# TMX Group Inc. Reports Results for Third Quarter 2011

- Revenue of $167.8 million in Q3/11, up 15% from Q3/10
- Q3/11 diluted earnings per share[∇] of 90 cents, up 22% from Q3/10
- Adjusted diluted earnings per share of $0.92 in Q3/11, up 24% compared with diluted earnings per share of $0.74 in Q3/10
- Revenue of $511.8 million in the first nine months of 2011, up 13% compared with the first nine months of 2010
- Diluted earnings per share of $2.47 in the first nine months of 2011, up 8% compared with diluted earnings per share of $2.29 in first nine months of 2010
- Adjusted diluted earnings per share of $2.83 in the first nine months of 2011, up 24% compared with diluted earnings per share of $2.29 in first nine months of 2010

November 8, 2011 (TORONTO) – TMX Group Inc. [TSX:X] announced results for the third quarter ended September 30, 2011.

Commenting on the third quarter of 2011, Thomas Kloet, Chief Executive Officer of TMX Group Inc. (TMX Group) said: "We are proud to report very positive results for the third quarter and first nine months of 2011. Our performance to date this year reflects the operational strength across our business in unsettled global markets. We continued to attract new issuers to our equity markets, and provide an important venue for raising capital. In our derivatives markets, MX continued to set new records for volumes and open interest and we saw strong activity on BOX in the third quarter. This past quarter also marked the launch of our new alternative trading system, TMX Select. We are encouraged with the early traction it is gaining in the market."

"At the end of October, our Board concluded that the Maple proposal is in the best interests of shareholders and provides a unique opportunity to create a fully integrated exchange group that can provide efficiencies and capabilities for the benefit of all market participants. Through this transaction, we enhance our business plan which strives to diversify our business, accelerate our growth and improve our position among global players. The approval process has been initiated and we are working in close collaboration with Maple investors towards obtaining approval of a transaction that enhances and strengthens Canadian capital markets and all of its participants."

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[∇] Earnings per share information is based on net income attributable to TMX Group shareholders.

Michael Ptasznik, Chief Financial Officer of TMX Group said: “Net income attributable to TMX Group shareholders was up 21% over Q3/10, reflecting higher revenue from derivative markets trading and clearing, issuer services, and information services. Partially offsetting the increased revenue were higher expenses in the third quarter compared with the same period last year, including LSEG and Maple related costs. We continue to invest in our leading technologies, and over the past year we have also added resources in the growing areas of our business including issuer services, information services and Canadian derivatives trading and clearing.”

**International Financial Reporting Standards (IFRS)**

The Canadian Accounting Standards Board requires publicly accountable enterprises such as TMX Group to adopt IFRS for fiscal years beginning on or after January 1, 2011. Accordingly, the TMX Group unaudited condensed consolidated financial statements for the quarter and nine months ended September 30, 2011 have been prepared in accordance with IFRS as published by the International Accounting Standards Board.

For each reporting period in 2011, we are also presenting comparative information for 2010, both for interim and annual financial statements, as applicable, on an IFRS basis. Our consolidated financial statements for the year ending December 31, 2011, will be our first annual financial statements prepared in accordance with IFRS. As this is our first year of reporting under IFRS, First-time Adoption of IFRS (IFRS 1) is applicable.

In accordance with IFRS 1, we have applied IFRS retrospectively as of January 1, 2010 (the Transition Date) for comparative purposes. In preparing our opening balance sheet in accordance with IFRS, we have adjusted amounts reported previously in our financial statements prepared in accordance with pre-conversion Canadian generally accepted accounting principles (pre-conversion Canadian GAAP). We have included supplementary reconciliations of the impact of the conversion to IFRS on our net income attributable to TMX Group shareholders for the quarter and nine months ended September 30, 2010 in our Q3/11 Management’s Discussion and Analysis (MD&A) under ***Changes in Accounting Policies*** (for a more detailed discussion and additional reconciliations see our unaudited condensed consolidated financial statements and MD&A for the quarter ended March 31, 2011).

**Summary of Financial Information**

(in millions of dollars, except per share amounts)

| | Q3/11 | Q3/10 | $ Increase/ (decrease) | % Increase/ (decrease) |
|---|---|---|---|---|
| *Revenue* | $167.8 | $146.0 | $21.8 | 15% |
| *Operating expenses* | $72.3 | $68.2 | $4.1 | 6% |
| *Net income attributable to TMX Group shareholders* | $67.0 | $55.2 | $11.8 | 21% |
| *Earnings per share*[▽]*:* | | | | |
| *Basic* | $0.90 | $0.74 | $0.16 | 22% |
| *Diluted* | $0.90 | $0.74 | $0.16 | 22% |
| *Cash flows from operating activities* | $ 53.1 | $ 57.6 | ($4.5) | (8%) |

Net income attributable to TMX Group shareholders was $67.0 million, or $0.90 per common share on a basic and diluted basis for Q3/11, an increase of 21% compared with net income attributable to TMX Group shareholders of $55.2 million, or $0.74 per common share on a basic and diluted basis for Q3/10. The increase in net income attributable to TMX Group shareholders was largely due to higher revenue from derivative markets trading and clearing, issuer services, other revenue due to realized and unrealized net foreign exchange gains on U.S. dollar accounts receivables as well as information services, partially offset by higher compensation and benefits expenses and $2.4 million (pre-tax) of costs related to the proposed merger with London Stock Exchange Group (LSEG) and the Maple Group Acquisition Corporation (Maple) proposed acquisition of all of the outstanding TMX Group shares (LSEG and Maple related costs). While income tax expense in Q3/11 increased slightly over Q3/10, the effective tax rate on the increased income was lower in Q3/11 compared with Q3/10.

Cash flows from operating activities were $53.1 million in Q3/11, which were net of $16.6 million of cash outlays related to LSEG and Maple related costs, compared with $57.6 million of cash flows from operating activities in Q3/10.

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[▽] Earnings per share information is based on net income attributable to TMX Group shareholders.

**Adjusted Earnings per Share Reconciliation for Q3/11 and Q3/10****

The following is a reconciliation of earnings per share to adjusted earnings per share** prior to the adjustment for LSEG and Maple related costs:

| | Q3/11 | | Q3/10 | |
|---|---|---|---|---|
| | **Basic** | **Diluted** | **Basic** | **Diluted** |
| *Earnings per share* | $0.90 | $0.90 | $0.74 | $0.74 |
| *Adjustment related to LSEG and Maple related costs, net of income tax* | $0.02 | $0.02 | - | - |
| *Adjusted earnings per share*** | $0.92 | $0.92 | $0.74 | $0.74 |

Adjusted earnings per share** of $0.92 per common share on a basic and diluted basis was higher than earnings per share of $0.74 per common share on a basic and diluted basis for Q3/10, largely due to higher revenue from derivative markets trading and clearing, issuer services, other revenue due to realized and unrealized net foreign exchange gains on U.S. dollar accounts receivable as well as information services, partially offset by higher compensation and benefits expenses.

**Summary of Financial Information**

(in millions of dollars, except per share amounts)

| | Nine months ended | | | |
|---|---|---|---|---|
| | **Sept. 30/11** | **Sept. 30/10** | **$ Increase** | **% Increase** |
| *Revenue* | $511.8 | $451.5 | $60.3 | 13% |
| *Operating expenses* | $220.9 | $211.7 | $9.2 | 4% |
| *Net income attributable to TMX Group shareholders* | $184.8 | $170.7 | $14.1 | 8% |
| *Earnings per share*▿*:* | | | | |
| *Basic* | $2.48 | $2.30 | $0.18 | 8% |
| *Diluted* | $2.47 | $2.29 | $0.18 | 8% |
| *Cash flows from operating activities* | $232.4 | $201.4 | $31.0 | 15% |

** The terms adjusted earnings per share and adjusted diluted earnings per share do not have standardized meanings prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. We present adjusted earnings per share and adjusted diluted earnings per share to indicate operating performance exclusive of *LSEG and Maple-related costs* we incurred in Q3/11. Management uses these measures to assess our financial performance exclusive of these costs and to enable comparability across periods.

▿ Earnings per share information is based on net income attributable to TMX Group shareholders.

Net income attributable to TMX Group shareholders was $184.8 million or $2.48 per common share ($2.47 on a diluted basis) for the first nine months of 2011, an 8% increase compared with net income attributable to TMX Group shareholders of $170.7 million or $2.30 per common share ($2.29 on a diluted basis) for the first nine months of 2010. The increase in net income attributable to TMX Group shareholders was largely due to higher revenue from issuer services, derivatives markets trading and clearing and information services, somewhat offset by increased expenses due to $31.5 million (pre-tax) in LSEG and Maple related costs, a commodity tax adjustment* and higher compensation and benefits expenses. These expenses were somewhat reduced by lower information and trading systems expenses. While income tax expense in the first nine months of 2011 increased slightly over the first nine months of 2010, the effective tax rate on the increased income was lower in the first nine months of 2011 compared with the first nine months of 2010.

Cash flows from operating activities were $232.4 million in the first nine months of 2011, which were net of $30.8 million of cash outlays related to LSEG and Maple related costs, compared with $201.4 million of cash flows from operating activities in the first nine months of 2010.

**Adjusted Earnings per Share Reconciliation for the First Nine Months of 2011 and the First Nine Months of 2010****

The following is a reconciliation of earnings per share to adjusted earnings per share** prior to the adjustment related to costs associated with the proposed merger with LSEG and the Maple offer to acquire all of the common shares of TMX Group, and the commodity tax adjustment*:

| | **Nine months ended** | | | |
|---|---|---|---|---|
| | **Sept. 30/11** | | **Sept. 30/10** | |
| | **Basic** | **Diluted** | **Basic** | **Diluted** |
| *Earnings per share* | $2.48 | $2.47 | $2.30 | $2.29 |
| *Adjustments:* | | | | |
| *Adjustment related to LSEG and Maple related costs, net of income tax* | $0.31 | $0.31 | - | - |
| *Adjustment related to commodity tax adjustment*, net of income tax* | $0.05 | $0.05 | - | - |
| *Adjusted earnings per share*** | $2.84 | $2.83 | $2.30 | $2.29 |

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*See “*General and Administration”* section.

