

Interim Consolidated Financial Statements of

**TMX GROUP INC.**

Six months ended June 30, 2009 and 2008

(in thousands of Canadian dollars, unless otherwise stated)

(Unaudited)

# TMX GROUP INC.

Interim Consolidated Balance Sheets  
(In thousands of Canadian dollars)  
(Unaudited)

	June 30, 2009	December 31, 2008 (audited)
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 83,775	\$ 102,442
Marketable securities	88,617	96,251
Restricted cash	1,061	1,454
Accounts receivable	67,335	63,722
Energy contracts receivable	566,682	976,431
Fair value of open energy contracts	176,482	155,331
Daily settlements and cash deposits	539,716	497,312
Prepaid expenses	10,066	9,050
Income taxes recoverable	3,212	599
Future income tax assets	28,597	30,529
	<u>1,565,543</u>	<u>1,933,121</u>
Premises and equipment	23,471	27,505
Future income tax assets	154,712	151,960
Other assets	17,702	21,105
Investments in affiliates	20,342	12,424
Intangible assets	940,084	891,976
Goodwill	676,339	650,554
<b>Total Assets</b>	<b>\$ 3,398,193</b>	<b>\$ 3,688,645</b>
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 40,192	\$ 59,528
Energy contracts payable	566,682	976,431
Fair value of open energy contracts	176,482	155,331
Daily settlements and cash deposits	539,716	497,312
Deferred revenue	51,365	12,353
Deferred revenue – initial and additional listing fees	72,991	69,540
Fair value of interest rate swaps (note 6)	511	1,787
Future income tax liabilities	105	66
Income taxes payable	642	14,121
	<u>1,448,686</u>	<u>1,786,469</u>
Accrued employee benefits payable	13,216	12,916
Future income tax liabilities	250,982	236,995
Other liabilities	21,552	17,265
Deferred revenue	1,027	718
Deferred revenue – initial and additional listing fees	387,766	383,315
Fair value of interest rate swaps (note 6)	8,498	10,690
Term loan (note 5)	428,647	428,278
<b>Total Liabilities</b>	<b>2,560,374</b>	<b>2,876,646</b>
<b>Non-controlling Interests</b>	<b>13,835</b>	<b>17,370</b>
<b>Shareholders' Equity:</b>		
Share capital (note 7)	1,102,043	1,084,399
Share option plan (note 8)	7,437	5,969
Deficit	(302,419)	(319,843)
Accumulated other comprehensive income	16,923	24,104
<b>Total Shareholders' Equity</b>	<b>823,984</b>	<b>794,629</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 3,398,193</b>	<b>\$ 3,688,645</b>

See accompanying notes to interim consolidated financial statements.

# TMX GROUP INC.

Interim Consolidated Statements of Income  
(In thousands of Canadian dollars, except per share amounts)  
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2009	2008	2009	2008
<b>Revenue:</b>				
Issuer services	\$ 35,784	\$ 38,317	\$ 70,721	\$ 75,956
Trading, clearing and related	61,383	52,728	120,316	94,753
Market data	36,771	33,085	74,727	62,205
Business services and other	3,644	5,947	7,627	9,516
<b>Total revenue</b>	<b>137,582</b>	<b>130,077</b>	<b>273,391</b>	<b>242,430</b>
<b>Expenses:</b>				
Compensation and benefits	31,213	25,893	64,864	49,304
Information and trading systems	11,763	8,672	22,918	15,830
General and administration	17,832	13,972	35,110	24,212
Amortization	6,821	6,033	14,550	10,227
<b>Total operating expenses</b>	<b>67,629</b>	<b>54,570</b>	<b>137,442</b>	<b>99,573</b>
<b>Income from operations</b>	<b>69,953</b>	<b>75,507</b>	<b>135,949</b>	<b>142,857</b>
Income from investments in affiliates	135	368	206	499
Investment income	1,382	3,371	2,952	7,817
Interest expense	(1,307)	(2,792)	(3,388)	(2,795)
Mark to market on interest rate swaps (note 6)	141	-	(775)	-
Other acquisition related expenses	-	(750)	-	(15,902)
<b>Income before income taxes</b>	<b>70,304</b>	<b>75,704</b>	<b>134,944</b>	<b>132,476</b>
Income taxes	22,685	26,477	42,834	50,503
<b>Net income before non-controlling interests</b>	<b>47,619</b>	<b>49,227</b>	<b>92,110</b>	<b>81,973</b>
Non-controlling interests	748	-	2,321	-
<b>Net income</b>	<b>\$ 46,871</b>	<b>\$ 49,227</b>	<b>\$ 89,789</b>	<b>\$ 81,973</b>
<b>Earnings per share (note 9):</b>				
Basic	\$ 0.63	\$ 0.65	\$ 1.21	\$ 1.15
Diluted	\$ 0.63	\$ 0.65	\$ 1.21	\$ 1.15

