

Post Trade

- Equity and derivatives volumes cleared in the five month period increased four per cent and six per cent respectively; open interest increased 28 per cent on last year at 5.9 million contracts

- Year to date average initial margin held rose 31 per cent to €8.4 billion, reflecting the growth in derivative and fixed income trading and heightened market volatility; treasury income in the second quarter is expected to be higher than levels in Q1

- Settlement instructions decreased two per cent in total, reflecting increased netting; the custody business saw a three per cent increase in value of assets under custody at €3.1 trillion

Information Services

- Demand for other information products, including UnaVista, SEDOL and FTSE, remained good

- The number of professional users of UK real-time information decreased by 1,000 to 92,000, while professional terminals receiving Borsa Italiana data declined by 4,000 to 137,000 year on year

Technology Services

- During the period MilIenniumIT announced it will provide its Millennium Exchange trading system to Oslo Børs, and our first technology deliveries have been made to the Mongolian Stock Exchange

The Group expects to announce its Interim results for the six months ending 30 September 2011 on 16 November 2011.

Further information is available from:

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Key Performance Indicators

Capital Markets - Primary Markets

	Five months ended 31 August		Variance
	2011	**2010**	**%**
New Issues			
UK Main Market, PSM & SFM	39	33	18%
UK AIM	48	41	17%
Borsa Italiana	5	3	67%
Total	**92**	**77**	**19%**
Company Numbers (as at period end)			
UK Main Market, PSM & SFM	1,465	1,486	(1%)
UK AIM	1,158	1,212	(4%)
Borsa Italiana	295	295	0%
Total	**2,918**	**2,993**	**(3%)**
Market Capitalisation (as at period end)			
UK Main Market (£bn)	1,809	1,716	5%
UK AIM (£bn)	72	59	22%
Borsa Italiana (€bn)	352	398	(12%)
Borsa Italiana (£bn)	311	329	(5%)
Total (£bn)	**2,192**	**2,104**	**4%**
Money Raised (£bn)			
UK New	11.5	4.9	135%
UK Further	2.9	11.0	(74%)
Borsa Italiana new and further	8.5	1.1	673%
Total (£bn)	**22.9**	**17.0**	**35%**

Capital Markets - Secondary Markets

	Five months ended 31 August		Variance
	2011	**2010**	**%**
Equity Volume Bargains (m)			
UK	71.4	64.6	11%
Borsa Italiana	28.6	27.4	4%
Total	**100.0**	**92.0**	**9%**
Equity Value Traded			
UK (£bn)	519	523	(1%)
Borsa Italiana (€bn)	315	351	(10%)
Borsa Italiana (£bn)	278	297	(6%)
Total (£bn)	**797**	**820**	**(3%)**
Equity Average Daily Bargains ('000)			
UK	693	621	12%
Borsa Italiana	270	256	5%
Total	**963**	**877**	**10%**
Equity Average Daily Value Traded			
UK (£bn)	5.0	5.0	0%
Borsa Italiana (€bn)	3.0	3.3	(9%)
Borsa Italiana (£bn)	2.6	2.8	(7%)
Total (£bn)	**8.0**	**7.8**	**3%**
SETS Yield (basis points)	0.70	0.71	(1%)

	Five months ended 31 August		Variance
	2011	**2010**	**%**
Derivatives (contracts m)			
Turquoise	17.6	14.8	19%
IDEM	24.4	23.0	6%
Total	**42.0**	**37.8**	**11%**
Fixed Income			
MTS cash and Bondvision (€bn)	1,111	999	11%
MTS money markets (€bn term adjusted)	27,323	25,259	8%
MOT (€bn)	77.7	95.7	(19%)
MOT number of trades (m)	1.71	1.55	10%

Post Trade Services

	Five months ended 31 August		Variance
	2011	**2010**	**%**
CC&G Clearing (m)			
Equity clearing (trades)	30.2	29.0	4%
Derivative clearing (contracts)	24.4	23.0	6%
Total Contracts	**54.6**	**52.0**	**5%**
Open interest (contracts as at period end)	5.9	4.6	28%
Initial margin held (average €bn)	8.4	6.4	31%
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Pre Settlement instructions (trades m)	14.2	12.8	11%
Settlement instructions (trades m)	14.9	16.9	(12%)
Total Settlement	**29.1**	**29.7**	**(2%)**
Custody assets under management (average €tn)	3.06	2.97	3%

Information Services

	Five months ended 31 August		Variance
	2011	**2010**	**%**
UK Terminals			
Professional - UK	38,000	38,000	0%
Professional - International	54,000	55,000	(2%)
Total	**92,000**	**93,000**	**(1%)**
Borsa Italiana Professional Terminals	**137,000**	**141,000**	**(3%)**