TMX Group Inc. Reports Results for Second Quarter 2011

- Revenue of $169.3 million in Q2/11, up 8% from Q2/10
- Q2/11 diluted earnings per share[∇] of 73 cents, down from 79 cents in Q2/10 due to 21 cents per share of LSEG and Maple related costs
- Adjusted diluted earnings per share in Q2/11 of 94 cents compared with diluted earnings per share in Q2/10 of 79 cents
- Revenue of $344.0 million in the first six months of 2011, up 13% compared with the first six months of 2010
- 1H/11 diluted earnings per share of $1.57 compared with 1H/10 diluted earnings per share of $1.55
- Adjusted diluted earnings per share in 1H/11 of $1.91 compared with diluted earnings per share in 1H/10 of $1.55

August 5, 2011 (TORONTO) – TMX Group Inc. [TSX:X] announced results for the second quarter ended June 30, 2011.

Commenting on the second quarter of 2011, Thomas Kloet, Chief Executive Officer of TMX Group Inc. (TMX Group) said: “There have been many significant accomplishments on the operational and financial front to date this year. Among the successes in this past quarter was renewed momentum in our listings business. On a combined basis, new listings on Toronto Stock Exchange and TSX Venture Exchange were up 33% and the value of new equity financings on TSX Venture Exchange increased 84% compared with the second quarter of last year. We are also proud that Toronto Stock Exchange reached over 200 exchange traded products listed in June. We launched the world’s first exchange traded fund over twenty years ago and remain a leading destination for innovative listed products worldwide. We continue to see strong growth in derivatives as volumes on the Montréal Exchange reached another new quarterly record with 16.3 million contracts traded.

“In equity trading, we launched TMX Select, an alternative equities trading system in July. Designed to meet evolving trading strategies, Canada's newest ATS offers participants additional execution and liquidity seeking opportunities through a differentiated market and pricing model.”

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

Michael Ptasznik, Chief Financial Officer of TMX Group said: "Excluding LSEG and Maple related costs, adjusted earnings per share increased 19% from Q2/10, reflecting increased revenue from issuer services, derivative markets trading and clearing and information services. We also had lower operating expenses in the quarter compared with the same period last year."

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 interim condensed consolidated financial statements for the quarter and six months ended June 30, 2011 have been prepared in accordance with IFRS as published by the International Accounting Standards Board.

For each reporting period in 2011, we will also present 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 will be 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) (for a more detailed discussion and additional reconciliations see our unaudited interim condensed consolidated financial statements for the quarter ended March 31, 2011). 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 six months ended June 30, 2010 in our Q2/11 Management's Discussion and Analysis under ***Changes in Accounting Policies***.

Summary of Financial Information

(in millions of dollars, except per share amounts)

	Q2/11	**Q2/10**	**$ Increase/ (decrease)**	**% Increase/ (decrease)**
Revenue	$169.3	$156.1	$13.2	8%
Operating expenses	$71.5	$73.9	($2.4)	(3%)
Net income attributable to TMX Group shareholders	$54.7	$58.4	($3.7)	(6%)
Earnings per share[∇]*:*				
Basic	$0.73	$0.79	($0.06)	(8%)
Diluted	$0.73	$0.79	($0.06)	(8%)
Cash flows from operating activities	$ 107.2	$ 73.0	$34.2	47%

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

Net income attributable to TMX Group shareholders was $54.7 million or $0.73 per common share on a basic and diluted basis for Q2/11, compared with net income attributable to TMX Group shareholders of $58.4 million, or $0.79 per common share on a basic and diluted basis for Q2/10, representing a decrease in net income attributable to TMX Group shareholders of 6%. The decrease in net income attributable to TMX Group shareholders was due to $20.8 million of costs associated with the proposed merger with London Stock Exchange Group plc (LSEG) which was terminated on June 29, 2011, and the Maple Group Acquisition Corporation (Maple) unilateral offer to acquire all of the common shares of TMX Group, partially offset by higher revenue from issuer services, derivative markets trading and clearing and information services and lower overall operating expenses.

Adjusted Earnings per Share Reconciliation for Q2/11 and Q2/10**

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:

	Q2/11		**Q2/10**	
	Basic	**Diluted**	**Basic**	**Diluted**
Earnings per share	$0.73	$0.73	$0.79	$0.79
Adjustment related to LSEG and Maple related costs, net of income tax	$0.21	$0.21	-	-
*Adjusted earnings per share***	$0.94	$0.94	$0.79	$0.79

Adjusted earnings per share** of $0.94 per common share on a basic and diluted basis, was higher than earnings per share of $0.79 per common share on a basic and diluted basis for Q2/10 largely due to higher revenue from issuer services, derivative markets trading and clearing and information services and lower overall operating expenses.

** 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 Q2/11. Management uses these measures to assess our financial performance exclusive of these costs and to enable comparability across periods.

Summary of Financial Information

(in millions of dollars, except per share amounts)

	1H/11	1H/10	$ Increase	% Increase
Revenue	$344.0	$305.5	$38.5	13%
Operating expenses	$148.6	$143.5	$5.1	4%
Net income attributable to TMX Group shareholders	$117.8	$115.5	$2.3	2%
Earnings per share▽*:*				
Basic	$1.58	$1.55	$0.03	2%
Diluted	$1.57	$1.55	$0.02	1%
Cash flows from operating activities	$ 179.3	$ 143.8	$35.5	25%

Net income attributable to TMX Group shareholders was $117.8 million or $1.58 per common share▽ ($1.57 on a diluted basis) for 1H/11, compared with net income attributable to TMX Group shareholders of $115.5 million or $1.55 per common share on a basic and diluted basis for 1H/10, representing an increase in net income attributable to TMX Group shareholders of 2%. The increase in net income attributable to TMX Group shareholders was largely due to higher revenue across the major components of our business largely offset by increased expenses due to $29.1 million in LSEG and Maple related costs and a commodity tax adjustment*.

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

*See "*General and Administration"* section.