See accompanying notes to interim consolidated financial statements.

# TMX GROUP INC.

Interim Consolidated Statements of Comprehensive Income  
(In thousands of Canadian dollars)  
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2009	2008	2009	2008
<b>Net income</b>	<b>\$ 46,871</b>	<b>\$ 49,227</b>	<b>\$ 89,789</b>	<b>\$ 81,973</b>
Other comprehensive income (loss)				
Unrealized (loss) gain on translating financial statements of self-sustaining foreign operations	<b>(12,794)</b>	947	<b>(7,181)</b>	947
<b>Comprehensive income</b>	<b>\$ 34,077</b>	<b>\$ 50,174</b>	<b>\$ 82,608</b>	<b>\$ 82,920</b>

See accompanying notes to interim consolidated financial statements.

# TMX GROUP INC.

Interim Consolidated Statements of Changes in Shareholders' Equity  
(In thousands of Canadian dollars)  
(Unaudited)

	<b>Six months ended June 30,</b>	
	<b>2009</b>	<b>2008</b>
<b>Common shares:</b>		
Balance, beginning of period	\$ 1,084,399	\$ 379,370
Issuance of common shares	32,052	806,573
Proceeds from options exercised	129	6,246
Cost of exercised options	38	1,553
Purchased under normal course issuer bid (note 7)	(14,575)	(47,644)
Balance, end of period	<b>1,102,043</b>	<b>1,146,098</b>
<b>Share option plan:</b>		
Balance, beginning of period	5,969	5,060
Cost of exercised options	(38)	(1,553)
Cost of share option plan	1,506	1,212
Balance, end of period	<b>7,437</b>	<b>4,719</b>
<b>Deficit:</b>		
Balance, beginning of period	(319,843)	(212,520)
Net income	89,789	81,973
Dividends on common shares	(56,505)	(56,158)
Shares purchased under normal course issuer bid (note 7)	(15,860)	(96,087)
Balance, end of period	<b>(302,419)</b>	<b>(282,792)</b>
<b>Accumulated other comprehensive income:</b>		
Balance, beginning of period	24,104	-
Unrealized (loss) gain on translating financial statements of self-sustaining foreign operations	(7,181)	947
Balance, end of period	<b>16,923</b>	<b>947</b>
<b>Shareholders' equity, end of period</b>	<b>\$ 823,984</b>	<b>\$ 868,972</b>

See accompanying notes to interim consolidated financial statements.

# TMX GROUP INC.

Interim Consolidated Statements of Cash Flows  
(In thousands of Canadian dollars)  
(Unaudited)

