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TMX Group Inc. Reports Results for Second Quarter 2009

- Revenue of \$137.6 million, up 6% over Q2/08
- Diluted EPS of 63 cents for Q2/09, down 3% over Q2/08
- Cash flows from operating activities in Q2/09 of \$50.3 million, down 18% versus Q2/08

TORONTO – TMX Group Inc. [TSX:X] announced results for the second quarter and first half ended June 30, 2009.

Thomas Kloet, Chief Executive Officer of TMX Group said: “Performance in the second quarter of 2009 was solid in a challenging business environment. We continued to execute on various strategic initiatives and took important steps to further expand our reach, strengthen our offering and extend our diversified portfolio. We took a 19.9% stake in London Stock Exchange’s derivatives business, EDX London, acquired NetThruPut’s crude oil trading operation and advanced MX’s integration into TMX Group. In the second half, we will leverage these investments, enhance our offering and further sharpen our focus on delivering business value to our customers.”

Michael Ptasznik, Chief Financial Officer of TMX Group said: “We are pleased with the sequential improvement in our quarterly results, reflecting increased trading revenue from TSX Venture Exchange, higher revenue from fixed income and energy trading compared with the first quarter of 2009.”

Summary of Financial Information

(in millions of dollars, except per share amounts)

	Q2/09	Q2/08	\$ Increase/ (decrease)	% Increase/ (decrease)
<i>Revenue</i>	\$ 137.6	\$ 130.1	\$ 7.5	6%
<i>Operating expenses</i>	\$ 67.6	\$ 54.6	\$ 13.0	24%
<i>Net income</i>	\$ 46.9	\$ 49.2	(\$ 2.3)	(5%)
<i>Earnings per share:</i>				
<i>Basic</i>	\$ 0.63	\$ 0.65	(\$ 0.02)	(3%)
<i>Diluted</i>	\$ 0.63	\$ 0.65	(\$ 0.02)	(3%)
<i>Cash flows from operating activities</i>	\$ 50.3	\$ 61.1	(\$ 10.8)	(18%)

Net income was \$46.9 million, or \$0.63 per common share for Q2/09 (on both a basic and diluted basis), compared with net income of \$49.2 million, or \$0.65 per common share (on both a basic and diluted basis) for Q2/08, representing a decrease of 5% in net income. Net income in Q2/09 was slightly lower than Q2/08 due to lower cash markets equity trading revenue, lower issuer services revenue, increased expenses partially related to new technology initiatives and lower investment income. The decreases were partially offset by higher energy trading, fixed income trading and market data revenue. In addition, in Q2/09 our financial statements reflected three months of MX's results compared with two months of results in Q2/08. BOX's results were consolidated in our Q2/09 financial statements (with an adjustment made for non-controlling interests) but were not consolidated in our Q2/08 financial statements. In Q2/08, 31.4% of earnings from BOX were included as *Income from investments in affiliates* from May 1, 2008.***

*** Based on MX's ownership interest in BOX as of June 30, 2008.

(in millions of dollars, except per share amounts)

	1H/09	1H/08	\$ Increase/ (decrease)	% Increase/ (decrease)
<i>Revenue</i>	\$ 273.4	\$ 242.4	\$ 31.0	13%
<i>Operating expenses</i>	\$ 137.4	\$ 99.6	\$ 37.8	38%
<i>Net income</i>	\$ 89.8	\$ 82.0	\$ 7.8	10%
<i>Earnings per share:</i>				
<i>Basic</i>	\$ 1.21	\$ 1.15	\$ 0.06	5%
<i>Diluted</i>	\$ 1.21	\$ 1.15	\$ 0.06	5%
<i>Cash flows from operating activities</i>	\$ 111.0	\$ 128.7	(\$ 17.7)	(14%)

Net income was \$89.8 million, or \$1.21 per common share for 1H/09 (on both a basic and diluted basis), compared with net income of \$82.0 million, or \$1.15 per common share (on both a basic and diluted basis) for 1H/08, representing an increase of 10% in net income. In 1H/08, net income was reduced by \$15.2 million, or 21 cents per common share (on a basic and diluted basis) due to a payment to ISE Ventures with respect to the termination of our derivatives joint venture. 1H/09 EPS was lower than 1H/08 adjusted EPS prior to loss on termination of joint venture* of \$1.36 per common share (on both a basic and diluted basis) due to lower cash markets equity trading revenue, lower issuer services revenue, increased expenses, partially related to new technology initiatives and lower investment income. The decreases were partially offset by higher energy trading, fixed income trading and market data revenue. In addition, in 1H/09 our financial statements reflected six months of MX's results compared with two months of results in 1H/08. BOX's results were consolidated in our 1H/09 financial statements (with an adjustment made for non-controlling interests) but were not consolidated in our 1H/08 financial statements. In 1H/08, 31.4% of earnings from BOX were included as *Income from investments in affiliates* from May 1, 2008.***

* See discussion under the heading "Non-GAAP Financial Measures".