Adjusted Earnings per Share Reconciliation for 1H/11 and 1H/10**

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*:

	1H/11		1H/10	
	Basic	**Diluted**	**Basic**	**Diluted**
Earnings per share	$1.58	$1.57	$1.55	$1.55
Adjustments:				
Adjustment related to LSEG and Maple related costs, net of income tax	$0.29	$0.29	-	-
Adjustment related to commodity tax adjustment, net of income tax*	$0.05	$0.05	-	-
*Adjusted earnings per share***	$1.92	$1.91	$1.55	$1.55

Adjusted earnings per share** of $1.92 per common share ($1.91 on a diluted basis), was higher than earnings per share of $1.55 per common share on a basic and diluted basis for 1H/10 largely due to higher revenue across the major components of our business.

** 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 expenses we incurred in 1H/11 due to *LSEG and Maple related costs* and a commodity tax adjustment. Management uses these measures to assess our financial performance exclusive of these costs and to enable comparability across periods.

* See "*General and Administration"* section.

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
Q2/11				
Revenue	$127.0	$31.6	$10.7	$169.3
Net income attributable to TMX Group shareholders	$43.0	$9.5	$2.2	$54.7
Q2/10				
Revenue	$117.7	$26.8	$11.6	$156.1
Net income attributable to TMX Group shareholders	$48.8	$6.3	$3.3	$58.4

	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
1H/11				
Revenue	$258.9	$63.0	$22.1	$344.0
Net income attributable to TMX Group shareholders	$94.8	$17.7	$5.3	$117.8
1H/10				
Revenue	$234.9	$49.6	$21.0	$305.5
Net income attributable to TMX Group shareholders	$98.3	$11.8	$5.4	$115.5

Quarter Ended June 30, 2011 Compared with Quarter Ended June 30, 2010

Revenue

Revenue was $169.3 million in Q2/11, up $13.2 million, or 8% compared with $156.1 million for Q2/10, reflecting increased revenue from issuer services, derivative markets trading and clearing and information services, partially offset by lower revenue from equity and fixed income trading, energy trading and clearing, as well as technology services and other revenue.

Issuer Services Revenue

The following is a summary of issuer services revenue in Q2/11 and Q2/10:

(in millions of dollars)

	Q2/11	**Q2/10**	**$ increase**	**% increase**
Initial listing fees	$ 8.5	$ 6.8	$ 1.7	25%
Additional listing fees	$ 32.0	$ 27.4	$ 4.6	17%
Sustaining listing fees	$ 18.6	$ 16.1	$ 2.5	16%
Other issuer services	$ 3.9	$ 3.7	$ 0.2	5%
Total	$ 63.0	$ 54.0	$ 9.0	17%

- *Initial listing fees* in Q2/11 increased over Q2/10 primarily due to an increase in the number of new listings on Toronto Stock Exchange.

- *Additional listing fees* in Q2/11 increased over Q2/10 due to an increase in the value and number of additional financings on TSX Venture Exchange. The overall increase in *additional listing fees* also reflected a more favourable mix in secondary transactions as well as an increase in shares reserved under compensation arrangements on Toronto Stock Exchange in Q2/11 compared with Q2/10. 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 Q2/11 compared with Q2/10.

Trading, Clearing and Related Revenue

(in millions of dollars)

	Q2/11	Q2/10	$ increase/ (decrease)	% increase/ (decrease)
Cash markets revenue	$ 25.0	$ 26.0	($ 1.0)	(4%)
Derivatives markets revenue	$ 26.8	$ 21.2	$ 5.6	26%
Energy markets revenue	$ 10.8	$ 11.3	($ 0.5)	(4%)
Total	$ 62.6	$ 58.5	$ 4.1	7%

Cash Markets

- The decrease in *cash markets* equity trading revenue was due to 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. The decrease was also due to 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 decrease was also somewhat due to a 6% decrease in the volume of securities traded on Toronto Stock Exchange in Q2/11 compared with Q2/10 (24.60 billion securities in Q2/11 versus 26.14 billion securities in Q2/10). This was partially offset by an 11% increase in the volume of securities traded on TSX Venture Exchange in Q2/11 compared with Q2/10 (16.37 billion securities in Q2/11 versus 14.72 billion securities in Q2/10).

- The decline also reflects decreased revenue from Shorcan Brokers Limited (Shorcan) fixed income trading in Q2/11 compared with Q2/10 due to lower volumes, somewhat offset by a more favourable product mix.

Derivatives Markets

- The increase in derivatives markets revenue reflects an increase in trading and clearing revenue from Montréal Exchange (MX) and Canadian Derivatives Clearing Corporation (CDCC). MX set a new quarterly trading record in Q2/11 with 16.27 million contracts traded; exceeding the previous record of 14.55 million contracts traded set in Q1/11. MX volumes increased by 36% over Q2/10 (16.27 million contracts traded in Q2/11 versus 11.97 million contracts traded in Q2/10) reflecting increased trading in the BAX and CGB contracts, as well as equity options. The increase in revenue was partially offset by a change in client mix. Open interest was up 43% at June 30, 2011 compared with June 30, 2010.

- The increase in *derivatives markets* revenue also reflects an increase in Boston Options Exchange Group, LLC, or BOX revenues. There was a 12% increase in BOX volumes (26.73 million contracts in Q2/11 versus 23.81 million contracts traded in Q2/10). The increase in revenue was also due to price increases which were effective in Q3/10, partially offset by the impact of the depreciation of the U.S. dollar against the Canadian dollar in Q2/11 compared with Q2/10.

Energy Markets

- The decrease in *energy markets* revenue reflects a 17% decrease in total energy volume[#] traded on Natural Gas Exchange Inc. (NGX) from Q2/10 (3.54 million terajoules in Q2/11 compared to 4.29 million terajoules in Q2/10).

- The decrease in revenue was also due to the impact of the depreciation of the U.S. dollar against the Canadian dollar in Q2/11 compared with Q2/10.

- The decrease was partially offset as a result of NGX recapturing previously deferred revenue in Q2/11.

- The decrease was also partially offset by higher revenue from Shorcan Energy Brokers Inc. (Shorcan Energy Brokers), a wholly-owned subsidiary of Shorcan, due to higher volumes in Q2/11 compared with Q2/10.

Information Services Revenue

(in millions of dollars)

Q2/11	Q2/10	$ increase	% increase
$ 40.4	$ 38.9	$1.5	4%

- The increase reflects higher revenue from co-location services, TMXnet and fixed income indices.