	Three months ended		Six months ended	
	June 30		June 30	
	2009	2008	2009	2008
<b>Cash flows from (used in) operating activities:</b>				
Net income	\$ 46,871	\$ 49,227	\$ 89,789	\$ 81,973
Adjustments to determine net cash flows:				
Amortization	6,821	6,033	14,550	10,227
Unrealized (gain) loss on marketable securities	(318)	(40)	312	(842)
(Income) from investments in affiliates	(135)	(368)	(206)	(499)
Cost of share option plan	619	599	1,506	1,045
Payment on termination of joint venture	-	-	-	15,152
Amortized financing fees	185	110	369	110
Non-controlling interests	748	-	2,321	-
Unrealized (gain) on interest rate swaps (note 6)	(2,540)	-	(3,468)	-
Unrealized foreign exchange loss (gain)	34	-	(2)	-
Future income taxes	929	(3,546)	(15)	(3,939)
Accounts receivable and prepaid expenses	12,008	1,113	(3,763)	(8,591)
Other assets	(7,241)	4,572	(6,862)	3,770
Accounts payable and accrued liabilities	(6,936)	(6,384)	(19,223)	(27,396)
Long-term accrued and other liabilities	(105)	2,202	4,579	(5,887)
Deferred revenue	827	(2,077)	47,223	65,261
Income taxes	(1,500)	9,642	(16,158)	(1,688)
	50,267	61,083	110,952	128,696
<b>Cash flows from (used in) financing activities:</b>				
Restricted cash	160	(74)	393	(74)
Proceeds from exercised options	98	517	129	6,246
Dividends on common shares	(28,230)	(30,970)	(56,505)	(56,158)
Shares purchased under normal course issuer bid (note 7)	-	(134,372)	(30,435)	(134,372)
Proceeds from term loan, net	-	428,017	-	428,017
Dividends paid to non-controlling interests	(2,017)	-	(5,210)	-
	(29,989)	263,118	(91,628)	243,659
<b>Cash flows from (used in) investing activities:</b>				
Additions to premises and equipment	(1,739)	(1,905)	(2,125)	(3,264)
Additions to intangible assets	(5,090)	(2,654)	(8,496)	(4,051)
Marketable securities	26,067	107,625	7,322	72,503
Payment on termination of joint venture	-	(15,152)	-	(15,152)
Cost of acquisitions and investments, net of cash acquired	(33,172)	(357,136)	(33,819)	(357,136)
	(13,934)	(269,222)	(37,118)	(307,100)
Unrealized foreign exchange (loss) gain on cash and cash equivalents held in foreign subsidiaries	(1,549)	-	(873)	-
<b>Increase (decrease) in cash and cash equivalents</b>	<b>4,795</b>	<b>54,979</b>	<b>(18,667)</b>	<b>65,255</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>78,980</b>	<b>63,674</b>	<b>102,442</b>	<b>53,398</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 83,775</b>	<b>\$ 118,653</b>	<b>\$ 83,775</b>	<b>\$ 118,653</b>
Supplemental cash flow information:				
Interest paid	\$ 662	\$ 5,136	\$ 2,458	\$ 5,139
Interest received	896	3,099	3,065	6,711
Income taxes paid	23,325	20,916	59,503	56,872

See accompanying notes to interim consolidated financial statements.

# TMX GROUP INC.

Notes to Interim Consolidated Financial Statements  
(In thousands of Canadian dollars, except per share amounts)

Six months ended June 30, 2009 and 2008  
(Unaudited)

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## 1. Basis of presentation:

The unaudited interim consolidated financial statements (the “financial statements”) have been prepared by management in accordance with Canadian generally accepted accounting principles (“GAAP”) and the requirements of The Canadian Institute of Chartered Accountants (“CICA”) Handbook Section 1751, “Interim Financial Statements”. The financial statements include the accounts of TMX Group Inc. (“TMX Group”) and its wholly-owned subsidiaries, TSX Inc. (“TSX”), Montréal Exchange Inc. (“MX”) from May 1, 2008, Natural Gas Exchange Inc. (“NGX”), Shorcan Brokers Limited (“Shorcan”), The Equicom Group Inc. (“Equicom”), CDEX Inc. (“CDEX”), NetThruPut Inc. (“NTP”) from May 1, 2009, and the wholly-owned or controlled subsidiaries of TSX, MX, and NGX, collectively referred to as the “Company”. These financial statements do not contain all disclosures required by Canadian GAAP for annual financial statements, and accordingly, the financial statements should be read in conjunction with the most recently prepared audited annual financial statements of the Company for the year ended December 31, 2008, contained in our 2008 Annual Report.

The preparation of the financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates and assumptions.

## 2. Changes in accounting policies:

These financial statements follow the same accounting policies and their methods of application as the Company’s audited consolidated financial statements for the year ended December 31, 2008, except as described below.