*** Based on MX's ownership interest in BOX as of June 30, 2008.

The following is a reconciliation of earnings per share to adjusted earnings per share prior to a loss on termination of joint venture* in 1H/08:

Reconciliation for 1H/09 and 1H/08

	1H/09		1H/08	
	Basic	Diluted	Basic	Diluted
<i>Earnings per share</i>	\$1.21	\$1.21	\$1.15	\$1.15
<i>Adjustment related to loss on termination of joint venture</i>	=	=	<u>\$0.21</u>	<u>\$0.21</u>
<i>Adjusted earnings per share prior to loss on termination of joint venture*</i>	<u>\$1.21</u>	<u>\$1.21</u>	<u>\$1.36</u>	<u>\$1.36</u>

Select Segmented Financial Information

(in millions of dollars)

	Cash Markets - Equities and Fixed Income	Derivatives Markets - MX and BOX	Energy Markets	Total
Q2/09				
<i>Revenue</i>	\$ 101.0	\$ 26.2	\$ 10.4	\$ 137.6
<i>Net Income</i>	\$ 38.0	\$ 6.0	\$ 2.9	\$ 46.9
Q2/08				
<i>Revenue</i>	\$ 108.9	\$ 13.9	\$ 7.3	\$ 130.1
<i>Net Income</i>	\$ 43.8	\$ 3.9	\$ 1.5	\$ 49.2

(in millions of dollars)

	Cash Markets - Equities and Fixed Income	Derivatives Markets - MX and BOX	Energy Markets	Total
1H/09				
<i>Revenue</i>	\$ 201.1	\$ 53.3	\$ 19.0	\$ 273.4
<i>Net Income</i>	\$ 74.3	\$ 9.5	\$ 6.0	\$ 89.8
1H/08				
<i>Revenue</i>	\$ 214.5	\$ 13.9	\$ 14.0	\$ 242.4
<i>Net Income</i>	\$ 74.9	\$ 3.9	\$ 3.2	\$ 82.0

* See discussion under the heading “Non-GAAP Financial Measures”.

On May 1, 2008, we completed our business combination with Montréal Exchange Inc. (MX or Montréal Exchange) to create TMX Group, a leading, integrated, multi-asset class exchange group. The results of MX and Boston Options Exchange Group, LLC (BOX) are included in TMX Group's Q2/09 results and in our Q2/08 results from May 1, 2008.

On August 29, 2008, MX acquired an additional 21.9% interest in BOX from the Boston Stock Exchange, giving MX a majority ownership interest of 53.3% in, and control of, BOX. Prior to the completion of this transaction, MX's 31.4% investment in BOX was accounted for under the equity method under which MX's 31.4% of the earnings from BOX was reported as income from investment in an affiliate and included in our Q2/08 results from May 1, 2008. From August 29, 2008, the results of BOX have been fully consolidated into TMX Group's consolidated results, with an adjustment made for the non-controlling interests. In October 2008, as a result of a buy back of units by BOX, MX's ownership increased to 53.8%.

Certain comparative figures have been reclassified in order to conform with the financial presentation adopted in the current year.

Quarter Ended June 30, 2009 Compared with Quarter Ended June 30, 2008

Revenue

Revenue was \$137.6 million for Q2/09, up \$7.5 million, or 6% compared with \$130.1 million for Q2/08, largely due to the inclusion of \$26.2 million of revenue from MX and BOX in Q2/09, compared with \$13.9 million in revenue from MX for the period from May 1, 2008 to June 30, 2008. The increase was also due to increased revenue from market data, energy trading and fixed income trading, which was more than offset by lower revenue from cash markets equity trading and issuer services primarily related to lower sustaining listing fees.

Issuer Services Revenue

The following is a summary of issuer services revenue reported based on initial and additional listing fee revenue reported, and issuer services revenue based on initial and additional listing fees billed* (reconciled below in this section) in Q2/09 and Q2/08.

(in millions of dollars)

	<i>Reported</i>				<i>Billed*</i>			
	Q2/09	Q2/08	\$ increase/ (decrease)	% increase/ (decrease)	Q2/09	Q2/08	\$ increase/ (decrease)	% increase/ (decrease)
<i>Initial listing fees</i>	\$ 4.2	\$ 3.9	\$ 0.3	8%	\$ 2.0	\$ 4.7	(\$ 2.7)	(57%)
<i>Additional listing fees</i>	\$ 14.1	\$ 12.6	\$ 1.5	12%	\$ 23.1	\$ 24.5	(\$ 1.4)	(6%)
<i>Sustaining listing fees**</i>	\$ 13.6	\$ 17.4	(\$ 3.8)	(22%)	\$ 13.6	\$ 17.4	(\$ 3.8)	(22%)
<i>Other issuer services</i>	\$ 3.9	\$ 4.4	(\$ 0.5)	(11%)	\$ 3.9	\$ 4.4	(\$ 0.5)	(11%)
<i>Total</i>	<u>\$ 35.8</u>	<u>\$ 38.3</u>	<u>(\$ 2.5)</u>	(7%)	<u>\$ 42.6</u>	<u>\$ 51.0</u>	<u>(\$ 8.4)</u>	(16%)

Initial and additional listing fees are non-refundable fees paid by listed issuers for the listing or reserving of securities. These fees are recorded as “deferred revenue – initial and additional listing fees” and recognized on a straight-line basis over an estimated service period of ten years.

In the case of Toronto Stock Exchange, listed issuers are billed for initial and additional listing fees, and there is a lag between the time when securities are issued or reserved and the time when these listing fees are paid by Toronto Stock Exchange listed issuers. For TSX Venture Exchange issuers, fees are paid either prior to, or at the time of, listing or reserving securities. The following is a reconciliation of initial and additional listing fees billed* to initial and additional listing fees reported:

<i>Initial Listing Fees</i> (in millions of dollars)	Q2/09	Q2/08
Initial listing fees billed*	\$ 2.0	\$ 4.7
Initial listing fees billed* and deferred to future periods	(\$ 2.0)	(\$ 4.6)
Recognition of initial listing fees billed* and previously included in deferred revenue	<u>\$ 4.2</u>	<u>\$ 3.8</u>
Initial listing fee revenue reported	<u>\$ 4.2</u>	<u>\$ 3.9</u>

* See discussion under the heading “Non-GAAP Financial Measures”.