- Overall, there was a 6% increase in the average number of professional and equivalent real-time market data subscriptions to Toronto Stock Exchange and TSX Venture Exchange products (163,804[+] professional and equivalent real-time market data subscriptions in Q2/11 compared with 153,814 in Q2/10). There was also a 9% increase in the average number of MX market data subscriptions (25,202[+] MX market data subscriptions in Q2/11 compared with 23,180 in Q2/10).

- The increases were partially offset by the impact of the depreciation of the U.S. dollar against the Canadian dollar in Q2/11 compared with Q2/10 and the effect of customer enterprise agreements.

[#] 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.

Technology Services and Other Revenue

(in millions of dollars)

Q2/11	Q2/10	$ (decrease)	% (decrease)
$ 3.3	$ 4.7	($1.4)	(30%)

- *Technology services and other* revenue decreased primarily due to net foreign exchange losses on U.S. dollar accounts receivable in Q2/11, compared with net foreign exchange gains on U.S. dollar accounts receivable in Q2/10.

Operating Expenses

Operating expenses in Q2/11 were $71.5 million, down $2.4 million, or 3%, from $73.9 million in Q2/10 primarily due to lower costs following the decommissioning of legacy hardware, lower bad debt expenses and lower other corporate development costs. The decrease was somewhat offset by higher costs associated with long-term employee performance incentive plans and higher organizational transition costs.

Compensation and Benefits

(in millions of dollars)

Q2/11	Q2/10	$ increase	% increase
$ 33.4	$ 32.5	$0.9	3%

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

- There was 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 Taxes**). There were 857 employees at June 30, 2011 versus 844 employees at June 30, 2010.

- The increases were partially offset by lower costs related to short-term employee performance incentive plans as well as higher capitalization of costs associated with technology initiatives in Q2/11 compared with Q2/10.

Information and Trading Systems

(in millions of dollars)

Q2/11	Q2/10	$ (decrease)	% (decrease)
$ 11.3	$ 15.0	($3.7)	(25%)

- *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 Q2/11 compared with Q2/10. We invested in a number of new projects, including market order protection and the second phase of enterprise expansion.

General and Administration

(in millions of dollars)

Q2/11	Q2/10	$ increase	% increase
$ 19.8	$ 19.3	$0.5	3%

- *General and administration* costs increased due to increased occupancy related costs, directors' fees and higher commodity taxes (see "***General and Administration***" section under **Six Months Ended June 30, 2011 Compared with Six Months Ended June 30, 2010**).

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

Depreciation and Amortization

(in millions of dollars)

Q2/11	Q2/10	$ (decrease)	% (decrease)
$ 7.0	$ 7.1	($0.1)	(1%)

- *Depreciation and amortization* costs decreased due to reduced amortization relating to assets that were fully depreciated by Q2/11 and lower amortization of intangible assets related to MX trading participants.

- The decrease was largely offset by increased amortization of intangible assets related to newly launched products.

LSEG and Maple Related Costs (previously Merger related costs)

(in millions of dollars)

Q2/11	Q2/10	$ increase	% increase
$ 20.8	-	$20.8	-

- *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 Q2/11.

- Under the merger agreement, we also agreed to pay a $29.0 million fee to LSEG if, by June 29, 2012, either the Acquisition Proposal (as defined in the merger agreement) made by Maple is consummated or TMX Group enters into an agreement in respect of the Acquisition Proposal and that agreement is later consummated. No liability has been recorded related to this fee.

Finance Income (formerly Investment Income)

(in millions of dollars)

Q2/11	Q2/10	$ increase	% increase
$ 3.0	$ 1.8	$1.2	67%

- *Finance income* increased primarily due to increased cash available for investment in Q2/11 compared with Q2/10.

Finance Costs (formerly Interest Expense)

(in millions of dollars)

Q2/11	Q2/10	$ increase	% increase
$ 2.4	$ 1.3	$1.1	85%

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

Income Taxes

(in millions of dollars)

		Effective tax rate (%)	
Q2/11	**Q2/10**	**Q2/11**	**Q2/10**
$ 22.6	$ 25.0	29%	30%

- The effective tax rate for Q2/11 was lower than that for Q2/10 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.

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

(in millions of dollars)

Q2/11	Q2/10	$ increase	% increase
$0.4	($0.6)	$1.0	167%

- 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 Q2/11, the net income of $0.4 million reflected higher BOX trading volumes. In Q2/10, the net loss of $0.6 million reflected increased competition and a significant decline in BOX's market share.

Six Months Ended June 30, 2011 Compared with Six Months Ended June 30, 2010

Revenue

Revenue was $344.0 million in 1H/11, up $38.5 million, or 13% compared with $305.5 million for 1H/10, reflecting increased revenue across the major components of our business.

Issuer Services Revenue

The following is a summary of issuer services revenue in 1H/11 and 1H/10:

(in millions of dollars)

	1H/11	1H/10	$ increase/ (decrease)	% increase/ (decrease)
Initial listing fees	$ 16.8	$ 13.1	$ 3.7	28%
Additional listing fees	$ 63.7	$ 51.1	$ 12.6	25%
Sustaining listing fees	$ 37.5	$ 32.0	$ 5.5	17%
Other issuer services	$ 7.0	$ 7.2	($ 0.2)	(3%)
Total	$ 125.0	$ 103.4	$ 21.6	21%

- *Initial listing fees* in 1H/11 increased over 1H/10 primarily due to an increase in the number of issuers who converted from income trusts to corporate entities, and fee changes on TSX Venture Exchange which were effective January 1, 2011. There was also an increase in the number of initial financings on Toronto Stock Exchange and TSX Venture Exchange and an increase in the value of initial financings on TSX Venture Exchange in 1H/11 compared with 1H/10.

- *Additional listing fees* in 1H/11 increased over 1H/10 due to an increase in the value and number 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.

- *Other issuer services* revenue decreased due to lower fees in 1H/11 compared with 1H/10 related to providing investor relations services. This was somewhat offset by revenue from new products.