### (a) Goodwill and intangible assets:

Effective January 1, 2009, the Company adopted CICA Handbook Section 3064, “Goodwill and Intangible Assets”, which replaces CICA Handbook Section 3062, “Goodwill and Other Intangible Assets” as well as CICA Handbook Section 3450, “Research and Development”. This new standard provides guidance on the recognition, measurement, presentation and disclosure of goodwill and intangible assets, and has been applied retrospectively. Implementation of this new standard had no significant impact on the Company’s financial statements and disclosures.

# TMX GROUP INC.

Notes to Interim Consolidated Financial Statements  
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## (b) Future accounting changes:

### (i) International Financial Reporting Standards ("IFRS"):

In March 2009, the Canadian Accounting Standards Board reconfirmed in its second omnibus Exposure Draft that Canadian GAAP for publicly accountable enterprises will be replaced by IFRS for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. Accordingly, the conversion from Canadian GAAP to IFRS will be applicable to the Company's reporting for the first quarter of 2011, for which current and comparative information will be prepared under IFRS. The Company commenced its IFRS conversion project in 2008, and a project management structure has been put in place to ensure a timely transition.

## 3. Business acquisition:

On May 1, 2009, the Company acquired 100% of the outstanding common shares of NTP. The principal business activity of NTP is to provide an electronic trading platform and clearing facility for physical crude oil products. The aggregate estimated purchase price consisted of:

Common shares of TMX Group (878,059 shares issued)	\$	32,052
Cash		22,570
Book value of the option to acquire NTP		9,500
Estimated direct transaction costs		1,242
Estimated restructuring costs		996
<b>Aggregate estimated purchase price</b>	<b>\$</b>	<b>66,360</b>

The acquisition was accounted for under the purchase method and the results of operations have been included in the consolidated statements of income from the date of acquisition.

The purchase price and the purchase price allocation are estimated at this time and will be finalized in the upcoming months as the estimates for direct transaction costs and restructuring costs become final. The estimated restructuring costs primarily relate to the costs of consolidating NGX and NTP's technology services and offices.

The TMX Group common shares issued as part of the transaction were valued at \$36.50 per share. The \$36.50 per share represents the volume weighted average market price of TMX Group common shares over a reasonable period before and after April 1, 2009, the day the Company exercised its option to acquire NTP. The estimated purchase price has been allocated to the fair values of the assets acquired and liabilities assumed as follows:

# TMX GROUP INC.

Notes to Interim Consolidated Financial Statements  
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Six months ended June 30, 2009 and 2008  
(Unaudited)

	<b>Net assets acquired</b>
Cash and cash equivalents	\$ 643
Energy contracts receivable	363,140
Fair value of open energy contracts	4,297
Other current assets	4,012
Premises and equipment	25
Future income tax asset	807
Intangible assets	49,620
Goodwill	30,066
<b>Net tangible and intangible assets acquired</b>	<b>452,610</b>
Less liabilities assumed:	
Current liabilities	4,301
Energy contracts payable	363,140
Fair value of open energy contracts	4,297
Other liabilities	8
Future income tax liability	14,504
<b>Total net assets acquired</b>	<b>\$ 66,360</b>

The Company recognized \$79,686 of goodwill and intangible assets as part of the acquisition. The details of these assets are as follows:

<b>Description</b>	<b>Amortization Period</b>	<b>Amount</b>
Goodwill	n/a	\$ 30,066
<b>Indefinite life intangible assets:</b>		
Product list	Not amortized	14,863
Index licences	Not amortized	1,854
<b>Definite life intangible assets:</b>		
Customer list	22 years	32,828
Capitalized software	1 year	75
<b>Total goodwill and intangible assets</b>		<b>\$ 79,686</b>

The goodwill acquired is not deductible for tax purposes.

The Company is exposed to credit risk in the event that NTP's contracting parties, who entered into transactions prior to the Company's acquisition of NTP on May 1, 2009 but that clear and settle after May 1, 2009 ("Legacy transactions"), fail to settle on the contracted settlement date. Legacy transactions are guaranteed by the previous owners, for which a fee is paid. Crude oil

# TMX GROUP INC.

Notes to Interim Consolidated Financial Statements  
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contracts, entered into on or after May 1, 2009, transact through NGX and follow NGX's collateral model, where each contracting party is required to provide sufficient collateral, in the form of cash or letters of credit, to exceed its outstanding credit exposure as determined by NGX in accordance with its margining methodology.