** Sustaining listing fees billed, as shown in this table, represents the amount recognized for accounting purposes during the quarter. Sustaining listing fees are billed during the first quarter of the year, recorded as deferred revenue and amortized over the year on a straight-line basis.

<i>Additional Listing Fees</i> (in millions of dollars)	Q2/09	Q2/08
Additional listing fees billed*	\$ 23.1	\$ 24.5
Additional listing fees billed* and deferred to future periods	(\$ 22.8)	(\$ 24.2)
Recognition of additional listing fees billed* and previously included in deferred revenue	<u>\$ 13.8</u>	<u>\$ 12.3</u>
Additional listing fee revenue reported	<u>\$ 14.1</u>	<u>\$ 12.6</u>

- *Initial and additional listing fees reported* increased in Q2/09 compared with Q2/08, reflecting an increase in capital market activity during the period from July 1, 1999 to June 30, 2009 compared with the period from July 1, 1998 to June 30, 2008. Initial and additional listing fees billed* decreased in Q2/09, as compared with Q2/08, due to a decrease in initial and additional financings on TSX Venture Exchange, somewhat offset by an increase in initial and additional financings on Toronto Stock Exchange. While there was some increase in the value of initial financings on Toronto Stock Exchange in Q2/09 compared with Q2/08, all issues were ETFs or structured products, which pay a discounted listing fee. While the value of additional financings on Toronto Stock Exchange in Q2/09 increased compared with Q2/08, this was driven by a larger proportion of high value transactions, where issuers paid the maximum additional listing fee in Q2/09 compared with Q2/08.
- 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 decrease in sustaining listing fees was due to the overall lower market capitalization of listed issuers at the end of 2008 compared with the end of 2007, somewhat offset by price changes on Toronto Stock Exchange that were effective January 1, 2009.
- *Other issuer services* includes revenue of \$3.1 million from The Equicom Group Inc. (Equicom) compared with \$3.9 million in Q2/08, reflecting lower demand for investor relations services compared with Q2/08.

* See discussion under the heading “Non-GAAP Financial Measures”.

Trading, Clearing and Related Revenue¹

(in millions of dollars)

	Q2/09	Q2/08	\$ increase/ (decrease)	% increase/ (decrease)
<i>Cash markets:</i>				
• <i>Toronto Stock Exchange</i>	\$ 19.5	\$ 24.2	(\$ 4.7)	(19%)
• <i>TSX Venture Exchange</i>	<u>\$ 6.4</u>	<u>\$ 9.2</u>	<u>(\$ 2.8)</u>	(30%)
	\$ 25.9	\$ 33.4	(\$ 7.5)	(22%)
• <i>Shorcan</i>	<u>\$ 4.6</u>	<u>\$ 3.0</u>	<u>\$ 1.6</u>	53%
<i>Cash markets revenue</i>	\$ 30.5	\$ 36.4	(\$ 5.9)	(16%)
<i>Derivatives markets revenue</i>	\$ 20.3	\$ 9.0	\$ 11.3	126%
<i>Energy markets revenue</i>	<u>\$ 10.6</u>	<u>\$ 7.3</u>	<u>\$ 3.3</u>	45%
<i>Total</i>	<u>\$ 61.4</u>	<u>\$ 52.7</u>	<u>\$ 8.7</u>	17%

Cash Markets

- *Cash markets* equity trading revenue from Toronto Stock Exchange decreased due to the impact of changes to our equity trading fee schedule which were effective January 1, 2009. The changes included increased credits to electronic liquidity providers (ELP), a reduction in the spread between active fees and passive credits, and the elimination of a premium fee on ETF transactions. The ongoing impact of these fee changes on actual cash markets equity trading revenue will depend on trading activity, patterns and product mix. This decrease was partially offset by a 32% increase in the volume of securities traded on Toronto Stock Exchange in Q2/09 over Q2/08 (33.0 billion securities in Q2/09 versus 25.0 billion securities in Q2/08).
- *Cash markets* equity trading revenue from TSX Venture Exchange decreased due to a 20% decrease in the volume of securities traded in Q2/09 over Q2/08 (11.0 billion securities in Q2/09 versus 13.8 billion securities in Q2/08). The decrease was also due to fee reductions that were effective in 2009.
- In October 2008, we indicated that based on historical trading activity, patterns and product mix, changes to the equity trading fee structure put into place effective January 1, 2009 could reduce trading revenue by approximately \$11 to \$14 million on an annual basis if offsetting benefits, including increased volumes, were not realized. During Q2/09, there were changes

¹ The "Trading, Clearing and Related Revenue" section above contains certain forward-looking statements. Please refer to "Forward-Looking Information" for a discussion of risks and uncertainties related to such statements.

in customer and product mix including a higher proportion of volumes coming from new ELP market participants. These changes, together with the change in fee structure, led to a larger than anticipated reduction in cash markets equity trading revenue.

- The increase in revenue from Shorcan primarily reflects an increase in trading of Government of Canada bonds and swaps in Q2/09 versus Q2/08.