** The terms adjusted earnings per share and adjusted diluted earnings per share do not have standardized meanings prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. We present adjusted earnings per share and adjusted diluted earnings per share to indicate operating performance exclusive of *LSEG and Maple-related costs* incurred in the first nine months of 2011 and a commodity tax adjustment in the first nine months of 2011. Management uses these measures to assess our financial performance exclusive of these costs and to enable comparability across periods.

Adjusted earnings per share** of $2.84 per common share ($2.83 on a diluted basis), was higher than earnings per share of $2.30 per common share ($2.29 on a diluted basis) for the first nine months of 2010. The increase in adjusted earnings per share** was largely due to higher revenue from issuer services, derivatives markets trading and clearing and information services, somewhat offset by higher compensation and benefits expenses. These expenses were somewhat offset by lower information and trading systems expenses.

### Selected Segmented Financial Information

(in millions of dollars)

| | Cash Markets - Equities and Fixed Income (includes LSEG and Maple related costs) | Derivatives Markets - MX and BOX | Energy Markets – NGX and Shorcan Energy Brokers | Total |
|---|---|---|---|---|
| **Q3/11** | | | | |
| *Revenue* | $120.1 | $37.0 | $10.7 | $167.8 |
| *Net income attributable to TMX Group shareholders* | $50.4 | $13.7 | $2.9 | $67.0 |
| **Q3/10** | | | | |
| *Revenue* | $106.7 | $26.3 | $13.0 | $146.0 |
| *Net income attributable to TMX Group shareholders* | $43.4 | $7.7 | $4.1 | $55.2 |

| | Cash Markets - Equities and Fixed Income (includes LSEG and Maple related costs) | Derivatives Markets - MX and BOX | Energy Markets – NGX and Shorcan Energy Brokers | Total |
|---|---|---|---|---|
| **Nine months ended Sept. 30/11** | | | | |
| *Revenue* | $379.0 | $100.0 | $32.8 | $511.8 |
| *Net income attributable to TMX Group shareholders* | $145.2 | $31.4 | $8.2 | $184.8 |
| **Nine months ended Sept. 30/10** | | | | |
| *Revenue* | $341.6 | $75.9 | $34.0 | $451.5 |
| *Net income attributable to TMX Group shareholders* | $141.7 | $19.5 | $9.5 | $170.7 |

## Quarter Ended September 30, 2011 Compared with Quarter Ended September 30, 2010

### Revenue

Revenue was $167.8 million in Q3/11, up $21.8 million, or 15% compared with $146.0 million for Q3/10, reflecting increased revenue from derivative markets trading and clearing, issuer services, other revenue as well as information services, partially offset by lower revenue from energy trading and clearing.

### Issuer Services Revenue

(in millions of dollars)

| | Q3/11 | Q3/10 | $ increase | % increase |
|---|---|---|---|---|
| *Initial listing fees* | $ 6.5 | $ 5.2 | $ 1.3 | 25% |
| *Additional listing fees* | $ 22.6 | $ 20.6 | $ 2.0 | 10% |
| *Sustaining listing fees* | $ 19.3 | $ 16.3 | $ 3.0 | 18% |
| *Other issuer services* | $ 3.2 | $ 2.9 | $ 0.3 | 10% |
| *Total* | $ 51.6 | $ 45.0 | $ 6.6 | 15% |

- *Initial listing fees* in Q3/11 increased over Q3/10 primarily due to an increase in the number of new listings on Toronto Stock Exchange.

- *Additional listing fees* in Q3/11 increased over Q3/10 due to an increase in the value of additional financings on Toronto Stock Exchange. The increase was also due to fee changes on Toronto Stock Exchange and TSX Venture Exchange which were effective January 1, 2011.

- Issuers listed on Toronto Stock Exchange and TSX Venture Exchange pay annual sustaining listing fees primarily based on their market capitalization at the end of the prior calendar year, subject to minimum and maximum fees. The increase in sustaining listing fees was due to the overall higher market capitalization of listed issuers on both exchanges at the end of 2010 compared with the end of 2009, and fee changes on TSX Venture Exchange which were effective January 1, 2011.

- *Other issuer services* revenue increased due to higher revenue from investor relations services in Q3/11 compared with Q3/10.

### Trading, Clearing and Related Revenue

(in millions of dollars)

| | Q3/11 | Q3/10 | $ increase/ (decrease) | % increase/ (decrease) |
|---|---|---|---|---|
| *Cash markets revenue* | $ 24.3 | $ 24.1 | $ 0.2 | 1% |
| *Derivatives markets revenue* | $ 31.9 | $ 21.0 | $ 10.9 | 52% |
| *Energy markets revenue* | $ 10.4 | $ 12.9 | ($ 2.5) | (19%) |
| *Total* | $ 66.6 | $ 58.0 | $ 8.6 | 15% |

***Cash Markets***

- *Cash markets* equity trading revenue from Toronto Stock Exchange increased due to a favourable change in product mix and a 4% increase in the volume of securities traded on Toronto Stock Exchange in Q3/11 compared with Q3/10 (24.57 billion securities in Q3/11 versus 23.54 billion securities in Q3/10). *Cash markets* revenue also included revenue from TMX Select, which was fully launched in August 2011 with 0.5 billion securities traded in Q3/11.

- The increase was offset by a decline in equity trading revenue on TSX Venture Exchange due to a 20% decrease in the volume of securities traded in Q3/11 compared with Q3/10 (11.62 billion securities in Q3/11 versus 14.47 billion securities in Q3/10).

- The increase was also offset by changes to our equity trading fee schedule effective March 1, 2011, which reduced the fees for significant usage for our Market on Open (MOO) facility and introduced net credit payments for trading in our continuous limit order book and additional changes effective April 1, 2011, which provided cost savings to participants that trade equities where the trade price per-security is lower than $1.00.

- The increase in overall *cash markets* revenue also reflected higher volumes from Shorcan Brokers Limited (Shorcan) fixed income trading in Q3/11 compared with Q3/10.

***Derivatives Markets***

- The increase in *derivatives markets* revenue reflects an increase in trading and clearing revenue from MX and CDCC. Volumes increased by 58% over Q3/10 (16.76 million contracts traded in Q3/11 versus 10.64 million contracts traded in Q3/10) reflecting increased trading across all major products. The increase in revenue was partially offset by a change in customer and product mix. Open interest was up 33% at September 30, 2011 compared with September 30, 2010.

- The increase in *derivatives markets* revenue also reflects higher revenues from BOX as a result of an 85% increase in BOX volumes (44.84 million contracts in Q3/11 versus 24.26 million contracts traded in Q3/10) and increased revenue from option regulatory fees charged in the U.S. in respect of BOX in Q3/11. The increase in revenue was partially offset by the impact of the depreciation of the U.S. dollar against the Canadian dollar in Q3/11 compared with Q3/10.

### *Energy Markets*

- The decrease in *energy markets* revenue reflects a 28% decrease in total energy volume[#] traded on NGX from Q3/10 (3.56 million terajoules in Q3/11 compared to 4.93 million terajoules in Q3/10). The lower volumes were largely as a result of lower natural gas prices and less price volatility in the market during Q3/11 compared with Q3/10. NGX crude oil volumes were also lower due to limited early traction of our recently launched trading platform, and increased competition from voice brokers, including from Shorcan Energy Brokers Inc. (Shorcan Energy Brokers), a wholly-owned subsidiary of Shorcan.

- The decrease in revenue was also due to the impact of the depreciation of the U.S. dollar against the Canadian dollar in Q3/11 compared with Q3/10.

- The decrease was partially offset as a result of NGX recapturing previously deferred revenue in Q3/11.

- The decrease was also partially offset by higher revenue from Shorcan Energy Brokers due to higher volumes in Q3/11 compared with Q3/10.

## Information Services Revenue

(in millions of dollars)

| Q3/11 | Q3/10 | $ increase | % increase |
|---|---|---|---|
| $ 41.4 | $ 38.7 | $2.7 | 7% |

- The increase was primarily due to revenue from TMX Atrium, acquired July 29, 2011, and higher revenue from fixed income indices and TMXnet.

- Overall, there was a 5% increase in the average number of professional and equivalent real-time market data subscriptions to Toronto Stock Exchange and TSX Venture Exchange products (161,040[+] professional and equivalent real-time market data subscriptions in Q3/11 compared with 152,887 in Q3/10). There was also a 15% increase in the average number of MX market data subscriptions (26,867[+] MX market data subscriptions in Q3/11 compared with 23,427 in Q3/10).

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[#] NGX total energy volume includes trading and clearing in natural gas, crude oil and electricity.

[+] Includes a base number of subscriptions for customers that have entered into enterprise agreements.

- The increases were partially offset by the impact of the depreciation of the U.S. dollar against the Canadian dollar in Q3/11 compared with Q3/10 and the effect of customer enterprise agreements.

**Technology Services and Other Revenue**

(in millions of dollars)

| Q3/11 | Q3/10 | $ increase | % increase |
|---|---|---|---|
| $ 8.2 | $ 4.3 | $3.9 | 91% |

- *Technology services and other* revenue increased primarily due to realized and unrealized net foreign exchange gains on U.S. dollar accounts receivables partially offset by lower overall technology services revenue in Q3/11 compared with Q3/10.

**Operating Expenses**

Operating expenses in Q3/11 were $72.3 million, up $4.1 million, or 6%, from $68.2 million in Q3/10 primarily due to higher costs associated with short-term employee performance incentive plans, an overall increase in salary and benefits costs and the inclusion of expenses related to TMX Atrium, acquired July 29, 2011, offset by higher capitalization of costs associated with technology initiatives and lower organizational transition costs and bad debt expenses.

**Compensation and Benefits**

(in millions of dollars)

| Q3/11 | Q3/10 | $ increase | % increase |
|---|---|---|---|
| $ 37.6 | $ 32.3 | $5.3 | 16% |

- *Compensation and benefits* costs increased due to higher costs associated with short-term employee performance incentive plans.

