

London Stock Exchange Group plc and TMX Group Inc. Join Forces in Merger of Equals

Creation of an International Exchange Leader Strongly Positioned for Growth

9 February 2011



London
Stock Exchange Group





Creation of an International Exchange Leader



London
Stock Exchange Group



- Premier international listings venue
- Leader in pan-European equities
- Leading fixed income business
- London is the price discovery centre for Europe
- Post-trade expertise across asset classes
- Diversified global information services business
- High-performance cost-effective technologies
- Global leader in resource and SME listings
- Trade across multiple asset classes
- Canada's premier equities platform
- Canada's derivatives exchange/clearinghouse
- Leading North American physical energy trading/clearing
- Comprehensive market data offerings
- Leading derivatives trading/clearing technology

Strongly Positioned for Global Growth Opportunities



Highly Compelling Combination



- ★ Joint Headquarters
- ▲ Global Centres of Excellence
- Business Centres

- ✓ Leading global listings franchise
- ✓ World-class global brands
- ✓ Highly diversified across asset classes and geographies
- ✓ Innovative post-trade services
- ✓ Global information business
- ✓ Leader in high-performance, cost-effective trading and clearing technology
- ✓ Efficiencies for customers
- ✓ Significant scale and strong balance sheet for growth

1st
Globally in # of Listings

1st
Globally in # of Natural Resources, Mining, Energy, Clean Tech and SME Listings

1st
in International Listings from Emerging and Growth Markets

1st
in Cash Equities Trading in Europe

1st
in Cash Equities Trading and Derivatives in Canada

1st
in Electronic Trading of European Government Bonds



Merger of Equals: Transaction Highlights

Key Merger Terms

- All-share merger of equals
 - TMX Group Inc. (“TMX”) shareholders to receive consideration in London Stock Exchange Group plc (“LSEG”) shares or Toronto Stock Exchange-listed exchangeable shares of a Canadian subsidiary of LSEG
 - Post-merger ownership share: LSEG shareholders 55%, TMX shareholders 45%
- Merger unanimously recommended by the Boards of both LSEG and TMX
- Listings on the London Stock Exchange and Toronto Stock Exchange

Financial Highlights

- Expected to be accretive to adjusted earnings per share ⁽¹⁾ (post-cost synergies) in year one
- Targeting annual run-rate cost synergies of £35m (C\$56m) by end of year two
- Targeting revenue benefits of £35m (C\$56m) in year three growing to £100m (C\$160m) in year five
- Intention to maintain current gross amount of dividends paid, then maintain dividends on a progressive basis going forward

Headquarters

- Jointly headquartered in London and Toronto
- Enhances Calgary, Colombo, London, Milan, Montreal, Toronto and Vancouver as global financial centres

Board Composition

- Chairman: Wayne Fox; Deputy Chairmen: Chris Gibson-Smith and Paolo Scaroni
- 15 Board members; LSEG: eight members (envisage three from Borsa Italiana); TMX: seven members

Key Management

- CEO: Xavier Rolet; President: Tom Kloet; CEO Borsa Italiana: Raffaele Jerusalemi; CFO: Michael Ptasznik
- Global business units and support functions balanced across TMX and LSEG

Regulatory

- Each of the combined group’s markets will continue to be regulated by their existing regulators

Note: Currencies converted using spot GBP-CAD exchange rate of 1.5991 as at 8 February 2011.

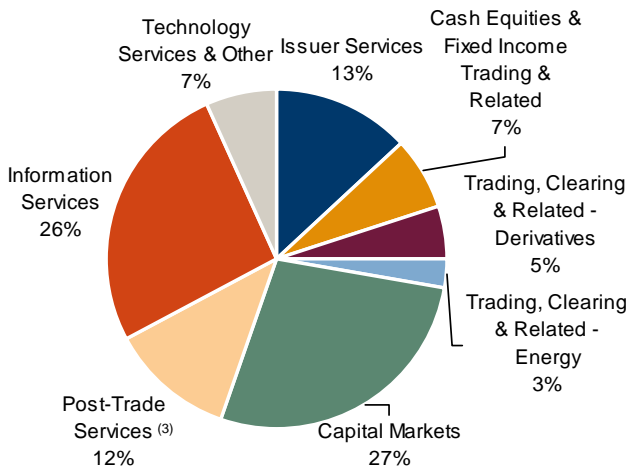
1. See “Accounting Matters”.