Derivatives Markets

- *Derivatives markets* revenue includes \$20.3 million in trading and clearing revenue from MX and trading revenue from BOX, versus \$9.0 million in trading and clearing revenue from MX from May 1, 2008 to June 30, 2008. Revenue from BOX was not included in our revenue for Q2/08.
- MX volumes decreased by 12% (8.5 million contracts traded in Q2/09 versus 9.7 million contracts traded in Q2/08) reflecting reduced trading in both the BAX and CGB contracts, partially offset by an increase in equity derivatives trading.
- BOX volumes decreased by 11% (39.1 million contracts in Q2/09 versus 44.0 million contracts traded in Q2/08).

Energy Markets

- *Energy markets* revenue increased due to the inclusion of revenue from crude oil trading following the acquisition of NTP on May 1, 2009. We traded 9.6 million barrels of crude oil between May 1, 2009 and June 30, 2009.
- The increase was also due to pricing changes on natural gas contracts that were effective January 1, 2009 and the positive impact of the depreciation of the Canadian dollar against the U.S. dollar in Q2/09 compared with Q2/08.
- The increase was somewhat offset by a 3% decrease in the volumes of natural gas and electricity contracts traded or cleared on NGX over Q2/08 (3.7 million terajoules in Q2/09 versus 3.8 million terajoules in Q2/08). This excludes the Alberta Watt Exchange Limited (Watt-Ex) volumes.

Market Data Revenue

(in millions of dollars)

Q2/09	Q2/08	\$ increase	% increase
\$ 36.8	\$ 33.1	\$3.7	11%

- *Market data* revenue included \$4.3 million in data revenue from MX and BOX, compared with \$2.0 million in market data revenue related to MX from May 1, 2008 to June 30, 2008. There were over 25,000 MX market data subscriptions at June 30, 2009 compared with over 28,000 at June 30, 2008.
- The increase was also due to the positive impact of the depreciation of the Canadian dollar against the U.S. dollar in Q2/09 compared with Q2/08, higher revenues from data feeds, index licensing and co-location services as well as pricing changes that were effective January 1, 2009.
- The increase was partially offset by a 10% decrease in the number of professional and equivalent real-time market data subscriptions to Toronto Stock Exchange and TSX Venture Exchange products (over 150,000 professional and equivalent real-time market data subscriptions at June 30, 2009 versus over 167,000 at June 30, 2008).

Business Services and Other Revenue

(in millions of dollars)

Q2/09	Q2/08	\$ (decrease)	% (decrease)
\$ 3.6	\$ 5.9	(\$2.3)	(39%)

- *Business services* revenue in Q2/08 included two months of revenue from BOX for technology and other services provided by MX, which in Q2/09 has been eliminated on consolidation as BOX is now a subsidiary of MX. The decrease was somewhat offset by the inclusion of revenue from the technology licensing arrangement with London Stock Exchange (LSE).
- The decrease was also due to net foreign exchange losses on U.S. dollar accounts receivable.

Operating Expenses²

Operating expenses in Q2/09 were \$67.6 million, an increase of \$13.0 million, or 24%, as compared with \$54.6 million in Q2/08. The increase was due primarily to the inclusion of \$18.3 million of expenses related to MX and BOX, versus \$9.7 million related to MX from May 1, 2008 to June 30, 2008. In addition, we incurred higher expenses related to various technology initiatives in Q2/09 compared with Q2/08.

Our combination with MX is anticipated to create value for our shareholders through the realization of cost synergies. By the fourth quarter of 2009, we expect to achieve \$25.0 million of cost synergies on a run rate basis when compared with the business plans of the separate organizations. As part of our integration plan, our offices, data centres and certain corporate support functions are being consolidated, and we will have eliminated 85 corporate support and operational positions, or approximately 10% of our workforce, by the end of 2009. The rationalization of data centres will enable customers to consolidate their connectivity networks and co-locate at one location which should greatly reduce their technology and communication expenditures. While we estimate that cost synergies related to the integration with MX of approximately \$1.0 million per month were realized on a run-rate basis in Q2/09, we also continued to invest in new business and product initiatives including our technology initiatives relating to enhancements to our data centres, the TSX Quantum gateway and the smart order router.

Compensation and Benefits

(in millions of dollars)

Q2/09	Q2/08	\$ increase	% increase
\$ 31.2	\$ 25.9	\$5.3	20%

- *Compensation and benefits* costs increased primarily due to the inclusion of \$6.7 million in costs related to MX and BOX, compared with \$4.2 million of costs related to MX from May 1, 2008 to June 30, 2008.
- The increase was also attributable to higher costs associated with technology initiatives, higher overall costs related to certain performance incentives and higher costs associated with salary increases compared with Q2/08.
- There were 861 employees at June 30, 2009, which included 24 BOX employees and 6 NTP employees, versus 817 employees at June 30, 2008.

² The “Operating Expenses” section above contains certain forward-looking statements. Please refer to “Forward-Looking Information” for a discussion of risks and uncertainties related to such statements.

Information and Trading Systems

(in millions of dollars)

Q2/09	Q2/08	\$ increase	% increase
\$ 11.8	\$ 8.7	\$3.1	36%

- *Information and trading systems* costs included \$1.7 million in costs related to MX and BOX, compared with \$0.9 million from MX from May 1, 2008 to June 30, 2008.
- *Information and trading systems* costs also increased due to costs associated with our technology initiatives including enhancements to our data centres, the TSX Quantum gateway and the smart order router. In addition, there were higher expenses related to NGX's initiative with ICE.