- The higher costs are also related to an overall increase in salary and benefits costs relating to increased headcount and merit increases, as well as the loss of certain exemptions related to the Québec tax holiday which ended on December 31, 2010 (see **Income Tax Expense**). There were 901 employees at September 30, 2011, including 21 from TMX Atrium, acquired July 29, 2011, versus 838 employees at September 30, 2010. We continue to invest in our leading technologies, and over the past year we have also added resources in the growing areas of our business including issuer services, information services and Canadian derivatives trading and clearing.

- The increase was also due to higher expenses related to the long-term employee performance incentive plans that are tied to share price performance and costs associated with TMX Atrium, partially offset by higher capitalization of costs associated with technology initiatives and lower organizational transition costs in Q3/11 compared with Q3/10.

### Information and Trading Systems

(in millions of dollars)

| Q3/11 | Q3/10 | $ increase | % increase |
|---|---|---|---|
| $ 12.8 | $ 11.3 | $1.5 | 13% |

- *Information and trading systems* expenses were higher due to the inclusion of costs related to TMX Atrium, acquired July 29, 2011.

- The increase was also due to higher spending on new technology initiatives in Q3/11 compared with Q3/10. We invested in a number of new projects, including TMX Select and the second phase of enterprise expansion. The increase was partially offset by reduced on-going operating costs.

### General and Administration

(in millions of dollars)

| Q3/11 | Q3/10 | $ (decrease) | % (decrease) |
|---|---|---|---|
| $ 14.6 | $ 17.3 | ($2.7) | (16%) |

- *General and administration* costs decreased due to lower bad debt expenses and lower directors' fees recorded in Q3/11 compared with Q3/10, partially offset by the inclusion of costs related to TMX Atrium, acquired July 29, 2011 and trade routing fees incurred by BOX.

### Depreciation and Amortization

(in millions of dollars)

| Q3/11 | Q3/10 | $ increase | % increase |
|---|---|---|---|
| $ 7.3 | $ 7.3 | - | - |

- *Depreciation and amortization* costs were unchanged due to reduced amortization relating to assets that were fully depreciated by September 30, 2011, offset by increased amortization of intangible assets related to newly launched products.

### LSEG and Maple Related Costs

(in millions of dollars)

| Q3/11 | Q3/10 | $ increase | % increase |
|---|---|---|---|
| $ 2.4 | - | $2.4 | - |

- *LSEG and Maple Related Costs* include legal, advisory and other costs incurred during Q3/11.

## Finance Income (formerly Investment Income)

(in millions of dollars)

| Q3/11 | Q3/10 | $ increase | % increase |
|---|---|---|---|
| $ 3.8 | $ 2.1 | $1.7 | 81% |

- *Finance income* increased primarily due to increased cash available for investment in Q3/11 compared with Q3/10.

## Finance Costs (formerly Interest Expense)

(in millions of dollars)

| Q3/11 | Q3/10 | $ increase | % increase |
|---|---|---|---|
| $ 2.6 | $ 1.6 | $1.0 | 63% |

- *Finance costs* increased as a result of higher interest rates and fees on the debt outstanding (*see* **Term Loan**).

## Income Tax Expense

(in millions of dollars)

| | | Effective tax rate (%) | |
|---|---|---|---|
| **Q3/11** | **Q3/10** | **Q3/11** | **Q3/10** |
| $ 24.5 | $ 23.2 | 27% | 30% |

- The effective tax rate for Q3/11 was lower than that for Q3/10 due to a decrease in federal and Ontario corporate income tax rates, somewhat offset by a higher Québec corporate income tax rate that resulted from the expiry on December 31, 2010 of a provincial tax holiday related to the financial sector.

- From October 1, 2000 to December 31, 2010, MX and CDCC benefited from certain income tax, capital tax and other tax exemptions which were intended to support the financial sector in the Province of Québec.

- The decrease in effective tax rate was also due to BOX reporting a significant increase in the amount of income earned in the quarter, as compared to the prior year, with no corresponding income tax expense reported due to the availability of prior year income tax loss carryforwards.

### Net Income/(Loss) Attributable to Non-Controlling Interests

(in millions of dollars)

| Q3/11 | Q3/10 | $ increase | % increase |
|---|---|---|---|
| $3.0 | $0.3 | $2.7 | 900% |

- MX holds a 53.8% ownership interest in BOX. The results for BOX are consolidated in our Income Statement.
- Net income attributable to non-controlling interests represents the other BOX unitholders' share of BOX's net income or loss in the period. In Q3/11, the net income of $3.0 million reflected significantly higher BOX trading volumes compared with Q3/10.

## Nine Months Ended September 30, 2011 Compared with Nine Months Ended September 30, 2010

### Revenue

Revenue was $511.8 million in the first nine months of 2011, up $60.3 million, or 13% compared with $451.5 million for the first nine months of 2010, reflecting higher revenue from issuer services, derivatives markets trading and clearing and information services.

### Issuer Services Revenue

(in millions of dollars)

| | Nine months ended | | | |
|---|---|---|---|---|
| | Sept. 30/11 | Sept. 30/10 | $ increase | % increase |
| *Initial listing fees* | $ 23.3 | $ 18.3 | $ 5.0 | 27% |
| *Additional listing fees* | $ 86.3 | $ 71.7 | $ 14.6 | 20% |
| *Sustaining listing fees* | $ 56.8 | $ 48.3 | $ 8.5 | 18% |
| *Other issuer services* | $ 10.2 | $ 10.1 | $ 0.1 | 1% |
| *Total* | $ 176.6 | $ 148.4 | $ 28.2 | 19% |

- *Initial listing fees* in the first nine months of 2011 increased over the first nine months of 2010 primarily due to an increase in the number of issuers who converted from income trusts to corporate entities. There was also an increase in the number of initial financings on Toronto Stock Exchange in the first nine months of 2011 compared with the first nine months of 2010.
- *Additional listing fees* in the first nine months of 2011 increased over the first nine months of 2010 due to an increase in the value of additional financings on Toronto Stock

Exchange and TSX Venture Exchange, and fee changes which were effective January 1, 2011.

- Issuers listed on Toronto Stock Exchange and TSX Venture Exchange pay annual sustaining listing fees primarily based on their market capitalization at the end of the prior calendar year, subject to minimum and maximum fees. The increase in sustaining listing fees was due to the overall higher market capitalization of listed issuers on both exchanges at the end of 2010 compared with the end of 2009, and fee changes on TSX Venture Exchange which were effective January 1, 2011.

### Trading, Clearing and Related Revenue

(in millions of dollars)

| | Nine months ended | | | |
|---|---|---|---|---|
| | **Sept. 30/11** | **Sept. 30/10** | **$ increase/ (decrease)** | **% increase/ (decrease)** |
| *Cash markets revenue* | $ 82.9 | $ 81.4 | $ 1.5 | 2% |
| *Derivatives markets revenue* | $ 85.0 | $ 60.6 | $ 24.4 | 40% |
| *Energy markets revenue* | $ 32.6 | $ 33.5 | ($ 0.9) | (3%) |
| *Total* | $ 200.5 | $ 175.5 | $ 25.0 | 14% |

### *Cash Markets*

- The increase in *cash markets* equity trading revenue was largely due to a 19% increase in the volume of securities traded on TSX Venture Exchange in the first nine months of 2011 compared with the first nine months of 2010 (53.22 billion securities in the first nine months of 2011 versus 44.56 billion securities in the first nine months of 2010). There was also a 6% increase in the volume of securities traded on Toronto Stock Exchange in the first nine months of 2011 compared with the first nine months of 2010 (79.49 billion securities in the first nine months of 2011 versus 75.02 billion securities in the first nine months of 2010). *Cash markets* equity trading revenue from Toronto Stock Exchange also increased due a favourable change in product mix. *Cash markets* revenue included revenue from TMX Select, which was fully launched in August 2011 with 0.5 billion securities traded in the period.

- The increase was somewhat offset by changes to our equity trading fee schedule. On March 1, 2010, we reduced active trading fees on securities trading at less than $1.00 in the post-open continuous market and on April 1, 2010, we reduced trading fees for securities trading at $1.00 and higher. Effective March 1, 2011, we reduced the fees for significant usage for our MOO facility and introduced net credit payments for trading in our continuous limit order book. On April 1, 2011, we made additional changes that provided cost savings to participants that trade equities where the trade price per-share is lower than $1.00.

- Revenue from Shorcan fixed income trading in the first nine months of 2011 increased from the first nine months of 2010, due to a more favourable product mix, somewhat offset by lower volumes.

### *Derivatives Markets*

- The increase in *derivatives markets* revenue reflects an increase in trading and clearing revenue from MX and CDCC. Volumes increased by 46% (47.58 million contracts traded in the first nine months of 2011 versus 32.58 million contracts traded in the first nine months of 2010) reflecting increased trading in the BAX and CGB contracts, as well as ETF and equity options. The increase in revenue was partially offset by a change in customer and product mix. Open interest was up 33% at September 30, 2011 compared with September 30, 2010.

- The increase in derivatives markets revenue also reflects an increase in BOX revenues. There was a 57% increase in BOX volumes (103.24 million contracts in the first nine months of 2011 versus 65.74 million contracts traded in the first nine months of 2010). The increase in revenue was also due to price increases which were effective in Q3/10 and increased option regulatory fees charged in the U.S. in respect of BOX in the first nine months of 2011, partially offset by the impact of the depreciation of the U.S. dollar against the Canadian dollar in the first nine months of 2011 compared with the first nine months of 2010.

### *Energy Markets*

- The decrease in *energy markets* revenue reflects an 11% decrease in total energy volume[#] on NGX in the first nine months of 2011 compared with the first nine months of 2010 (11.21 million terajoules in the first nine months of 2011 compared to 12.54 million terajoules in the first nine months of 2010). The lower volumes were largely as a result of lower natural gas prices and less price volatility in the market during the first nine months of 2011 compared with the first nine months of 2010. NGX crude oil volumes were also lower due to limited early traction of our recently launched trading platform, and increased competition from voice brokers, including Shorcan Energy Brokers.

- The lower revenue was also as a result of the impact of depreciation of the U.S. dollar against the Canadian dollar in the first nine months of 2011 compared with the first nine months of 2010.

- The decrease was somewhat offset by NGX recapturing previously deferred revenue in the first nine months of 2011.

- The decreased revenue was also offset by higher revenue from Shorcan Energy Brokers due to higher volumes in the first nine months of 2011 compared with the first nine months of 2010.