Highly Diversified by Revenue and Geography

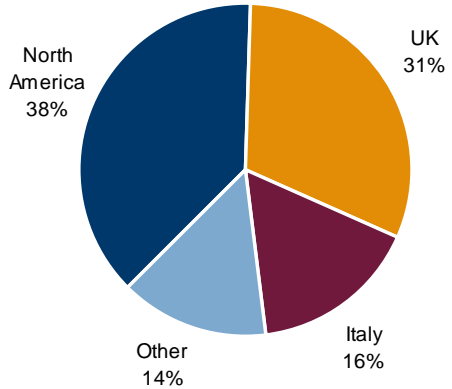
Increased Scope

Revenue by Business ⁽¹⁾



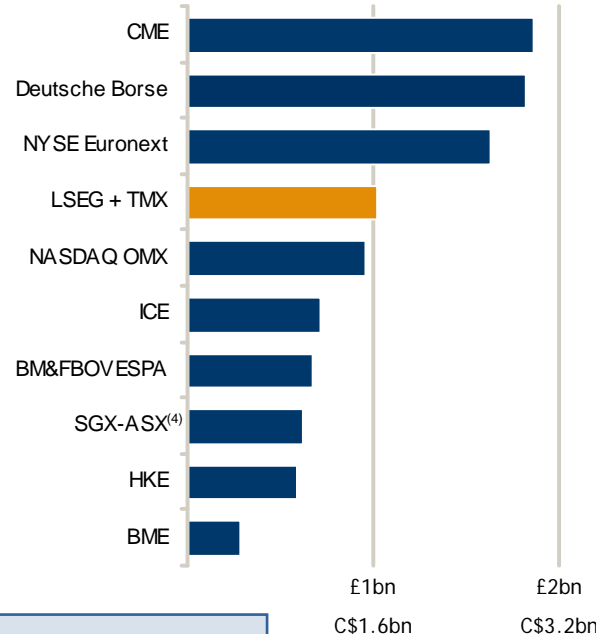
Increased Reach

Revenue by Geography ⁽²⁾



Increased Scale

Revenue by Exchanges



International Scale

- 20 trading markets / platforms across North America and Europe Operations

Source: Company filings.

Note: LSEG and TMX revenue based on last twelve months data as at 30 September 2010 and year ended data as at 31 December 2010, respectively, except as noted. Revenue segments displayed do not imply future reporting segments. Net revenue shown for NYSE Euronext, NASDAQ OMX and BM&FBovespa. TMX revenue converted using average GBP-CAD exchange rate of 1.5897 for the year ended 31 December 2010. Includes LSEG / TMX LTM intercompany revenue of £2m / C\$3m. TMX revenue adjusted for initial and additional listing fees billed. See "Accounting Matters". LSEG revenue includes net treasury income from CCP and Other income.

1. Issuer Services, Cash Equities & Fixed Income Trading & Related, Trading, Clearing & Related (Derivatives and Energy) are TMX only; Capital Markets (Primary and Secondary Markets) and Post-Trade Services are LSEG only; Information Services combines both companies' Information Services segments; Technology Services & Other combines LSEG's Technology Services, Other revenue and Other income with TMX's Technology Services and Other.
2. Based on unaudited financial data. LSEG and TMX revenue based on last twelve months data as at 31 December 2010. Corrected 16 March 2011.
3. Post-Trade Services also includes LSEG's net treasury income from CCP. Excludes TMX's post-trade revenue, which are included in Trading, Clearing & Related (Derivatives and Energy).
4. SGX has announced the acquisition of ASX, but the transaction has not yet closed. ASX last twelve month revenue as at 30 June 2010.



Strong Portfolio of World-Class Global Brands

Issuer Services

Global and Large-Cap



Venture / SME



Trading and Post-Trade

Cash Equities



Derivatives



Energy



Cash Fixed Income



Post-Trade



Information Services



Technology Services



Increased opportunities for cross-selling and product innovation

Note: Businesses displayed are 100% or majority owned by LSEG or TMX, with the exception of CanDeal (47% owned by TMX) and FTSE (50% owned by LSEG).