General and Administration

(in millions of dollars)

Q2/09	Q2/08	\$ increase	% increase
\$ 17.8	\$ 14.0	\$3.8	27%

- *General and administration* costs included \$6.5 million in costs related to MX and BOX, compared with \$2.5 million from MX from May 1, 2008 to June 30, 2008.

Amortization

(in millions of dollars)

Q2/09	Q2/08	\$ increase	% increase
\$ 6.8	\$ 6.0	\$0.8	13%

- *Amortization* costs increased reflecting amortization of \$3.4 million related to MX and BOX, compared with \$2.1 million from MX from May 1, 2008 to June 30, 2008.
- The increase was somewhat offset by reduced amortization relating to assets that were fully depreciated by 2009.

Income from Investments in Affiliates

(in millions of dollars)

Q2/09	Q2/08	\$ (decrease)
\$ 0.1	\$ 0.4	(\$0.3)

- *Income from investments in affiliates* of \$0.1 million represents TSX Inc.'s share of CanDeal.ca Inc.'s (CanDeal) income for Q2/09 based on its 47% interest in CanDeal, which is unchanged from Q2/08. CanDeal is an electronic trading system for the institutional debt market.
- In Q2/08, *Income from investments in affiliates* included \$0.3 million representing MX's share of BOX income, based on its 31.4% interest in BOX from May 1, 2008.

Investment Income

(in millions of dollars)

Q2/09	Q2/08	\$ (decrease)	% (decrease)
\$ 1.4	\$ 3.4	(\$2.0)	(59%)

- *Investment income* decreased due to a reduction in cash available for investment and lower overall returns on investments during Q2/09 compared with Q2/08.
- *Investment income* includes \$0.4 million earned by MX in Q2/09, compared with \$0.8 million from May 1, 2008 to June 30, 2008.

Interest Expense

(in millions of dollars)

Q2/09	Q2/08	\$ (decrease)	% (decrease)
\$ 1.3	\$ 2.8	(\$1.5)	(54%)

- *Interest expense* decreased as a result of lower interest rates in Q2/09 compared with Q2/08. On April 30, 2008, we borrowed \$430.0 million in Canadian funds on a three-year term facility (Term Facility) related to financing the cash consideration of the purchase price for MX (see **Long-term Debt**).

Mark to Market on Interest Rate Swaps – Gain

(in millions of dollars)

Q2/09	Q2/08	\$ increase	% increase
\$ 0.1	-	\$0.1	-

- We entered into a series of interest rate swap agreements to partially manage our exposure to interest rate fluctuations on the Term Facility, effective August 28, 2008 (see **Long-term Debt**).
- During Q2/09, unrealized gains of \$2.5 million and realized losses of \$2.4 million were reflected in net income, compared with no unrealized or realized gains/losses in Q2/08.

Other Acquisition Related Expenses

(in millions of dollars)

Q2/09	Q2/08	\$ (decrease)
-	\$ 0.7	(\$ 0.7)

- When we acquired NGX in 2004, TMX Group entered into an arrangement with MX for \$5.0 million. TMX Group amortized this amount over five years, the remaining term of the 1999 Memorandum of Agreement with MX. As a result of the May 1, 2008 business combination, we expensed the unamortized balance of \$0.7 million in Q2/08.

Income Taxes³

(in millions of dollars)

		Effective tax rate (%)	
Q2/09	Q2/08	Q2/09	Q2/08
\$ 22.7	\$ 26.5	33%	35%

- The effective tax rate for Q2/09 was somewhat lower than the effective tax rate of 35% for Q2/08 due to an increase in income attributable to the Province of Quebec in Q2/09, compared with Q2/08. In our case, this income is taxed at a lower effective tax rate in

³ The “Income Taxes” section above contains certain forward-looking statements. Please refer to “Forward-Looking Information” for a discussion of risks and uncertainties related to such statements.

Quebec. In addition, there was a lower federal income tax rate in Q2/09 compared with Q2/08.

- In the 2009 Ontario budget, the government proposed new tax reforms, which, if enacted, would reduce the general corporate tax rate from 14% in 2009 to 12% by July 1, 2010, with further reductions to 10% by July 1, 2013. Since these reforms were not substantively enacted during Q2/09, there was no impact on *Income Taxes*. If the legislation becomes substantively enacted, based on the future income tax asset as at June 30, 2009, we estimate there will be a net reduction in the value of the future income tax asset of approximately \$7.8 million and a corresponding increase in Income Taxes of approximately \$7.8 million. While this accounting adjustment will have no immediate impact on cash flow, the decline in tax rates will reduce taxes paid in future periods.

Six Months Ended June 30, 2009 Compared with Six Months Ended June 30, 2008

Revenue

Revenue was \$273.4 million for 1H/09, up \$31.0 million, or 13% compared with \$242.4 million for 1H/08, reflecting \$53.3 million in revenue related to the business operations of MX and BOX, compared with \$13.9 million from MX for two months in 1H/08 following the combination on May 1, 2008. The increase was also due to increased energy and fixed income trading and market data revenue, which was more than offset by lower cash markets equity trading and issuer services revenue, related to sustaining listing fees and other issuer services.

Issuer Services Revenue

The following is a summary of issuer services revenue reported based on initial and additional listing fee revenue reported, and issuer services revenue based on initial and additional listing fees billed* (reconciled below in this section) in 1H/09 and 1H/08.