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[#] NGX total energy volume includes trading and clearing in natural gas, crude oil and electricity.

**Information Services Revenue**

(in millions of dollars)

| Nine months ended | | | |
|---|---|---|---|
| **Sept. 30/11** | **Sept. 30/10** | **$ increase** | **% increase** |
| $ 121.8 | $ 115.0 | $6.8 | 6% |

- The increase was due to higher revenue from co-location services, TMXnet and revenue from TMX Atrium, acquired July 29, 2011.
- The increase was also due to higher revenue from fixed income indices, index data licensing and BOX's share of U.S. market data revenue.
- Overall, there was a 5% increase in the average number of professional and equivalent real-time market data subscriptions to Toronto Stock Exchange and TSX Venture Exchange products (161,305[+] professional and equivalent real-time market data subscriptions in the first nine months of 2011 compared with 152,913 in the first nine months of 2010). There was also a 9% increase in the average number of MX market data subscriptions (25,272[+] MX market data subscriptions in the first nine months of 2011 compared with 23,085 in the first nine months of 2010).
- The increases were partially offset by the impact of the depreciation of the U.S. dollar against the Canadian dollar in the first nine months of 2011 compared with the first nine months of 2010 and the effect of customer enterprise agreements.

**Technology Services and Other Revenue**

(in millions of dollars)

| Nine months ended | | | |
|---|---|---|---|
| **Sept. 30/11** | **Sept. 30/10** | **$ increase** | **% increase** |
| $ 12.9 | $ 12.6 | $0.3 | 2% |

- *Technology services and other* revenue increased primarily due to realized and unrealized net foreign exchange gains on U.S. dollar accounts receivables partially offset by lower overall technology services revenue in the first nine months of 2011 compared with the first nine months of 2010.

**Operating Expenses**

Operating expenses in the first nine months of 2011 were $220.9 million, up $9.2 million, or 4%, from $211.7 million in the first nine months of 2010 due to higher costs associated with short

[+] Includes a base number of subscriptions for customers that have entered into enterprise agreements.

and long-term employee performance incentive plans, an overall increase in salary and benefits costs, the inclusion of costs related to TMX Atrium, acquired July 29, 2011, as well as a commodity tax adjustment*. These increases were partially offset by a decrease in information and trading systems costs following the decommissioning of legacy hardware and by lower bad debt expenses, lower other corporate development costs and higher capitalization of costs associated with technology initiatives.

### Compensation and Benefits

(in millions of dollars)

| Nine months ended | | | |
|---|---|---|---|
| **Sept. 30/11** | **Sept. 30/10** | **$ increase** | **% increase** |
| $ 107.8 | $ 97.1 | $10.7 | 11% |

- *Compensation and benefits* costs increased primarily due to higher costs associated with short-term employee performance incentive plans and long-term employee performance incentive plans that are tied to share price appreciation.

- The higher costs are also related to an overall increase in salary and benefits costs relating to increased headcount and merit increases, as well as the loss of certain exemptions related to the Québec tax holiday which ended on December 31, 2010 (see **Income Tax Expense**). There were 901 employees at September 30, 2011, including 21 from TMX Atrium, acquired July 29, 2011, versus 838 employees at September 30, 2010. We continue to invest in our leading technologies, and over the past year we have also added resources in the growing areas of our business including issuer services, information services and Canadian derivatives trading and clearing.

- The increases were partially offset by higher capitalization of costs associated with technology initiatives in the first nine months of 2011 compared with the first nine months of 2010.

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*See "*General and Administration*" section.

## Information and Trading Systems

(in millions of dollars)

| Nine months ended | | | |
|---|---|---|---|
| **Sept. 30/11** | **Sept. 30/10** | **$ (decrease)** | **% (decrease)** |
| $ 34.7 | $ 39.1 | ($4.4) | (11%) |

- *Information and trading systems* expenses were lower due to reduced on-going operating costs, including the decommissioning of legacy hardware in Q2/10 during which we also recorded a one-time related cost of $0.6 million.

- Spending on new technology initiatives was somewhat higher in the first nine months of 2011 compared with the first nine months of 2010. We invested in a number of new projects, including market order protection, the expansion of our co-location facility and the second phase of enterprise expansion.

- *The decrease in Information and trading systems* expenses was also somewhat offset by the inclusion of costs related to TMX Atrium, acquired July 29, 2011.

## General and Administration[1]

(in millions of dollars)

| Nine months ended | | | |
|---|---|---|---|
| **Sept. 30/11** | **Sept. 30/10** | **$ increase** | **% increase** |
| $ 57.5 | $ 53.5 | $4.0 | 7% |

- *General and administration* costs increased largely due to recording a $6.6 million provision related to a commodity tax adjustment, which includes $4.8 million for prior periods, as well as higher marketing costs, an increase in trade routing fees incurred by BOX and the inclusion of costs related to TMX Atrium, acquired July 29, 2011.

- These increases were partially offset by lower bad debt expenses and other corporate development costs.

- We have submitted ruling requests to the Canada Revenue Agency (CRA) and Revenu Québec (RQ) relating to the application of Harmonized Sales Tax and Goods and Services Tax (collectively, HST) and Québec Sales Tax (QST), imposed under section 165 of the Excise Tax Act and section 16 of the Act respecting the Québec sales tax respectively, on our trade execution fees on equities and derivatives. Effective February

[1] The "*General and Administration*" section above contains certain forward-looking statements. Please refer to "*Caution Regarding Forward-Looking Information*" for a discussion of risks and uncertainties related to such statements.

2011, we stopped charging HST/QST on these trade execution fees for both Toronto Stock Exchange and TSX Venture Exchange. Effective August 2011, we stopped charging HST/QST on these trade execution fees for the Montréal Exchange. On July 11, 2011, TMX Select was successfully launched to the marketplace. TMX Select has also submitted a ruling request to the CRA and to RQ and as such we do not charge HST/QST on any of its trade execution fees. We are confident that the ruling requests will be approved, and as such, have not provided for HST/QST not charged to customers in 2011. We are currently reviewing our historical and prospective process for claiming input tax credits for HST and input tax refunds for QST (collectively referred to as ITC) on the affected businesses but have not yet amended our historical or current ITC claims to reflect the changes in tax treatment. If the ruling requests are approved, we may be required to repay to the taxation authorities the ITCs claimed prior to February 2011 on the affected businesses. TMX Group firmly believes that the liability related to these ITCs should be $0; however, a repayment of up to four years of ITCs previously claimed may be required. As a result, we have estimated the range of possible outcomes to be between $0 and $11.0 million. A provision of $4.8 million was recorded in Q1/11 for prior periods, and the cost is included within General and administration expenses in the income statement for the first nine months of 2011. No change to this provision was made in Q3/11. Future estimates may be different and a change in the provision may be required.

### Depreciation and Amortization

(in millions of dollars)

| Nine months ended | | | |
|---|---|---|---|
| **Sept. 30/11** | **Sept. 30/10** | **$ (decrease)** | **% (decrease)** |
| $ 20.9 | $ 22.0 | ($1.1) | (5%) |

- *Depreciation and amortization* costs decreased due to reduced amortization relating to assets that were fully depreciated by September 30, 2011.
- The decrease also reflected lower amortization of the intangible assets related to the TMX Smart Order Router, MX trading participants and The Equicom Group Inc. (Equicom) customer list. This decrease was partially offset by increased amortization of intangible assets related to newly launched products.

### LSEG and Maple Related Costs

(in millions of dollars)

| Nine months ended | | | |
|---|---|---|---|
| **Sept. 30/11** | **Sept. 30/10** | **$ increase** | **% increase** |
| $ 31.5 | - | $ 31.5 | - |

- *LSEG and Maple Related Costs* include a $10.0 million fee due to LSEG upon termination of our merger agreement on June 29, 2011.

- *LSEG and Maple Related Costs* also include legal, advisory and other costs incurred during the first nine months of 2011.

### Finance Income (formerly Investment Income)

(in millions of dollars)

| Nine months ended | | | |
|---|---|---|---|
| **Sept. 30/11** | **Sept. 30/10** | **$ increase** | **% increase** |
| $ 8.0 | $ 4.7 | $3.3 | 70% |

- *Finance income* increased primarily due to increased cash available for investment in the first nine months of 2011 compared with the first nine months of 2010.

### Finance Costs (formerly Interest Expense)

(in millions of dollars)

| Nine months ended | | | |
|---|---|---|---|
| **Sept. 30/11** | **Sept. 30/10** | **$ increase** | **% increase** |
| $ 7.0 | $ 4.1 | $2.9 | 71% |

- *Finance costs* increased as a result of higher interest rates and fees on the debt outstanding. On April 30, 2008, we borrowed $430.0 million in Canadian funds related to financing the cash consideration of the purchase price for MX (*see* **Term Loan**).

### Income Tax Expense

(in millions of dollars)

| Nine months ended | | Effective tax rate (%) | |
|---|---|---|---|
| **Sept. 30/11** | **Sept. 30/10** | **Sept. 30/11** | **Sept. 30/10** |
| $ 71.8 | $ 71.1 | 28% | 29% |

- The effective tax rate for the first nine months of 2011 was lower than the first nine months of 2010 reflecting a decrease in federal and Ontario corporate income tax rates, somewhat offset by a higher Québec corporate income tax rate that resulted from the expiry on December 31, 2010 of a provincial tax holiday related to the financial sector.

- From October 1, 2000 to December 31, 2010, MX and CDCC benefited from certain income tax, capital tax and other tax exemptions which were intended to support the financial sector in the Province of Québec.

- The decrease in effective tax rate was also due to BOX reporting a significant increase in the amount of income earned in the first nine months of 2011, as compared to the prior year, with no corresponding tax expense reported due to the availability of prior year tax loss carryforwards.

### Net Income/(Loss) Attributable to Non-Controlling Interests

(in millions of dollars)

| Nine months ended | | | |
|---|---|---|---|
| **Sept. 30/11** | **Sept. 30/10** | **$ increase** | **% increase** |
| $4.6 | ($0.7) | $5.3 | 757% |

- MX holds a 53.8% ownership interest in BOX. The results for BOX are consolidated in our Income Statement.
- Net income/(loss) attributable to non-controlling interests represents the other BOX unitholders' share of BOX's net income or loss in the period. In the first nine months of 2011, the net income of $4.6 million reflected higher BOX trading volumes. In the first nine months of 2010, the net loss of $0.7 million reflected increased competition and a significant decline in BOX's market share.