#### 4. Segmented information:

The Company operates in three reportable segments: the Cash Markets ("Cash") segment, the Derivatives Markets ("Derivatives") segment, and the Energy Markets ("Energy") segment. In the Cash segment, the Company owns and operates Canada's two national stock exchanges, Toronto Stock Exchange and TSX Venture Exchange, Shorcan, a fixed income inter-dealer broker, and Equicom, an investor relations and corporate communications services provider. In the six months ended June 30, 2008, the Cash segment also included a \$15,152 loss on termination of a derivatives joint venture. The Derivatives segment provides markets for trading derivatives, clearing options and futures contracts and certain over-the-counter ("OTC") products through MX and its subsidiaries, Canadian Derivatives Clearing Corporation ("CDCC"), Montréal Climate Exchange Inc. ("MCeX"), and Boston Options Exchange Group, LLC ("BOX"). The Energy segment provides a marketplace for the trading and clearing of natural gas, electricity and crude oil contracts through NGX.

#### Three months ended June 30\*

	Cash	Derivatives	Energy	Total
<b>2009</b>				
Issuer services	\$ 35,784	\$ -	\$ -	\$ 35,784
Trading, clearing and related	30,513	20,316	10,554	61,383
Market data	32,379	4,350	42	36,771
Business services and other	2,278	1,525	(159)	3,644
<b>Total revenue</b>	<b>100,954</b>	<b>26,191</b>	<b>10,437</b>	<b>137,582</b>
<b>Net income</b>	<b>37,982</b>	<b>5,983</b>	<b>2,906</b>	<b>46,871</b>
<b>Goodwill</b>	<b>115,095</b>	<b>509,899</b>	<b>51,345</b>	<b>676,339</b>
<b>Total assets</b>	<b>498,013</b>	<b>2,011,593</b>	<b>888,587</b>	<b>3,398,193</b>
<b>2008</b>				
Issuer services	\$ 38,317	\$ -	\$ -	\$ 38,317
Trading, clearing and related	36,447	9,005	7,276	52,728
Market data	31,130	1,955	-	33,085
Business services and other	2,954	2,927	66	5,947
<b>Total revenue</b>	<b>108,848</b>	<b>13,887</b>	<b>7,342</b>	<b>130,077</b>
<b>Net income</b>	<b>43,871</b>	<b>3,867</b>	<b>1,489</b>	<b>49,227</b>
<b>Goodwill</b>	<b>46,747</b>	<b>456,241</b>	<b>21,279</b>	<b>524,267</b>
<b>Total assets</b>	<b>568,024</b>	<b>1,632,579</b>	<b>1,310,060</b>	<b>3,510,663</b>

\* Includes results from dates of acquisitions in the year

# TMX GROUP INC.

Notes to Interim Consolidated Financial Statements  
(In thousands of Canadian dollars, except per share amounts)

Six months ended June 30, 2009 and 2008  
(Unaudited)

## Six months ended June 30\*

	Cash	Derivatives	Energy	Total
<b>2009</b>				
Issuer services	\$ 70,721	\$ -	\$ -	\$ 70,721
Trading, clearing and related	59,151	42,136	19,029	120,316
Market data	65,753	8,932	42	74,727
Business services and other	5,430	2,241	(44)	7,627
<b>Total revenue</b>	<b>201,055</b>	<b>53,309</b>	<b>19,027</b>	<b>273,391</b>
<b>Net income</b>	<b>74,304</b>	<b>9,497</b>	<b>5,988</b>	<b>89,789</b>
<b>Goodwill</b>	<b>115,095</b>	<b>509,899</b>	<b>51,345</b>	<b>676,339</b>
<b>Total assets</b>	<b>498,013</b>	<b>2,011,593</b>	<b>888,587</b>	<b>3,398,193</b>
<b>2008</b>				
Issuer services	\$ 75,956	\$ -	\$ -	\$ 75,956
Trading, clearing and related	71,883	9,005	13,865	94,753
Market data	60,180	1,955	70	62,205
Business services and other	6,535	2,927	54	9,516
<b>Total revenue</b>	<b>214,554</b>	<b>13,887</b>	<b>13,989</b>	<b>242,430</b>
<b>Net income</b>	<b>74,942</b>	<b>3,867</b>	<b>3,164</b>	<b>81,973</b>
<b>Goodwill</b>	<b>46,747</b>	<b>456,241</b>	<b>21,279</b>	<b>524,267</b>
<b>Total assets</b>	<b>568,024</b>	<b>1,632,579</b>	<b>1,310,060</b>	<b>3,510,663</b>