(in millions of dollars)

	<i>Reported</i>		\$ increase/ (decrease)	% increase/ (decrease)	<i>Billed*</i>		\$ increase/ (decrease)	% increase/ (decrease)
	1H/09	1H/08			1H/09	1H/08		
<i>Initial listing fees</i>	\$ 8.4	\$ 7.8	\$ 0.6	8%	\$ 4.0	\$ 11.1	(\$ 7.1)	(64%)
<i>Additional listing fees</i>	\$ 27.8	\$ 24.9	\$ 2.9	12%	\$ 40.1	\$ 44.0	(\$ 3.9)	(9%)
<i>Sustaining listing fees**</i>	\$ 27.3	\$ 34.6	(\$ 7.3)	(21%)	\$ 27.3	\$ 34.6	(\$ 7.3)	(21%)
<i>Other issuer services</i>	<u>\$ 7.2</u>	<u>\$ 8.7</u>	<u>(\$ 1.5)</u>	(17%)	<u>\$ 7.2</u>	<u>\$ 8.7</u>	<u>(\$ 1.5)</u>	(17%)
<i>Total</i>	<u>\$ 70.7</u>	<u>\$ 76.0</u>	<u>(\$ 5.3)</u>	(7%)	<u>\$ 78.6</u>	<u>\$ 98.4</u>	<u>(\$ 19.8)</u>	(20%)

Initial and additional listing fees are non-refundable fees paid by listed issuers for the listing or reserving of securities. These fees are recorded as “deferred revenue – initial and additional listing fees” and recognized on a straight-line basis over an estimated service period of ten years.

In the case of Toronto Stock Exchange, listed issuers are billed for initial and additional listing fees and there is a lag between the time when securities are issued or reserved and the time when these listing fees are paid by Toronto Stock Exchange listed issuers. For TSX Venture Exchange issuers, fees are paid either prior to, or at the time of, listing or reserving securities. The following is a reconciliation of initial and additional listing fees billed* to initial and additional listing fees reported:

<i>Initial Listing Fees</i> (in millions of dollars)	1H/09	1H/08
Initial listing fees billed*	\$ 4.0	\$ 11.1
Initial listing fees billed* and deferred to future periods	(\$ 3.8)	(\$ 10.7)
Recognition of initial listing fees billed* and previously included in deferred revenue	<u>\$ 8.2</u>	<u>\$ 7.4</u>
Initial listing fee revenue reported	<u>\$ 8.4</u>	<u>\$ 7.8</u>

* See discussion under the heading “Non-GAAP Financial Measures”.

** Sustaining listing fees billed, as shown in this table, represents the amount recognized for accounting purposes during the quarter. Sustaining listing fees are billed during the first quarter of the year, recorded as deferred revenue and amortized over the year on a straight-line basis.

<i>Additional Listing Fees</i> (in millions of dollars)	1H/09	1H/08
Additional listing fees billed*	\$ 40.1	\$ 44.0
Additional listing fees billed* and deferred to future periods	(\$ 39.0)	(\$ 42.8)
Recognition of additional listing fees billed* and previously included in deferred revenue	<u>\$ 26.7</u>	<u>\$ 23.7</u>
Additional listing fee revenue reported	<u>\$ 27.8</u>	<u>\$ 24.9</u>

- *Initial and additional listing fees reported* increased in 1H/09 compared with 1H/08, reflecting an increase in capital market activity during the period from April 1, 1999 to June 30, 2009 compared with the period from April 1, 1998 to June 30, 2008. *Initial and additional listing fees billed** decreased in 1H/09, as compared with 1H/08, due to a decrease in initial financings on both of our equity exchanges and a decrease in additional financings on TSX Venture Exchange, somewhat offset by an increase in additional financings on Toronto Stock Exchange. While the value of additional financings on Toronto Stock Exchange in 1H/09 increased compared with 1H/08, this was driven by a larger proportion of high value transactions, where issuers paid the maximum additional listing fee in 1H/09 compared with 1H/08.
- 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 decrease in sustaining listing fees was due to the overall lower market capitalization of listed issuers at the end of 2008 compared with the end of 2007, somewhat offset by price changes on Toronto Stock Exchange that were effective January 1, 2009.
- *Other issuer services* includes revenue of \$6.1 million from Equicom compared with \$7.9 million in 1H/08, reflecting lower demand for investor relations services compared with 1H/08.

* See discussion under the heading “Non-GAAP Financial Measures”.

Trading, Clearing and Related Revenue⁴

(in millions of dollars)

	1H/09	1H/08	\$ increase/ (decrease)	% increase/ (decrease)
<i>Cash markets:</i>				
• <i>Toronto Stock Exchange</i>	\$ 39.6	\$ 48.4	(\$ 8.8)	(18%)
• <i>TSX Venture Exchange</i>	<u>\$ 11.0</u>	<u>\$ 17.2</u>	<u>(\$ 6.2)</u>	(36%)
	\$ 50.6	\$ 65.6	(\$ 15.0)	(23%)
• <i>Shorcan</i>	<u>\$ 8.6</u>	<u>\$ 6.3</u>	<u>\$ 2.3</u>	37%
<i>Cash markets revenue</i>	\$ 59.2	\$ 71.9	(\$ 12.7)	(18%)
<i>Derivatives markets revenue</i>	\$ 42.1	\$ 9.0	\$ 33.1	368%
<i>Energy markets revenue</i>	<u>\$ 19.0</u>	<u>\$ 13.9</u>	<u>\$ 5.1</u>	37%
<i>Total</i>	<u>\$120.3</u>	<u>\$ 94.8</u>	<u>\$ 25.5</u>	27%