## Liquidity and Capital Resources

### Cash, Cash Equivalents and Marketable Securities

(in millions of dollars)

| September 30, 2011 | December 31, 2010 | $ increase |
|---|---|---|
| $ 465.4 | $ 331.5 | $ 133.9 |

- The increase was largely due to cash generated from operating activities of $232.4 million, net of $30.8 million of cash outlays related to LSEG and Maple related costs, partially offset by dividend payments of $89.5 million.

### Total Assets

(in millions of dollars)

| September 30, 2011 | December 31, 2010 | $ increase |
|---|---|---|
| $ 3,352.1 | $ 2,965.8 | $ 386.3 |

- *Total assets* increased due to an increase in MX daily settlements and cash deposits of $396.5 million and an increase in cash and marketable securities of $133.9 million.
- The overall increase was partially offset by a decrease in energy contracts receivable of $119.6 million related to the clearing operations of NGX and a $26.0 million decrease in current assets related to the fair value of open energy contracts at September 30, 2011 compared with December 31, 2010.

## Credit Facilities and Guarantee

### Term Loan

(in millions of dollars)

| September 30, 2011 | December 31, 2010 | $ (decrease) |
|---|---|---|
| $429.7 | $429.8 | ($ 0.1) |

- In connection with the combination with MX, we established a non-revolving three-year term unsecured credit facility of $430.0 million (the Term Loan). On April 30, 2008, we borrowed $430.0 million in Canadian funds under the Term Loan to satisfy the cash consideration of the purchase price for MX. On March 31, 2011, we extended and amended this facility that was due to expire on April 18, 2011. The revised credit facility remains at $430.0 million and will expire on December 28, 2011. We plan to extend the Term Loan prior to this date. Until April 18, 2011, the credit facility attracted interest at Bankers' Acceptance (BA) plus 45 basis points. After that date, and until expiry, interest is charged at BAs plus 85 basis points.

- This credit facility contains customary covenants, including a requirement that TMX Group maintain:

  a maximum debt to adjusted EBITDA ratio of 3.5:1, where adjusted EBITDA means earnings on a consolidated basis before interest, taxes, extraordinary, unusual or non-recurring items, depreciation and amortization, all determined in accordance with IFRS;

  a minimum consolidated net worth covenant based on a pre-determined formula; and

  a debt incurrence test whereby debt to adjusted EBITDA must not exceed 3.0:1.

At September 30, 2011, all covenants were met.

### *Other Credit Facilities and Guarantee*

To backstop its clearing operations, NGX currently has a credit agreement in place with a Canadian Schedule I bank which includes a US$100.0 million clearing backstop fund. We are NGX's unsecured guarantor for this fund up to a maximum of US$100.0 million. This facility had not been drawn upon at September 30, 2011.

NGX also has an Electronic Funds Transfer (EFT) Daylight facility of $300.0 million in place with a Canadian Schedule I bank.

CDCC has a $50.0 million revolving standby credit facility with a Canadian Schedule I bank to provide liquidity in the event of default by a clearing member. This facility had not been drawn upon at September 30, 2011.

In addition, in January, 2011, CDCC arranged additional credit facilities. A $100.0 million daylight liquidity facility and a $50.0 million call loan facility were signed with a Canadian Schedule 1 bank. CDCC has not drawn on either facility.

CDCC is currently in negotiation with a syndicate of banks to establish significant credit facilities as part of its initiative to clear fixed income repos, expected to be launched in Q1/12.

**Total Equity attributable to Shareholders of TMX Group**

(in millions of dollars)

| September 30, 2011 | December 31, 2010 | $ increase |
|---|---|---|
| $ 1,178.1 | $ 1,070.6 | $ 107.5 |

- We earned $184.8 million of net income attributable to TMX Group shareholders during the first nine months of 2011 and paid $89.5 million in dividends. In addition, we received $6.8 million in proceeds from share options exercised.

- At September 30, 2011, there were 74,614,575 common shares issued and outstanding. In the first nine months of 2011, 244,113 common shares were issued on the exercise of share options. At September 30, 2011, 3,820,113 common shares were reserved for issuance upon the exercise of options granted under the share option plan. At September 30, 2011, there were 1,855,010 options outstanding.

- At November 4, 2011, there were 74,619,584 common shares issued and outstanding and 1,848,019 options outstanding under the share option plan.

**Cash Flows from Operating Activities**

(in millions of dollars)

| | Q3/11 | Q3/10 | (Decrease) in cash |
|---|---|---|---|
| *Cash Flows from Operating Activities* | $ 53.1 | $ 57.6 | ($ 4.5) |

*Cash Flows from Operating Activities* were $53.1 million in Q3/11, which were net of $16.6 million of cash outlays related to LSEG and Maple related costs, compared with $57.6 million of cash flows from operating activities in Q3/10. The decrease of $4.5 million was due to:

(in millions of dollars)

| | Q3/11 | Q3/10 | Increase/ (decrease) in cash |
|---|---|---|---|
| Net income | $ 70.0 | $ 55.5 | $ 14.5 |
| Depreciation and amortization | $ 7.3 | $ 7.3 | - |
| Unrealized (gain) on interest rate swaps | - | ($ 1.3) | $ 1.3 |
| Unrealized (gain) on marketable securities | ($ 1.1) | ($ 0.7) | ($ 0.4) |
| Decrease in trade and other receivables and prepaid expenses | $ 12.0 | $ 1.7 | $ 10.3 |
| (Increase)/decrease in other non-current assets | ($ 1.5) | $ 0.2 | ($ 1.7) |
| LSEG and Maple related costs | $ 2.4 | - | $ 2.4 |
| LSEG and Maple related cash outlays | ($ 16.6) | - | ($ 16.6) |
| Decrease in deferred income taxes | ($ 0.1) | ($ 0.4) | $ 0.3 |
| Net (decrease)/increase in trade and other payables, long-term accrued and other non-current liabilities | ($ 1.3) | $ 7.4 | ($ 8.7) |
| (Decrease) in deferred revenue | ($ 18.9) | ($ 16.1) | ($ 2.8) |
| Net increase in current income taxes | ($ 0.5) | $ 3.3 | ($ 3.8) |
| (Decrease) in provisions, including commodity tax adjustment (2011) | ($ 0.2) | ($ 0.1) | ($ 0.1) |
| Net increase in other items | $ 1.6 | $ 0.8 | $ 0.8 |
| *Cash Flows from Operating Activities* | $ 53.1 | $ 57.6 | ($ 4.5) |

**Cash Flows from Operating Activities**

(in millions of dollars)

| | Nine months ended | | |
|---|---|---|---|
| | Sept. 30/11 | Sept. 30/10 | Increase in cash |
| *Cash Flows from Operating Activities* | $ 232.4 | $ 201.4 | $ 31.0 |

*Cash Flows from Operating Activities* were $232.4 million in the first nine months of 2011, which were net of $30.8 million of cash outlays related to LSEG and Maple related costs, compared with $201.4 million of cash flows from operating activities in the first nine months of 2010. The increase of $31.0 million was due to:

(in millions of dollars)

| | Nine months ended | | |
|---|---|---|---|
| | Sept. 30/11 | Sept. 30/10 | Increase/ (decrease) in cash |
| Net income | $ 189.4 | $ 170.0 | $ 19.4 |
| Depreciation and amortization | $ 20.9 | $ 22.0 | ($ 1.1) |
| Unrealized (gain) on interest rate swaps | ($ 0.7) | ($ 4.3) | $ 3.6 |
| Unrealized (gain) on marketable securities | ($ 1.2) | ($ 0.8) | ($ 0.4) |
| Decrease in trade and other receivables and prepaid expenses | $ 12.3 | $ 1.7 | $ 10.6 |
| (Increase) in other non-current assets | ($ 1.4) | ($ 2.5) | $ 1.1 |
| LSEG and Maple related costs | $ 31.5 | - | $ 31.5 |
| LSEG and Maple related cash outlays | ($ 30.8) | - | ($ 30.8) |
| (Increase)/decrease in deferred income taxes | ($ 13.1) | $ 0.6 | ($ 13.7) |
| Net (decrease) in trade and other payables, long-term accrued and other non-current liabilities | ($ 6.2) | ($ 1.9) | ($ 4.3) |
| Increase in deferred revenue | $ 18.4 | $ 20.2 | ($ 1.8) |
| Net increase/(decrease) in current income taxes | $ 2.3 | ($ 4.5) | $ 6.8 |
| Increase/(decrease) in provisions, including commodity tax adjustment (2011) | $ 7.8 | ($ 0.8) | $ 8.6 |
| Net increase in other items | $ 3.2 | $ 1.7 | $ 1.5 |
| *Cash Flows from Operating Activities* | $ 232.4 | $ 201.4 | $ 31.0 |

### Cash Flows from (used in) Financing Activities

(in millions of dollars)

| | Q3/11 | Q3/10 | (Decrease) in cash |
|---|---|---|---|
| *Cash Flows from (used in) Financing Activities* | ($ 29.8) | ($ 28.5) | ($ 1.3) |

*Cash Flows (used in) Financing Activities* were $1.3 million higher in Q3/11 compared with Q3/10 due to:

(in millions of dollars)

| | Q3/11 | Q3/10 | Increase/ (decrease) in cash |
|---|---|---|---|
| Dividends paid on common shares | ($ 29.8) | ($ 28.2) | ($ 1.6) |
| Proceeds from exercised options | $ 0.2 | - | $ 0.2 |
| Net (decrease) in other items | ($ 0.2) | ($ 0.3) | $ 0.1 |
| *Cash Flows from (used in) Financing Activities* | ($ 29.8) | ($ 28.5) | ($ 1.3) |

(in millions of dollars)

| | Nine months ended | | |
|---|---|---|---|
| | Sept. 30/11 | Sept. 30/10 | Increase in cash |
| *Cash Flows from (used in) Financing Activities* | ($ 83.9) | ($ 84.9) | $ 1.0 |