Trading, Clearing and Related Revenue

(in millions of dollars)

	1H/11	1H/10	$ increase	% increase
Cash markets revenue	$ 58.6	$ 57.3	$ 1.3	2%
Derivatives markets revenue	$ 53.1	$ 39.6	$ 13.5	34%
Energy markets revenue	$ 22.2	$ 20.6	$ 1.6	8%
Total	$ 133.9	$ 117.5	$ 16.4	14%

Cash Markets

- The increase in *cash markets* equity trading revenue was largely due to a 38% increase in the volume of securities traded on TSX Venture Exchange in 1H/11 compared with 1H/10 (41.60 billion securities in 1H/11 versus 30.10 billion securities in 1H/10). There was also a 7% increase in the volume of securities traded on Toronto Stock Exchange in 1H/11 compared with 1H/10 (54.92 billion securities in 1H/11 versus 51.48 billion securities in 1H/10).

- 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 1H/11 was unchanged from 1H/10, due to a more favourable product mix, offset by lower volumes.

Derivatives Markets

- The increase in derivatives markets revenue reflects an increase in trading and clearing revenue from MX and CDCC. MX volumes increased by 41% (30.82 million contracts traded in 1H/11 versus 21.94 million contracts traded in 1H/10) 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 client mix. Open interest was up 43% at June 30, 2011 compared with June 30, 2010.

- The increase in derivatives markets revenue also reflects an increase in BOX revenues. There was a 41% increase in BOX volumes (58.40 million contracts in 1H/11 versus 41.48 million contracts traded in 1H/10). The increase in revenue was also due to price increases which were effective in Q3/10, partially offset by the impact of the depreciation of the U.S. dollar against the Canadian dollar in 1H/11 compared with 1H/10.

Energy Markets

- The increase reflects higher revenue from Shorcan Energy Brokers due to higher volumes in 1H/11 compared with 1H/10.

- The increase was also due to NGX recapturing previously deferred revenue in 1H/11.

- Total energy volume[#] was largely unchanged on NGX in 1H/11 compared with 1H/10 (7.64 million terajoules in 1H/11 compared to 7.61 million terajoules in 1H/10).

- The higher revenue was somewhat offset by the impact of the depreciation of the U.S. dollar against the Canadian dollar in 1H/11 compared with 1H/10.

Information Services Revenue

(in millions of dollars)

1H/11	1H/10	$ increase	% increase
$ 80.4	$ 76.3	$4.1	5%

- The increase reflects higher revenue from co-location services, TMXnet, index data licensing, fixed income indices and BOX's share of U.S. market data revenue.

- Overall, there was a 6% increase in the average number of professional and equivalent real-time market data subscriptions to Toronto Stock Exchange and TSX Venture Exchange products (161,438[+] professional and equivalent real-time market data subscriptions in 1H/11 compared with 152,927 in 1H/10). There was also a 7% increase

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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.

in the average number of MX market data subscriptions (24,475[+] MX market data subscriptions in 1H/11 compared with 22,915 in 1H/10).

- The increases were partially offset by the impact of the depreciation of the U.S. dollar against the Canadian dollar in 1H/11 compared with 1H/10 and the effect of customer enterprise agreements.

Technology Services and Other Revenue

(in millions of dollars)

1H/11	1H/10	$ (decrease)	% (decrease)
$ 4.7	$ 8.3	($3.6)	(43%)

- *Technology services and other* revenue decreased primarily due to net foreign exchange losses on U.S. dollar accounts receivable in 1H/11, which included adjustments for prior periods.

Operating Expenses

Operating expenses in 1H/11 were $148.6 million, up $5.1 million, or 4%, from $143.5 million in 1H/10 due to a commodity tax adjustment[*], higher costs associated with short and long-term employee performance incentive plans, as well as higher marketing and occupancy related costs, partially offset by a decrease in information and trading systems costs following the decommissioning of legacy hardware.

Compensation and Benefits

(in millions of dollars)

1H/11	1H/10	$ increase	% increase
$ 70.2	$ 64.8	$5.4	8%

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

- The increases were also due to higher costs related to short-term employee performance incentive plans as well as 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 Taxes**). There were 857 employees at June 30, 2011 versus 844 employees at June 30, 2010.

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[*] See "*General and Administration"* section.

- The increases were partially offset by higher capitalization of costs associated with technology initiatives in 1H/11 compared with 1H/10.

Information and Trading Systems

(in millions of dollars)

1H/11	1H/10	$ (decrease)	% (decrease)
$ 21.9	$ 27.8	($5.9)	(21%)

- *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 1H/11 compared with 1H/10. We invested in a number of new projects, including market order protection and the second phase of enterprise expansion.

General and Administration[1]

(in millions of dollars)

1H/11	1H/10	$ increase	% increase
$ 42.9	$ 36.2	$6.7	19%

- *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 and occupancy related costs.

- These increases were partially offset by lower bad debt expenses and lower 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 Québec Sales Tax (HST/QST), imposed under section 165 of the Excise Tax Act and section 16 of the Act respecting the Quebec sales tax respectively, on our trade execution fees on equities and derivatives. Effective February 2011, we stopped charging HST/QST on these trade execution fees for both Toronto Stock Exchange and TSX Venture Exchange. 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.

[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.

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 1H/11. No change to this provision was made for Q2/11. Future estimates may be different and a change in the provisions may be required.

Depreciation and Amortization

(in millions of dollars)

1H/11	1H/10	$ (decrease)	% (decrease)
$ 13.6	$ 14.7	($1.1)	(7%)

- *Depreciation and amortization* costs decreased due to reduced amortization relating to assets that were fully depreciated by 1H/11.

- 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 (previously Merger related costs)

(in millions of dollars)

1H/11	1H/10	$ increase	% increase
$ 29.1	-	$ 29.1	-

- *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 1H/11.

- Under the merger agreement, we also agreed to pay a $29.0 million fee to LSEG if, by June 29, 2012, either the Acquisition Proposal (as defined in the merger agreement) made by Maple is consummated or we enter into an agreement in respect of the Acquisition Proposal and that agreement is later consummated. No liability has been recorded related to this fee.

Finance Income (formerly Investment Income)

(in millions of dollars)

1H/11	1H/10	$ increase	% increase
$ 4.2	$ 2.6	$1.6	62%

- *Finance income* increased primarily due to increased cash available for investment in 1H/11 compared with 1H/10.