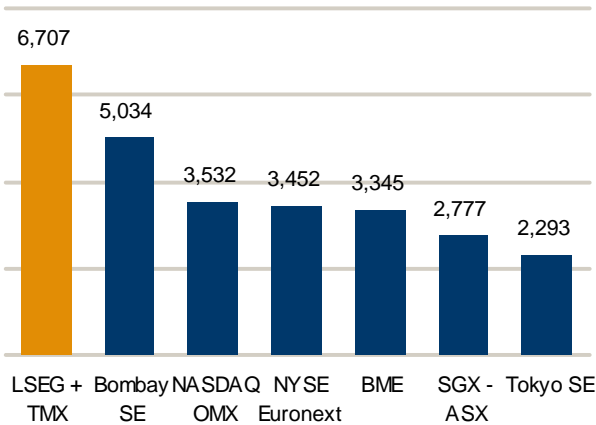


World's Leading Global Listing Franchise

<p>Main Market</p>	<p>TMX Toronto Stock Exchange</p>	<p>Borsa Italiana London Stock Exchange Group</p>	<p>AJM AJM Italia (1)</p>	<p>TMX TSX Venture Exchange (1)</p>
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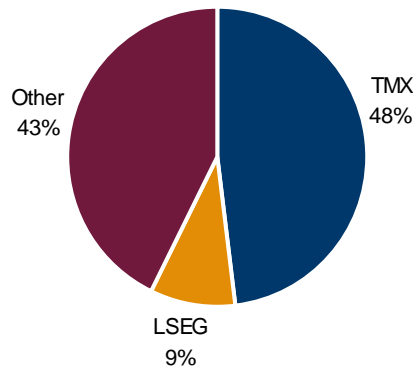
Gateway to Leading Global Pools of Capital Formation and Liquidity

#1 Venue by Number of Listings



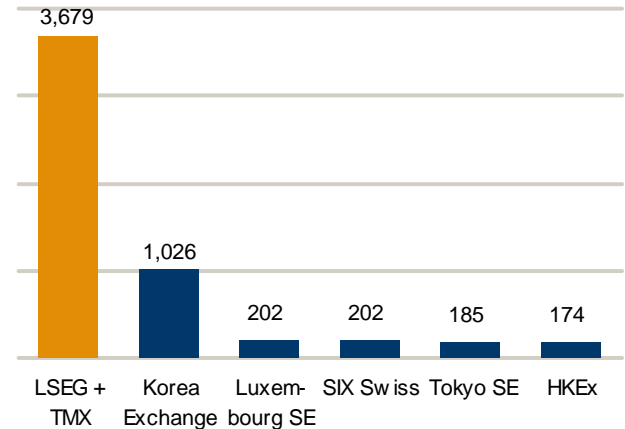
Source: World Federation of Exchanges, December 2010.
1. Updated 25 March 2011.

#1 Venue by Number of Mining & Energy Listings



Source: Management analysis.

#1 Venue by Number of Venture or Alternative Marketplace Listings



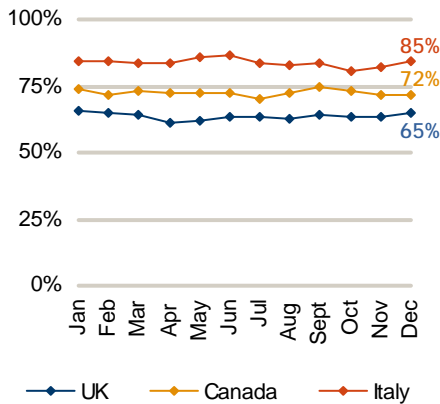
Source: Venture or alternative marketplace listings as defined by World Federation of Exchanges, December 2009. Corrected 16 March 2011.