*Cash Flows (used in) Financing Activities* were $1.0 million lower in the first nine months of 2011 compared with the first nine months of 2010 due to:

(in millions of dollars)

| | Nine months ended | | |
|---|---|---|---|
| | Sept. 30/11 | Sept. 30/10 | Increase/ (decrease) in cash |
| Dividends paid on common shares | ($ 89.5) | ($ 84.5) | ($ 5.0) |
| Proceeds from exercised options | $ 6.8 | $ 0.5 | $ 6.3 |
| Net (decrease) in other items | ($ 1.2) | ($ 0.9) | ($ 0.3) |
| *Cash Flows from (used in) Financing Activities* | ($ 83.9) | ($ 84.9) | $ 1.0 |

**Cash Flows from (used in) Investing Activities**

(in millions of dollars)

| | Q3/11 | Q3/10 | (Decrease) in cash |
|---|---|---|---|
| *Cash Flows from (used in) Investing Activities* | ($ 39.4) | ($ 31.8) | ($ 7.6) |

*Cash Flows (used in) Investing Activities* were $7.6 million higher in Q3/11 compared with Q3/10 due to:

(in millions of dollars)

| | Q3/11 | Q3/10 | Increase/ (decrease) in cash |
|---|---|---|---|
| Capital expenditures primarily related to technology investments and leasehold improvements (Q3/10) | ($ 0.7) | ($ 1.5) | $ 0.8 |
| Additions to intangible assets including TMX Select internal development costs (2011), development costs related to repo clearing (2011 and 2010), Gateway Feeds (2010), and SOLA internal development costs (2010) | ($ 3.2) | ($ 2.7) | ($ 0.5) |
| Cost of acquisition, net of cash acquired | ($ 9.5) | - | ($ 9.5) |
| Net (purchases) of marketable securities | ($ 26.0) | ($ 27.6) | $ 1.6 |
| *Cash Flows from (used in) Investing Activities* | ($ 39.4) | ($ 31.8) | ($ 7.6) |

**Cash Flows from (used in) Investing Activities**

(in millions of dollars)

| | Nine months ended | | |
|---|---|---|---|
| | **Sept. 30/11** | **Sept. 30/10** | **Increase in cash** |
| *Cash Flows from (used in) Investing Activities* | ($ 132.9) | ($ 151.7) | $ 18.8 |

*Cash Flows (used in) Investing Activities* were $18.8 million lower in the first nine months of 2011 compared with the first nine months of 2010 due to:

(in millions of dollars)

| | Nine months ended | | |
|---|---|---|---|
| | **Sept. 30/11** | **Sept. 30/10** | **Increase/ (decrease) in cash** |
| Capital expenditures primarily related to technology investments and leasehold improvements | ($ 2.7) | ($ 11.4) | $ 8.7 |
| Additions to intangible assets including TSX Quantum Feeds (2011), TMX Select internal development costs (2011), on book non-displayed order types (2011), development costs related to repo clearing (2011 and 2010), Gateway Feeds (2010), and SOLA internal development costs (2010) | ($ 9.2) | ($ 6.6) | ($ 2.6) |
| Cost of acquisitions, net of cash acquired | ($ 10.5) | - | ($ 10.5) |
| Proceeds on disposal of EDX investment | $ 6.2 | - | $ 6.2 |
| Net (purchases) of marketable securities | ($ 116.7) | ($ 133.7) | $ 17.0 |
| *Cash Flows from (used in) Investing Activities* | ($ 132.9) | ($ 151.7) | $ 18.8 |

## Financial Statements Governance Practice

The Finance & Audit Committee of the Board of Directors of TMX Group reviewed this press release as well as the Q3/11 unaudited condensed consolidated financial statements (interim financial statements) and related Management's Discussion and Analysis (MD&A), and recommended they be approved by the Board of Directors. Following review by the full Board, the interim financial statements, MD&A and the contents of this press release were approved.

## Consolidated Financial Statements

TMX Group adopted IFRS as at January 1, 2011. Our Q3/11 unaudited condensed consolidated financial statements and MD&A are prepared in accordance with IFRS and are reported in Canadian dollars. For more information on the impact of the conversion to IFRS on TMX Group's financial reporting, please see **Future Changes in Accounting Policies** - *Transition to International Financial Reporting Standards* in our 2010 Annual MD&A and our interim financial statements and related MD&A for the three months ended March 31, 2011 which were filed on SEDAR at www.sedar.com and are available on our website at www.tmx.com.

TMX Group expects to file its Q3/11 interim financial statements and MD&A with Canadian securities regulators today, after which time these documents may be accessed through www.sedar.com, or on the TMX Group website at www.tmx.com. We are not incorporating information contained on the website in this press release. In addition, copies of these documents will be available upon request, at no cost, by contacting TMX Group Investor Relations by phone at (416) 947-4277 or by e-mail at shareholder@tmx.com.

## Caution Regarding Forward-Looking Information

This press release contains "forward-looking information" (as defined in applicable Canadian securities legislation) that is based on expectations, assumptions, estimates, projections and other factors that management believes to be relevant as of the date of this press release. Often, but not always, such forward-looking information can be identified by the use of forward-looking words such as "plans", "expects", "is expected", "budget", "scheduled", "targeted", "estimates", "forecasts", "intends", "anticipates", "believes", or variations or the negatives of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved or not be taken, occur or be achieved. Forward-looking information, by its nature, requires us to make assumptions and is subject to significant risks and uncertainties which may give rise to the possibility that our expectations or conclusions will not prove to be accurate and that our assumptions may not be correct.

Examples of such forward-looking information in this press release include, but are not limited to, factors relating to stock, derivatives and energy exchanges and clearing houses and the business, strategic goals and priorities, market condition, pricing, proposed technology and other initiatives, financial condition, operations and prospects of TMX Group, which are subject to significant risks and uncertainties. These risks include: competition from other exchanges or marketplaces, including alternative trading systems and new technologies, on a national and international basis; dependence on the economy of Canada; adverse effects on our results caused by global economic uncertainties; failure to retain and attract qualified personnel; geopolitical and other factors which could cause business interruption; dependence on information technology; vulnerability of our networks and third party service providers to security risks; failure to implement our strategies; regulatory constraints; risks of litigation; dependence on adequate numbers of customers; failure to develop or gain acceptance of new products; currency risk; adverse effect of new business activities; not being able to meet cash requirements because of our holding company structure and restrictions on paying dividends; dependence and restrictions imposed by licenses and other arrangements; dependence of trading operations on a small number of clients; new technologies making it easier to disseminate our information; risks associated with our clearing operations; challenges related to international expansion; restrictions on ownership of TMX Group shares; inability to protect our intellectual property; dependence on third party suppliers; adverse effect of a systemic market event on our derivatives business; risks associated with the credit of customers; cost structures being largely fixed; risks associated with integrating the operations, systems, and personnel of new acquisitions; and dependence on market activity that cannot be controlled.

The forward looking information contained in this press release is presented for the purpose of assisting readers of this document in understanding our financial condition and results of operations and our strategies, priorities and objectives and may not be appropriate for other purposes. Actual results, events, performances, achievements and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking information contained in this press release.

Such forward-looking information is based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions in connection with the ability of TMX Group to successfully compete against global and regional marketplaces; business and economic conditions generally; exchange rates (including estimates of the U.S. dollar - Canadian dollar exchange rate), the level of trading and activity on markets, and particularly the level of trading in TMX Group's key products, business development and marketing and sales activity; the continued availability of financing on appropriate terms for future projects; productivity at TMX Group, as well as that of TMX Group's competitors; market competition; research & development activities; the successful introduction and client acceptance of new products; successful introduction of various technology assets and capabilities; the impact on TMX Group and its customers of various regulations; TMX Group's ongoing relations with its employees; and the extent of any labour, equipment or other disruptions at any of its operations of any significance other than any planned maintenance or similar shutdowns.

While we anticipate that subsequent events and developments may cause our views to change, we have no intention to update this forward-looking information, except as required by applicable securities law. This forward-looking information should not be relied upon as representing our views as of any date subsequent to the date of this press release. We have attempted to identify important factors that could cause actual actions, events or results to differ materially from those current expectations described in forward-looking information. However, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended and that could cause actual actions, events or results to differ materially from current expectations. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. These factors are not intended to represent a complete list of the factors that could affect us. A description of the above-mentioned items is contained in our 2010 Annual MD&A under the heading **Risks and Uncertainties**.

## About TMX Group (TSX-X)

TMX Group's key subsidiaries operate cash and derivative markets for multiple asset classes including equities, fixed income and energy. Toronto Stock Exchange, TSX Venture Exchange, TMX Select, Montréal Exchange, Canadian Derivatives Clearing Corporation, Natural Gas Exchange, Boston Options Exchange (BOX), Shorcan, Shorcan Energy Brokers, Equicom and other TMX Group companies provide listing markets, trading markets, clearing facilities, data products and other services to the global financial community. TMX Group is headquartered in Toronto and operates offices across Canada (Montreal, Calgary and Vancouver), in key U.S.

markets (Houston, Boston and Chicago) as well as in London. For more information about TMX Group, visit our website at www.tmx.com.

**Teleconference / Audio Webcast**

TMX Group will host a teleconference / audio webcast to discuss the financial results for Q3/11.

Time: 8:00 a.m. - 9:00 a.m. EST on Tuesday, November 8, 2011.

To teleconference participants: Please call the following number at least 15 minutes prior to the start of the event.

The audio webcast of the conference call will also be available on TMX Group's website at www.tmx.com, under Investor Relations.

Teleconference Number: 647-427-7450 or 1-888-231-8191

Audio Replay: 416-849-0833 or 1-855-859-2056

The passcode for the replay is 16451204

For more information please contact:

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# TMX GROUP INC.