Cash Markets

- *Cash markets* equity trading revenue from Toronto Stock Exchange decreased due to the impact of changes to our equity trading fee schedule which were effective January 1, 2009. The changes included increased credits to electronic liquidity providers (ELP), a reduction in the spread between active fees and passive credits, and the elimination of a premium fee on ETF transactions. The ongoing impact of these fee changes on actual cash markets equity trading revenue will depend on trading activity, patterns and product mix. This decrease was partially offset by a 25% increase in the volume of securities traded on Toronto Stock Exchange in 1H/09 over 1H/08 (63.0 billion securities in 1H/09 versus 50.5 billion securities in 1H/08).
- *Cash markets* equity trading revenue from TSX Venture Exchange decreased due to a 25% decrease in the volume of securities traded in 1H/09 over 1H/08 (19.1 billion securities in 1H/09 versus 25.3 billion securities in 1H/08). The decrease was also due to fee reductions that were effective in 2009.
- In October 2008, we indicated that based on historical trading activity, patterns and product mix, changes to the equity trading fee structure put into place effective January 1, 2009 could reduce trading revenue by approximately \$11 to \$14 million on an annual basis if offsetting benefits, including increased volumes, were not realized. During 1H/09, there were changes

⁴ The “Trading, Clearing and Related Revenue” section above contains certain forward-looking statements. Please refer to “Forward-Looking Information” for a discussion of risks and uncertainties related to such statements.

in customer and product mix including a higher proportion of volumes coming from new ELP market participants. These changes, together with the change in fee structure, led to a larger than anticipated reduction in cash markets equity trading revenue.

- The increase in revenue from Shorcan primarily reflects an increase in trading of Government of Canada bonds and swaps in 1H/09 versus 1H/08.

Derivatives Markets

- *Derivatives markets* revenue includes \$42.1 million in trading and clearing revenue from MX and trading revenue from BOX, compared with \$9.0 million from MX in 1H/08 following the combination on May 1, 2008. Revenue from BOX was not included in our revenue for 1H/08.
- MX volumes decreased by 17% (16.6 million contracts traded in 1H/09 versus 19.9 million contracts traded in 1H/08) reflecting reduced trading in both the BAX and CGB contracts, partially offset by an increase in equity derivatives trading.
- BOX volumes decreased by 1% (84.8 million contracts in 1H/09 versus 85.2 million contracts traded in 1H/08).

Energy Markets

- *Energy markets* revenue increased due to the inclusion of revenue from crude oil trading following the acquisition of NTP on May 1, 2009. We traded 9.6 million barrels of crude oil between May 1, 2009 and June 30, 2009.
- The increase was also due to pricing changes on natural gas contracts that were effective January 1, 2009 and also as a result of NGX having deferred less revenue in 1H/09, on a net basis, than in 1H/08 due to a reduced level of forward contracts.
- The increased revenue was also due to the positive impact of the depreciation of the Canadian dollar against the U.S. dollar in 1H/09 compared with 1H/08.
- The increase was somewhat offset by a 5% decrease in the volumes of natural gas and electricity contracts traded or cleared on NGX over 1H/08 (7.1 million terajoules in 1H/09 versus 7.5 million terajoules in 1H/08). This excludes Watt-Ex volumes.

Market Data Revenue

(in millions of dollars)

1H/09	1H/08	\$ increase	% increase
\$ 74.7	\$ 62.2	\$12.5	20%

- *Market data* revenue included \$8.9 million in revenue related to the business operations of MX and BOX, compared with \$2.0 million from MX in 1H/08 following the combination on May 1, 2008. There were over 25,000 MX market data subscriptions at June 30, 2009 compared with over 28,000 at June 30, 2008.
- The increase was also due to the positive impact of the depreciation of the Canadian dollar against the U.S. dollar in 1H/09 compared with 1H/08, higher revenues from data feeds, usage-based quotes and co-location services as well as pricing changes that were effective January 1, 2009.
- The increase was partially offset by a 10% decrease in the number of professional and equivalent real-time market data subscriptions to Toronto Stock Exchange and TSX Venture Exchange products (over 150,000 professional and equivalent real-time market data subscriptions at June 30, 2009 versus over 167,000 at June 30, 2008).

Business Services and Other Revenue

(in millions of dollars)

1H/09	1H/08	\$ (decrease)	% (decrease)
\$ 7.6	\$ 9.5	(\$1.9)	(20%)

- *Business services* revenue in 1H/08 included two months of revenue from BOX for technology and other services provided by MX, which in 1H/09 has been eliminated on consolidation as BOX is now a subsidiary of MX. The decrease was somewhat offset by the inclusion of revenue from the technology licensing arrangement with LSE.
- The decrease was also due to net foreign exchange losses on U.S. dollar accounts receivable.

Operating Expenses

Operating expenses in 1H/09 were \$137.4 million, an increase of \$37.8 million, or 38%, as compared with \$99.6 million in 1H/08. The increase was due primarily to the inclusion of \$39.6 million of expenses related to the business operations of MX and BOX, versus \$9.7 million related to MX from May 1, 2008 to June 30, 2008. In addition, we incurred higher expenses related to various technology initiatives in 1H/09 compared with 1H/08.