Trading & Post-Trade Platforms Across Markets & Asset Classes

Cash Equities

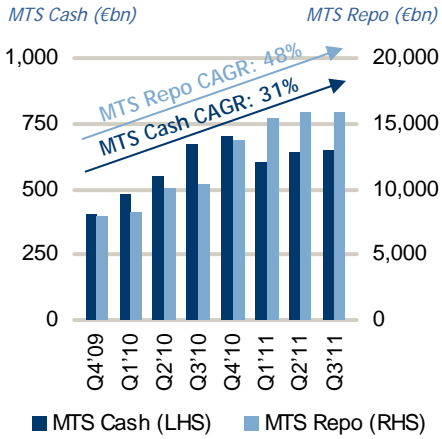
- Pre-eminent equity exchanges in the UK, Canada and Italy

2010 share of cash equities trading



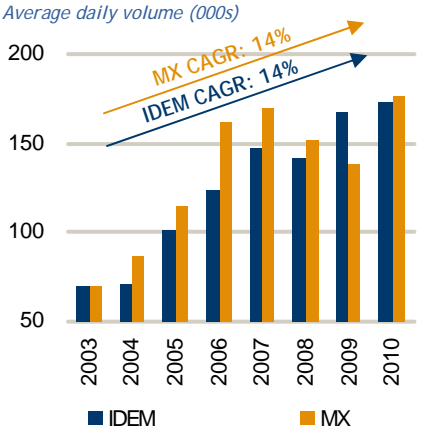
Cash Fixed Income

- #1 electronic government bond platform in Europe
- MOT retail bond market in Italy and UK
- First fixed income IDB in Canada



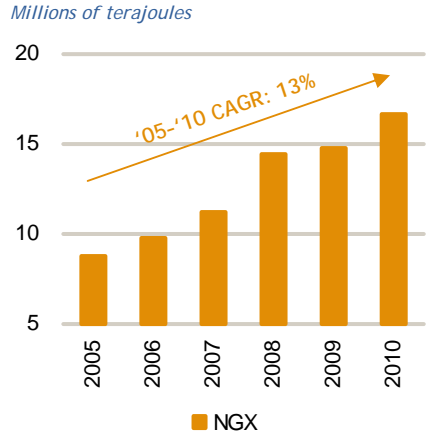
Derivatives

- Trade and clear in Canadian, Italian, UK, Nordic and Russian equity/fixed income derivatives



Energy & Commodities

- North American oil & gas and electricity products
- Italian electricity futures and options
- Alliance with ICE



Post-Trade



- Multi-asset exchange-traded and OTC clearing



- Multi-asset settlement services



- Clears MX derivatives products
- Clears OTC products



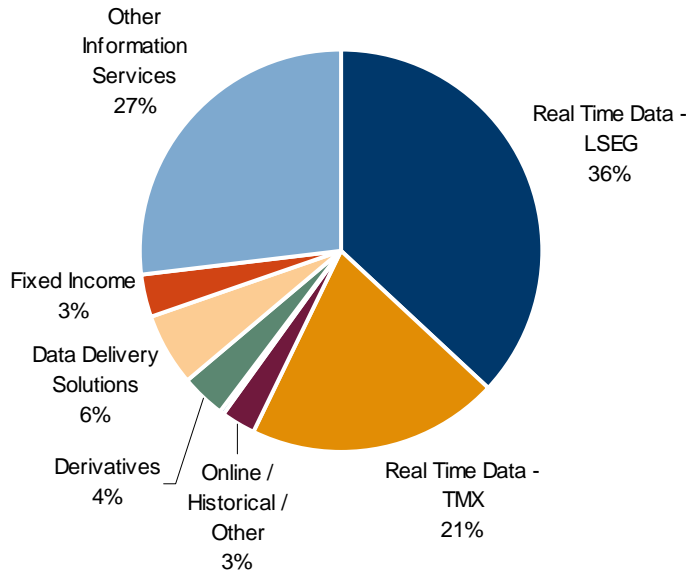
- Clears physical gas/crude oil & financial gas/power products