**Condensed Consolidated Balance Sheets**
(In millions of Canadian dollars)
(Unaudited)

| | | September 30, 2011 | | December 31, 2010 | | January 1, 2010 |
|---|---|---|---|---|---|---|
| **Assets** | | | | | | |
| **Current assets:** | | | | | | |
| Cash and cash equivalents | **$** | **85.9** | $ | 69.9 | $ | 88.9 |
| Marketable securities | | **379.5** | | 261.6 | | 103.2 |
| Trade and other receivables | | **78.5** | | 89.7 | | 79.4 |
| Energy contracts receivable | | **635.3** | | 754.9 | | 714.5 |
| Fair value of open energy contracts | | **115.9** | | 141.9 | | 202.8 |
| Daily settlements and cash deposits | | **589.6** | | 193.1 | | 565.4 |
| Prepaid expenses | | **7.8** | | 6.7 | | 6.0 |
| Current income tax assets | | **2.0** | | 4.3 | | 12.3 |
| | | **1,894.5** | | 1,522.1 | | 1,772.5 |
| **Non-current assets:** | | | | | | |
| Premises and equipment | | **25.7** | | 28.4 | | 24.4 |
| Investment in equity accounted investees | | **15.9** | | 14.2 | | 12.8 |
| Goodwill | | **433.1** | | 421.3 | | 422.5 |
| Other intangible assets | | **917.2** | | 920.1 | | 932.0 |
| Deferred income tax assets | | **54.1** | | 43.4 | | 41.7 |
| Other non-current assets | | **11.6** | | 16.3 | | 21.2 |
| **Total Assets** | **$** | **3,352.1** | $ | 2,965.8 | $ | 3,227.1 |
| | | | | | | |
| **Liabilities and Equity** | | | | | | |
| **Current liabilities:** | | | | | | |
| Trade and other payables | **$** | **50.7** | $ | 58.6 | $ | 43.9 |
| Energy contracts payable | | **635.3** | | 754.9 | | 714.5 |
| Fair value of open energy contracts | | **115.9** | | 141.9 | | 202.8 |
| Daily settlements and cash deposits | | **589.6** | | 193.1 | | 565.4 |
| Deferred revenue | | **38.7** | | 18.7 | | 15.1 |
| Provisions | | **8.3** | | 0.4 | | 1.2 |
| Current income tax liabilities | | **7.3** | | 7.3 | | 10.9 |
| Fair value of interest rate swaps | | **-** | | 0.7 | | 2.1 |
| Term loan | | **429.7** | | 429.8 | | - |
| | | **1,875.5** | | 1,605.4 | | 1,555.9 |
| **Non-current liabilities:** | | | | | | |
| Accrued employee benefits payable | | **12.2** | | 12.1 | | 10.9 |
| Deferred income tax liabilities | | **231.3** | | 233.5 | | 232.9 |
| Other non-current liabilities | | **30.3** | | 25.4 | | 23.7 |
| Fair value of interest rate swaps | | **-** | | - | | 3.6 |
| Term loan | | **-** | | - | | 429.0 |
| **Total Liabilities** | | **2,149.3** | | 1,876.4 | | 2,256.0 |
| | | | | | | |
| **Equity:** | | | | | | |
| Share capital | | **967.8** | | 959.4 | | 957.9 |
| Retained earnings (Deficit) | | **197.7** | | 102.4 | | (16.5) |
| Contributed surplus – share option plan | | **13.2** | | 12.0 | | 9.6 |
| Accumulated other comprehensive loss | | **(0.6)** | | (3.2) | | - |
| **Total Equity attributable to Shareholders of the Company** | | **1,178.1** | | 1,070.6 | | 951.0 |
| Non-controlling interests | | **24.7** | | 18.8 | | 20.1 |
| **Total Equity** | | **1,202.8** | | 1,089.4 | | 971.1 |
| | | | | | | |
| **Total Liabilities and Equity** | **$** | **3,352.1** | $ | 2,965.8 | $ | 3,227.1 |

# TMX GROUP INC.

**Condensed Consolidated Income Statements**

(In millions of Canadian dollars, except per share amounts)

(Unaudited)

| | Three months ended September 30, 2011 | Three months ended September 30, 2010 | Nine months ended September 30, 2011 | Nine months ended September 30, 2010 |
|---|---|---|---|---|
| **Revenue:** | | | | |
| Issuer services | **$ 51.6** | $ 45.0 | **$ 176.6** | $ 148.4 |
| Trading, clearing and related | **66.6** | 58.0 | **200.5** | 175.5 |
| Information services | **41.4** | 38.7 | **121.8** | 115.0 |
| Technology services and other | **8.2** | 4.3 | **12.9** | 12.6 |
| **Total revenue** | **167.8** | 146.0 | **511.8** | 451.5 |
| **Expenses:** | | | | |
| Compensation and benefits | **37.6** | 32.3 | **107.8** | 97.1 |
| Information and trading systems | **12.8** | 11.3 | **34.7** | 39.1 |
| General and administration | **14.6** | 17.3 | **57.5** | 53.5 |
| Depreciation and amortization | **7.3** | 7.3 | **20.9** | 22.0 |
| **Total operating expenses** | **72.3** | 68.2 | **220.9** | 211.7 |
| **Income from operations** | **95.5** | 77.8 | **290.9** | 239.8 |
| Share of net income of equity accounted investees | **0.2** | 0.3 | **0.7** | 0.9 |
| Gain on disposal of available-for-sale investment | **-** | - | **0.2** | - |
| LSEG and Maple related costs | **(2.4)** | - | **(31.5)** | - |
| Finance income (costs): | | | | |
| Finance income | **3.8** | 2.1 | **8.0** | 4.7 |
| Finance costs | **(2.6)** | (1.6) | **(7.0)** | (4.1) |
| Net mark to market on interest rate swaps | **-** | 0.1 | **(0.1)** | (0.2) |
| **Income before income taxes** | **94.5** | 78.7 | **261.2** | 241.1 |
| Income tax expense | **24.5** | 23.2 | **71.8** | 71.1 |
| **Net income** | **$ 70.0** | $ 55.5 | **$ 189.4** | $ 170.0 |
| **Net income attributable to:** | | | | |
| Equity holders of the Company | **$ 67.0** | $ 55.2 | **$ 184.8** | $ 170.7 |
| Non-controlling interests | **3.0** | 0.3 | **4.6** | (0.7) |
| | **$ 70.0** | $ 55.5 | **$ 189.4** | $ 170.0 |
| **Earnings per share:** | | | | |
| Basic | **$ 0.90** | $ 0.74 | **$ 2.48** | $ 2.30 |
| Diluted | **$ 0.90** | $ 0.74 | **$ 2.47** | $ 2.29 |
| **Share information:** | | | | |
| Weighted average number of common shares outstanding | **74,609,961** | 74,337,607 | **74,558,491** | 74,325,358 |
| Diluted weighted average number of common shares outstanding | **74,899,440** | 74,406,802 | **74,851,549** | 74,400,399 |

# TMX GROUP INC.

**Condensed Consolidated Statements of Comprehensive Income**
(In millions of Canadian dollars)
(Unaudited)

| | Three months ended September 30, 2011 | Three months ended September 30, 2010 | Nine months ended September 30, 2011 | Nine months ended September 30, 2010 |
|---|---|---|---|---|
| **Net income** | **$ 70.0** | $ 55.5 | **$ 189.4** | $ 170.0 |
| Other comprehensive income (loss): | | | | |
| Unrealized gain (loss) on translating financial statements of foreign operations (net of tax - $nil) | **5.8** | (2.2) | **3.9** | (2.2) |
| Change in fair value of available-for-sale financial assets (net of tax - $0.1 and $nil) | **-** | 0.4 | **-** | 0.1 |
| **Total comprehensive income** | **$ 75.8** | $ 53.7 | **$ 193.3** | $ 167.9 |
| **Total comprehensive income attributable to:** | | | | |
| Equity holders of the Company | **$ 70.9** | $ 54.0 | **$ 187.4** | $ 169.0 |
| Non-controlling interests | **4.9** | (0.3) | **5.9** | (1.1) |
| | **$ 75.8** | $ 53.7 | **$ 193.3** | $ 167.9 |

# TMX GROUP INC.

**Condensed Consolidated Statements of Changes in Equity**
(In millions of Canadian dollars)
(Unaudited)

| | Attributable to equity holders of the Company | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | Accumulated other comprehensive income | | | | | |
| | **Share capital** | **Contributed surplus – share option plan** | Cumulative translation account | Unrealized gains/losses AFS financial assets | **Retained earnings** | **Total attributable to equity holders** | **Non-controlling interests** | **Total equity** |
| **Balance at January 1, 2011** | **$ 959.4** | **$ 12.0** | **$ (3.2)** | **$ -** | **$ 102.4** | **$ 1,070.6** | **$ 18.8** | **$ 1,089.4** |
| Net income | **-** | **-** | **-** | **-** | **184.8** | **184.8** | **4.6** | **189.4** |
| Other comprehensive income: | | | | | | | | |
| Foreign currency translation differences, net of taxes | **-** | **-** | **2.6** | **-** | **-** | **2.6** | **1.3** | **3.9** |
| Total comprehensive income | **-** | **-** | **2.6** | **-** | **184.8** | **187.4** | **5.9** | **193.3** |
| Dividends to equity holders | **-** | **-** | **-** | **-** | **(89.5)** | **(89.5)** | **-** | **(89.5)** |
| Proceeds from exercised share options | **6.8** | **-** | **-** | **-** | **-** | **6.8** | **-** | **6.8** |
| Cost of exercised share options | **1.6** | **(1.6)** | **-** | **-** | **-** | **-** | **-** | **-** |
| Cost of share option plan | **-** | **2.8** | **-** | **-** | **-** | **2.8** | **-** | **2.8** |
| **Balance at September 30, 2011** | **$ 967.8** | **$ 13.2** | **$ (0.6)** | **$ -** | **$ 197.7** | **$ 1,178.1** | **$ 24.7** | **$ 1,202.8** |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Balance at January 1, 2010 | $ 957.9 | $ 9.6 | $ - | $ - | $ (16.5) | $ 951.0 | $ 20.1 | $ 971.1 |
| Net income | - | - | - | - | 170.7 | 170.7 | (0.7) | 170.0 |
| Other comprehensive income: | | | | | | | | |
| Foreign currency translation differences, net of taxes | - | - | (1.8) | - | - | (1.8) | (0.4) | (2.2) |
| Change in fair value of available-for-sale ("AFS") financial assets, net of taxes | - | - | - | 0.1 | - | 0.1 | - | 0.1 |
| Total comprehensive income | - | - | (1.8) | 0.1 | 170.7 | 169.0 | (1.1) | 167.9 |
| Dividends to equity holders | - | - | - | - | (84.5) | (84.5) | - | (84.5) |
| Proceeds from exercised share options | 0.5 | - | - | - | - | 0.5 | - | 0.5 |
| Cost of exercised share options | 0.1 | (0.1) | - | - | - | - | - | - |
| Cost of share option plan | - | 2.1 | - | - | - | 2.1 | - | 2.1 |
| Balance at September 30, 2010 | $ 958.5 | $ 11.6 | $ (1.8) | $ 0.1 | $ 69.7 | $ 1,038.1 | $ 19.0 | $ 1,057.1 |