\* Includes results from dates of acquisitions in the year

## 5. Credit facilities

The Company has the following credit facilities:

	Interest rate	Year of maturity	Authorized	Amount drawn at June 30, 2009
TMX Group non-revolving three year term facility	30 day B.A. + 45 bps	2011	\$ 430,000	\$ 430,000
TMX Group revolving three year term facility	-	2011	50,000	-
MX operating line of credit	-	N/A	3,000	-
CDCC revolving standby credit facility	-	N/A	30,000	-
NGX overdraft facility	-	N/A	20,000	-
NGX EFT Daylight facility	-	N/A	300,000	-
NGX letter of credit	-	N/A	US\$100,000	-
<b>Total credit facilities</b>				<b>\$ 430,000</b>

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(Unaudited)

In connection with the acquisition of MX in 2008, the Company established, and drew on, a non-revolving three-year term credit facility of \$430,000 on April 30, 2008. As at June 30, 2009, the Company has prepaid \$1,353 of financing fees in relation to this loan, which leaves a net credit facility liability of \$428,647. These financing fees are being amortized over the remaining term of the loan.

## 6. Interest rate swaps:

Effective August 28, 2008, the Company entered into a series of interest rate swap agreements to partially manage its exposure to interest rate fluctuations on its \$430,000 non-revolving three year term facility. The interest rate swaps in place as of the balance sheet date are as follows:

Swap number	Notional value	Maturity date	Interest rate the Company will receive	Interest rate the Company will pay	Fair value unrealized gain/(loss) at June 30, 2009	Fair value unrealized gain/(loss) at June 30, 2008
#1	\$ 100,000	August 31, 2009	30 day B.A.	3.496%	\$ (511)	\$ -
#2	100,000	August 31, 2010	30 day B.A.	3.749%	(3,617)	-
#3	100,000	April 18, 2011	30 day B.A.	3.829%	(4,881)	-
<b>Total</b>	<b>\$ 300,000</b>				<b>\$ (9,009)</b>	<b>\$ -</b>

The Company marks to market the value of these interest rate swaps, including a credit valuation adjustment as required under the CICA's Emerging Issues Committee ("EIC") Abstract 173, "Credit Risk and the Fair Value of Financial Assets and Financial Liabilities", as an adjustment to income. During the three months ended June 30, 2009, unrealized gains of \$2,540 and realized losses of \$2,399 have been reflected in net income (three months ended June 30, 2008 - \$nil and \$nil). During the six months ended June 30, 2009, unrealized gains of \$3,468 and realized losses of \$4,243 have been reflected in net income (six months ended June 30, 2008 - \$nil and \$nil). Both amounts have been included within mark to market on interest rate swaps on the income statement.

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Notes to Interim Consolidated Financial Statements  
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## 7. Share capital:

The following transactions occurred with respect to the Company's common shares:

	Three months ended June 30, 2009		Six months ended June 30, 2009	
	Number of common shares	\$	Number of common shares	\$
Beginning of the period	73,408,412	\$ 1,069,893	74,403,577	\$ 1,084,399
Repurchased and cancelled	-	-	(1,000,000)	(14,575)
Issued (note 3)	878,059	32,052	878,059	32,052
Options exercised	3,642	98	8,477	167
<b>End of the period</b>	<b>74,290,113</b>	<b>\$ 1,102,043</b>	<b>74,290,113</b>	<b>\$ 1,102,043</b>

On August 14, 2008, the Company received approval from Toronto Stock Exchange to repurchase up to 7,595,585 of its common shares pursuant to a normal course issuer bid ("NCIB"). Common shares purchased under the NCIB are cancelled, and purchases may be made over a one year period ending August 17, 2009, or such earlier date as the Company completes its purchases. In connection with this NCIB, the Company entered into two private agreements with a shareholder in February to repurchase a pre-defined number of shares. Under these agreements, the Company repurchased 1,000,000 common shares at an aggregate cost of \$30,435 of which \$14,575 was charged to share capital and the excess of the cost of the NCIB over the stated value of the common shares of \$15,860 was charged to deficit. As of June 30, 2009, 3,513,525 common shares remain available for repurchase under the NCIB.