Diversified Global Information Services Business

Robust Offering of Data Services

Revenue Breakdown

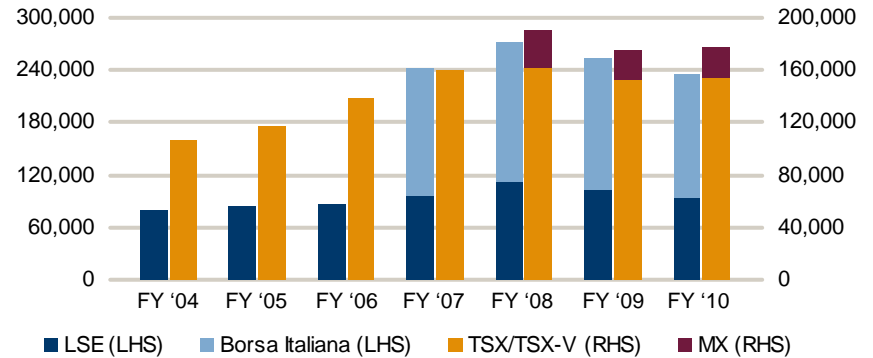


Note: LSEG revenue based on last twelve months as at 30 September 2010; TMX revenue based on year ended 31 December 2010. LSEG revenue: Real Time Data and Other Information Services; TMX revenue: Real Time Data, Online / Historical / Other, 3rd Party Data, Derivatives, Data Delivery Solutions and Fixed Income.

International Real-Time Data Distribution

LSE / Borsa Italiana # of Professional Terminals

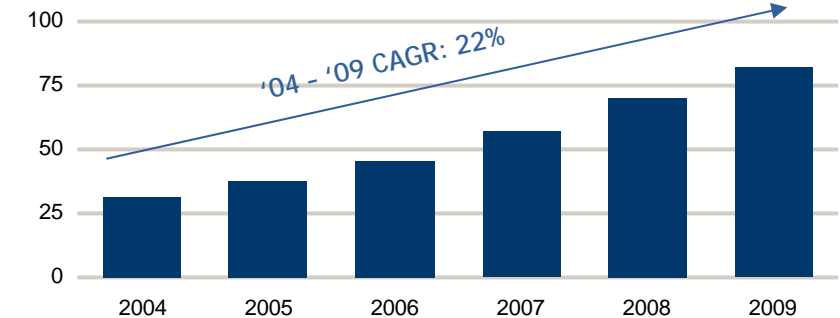
TSX /TSX-V / MX # of Subscriptions and Equivalent ⁽¹⁾



1. Includes a base number of subscriptions for customers that have entered into enterprise agreements.

FTSE - Global Indices Leadership

(£ millions)



Note: Chart represents 100% of FTSE revenues.



High-Performance Cost-Effective Technology Solutions and Efficiencies Internally and for Third-Party Customers

- MillenniumIT: cash equities/fixed income trading & post-trade with broad suite of applications
- SOLA: leading derivatives trading/clearing technology
- Expanded IT capabilities in routing, post-trade, information services, etc.



Strong Base of Existing and Pipeline Third-Party Clients





Significant Growth Opportunities

Issuer Services

- Build on #1 global positions in natural resources, mining, energy, clean technology and SMEs to attract new listings
- Facilitate cross-listing and admissions subject to regulatory approval

Trading and Post-Trade

Cash Equities

- Roll out MTF dark pool expertise to new geographies

Derivatives

- Utilise TMX expertise to further develop derivatives

Energy

- Develop strategy for global commodities trading and clearing

Cash Fixed Income

- Expand capabilities in B2B (MTS / Shorcan) and B2C (Bondvision / CanDeal)

Post-Trade

- Extend post-trade capabilities across asset classes in North America/Europe

Information Services

- Cross-sell data and delivery solutions (including co-location) to a wider audience
- Richer market data offering for high frequency traders
- Development of new indices

Technology Services

- Capitalise on combined expertise to develop innovative products and services
- Broaden customer base with new services and functionality

Targeting revenue benefits of £35m (C\$56m) in year three growing to £100m (C\$160m) in year five

Note: Currencies converted using spot GBP-CAD exchange rate of 1.5991 as at 8 February 2011.