# TMX GROUP INC.

**Condensed Consolidated Statements of Cash Flows**
(In millions of Canadian dollars)
(Unaudited)

| | Three months ended September 30, 2011 | Three months ended September 30, 2010 | Nine months ended September 30, 2011 | Nine months ended September 30, 2010 |
|---|---|---|---|---|
| **Cash flows from (used in) operating activities:** | | | | |
| Net income | **$ 70.0** | $ 55.5 | **$ 189.4** | $ 170.0 |
| Adjustments to determine net cash flows: | | | | |
| Depreciation and amortization | **7.3** | 7.3 | **20.9** | 22.0 |
| Unrealized gain on marketable securities | **(1.1)** | (0.7) | **(1.2)** | (0.8) |
| Share of net income of equity accounted investees | **(0.2)** | (0.3) | **(0.7)** | (0.9) |
| Realized gain on available-for-sale investment | **-** | - | **(0.2)** | - |
| Cost of share option plan | **0.9** | 0.9 | **2.8** | 2.1 |
| Amortized financing fees | **0.3** | 0.1 | **0.7** | 0.5 |
| Unrealized foreign exchange loss | **0.6** | 0.1 | **0.6** | - |
| Unrealized gain on interest rate swaps | **-** | (1.3) | **(0.7)** | (4.3) |
| LSEG and Maple related costs | **2.4** | - | **31.5** | - |
| LSEG and Maple related cash outlays | **(16.6)** | - | **(30.8)** | - |
| Deferred income taxes | **(0.1)** | (0.4) | **(13.1)** | 0.6 |
| Trade and other receivables, and prepaid expenses | **12.0** | 1.7 | **12.3** | 1.7 |
| Other non-current assets | **(1.5)** | 0.2 | **(1.4)** | (2.5) |
| Trade and other payables | **1.0** | 4.6 | **(11.9)** | (3.6) |
| Provisions | **(0.2)** | (0.1) | **7.8** | (0.8) |
| Deferred revenue | **(18.9)** | (16.1) | **18.4** | 20.2 |
| Long-term accrued and other non-current liabilities | **(2.3)** | 2.8 | **5.7** | 1.7 |
| Current income taxes | **(0.5)** | 3.3 | **2.3** | (4.5) |
| | **53.1** | 57.6 | **232.4** | 201.4 |
| **Cash flows from (used in) financing activities**: | | | | |
| Reduction in obligations under finance leases | **(0.2)** | (0.3) | **(0.5)** | (0.9) |
| Proceeds from exercised options | **0.2** | - | **6.8** | 0.5 |
| Financing fees on term loan | **-** | - | **(0.7)** | - |
| Dividends on common shares | **(29.8)** | (28.2) | **(89.5)** | (84.5) |
| | **(29.8)** | (28.5) | **(83.9)** | (84.9) |
| **Cash flows from (used in) investing activities:** | | | | |
| Additions to premises and equipment | **(0.7)** | (1.5) | **(2.7)** | (11.4) |
| Additions to intangible assets | **(3.2)** | (2.7) | **(9.2)** | (6.6) |
| Acquisitions, net of cash acquired | **(9.5)** | - | **(10.5)** | - |
| Proceeds on disposal of available-for-sale investment | **-** | - | **6.2** | - |
| Marketable securities | **(26.0)** | (27.6) | **(116.7)** | (133.7) |
| | **(39.4)** | (31.8) | **(132.9)** | (151.7) |
| **Increase (decrease) in cash and cash equivalents** | **(16.1)** | (2.7) | **15.6** | (35.2) |
| Cash and cash equivalents, beginning of period | **101.4** | 56.6 | **69.9** | 88.9 |
| Unrealized foreign exchange gain (loss) on cash and cash equivalents held in foreign subsidiaries | **0.6** | (0.5) | **0.4** | (0.3) |
| **Cash and cash equivalents, end of period** | **$ 85.9** | $ 53.4 | **$ 85.9** | $ 53.4 |
| Supplemental cash flow information: | | | | |
| Interest paid | **$ 1.6** | $ 1.1 | **$ 5.8** | $ 3.8 |
| Interest received | **$ 2.3** | $ 1.4 | **$ 6.5** | $ 3.9 |
| Income taxes paid | **$ 25.0** | $ 20.3 | **$ 82.4** | $ 74.7 |

*Amounts paid and received above are included as cash flows from (used in) operating activities*

# TMX GROUP INC.

## Market Statistics

**(Unaudited)**

| | Three months ended September 30 | | Nine months ended September 30 | |
|---|---|---|---|---|
| | **2011** | **2010** | **2011** | **2010** |
| **Toronto Stock Exchange:** | | | | |
| Volume (millions) | 24,574.9 | 23,542.7 | 79,494.4 | 75,024.2 |
| Value ($ billions) | 371.7 | 336.0 | 1,145.6 | 1,022.0 |
| Transactions (000s) | 55,994.6 | 45,030.6 | 156,867.0 | 140,332.0 |
| Issuers Listed | 1,571 | 1,485 | 1,571 | 1,485 |
| New Issuers Listed: | 45 | 31 | 158 | 125 |
| Number of Initial Public Offerings | 28 | 16 | 106 | 80 |
| Number of graduates from TSXV | 13 | 7 | 32 | 27 |
| New Equity Financing: ($ millions) | 8,826.8 | 5,953.3 | 31,242.5 | 27,828.6 |
| Initial Public Offering Financings ($ millions) | 1,217.4 | 1,590.0 | 5,615.3 | 6,271.2 |
| Secondary Offering Financings[1] ($ millions) | 3,921.0 | 2,374.7 | 14,393.0 | 13,260.1 |
| Supplementary Financings ($ millions) | 3,688.4 | 1,988.6 | 11,234.2 | 8,297.3 |
| Market Cap of Issuers Listed ($ billions) | 1,933.8 | 1,932.3 | 1,933.8 | 1,932.3 |
| S&P/TSX Composite Index[2] Close | 11,623.8 | 12,368.7 | 11,623.8 | 12,368.7 |
| **TSX Venture Exchange:**[3] | | | | |
| Volume (millions) | 11,619.5 | 14,467.2 | 53,218.0 | 44,562.0 |
| Value ($ millions) | 7,453.8 | 7,184.4 | 37,142.4 | 20,944.4 |
| Transactions (000s) | 2,744.4 | 1,840.9 | 11,110.0 | 5,727.2 |
| Issuers Listed | 2,432 | 2,364 | 2,432 | 2,364 |
| New Issuers Listed | 65 | 46 | 160 | 127 |
| New Equity Financing: ($ millions) | 1,516.7 | 2,159.4 | 8,601.2 | 5,885.8 |
| Initial Public Offering Financings ($ millions) | 97.7 | 24.8 | 242.7 | 146.5 |
| Secondary Offering Financings[1] ($ millions) | 273.4 | 838.8 | 2,505.7 | 1,711.9 |
| Supplementary Financings ($ millions) | 1,145.6 | 1,295.8 | 5,852.8 | 4,027.4 |
| Market Cap of Issuers Listed: ($ billions) | 49.8 | 48.9 | 49.8 | 48.9 |
| S&P/TSX Venture Composite Index[2] Close | 1,467.2 | 1,708.3 | 1,467.2 | 1,708.3 |
| **TMX Select:** | | | | |
| Volume (millions) | 490.3 | - | 490.3 | - |
| Value ($ millions) | 4,561.3 | - | 4,561.3 | - |
| **Toronto Stock Exchange and TSX Venture Exchange:** | | | | |
| Professional and Equivalent Real-time Data Subscriptions* | 160,541 | 153,986 | 160,541 | 153,986 |
| **NGX:** | | | | |
| Total Volume (TJs)** | 3,562,537 | 4,928,212 | 11,206,181 | 12,542,471 |

| | Three months ended September 30 | | Nine months ended September 30 | |
|---|---|---|---|---|
| | **2011** | **2010** | **2011** | **2010** |
| **Montreal Exchange:** | | | | |
| Volume (Contracts) (000s) | 16,758.2 | 10,639.4 | 47,581.5 | 32,577.2 |
| Open Interest (Contracts) (000s) as at Sept 30 | 4,404.9 | 3,318.2 | 4,404.9 | 3,318.2 |
| Data Subscriptions* | 27,176 | 23,502 | 27,176 | 23,502 |
| **Boston Options Exchange:** | | | | |
| Volume (Contracts) (000s) | 44,837.7 | 24,262.2 | 103,241.4 | 65,744.8 |

[1] Secondary Offering Financings includes prospectus offerings on both a treasury and secondary basis.

[2] "S&P" is the trademark of Standard & Poor's and "TSX" is the trademark of TSX Inc.

[3] TSX Venture Exchange market statistics do not include data for debt securities. 'New Issuers Listed' and 'S&P/TSX Venture Composite Index Close' statistics exclude data for issuers on NEX. All other TSX Venture Exchange market statistics include data for issuers on NEX, which is a board that was established on August 18, 2003 for issuers that have fallen below TSX Venture Exchange's listing standards **(206 issuers at September 30, 2011 and 221 issuers at September 30, 2010**).

* For 2011, TMX and MX data subscriptions include a base number of subscriptions for customers that have entered into enterprise agreements.
**NGX Total Energy Volume includes trading and clearing in natural gas, crude oil and electricity.
Conversions:
Power:
MWH/100=TJ
Crude:
Total Barrels (Crude Oil Conversion Factor (6.29287 for Sweet Crude; 6.28981 for Heavy Crude)/1000) = TJ