## 8. Share option plan:

The Company established a share option plan in 2002, the year of its initial public offering. All employees of the Company and those of its designated subsidiaries at or above the director level, and other designated individuals, are eligible to be granted share options under the share option plan.

According to the terms of the Company's plan, under no circumstances may any one person's share options and all other share compensation arrangements exceed 5% of the issued and outstanding common shares of the Company. 4,243,819 common shares of the Company remain reserved for issuance upon exercise of share options granted under the plan, representing approximately 6% of the outstanding common shares of the Company.

# TMX GROUP INC.

Notes to Interim Consolidated Financial Statements  
(In thousands of Canadian dollars, except per share amounts)

Six months ended June 30, 2009 and 2008  
(Unaudited)

The fair value of each share option grant is estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions used for grants in 2009: dividend yield of 3.5% (2008 – 2.9%); expected volatility of 26.8% (2008 – 23.6%); risk-free interest rate of 4.0% (2008 – 4.1%) and expected life of 7 years (2008 – 7 years).

Options granted will expire in 2012, 2013, 2014, 2015 and 2016.

Share options:

	Three months ended June 30, 2009		Three months ended June 30, 2008	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding, beginning of the period	1,606,420	\$ 36.24	808,978	\$ 36.34
Granted	15,000	31.71	209,535	52.72
Forfeited	(163,312)	39.27	(3,984)	47.12
Exercised	(3,642)	26.86	(31,606)	16.36
<b>Outstanding, end of the period</b>	<b>1,454,466</b>	<b>\$ 35.88</b>	<b>982,923</b>	<b>\$ 40.43</b>

	Six months ended June 30, 2009		Six months ended June 30, 2008	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding, beginning of the period	1,021,819	\$ 39.14	973,522	\$ 31.64
Granted	625,717	31.59	376,228	49.40
Forfeited	(184,593)	40.37	(66,425)	51.17
Exercised	(8,477)	15.25	(300,402)	20.79
<b>Outstanding, end of the period</b>	<b>1,454,466</b>	<b>\$ 35.88</b>	<b>982,923</b>	<b>\$ 40.43</b>

At June 30, 2009, 584,053 options were fully vested and exercisable at strike prices in the range of \$10.53 to \$54.50. During the three months ended June 30, 2009, the Company recognized compensation costs of \$619 in relation to its share option plan (three months ended June 30, 2008 - \$457). During the six months ended June 30, 2009, the Company recognized compensation cost of \$1,506 (six months ended June 30, 2008 - \$903) in respect of its share option plan.

# TMX GROUP INC.

Notes to Interim Consolidated Financial Statements  
(In thousands of Canadian dollars, except per share amounts)

Six months ended June 30, 2009 and 2008  
(Unaudited)

## 9. Earnings per share:

	Three months ended June 30,		Six months ended June 30,	
	2009	2008	2009	2008
Net income	\$ 46,871	\$ 49,227	\$ 89,789	\$ 81,973
Weighted average number of common shares outstanding	73,997,648	75,948,133	73,964,917	71,133,890
Basic earnings per share	\$ 0.63	\$ 0.65	\$ 1.21	\$ 1.15
Diluted weighted average number of common shares outstanding	74,151,093	76,122,180	74,111,319	71,375,618
Diluted earnings per share	\$ 0.63	\$ 0.65	\$ 1.21	\$ 1.15

## 10. Employee future benefits:

Total defined benefit cost recognized for the three months ended June 30, 2009 was \$561 (three months ended June 30, 2008 - \$579) and for the six months ended June 30, 2009 was \$1,132 (six months ended June 30, 2008 - \$1,164).

## 11. Comparative figures:

Certain comparative figures have been reclassified to conform to the financial presentation adopted in the current period.