Significant Cost Efficiencies Based on Successful Integration Track Records

IT

- Primarily driven by common technology platforms for cash markets
- Fully deploy SOLA technology across derivatives platforms

Non-IT

- Rationalise / consolidate functions and systems
- Reduce corporate costs

Total

- Represents 8.0% of combined expense base
- Estimated £40m (C\$64m) of one-time implementation costs over two years

Targeting annual run-rate cost synergies of £35m (C\$56m) by end of year two

Combined Financial Profile - Increased Financial Strength

<i>(£ / C\$ in millions)</i>	LSEG <i>(30 September 2010 LTM)</i>	TMX <i>(31 December 2010 LTM)</i>	LSEG + TMX ⁽¹⁾
Revenue - Reported ⁽²⁾	£633 / C\$1,027	£362 / C\$575	£995 / C\$1,603
Revenue - Billed ^(2,3)	£633 / C\$1,027	£394 / C\$626	£1,026 / C\$1,653
Operating Cash Flow ⁽⁴⁾	£252 / C\$410	£176 / C\$280	£428 / C\$690
Net Debt / Billed EBITDA ⁽³⁾	1.3x	0.5x	1.0x
Market Capitalisation ⁽⁵⁾	£2.4bn / C\$3.9bn	£1.9bn / C\$3.0bn	£4.3bn / C\$6.9bn

Expected to be accretive to adjusted earnings per share ⁽⁶⁾ (post-cost synergies) in year one

Note: Currencies converted using average GBP-CAD exchange rate of 1.6238 for LTM ended 30 September 2010 and 1.5897 for LTM ended 31 December 2010.

1. Financial metrics include intercompany revenues of £2m / C\$3m and expenses of -£1m / C\$2m for the LTM ended 31 December 2010.

2. LSEG revenue includes net treasury income from CCP and Other income.

3. See "Accounting Matters". TMX revenue and EBITDA adjusted for initial and additional listing fees billed. Debt adjusted for cash and marketable securities above internal target.

4. "Net cash inflow from operating activities" as reported by LSEG and "Cash Flows from Operating Activities" as reported by TMX. Corrected 16 March 2011.

5. Fully diluted market capitalisation as at 8 February 2011 converted using spot GBP-CAD exchange rate of 1.5991.

6. See "Accounting Matters".



Timetable / Key Approvals

Timetable

Posting of Documentation

- UK class 1 circular, prospectus and Canadian plan of arrangement information circular
- Estimate posting 13-15 weeks post announcement ⁽¹⁾