Finance Costs (formerly Interest Expense)

(in millions of dollars)

1H/11	1H/10	$ increase	% increase
$ 4.4	$ 2.5	$1.9	76%

- *Finance costs* increased as a result of higher interest rates 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 Taxes

(in millions of dollars)

		Effective tax rate (%)	
1H/11	1H/10	1H/11	1H/10
$ 47.3	$ 47.9	29%	29%

- The effective tax rate for 1H/11 was unchanged from 1H/10 reflecting a decrease in federal and Ontario corporate income tax rates, 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.

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

(in millions of dollars)

1H/11	1H/10	$ increase	% increase
$1.6	($1.0)	$2.6	260%

- 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 1H/11, the net income of $1.6 million reflected higher BOX trading volumes. In 1H/10, the net loss of $1.0 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)

June 30, 2011	December 31, 2010	$ increase
$ 453.8	$ 331.5	$ 122.3

- The increase was largely due to cash generated from operating activities of $179.3 million, partially offset by dividend payments of $59.7 million.

Total Assets

(in millions of dollars)

June 30, 2011	December 31, 2010	$ increase
$ 3,002.0	$ 2,965.8	$ 36.2

- *Total assets* increased due to an increase in cash and marketable securities of $122.3 million and an increase in MX daily settlements and cash deposits of $31.9 million.
- The overall increase was largely offset by a decrease in energy contracts receivable of $73.8 million related to the clearing operations of NGX and a $41.2 million decrease in current assets related to the fair value of open energy contracts at June 30, 2011 compared with December 31, 2010.

Credit Facilities and Guarantee

Term Loan

(in millions of dollars)

June 30, 2011	December 31, 2010	$ (decrease)
$429.5	$429.8	($ 0.3)

- 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 and will expire on December 28, 2011. Until April 18, 2011, the credit facility attracted interest at Bankers' Acceptance (BA) plus 45 basis points. After that date, 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 June 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 chartered 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 June 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 June 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 I bank. CDCC has not drawn on either facility.

Total Equity attributable to Shareholders of the Company

(in millions of dollars)

June 30, 2011	December 31, 2010	$ increase
$ 1,135.9	$ 1,070.6	$ 65.3

- We earned $117.8 million of net income attributable to TMX Group shareholders during 1H/11 and paid $59.7 million in dividends. In addition, we received $6.6 million in proceeds from share options exercised.

- At June 30, 2011, there were 74,606,542 common shares issued and outstanding. In 1H/11, 236,080 common shares were issued on the exercise of share options. At June 30, 2011, 3,828,146 common shares were reserved for issuance upon the exercise of options granted under the share option plan. At June 30, 2011, there were 1,875,148 options outstanding.

- At August 3, 2011, there were 74,609,551 common shares issued and outstanding and 1,865,558 options outstanding under the share option plan.

Cash Flows from Operating Activities

(in millions of dollars)

	Q2/11	**Q2/10**	**Increase in cash**
Cash Flows from Operating Activities	$ 107.2	$ 73.0	$ 34.2

Cash Flows from Operating Activities were $34.2 million higher in Q2/11 compared with Q2/10 due to:

(in millions of dollars)

	Q2/11	**Q2/10**	**Increase/ (decrease) in cash**
Net income	$ 55.1	$ 57.8	($ 2.7)
Depreciation and amortization	$ 7.0	$ 7.1	($ 0.1)
Unrealized (gain) on interest rate swaps	($ 0.1)	($ 1.5)	$ 1.4
Unrealized (gain) on marketable securities	($ 0.6)	($ 0.5)	($ 0.1)
Decrease in trade and other receivables and prepaid expenses	$ 47.0	$ 23.1	$ 23.9
(Increase) in other non-current assets	-	($ 2.2)	$ 2.2
(Increase)/decrease in deferred income taxes	($ 8.2)	$ 0.8	($ 9.0)
Net increase in trade and other payables, long-term accrued and other non-current liabilities	$ 21.9	$ 3.6	$ 18.3
(Decrease) in deferred revenue	($ 21.0)	($ 15.3)	($ 5.7)
Net increase in current income taxes	$ 2.5	$ 0.2	$ 2.3
Increase/(decrease) in provisions, including commodity tax adjustment (2011)	$ 2.6	($ 0.6)	$ 3.2
Net increase in other items	$ 1.0	$ 0.5	$ 0.5
Cash Flows from Operating Activities	$ 107.2	$ 73.0	$ 34.2

(in millions of dollars)

	1H/11	1H/10	Increase in cash
Cash Flows from Operating Activities	$ 179.3	$ 143.8	$ 35.5

Cash Flows from Operating Activities were $35.5 million higher in 1H/11 compared with 1H/10 due to:

(in millions of dollars)

	1H/11	1H/10	Increase/ (decrease) in cash
Net income	$ 119.4	$ 114.5	$ 4.9
Depreciation and amortization	$ 13.6	$ 14.7	($ 1.1)
Unrealized (gain) on interest rate swaps	($ 0.7)	($ 3.0)	$ 2.3
Unrealized (gain) on marketable securities	($ 0.1)	($ 0.1)	-
Decrease in trade and other receivables and prepaid expenses	$ 0.3	-	$ 0.3
(Increase)/decrease in other non-current assets	$ 0.1	($ 2.7)	$ 2.8
(Increase)/decrease in deferred income taxes	($ 13.0)	$ 1.0	($ 14.0)
Net increase/(decrease) in trade and other payables, long-term accrued and other non-current liabilities	$ 10.0	($ 9.3)	$ 19.3
Increase in deferred revenue	$ 37.3	$ 36.3	$ 1.0
Net increase/(decrease) in current income taxes	$ 2.8	($ 7.8)	$ 10.6
Increase/(decrease) in provisions, including commodity tax adjustment (2011)	$ 8.0	($ 0.7)	$ 8.7
Net increase in other items	$ 1.6	$ 0.9	$ 0.7
Cash Flows from Operating Activities	$ 179.3	$ 143.8	$ 35.5

Cash Flows from (used in) Financing Activities

(in millions of dollars)

	Q2/11	Q2/10	(Decrease) in cash
Cash Flows from (used in) Financing Activities	($ 29.5)	($ 28.3)	($ 1.2)

Cash Flows (used in) Financing Activities were $1.2 million higher in Q2/11 compared with Q2/10 due to:

(in millions of dollars)

	Q2/11	Q2/10	Increase/ (decrease) in cash
Dividends paid on common shares	($ 29.9)	($ 28.3)	($ 1.6)
Proceeds from exercised options	$ 0.5	$ 0.4	$ 0.1
Net (decrease) in other items	($ 0.1)	($ 0.4)	$ 0.3
Cash Flows from (used in) Financing Activities	($ 29.5)	($ 28.3)	($ 1.2)

(in millions of dollars)

	1H/11	1H/10	Increase in cash
Cash Flows from (used in) Financing Activities	($ 54.1)	($ 56.4)	$ 2.3

Cash Flows (used in) Financing Activities were $2.3 million lower in 1H/11 compared with 1H/10 due to:

(in millions of dollars)

	1H/11	1H/10	Increase/ (decrease) in cash
Dividends paid on common shares	($ 59.7)	($ 56.3)	($ 3.4)
Proceeds from exercised options	$ 6.6	$ 0.5	$ 6.1
Net (decrease) in other items	($ 1.0)	($ 0.6)	($ 0.4)
Cash Flows from (used in) Financing Activities	($ 54.1)	($ 56.4)	$ 2.3

Cash Flows from (used in) Investing Activities

(in millions of dollars)

	Q2/11	Q2/10	(Decrease) in cash
Cash Flows from (used in) Investing Activities	($ 60.5)	($ 56.1)	($ 4.4)

Cash Flows (used in) Investing Activities were $4.4 million higher in Q2/11 compared with Q2/10 due to:

(in millions of dollars)

	Q2/11	Q2/10	Increase/ (decrease) in cash
Capital expenditures primarily related to technology investments and leasehold improvements	($ 1.7)	($ 5.0)	$ 3.3
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)	($ 3.5)	($ 1.8)	($ 1.7)
Proceeds on disposal of EDX investment	$ 3.0	-	$ 3.0
Net (purchases) of marketable securities	($ 58.3)	($ 49.3)	($ 9.0)
Cash Flows from (used in) Investing Activities	($ 60.5)	($ 56.1)	($ 4.4)

Cash Flows from (used in) Investing Activities

(in millions of dollars)

	1H/11	1H/10	Increase in cash
Cash Flows from (used in) Investing Activities	($ 93.5)	($ 119.9)	$ 26.4

Cash Flows (used in) Investing Activities were $26.4 million lower in 1H/11 compared with 1H/10 due to:

(in millions of dollars)

	1H/11	1H/10	Increase/ (decrease) in cash
Capital expenditures primarily related to technology investments and leasehold improvements	($ 2.0)	($ 9.9)	$ 7.9
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)	($ 6.0)	($ 3.9)	($ 2.1)
Cost of acquisition	($ 1.0)	-	($ 1.0)
Proceeds on disposal of EDX investment	$ 6.2	-	$ 6.2
Net (purchases) of marketable securities	($ 90.7)	($ 106.1)	$ 15.4
Cash Flows from (used in) Investing Activities	($ 93.5)	($ 119.9)	$ 26.4

Financial Statements Governance Practice

The Finance & Audit Committee of the Board of Directors of TMX Group reviewed this press release as well as the Q2/11 unaudited interim 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 Q2/11 unaudited interim 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 Q2/11 interim financial statements and MD&A with Canadian securities regulators today, after which time the statements and related MD&A 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 Q2/11.

Time: 8:00 a.m. - 9:00 a.m. EDST on Friday, August 5, 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 82449651

For more information please contact:

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TMX GROUP INC.

Condensed Consolidated Balance Sheet
(In millions of Canadian dollars)
(Unaudited)

	June 30, 2011	December 31, 2010	January 1, 2010
Assets			
Current assets:			
Cash and cash equivalents	**$ 101.4**	$ 69.9	$ 88.9
Marketable securities	**352.4**	261.6	103.2
Trade and other receivables	**87.4**	89.7	79.4
Energy contracts receivable	**681.1**	754.9	714.5
Fair value of open energy contracts	**100.7**	141.9	202.8
Daily settlements and cash deposits	**225.0**	193.1	565.4
Prepaid expenses	**8.5**	6.7	6.0
Current income tax assets	**2.7**	4.3	12.3
	1,559.2	1,522.1	1,772.5
Non-current assets:			
Premises and equipment	**26.2**	28.4	24.4
Investment in equity accounted investees	**15.6**	14.2	12.8
Goodwill	**420.7**	421.3	422.5
Other intangible assets	**915.9**	920.1	932.0
Deferred income tax assets	**54.3**	43.4	41.7
Other non-current assets	**10.1**	16.3	21.2
Total Assets	**$ 3,002.0**	$ 2,965.8	$ 3,227.1
Liabilities and Equity			
Current liabilities:			
Trade and other payables	**$ 60.6**	$ 58.6	$ 43.9
Energy contracts payable	**681.1**	754.9	714.5
Fair value of open energy contracts	**100.7**	141.9	202.8
Daily settlements and cash deposits	**225.0**	193.1	565.4
Deferred revenue	**56.1**	18.7	15.1
Provisions	**8.4**	0.4	1.2
Current income tax liabilities	**8.5**	7.3	10.9
Fair value of interest rate swaps	**-**	0.7	2.1
Term loan	**429.5**	429.8	-
	1,569.9	1,605.4	1,555.9
Non-current liabilities:			
Accrued employee benefits payable	**12.2**	12.1	10.9
Deferred income tax liabilities	**231.4**	233.5	232.9
Other non-current liabilities	**32.8**	25.4	23.7
Fair value of interest rate swaps	**-**	-	3.6
Term loan	**-**	-	429.0
Total Liabilities	**1,846.3**	1,876.4	2,256.0
Equity:			
Share capital	**967.5**	959.4	957.9
Retained earnings (Deficit)	**160.5**	102.4	(16.5)
Contributed surplus – share option plan	**12.4**	12.0	9.6
Accumulated other comprehensive loss	**(4.5)**	(3.2)	-
Total Equity attributable to Shareholders of the Company	**1,135.9**	1,070.6	951.0
Non-controlling interests	**19.8**	18.8	20.1
Total Equity	**1,155.7**	1,089.4	971.1
Total Liabilities and Equity	**$ 3,002.0**	$ 2,965.8	$ 3,227.1

TMX GROUP INC.