Shareholder Votes

- LSEG Extraordinary General Meeting
- TMX Special Meeting of Shareholders

Approvals

- Process to commence immediately following announcement

Timing

- Expected to close in calendar H2 2011

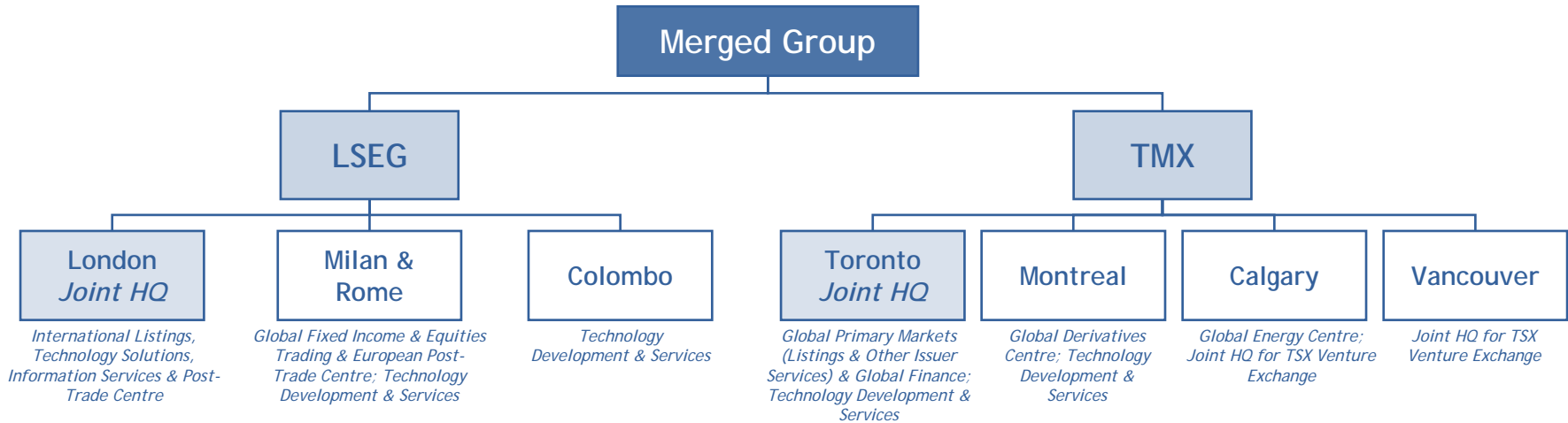
Key Approvals

Canada	Investment Canada Act
	Competition Act
	Ontario Securities Commission / Autorité des Marchés Financiers / Alberta Securities Commission / British Columbia Securities Commission
	Canadian court approval in relation to the plan of arrangement
US	Hart-Scott-Rodino Act / Securities and Exchange Commission
UK	Financial Services Authority (FSA) / United Kingdom Listing Authority (UKLA)
Italy	Commissione Nazionale per le Società e la Borsa / Bank of Italy
Shareholder	Shareholder approvals
Other	UK merger and other filings may be required

1. Updated 16 March 2011.

Creation of a Strong Organisation on a Global and Local Level

Organisational Structure



Governance

- 15 Board members, eight nominated by LSEG (envisage three from Borsa Italiana) and seven nominated by TMX
- Global business units and support functions balanced across TMX and LSEG



Wayne C. Fox
Chairman
Non-Executive



Chris Gibson-Smith
Deputy Chairman
Non-Executive



Paolo Scaroni
Deputy Chairman
Non-Executive



Xavier Rolet
CEO
Executive Director



Tom Kloet
President
Executive Director



Raffaele Jerusalemi
CEO Borsa Italiana
Executive Director



Michael Ptasznik
CFO
Executive Director

Creation of International Exchange Leader Strongly Positioned for Growth

- #1 globally by number of total listings and for listings of natural resources, mining, energy and clean technology companies, as well as SMEs
- World-class brands operating in cash equities, derivatives, energy and cash fixed income
- Innovative post-trade services aimed at creating processing efficiencies across the lifecycle of a trade
- An extensive set of global information services and index businesses
- Leader in high-performance cost-effective trading and clearing technology
- Expected to be accretive to adjusted earnings per share⁽¹⁾ (post-cost synergies) in year one
- Significant scale and strong balance sheet for growth

1. See "Accounting Matters".

FORWARD-LOOKING INFORMATION

This presentation, including oral statements made by LSEG and TMX or our representatives, contains “forward-looking information” (including as defined in applicable Canadian securities legislation). This information is based on the current expectations, assumptions, projections and estimates that the management of LSEG and TMX believe to be relevant as of the date of this presentation. This information is naturally subject to uncertainty and changes in circumstances. The forward-looking information contained in this presentation includes statements relating to the expected effects of the merger on LSEG and TMX and/or the merged group such as information related to the anticipated effect on financial performance, growth opportunities, expected dividend policy, anticipated revenue and cost synergies, business strategies and the development of new products and services, the expected timing and scope of the merger, and other statements other than historical facts.

Forward-looking information includes statements typically containing words such as “will”, “may”, “should”, “believe”, “intends”, “expects”, “anticipates”, “targets”, “estimates” and words of similar import, or variations or the negatives of such words. Although LSEG and TMX believe that the expectations, assumptions, projections and estimates reflected in such forward-looking information are reasonable, LSEG and TMX can give no assurance that such expectations, assumptions, projections and estimates will prove to be correct. By its nature, forward-looking information involves risk and uncertainty because it relates to events and depends on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward looking information. These factors include the satisfaction of the conditions to the merger and regulatory requirements, as well as additional factors, such as: future levels of revenues being lower than expected; conditions affecting the industry; local and global political and economic conditions; unforeseen fluctuations in trading volumes; competition from other exchanges or marketplaces; changes in trading systems commonly relied upon by market participants; foreign exchange rate fluctuations and interest rate fluctuations (including those from any potential credit rating decline); legal or regulatory developments and changes; the outcome of any litigation; the impact of any acquisitions or similar transactions; competitive products and pricing pressures; success of business and operating initiatives; failure to retain and attract qualified personnel; failure to implement strategies; whether internationally or in the places LSEG or TMX or any of their respective affiliated companies do business, or the merged group will do business are less favourable than expected; and/or conditions in the securities market are less favourable than expected and changes in the level of capital investment. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking information.