Condensed Consolidated Income Statement
(In millions of Canadian dollars, except per share amounts)
(Unaudited)

	Three months ended June 30, 2011	Three months ended June 30, 2010	Six months ended June 30, 2011	Six months ended June 30, 2010
Revenue:				
Issuer services	**$ 63.0**	$ 54.0	**$ 125.0**	$ 103.4
Trading, clearing and related	**62.6**	58.5	**133.9**	117.5
Information services	**40.4**	38.9	**80.4**	76.3
Technology services and other	**3.3**	4.7	**4.7**	8.3
Total revenue	**169.3**	156.1	**344.0**	305.5
Expenses:				
Compensation and benefits	**33.4**	32.5	**70.2**	64.8
Information and trading systems	**11.3**	15.0	**21.9**	27.8
General and administration	**19.8**	19.3	**42.9**	36.2
Depreciation and amortization	**7.0**	7.1	**13.6**	14.7
Total operating expenses	**71.5**	73.9	**148.6**	143.5
Income from operations	**97.8**	82.2	**195.4**	162.0
Share of net income of equity accounted investees	**0.1**	0.3	**0.5**	0.6
Gain on disposal of available-for-sale investment	**-**	-	**0.2**	-
LSEG and Maple related costs	**(20.8)**	-	**(29.1)**	-
Finance income (costs):				
Finance income	**3.0**	1.8	**4.2**	2.6
Finance costs	**(2.4)**	(1.3)	**(4.4)**	(2.5)
Net mark to market on interest rate swaps	**-**	(0.2)	**(0.1)**	(0.3)
Income before income taxes	**77.7**	82.8	**166.7**	162.4
Income tax expense	**22.6**	25.0	**47.3**	47.9
Net income	**$ 55.1**	$ 57.8	**$ 119.4**	$ 114.5
Net income attributable to:				
Equity holders of the Company	**$ 54.7**	$ 58.4	**$ 117.8**	$ 115.5
Non-controlling interests	**0.4**	(0.6)	**1.6**	(1.0)
	$ 55.1	$ 57.8	**$ 119.4**	$ 114.5
Earnings per share:				
Basic	**$ 0.73**	$ 0.79	**$ 1.58**	$ 1.55
Diluted	**$ 0.73**	$ 0.79	**$ 1.57**	$ 1.55
Share information:				
Weighted average number of common shares outstanding	**74,598,103**	74,328,025	**74,532,329**	74,319,133
Diluted weighted average number of common shares outstanding	**74,902,980**	74,398,996	**74,827,180**	74,397,168

TMX GROUP INC.

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

	Three months ended June 30,		Six months ended June 30,	
	2011	2010	**2011**	2010
Net income	**$ 55.1**	$ 57.8	**$ 119.4**	$ 114.5
Other comprehensive (loss) income:				
Unrealized (loss) gain on translating financial statements of foreign operations (net of tax - $nil and $nil)	**(0.3)**	3.0	**(1.9)**	-
Change in fair value of available-for-sale financial assets (net of tax - $nil and $0.1)	**-**	-	**-**	(0.3)
Total comprehensive income	**$ 54.8**	$ 60.8	**$ 117.5**	$ 114.2
Total comprehensive income attributable to:				
Equity holders of the Company	**$ 54.5**	$ 60.5	**$ 116.5**	$ 115.0
Non-controlling interests	**0.3**	0.3	**1.0**	(0.8)
	$ 54.8	$ 60.8	**$ 117.5**	$ 114.2

TMX GROUP INC.

Condensed Consolidated Statement 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	**-**	**-**	**-**	**-**	**117.8**	**117.8**	**1.6**	**119.4**
Other comprehensive income:								
Foreign currency translation differences, net of taxes	**-**	**-**	**(1.3)**	**-**	**-**	**(1.3)**	**(0.6)**	**(1.9)**
Total comprehensive income	**-**	**-**	**(1.3)**	**-**	**117.8**	**116.5**	**1.0**	**117.5**
Dividends to equity holders	**-**	**-**	**-**	**-**	**(59.7)**	**(59.7)**	**-**	**(59.7)**
Proceeds from exercised share options	**6.6**	**-**	**-**	**-**	**-**	**6.6**	**-**	**6.6**
Cost of exercised share options	**1.5**	**(1.5)**	**-**	**-**	**-**	**-**	**-**	**-**
Cost of share option plan	**-**	**1.9**	**-**	**-**	**-**	**1.9**	**-**	**1.9**
Balance at June 30, 2011	**$ 967.5**	**$ 12.4**	**$ (4.5)**	**$ -**	**$ 160.5**	**$ 1,135.9**	**$ 19.8**	**$ 1,155.7**

Balance at January 1, 2010	$ 957.9	$ 9.6	$ -	$ -	$ (16.5)	$ 951.0	$ 20.1	$ 971.1
Net income	-	-	-	-	115.5	115.5	(1.0)	114.5
Other comprehensive income:								
Foreign currency translation differences, net of taxes	-	-	(0.2)	-	-	(0.2)	0.2	-
Change in fair value of available-for-sale ("AFS") financial assets, net of taxes	-	-	-	(0.3)	-	(0.3)	-	(0.3)
Total comprehensive income	-	-	(0.2)	(0.3)	115.5	115.0	(0.8)	114.2
Dividends to equity holders	-	-	-	-	(56.3)	(56.3)	-	(56.3)
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	-	1.2	-	-	-	1.2	-	1.2
Balance at June 30, 2010	$ 958.5	$ 10.7	$ (0.2)	$ (0.3)	$ 42.7	$ 1,011.4	$ 19.3	$ 1,030.7

TMX GROUP INC.

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

	Three months ended June 30, 2011	Three months ended June 30, 2010	Six months ended June 30, 2011	Six months ended June 30, 2010
Cash flows from (used in) operating activities:				
Net income	**$ 55.1**	$ 57.8	**$ 119.4**	$ 114.5
Adjustments to determine net cash flows:				
Depreciation and amortization	**7.0**	7.1	**13.6**	14.7
Unrealized gain on marketable securities	**(0.6)**	(0.5)	**(0.1)**	(0.1)
Share of net income of equity accounted investees	**(0.1)**	(0.3)	**(0.5)**	(0.6)
Realized gain on available-for-sale investment	**-**	-	**(0.2)**	-
Cost of share option plan	**0.9**	0.7	**1.9**	1.2
Amortized financing fees	**0.2**	0.2	**0.4**	0.4
Unrealized foreign exchange gain	**-**	(0.1)	**-**	(0.1)
Unrealized gain on interest rate swaps	**(0.1)**	(1.5)	**(0.7)**	(3.0)
Deferred income taxes	**(8.2)**	0.8	**(13.0)**	1.0
Trade and other receivables, and prepaid expenses	**47.0**	23.1	**0.3**	-
Other non-current assets	**-**	(2.2)	**0.1**	(2.7)
Trade and other payables	**16.2**	3.7	**2.0**	(8.2)
Provisions	**2.6**	(0.6)	**8.0**	(0.7)
Deferred revenue	**(21.0)**	(15.3)	**37.3**	36.3
Long-term accrued and other non-current liabilities	**5.7**	(0.1)	**8.0**	(1.1)
Current income taxes	**2.5**	0.2	**2.8**	(7.8)
	107.2	73.0	**179.3**	143.8
Cash flows from (used in) financing activities:				
Reduction in obligations under finance leases	**(0.1)**	(0.4)	**(0.3)**	(0.6)
Proceeds from exercised options	**0.5**	0.4	**6.6**	0.5
Financing fees on term loan	**-**	-	**(0.7)**	-
Dividends on common shares	**(29.9)**	(28.3)	**(59.7)**	(56.3)
	(29.5)	(28.3)	**(54.1)**	(56.4)
Cash flows from (used in) investing activities:				
Additions to premises and equipment	**(1.7)**	(5.0)	**(2.0)**	(9.9)
Additions to intangible assets	**(3.5)**	(1.8)	**(6.0)**	(3.9)
Acquisition of equity accounted investee	**-**	-	**(1.0)**	-
Proceeds on disposal of available-for-sale investment	**3.0**	-	**6.2**	-
Marketable securities	**(58.3)**	(49.3)	**(90.7)**	(106.1)
	(60.5)	(56.1)	**(93.5)**	(119.9)
Increase (decrease) in cash and cash equivalents	**17.2**	(11.4)	**31.7**	(32.5)
Cash and cash equivalents, beginning of period	**84.2**	67.4	**69.9**	88.9
Unrealized foreign exchange (loss) gain on cash and cash equivalents held in foreign subsidiaries	**-**	0.6	**(0.2)**	0.2
Cash and cash equivalents, end of period	**$ 101.4**	$ 56.6	**$ 101.4**	$ 56.6

Supplemental cash flow information:				
Interest paid	**$ 2.6**	$ 1.7	**$ 4.2**	$ 2.7
Interest received	**$ 2.3**	$ 1.0	**$ 4.2**	$ 2.5
Income taxes paid	**$ 28.3**	$ 24.1	**$ 57.4**	$ 54.4

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

TMX GROUP INC.

Market Statistics

(Unaudited)

	Three months ended June 30		Six months ended June 30	
	2011	**2010**	**2011**	**2010**
Toronto Stock Exchange:				
Volume (millions)	24,603.7	26,143.9	54,919.6	51,481.5
Value ($ billions)	355.0	367.7	773.8	686.1
Transactions (000s)	47,742.6	52,189.9	100,872.4	95,301.5
Issuers Listed	1,554	1,488	1,554	1,488
New Issuers Listed:	70	45	113	94
Number of Initial Public Offerings	47	28	78	64
Number of graduates from TSXV/NEX	13	12	19	20
New Equity Financing: ($ millions)	11,471.4	12,576.6	22,415.7	21,875.3
Initial Public Offering Financings ($ millions)	2,840.7	2,893.5	4,397.9	4,681.2
Secondary Offering Financings[1] ($ millions)	5,184.5	6,839.0	10,472.1	10,885.4
Supplementary Financings ($ millions)	3,446.2	2,844.1	7,545.7	6,308.7
Market Cap of Issuers Listed ($ billions)	2,206.4	1,758.8	2,206.4	1,758.8
S&P/TSX Composite Index[2] Close	13,300.9	11,294.4	13,300.9	11,294.4
TSX Venture Exchange: [3]				
Volume (millions)	16,367.5	14,721.4	41,598.5	30,094.9
Value ($ millions)	12,667.1	6,663.2	29,688.6	13,760.1
Transactions (000s)	3,752.3	1,873.4	8,365.6	3,886.3
Issuers Listed	2,399	2,369	2,399	2,369
New Issuers Listed	47	43	95	81
New Equity Financing: ($ millions)	3,643.1	1,978.8	7,084.5	3,726.4
Initial Public Offering Financings ($ millions)	45.9	83.8	145.1	121.7
Secondary Offering Financings[1] ($ millions)	1,213.5	516.7	2,232.3	873.2
Supplementary Financings ($ millions)	2,383.7	1,378.3	4,707.1	2,731.5
Market Cap of Issuers Listed: ($ billions)	65.1	38.1	65.1	38.1
S&P/TSX Venture Composite Index[2] Close	1,904.2	1,415.9	1,904.2	1,415.9
Toronto Stock Exchange and TSX Venture Exchange:				
Professional and Equivalent Real-time Data Subscriptions*	163,831	154,525	163,831	154,525
NGX:				
Total Volume (TJs)**	3,536,710	4,290,990	7,643,644	7,614,251

	Three months ended June 30		Six months ended June 30	
	2011	**2010**	**2011**	**2010**
Montreal Exchange:				
Volume (Contracts) (000s)	16,269.6	11,968.5	30,823.3	21,937.8
Open Interest (Contracts) (000s) as at June 30	4,361.9	3,048.5	4,361.9	3,048.5
Data Subscriptions*	27,031	23,531	27,031	23,531
Boston Options Exchange:				
Volume (Contracts) (000s)	26,730.4	23,807.3	58,403.7	41,482.6

[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 (**192 issuers at June 30, 2010 and 206 issuers at June 30, 2011**).

* For 2010, 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.

<u>Conversions:</u>

Power:
MWH/100=TJ
Crude:
Total Barrels (Crude Oil Conversion Factor (6.29287 for Sweet Crude; 6.28981 for Heavy Crude)/1000) = TJ