Given these risks and uncertainties, investors should not place undue reliance on forward-looking information as a prediction of actual results. Neither LSEG nor TMX nor any of their respective affiliated companies undertakes any obligation to update or revise forward-looking information, whether as a result of new information, future events or otherwise, except to the extent legally required.

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ACCOUNTING MATTERS

LSEG reports under IFRS and the merged company will report under IFRS. TMX will report under IFRS commencing 1 January 2011 but, unless otherwise indicated, financial information contained in this presentation with respect to TMX has been compiled based on Canadian GAAP in effect at 31 December 2010.

Adjusted earnings per share is derived from IFRS basic earnings per share adjusted to exclude the impact of exceptional items (being items of income and expense that are material by size and/or nature and are non-recurring) and amortisation of acquired intangible assets. It is not a measure required under IFRS, does not have standardised meaning under IFRS and, therefore, may not be comparable to similar measures presented by other peers. We may present this measure in order to quantify the impact of combining LSEG and TMX on financial performance. In determining accretion of adjusted earnings per share, one-off costs to achieve synergies and deal related costs are also excluded in addition to the above.

TMX revenue adjusted for initial and additional listing fees billed ("billed revenue") is a Non GAAP measure because under Canadian GAAP in effect until 31 December 2010, the date of TMX's most recent financial reporting, revenue from initial and additional listing fees are amortised over a ten-year period.

The following is a reconciliation of TMX reported revenue to TMX billed revenue:

(in millions of dollars)	<u>Year Ended 31 Dec 2010</u>
2010 Reported Revenue	\$575.5
Initial and additional listing fees - reported	(\$84.7)
Initial and additional listing fees - billed	<u>\$134.8</u>
2010 Billed Revenue	<u>\$625.6</u>

A detailed reconciliation of TMX Non-GAAP to GAAP revenue and the rationale for presenting this measure is described in TMX's 2010 Annual MD&A which is posted on its website at www.tmx.com

Net Debt / Billed EBITDA is a Non GAAP measure and does not have a standardised meaning under Canadian GAAP and, therefore, may not be comparable to similar measures presented by other peers. We may present this measure in order to quantify the impact of combining LSEG and TMX on leverage.

The following is a reconciliation of TMX reported income from operations to billed EBITDA and 2010 Gross Debt to 2010 Net Debt:

(in millions of dollars)	<u>Year Ended 31 Dec 2010</u>	(in millions of dollars)	<u>Year Ended 31 Dec 2010</u>
2010 Income from Operations	\$289.0	2010 Gross Debt	\$429.8
Amortization	\$32.3	Cash, Cash Equivalents and Marketable Securities	(\$330.4)
Initial and additional listing fees - reported	(\$84.7)	Target Minimum Balance of Cash and Marketable Securities	<u>\$100.0</u>
Initial and additional listing fees - billed	<u>\$134.8</u>	2010 Net Debt	<u>\$199.4</u>
2010 Billed EBITDA	<u>\$371.4</u>		







London Stock Exchange Group plc and TMX Group Inc. Join Forces in Merger of Equals

Creation of an International Exchange Leader Strongly Positioned for Growth

Supplemental Materials

24 February 2011

Merger Creates a Leading Global Listings Franchise

Industry	Total Listings			Total Market Capitalisation (C\$ billions) ⁽¹⁾		
			LSEG+TMX			LSEG+TMX
Mining	1,531	203	1,734	\$563	\$636	\$1,199
Oil & Gas	394	169	563	425	1,372	1,798
Clean Technology	132	123	255	18	50	68
Financial Services	124	344	468	484	1,304	1,788
Other	1,560	2,127	3,687	788	3,482	4,270
TOTAL	3,741	2,966	6,707	\$2,278	\$6,844	\$9,122

Source: TMX and LSEG Disclosure, World Federation of Exchanges.

1. As at December 31, 2010. Includes market capitalisation of secondary listings of international companies.