Compensation and Benefits

(in millions of dollars)

1H/09	1H/08	\$ increase	% increase
\$ 64.9	\$ 49.3	\$15.6	32%

- *Compensation and benefits* costs increased primarily due to the inclusion of \$16.2 million in costs related to MX and BOX. There were \$4.2 million in costs related to MX in 1H/08 following the combination on May 1, 2008.
- The increase was also attributable to higher costs associated with technology initiatives, higher overall costs related to certain performance incentives and higher costs associated with salary increases compared with 1H/08.
- There were 861 employees at June 30, 2009, which included 24 BOX employees and 6 NTP employees, versus 817 employees at June 30, 2008.

Information and Trading Systems

(in millions of dollars)

1H/09	1H/08	\$ increase	% increase
\$ 22.9	\$ 15.8	\$7.1	45%

- *Information and trading systems* costs included \$3.5 million in costs related to MX and BOX, compared with \$0.9 million in costs related to MX in 1H/08 following the combination on May 1, 2008.
- *Information and trading systems* costs also increased due to costs associated with our technology initiatives including enhancements to our data centres, the TSX Quantum gateway and the smart order router. In addition, there were higher expenses related to NGX's initiative with ICE.

General and Administration

(in millions of dollars)

1H/09	1H/08	\$ increase	% increase
\$ 35.1	\$ 24.2	\$10.9	45%

- *General and administration* costs included \$12.2 million in costs related to MX and BOX, compared with \$2.5 million in costs related to MX in 1H/08 following the combination on May 1, 2008.

Amortization

(in millions of dollars)

1H/09	1H/08	\$ increase	% increase
\$ 14.6	\$ 10.2	\$4.4	43%

- *Amortization* costs increased reflecting amortization of \$7.7 million related to MX and BOX, compared with \$2.1 million related to MX in 1H/08 following the combination on May 1, 2008.
- The increase was somewhat offset by reduced amortization relating to assets that were fully depreciated by 2009.

Income from Investments in Affiliates

(in millions of dollars)

1H/09	1H/08	\$ (decrease)
\$ 0.2	\$ 0.5	(\$0.3)

- *Income from investments in affiliates* of \$0.2 million represents TSX Inc.'s share of CanDeal's income for 1H/09 based on its 47% interest in CanDeal, which is unchanged from 1H/08. CanDeal is an electronic trading system for the institutional debt market.
- In 1H/08, *Income from investments in affiliates* included \$0.3 million representing MX's share of BOX income, based on its 31.4% interest in BOX from May 1, 2008.

Investment Income

(in millions of dollars)

1H/09	1H/08	\$ (decrease)	% (decrease)
\$ 3.0	\$ 7.8	(\$4.8)	(62%)

- *Investment income* decreased due to a reduction in cash available for investment and lower overall returns on investments during 1H/09 compared with 1H/08.
- *Investment income* includes \$1.2 million earned by MX in 1H/09 compared with \$0.8 million in 1H/08.

Interest Expense

(in millions of dollars)

1H/09	1H/08	\$ increase	% increase
\$ 3.4	\$ 2.8	\$0.6	21%

- *Interest expense* increased as a result of financing a portion of the purchase price of the business combination with MX. On April 30, 2008, we borrowed \$430.0 million in Canadian funds on a three-year term facility (Term Facility) related to financing the cash consideration of the purchase price for MX (see **Long-term Debt**).

Mark to Market on Interest Rate Swaps – (Loss)

(in millions of dollars)

1H/09	1H/08	\$ increase	% increase
(\$ 0.8)	-	(\$0.8)	-

- We entered into a series of interest rate swap agreements to partially manage our exposure to interest rate fluctuations on the Term Facility, effective August 28, 2008 (see **Long-term Debt**).
- During 1H/09, unrealized gains of \$3.5 million and realized losses of \$4.3 million were reflected in net income, compared with no unrealized or realized gains/losses in 1H/08.

Other Acquisition Related Expenses

(in millions of dollars)

1H/09	1H/08	\$ (decrease)
-	\$ 15.9	(\$ 15.9)

- In August 2007, TMX Group and ISE Ventures announced the execution of a shareholders' agreement for CDEX Inc. (CDEX), which was created to operate DEX, a new Canadian derivatives exchange scheduled to begin operations in March 2009. In connection with the agreement to combine with MX, we provided ISE Ventures, LLC (ISE Ventures) with a notice of a competing transaction as required under the terms of the CDEX shareholders' agreement, and subsequently paid ISE Ventures \$15.2 million on April 1, 2008, which was accrued in Q1/08.
- When we acquired NGX in 2004, TMX Group entered into an arrangement with MX for \$5.0 million. TMX Group amortized this amount over five years, the remaining term of the 1999

Memorandum of Agreement with MX. As a result of the May 1, 2008 business combination, we expensed the unamortized balance of \$0.7 million in Q2/08.

Income Taxes⁵

(in millions of dollars)

		Effective tax rate (%)	
1H/09	1H/08	1H/09	1H/08
\$ 42.8	\$ 50.5	32%	38%

- The effective tax rate in 1H/09 was lower than the effective tax rate of 38% for 1H/08 primarily due to the impact of paying \$15.2 million to ISE Ventures in 2008, which was not deducted for income tax purposes.
- The effective tax rate for 1H/09 was also somewhat lower than that for 1H/08 due to an increase in income attributable to the Province of Quebec in 1H/09, compared with 1H/08. In our case, this income is taxed at a lower effective tax rate in Quebec. In addition, there was a lower federal income tax rate in 1H/09 compared with 1H/08.
- In the 2009 Ontario budget, the government proposed new tax reforms, which, if enacted, would reduce the general corporate tax rate from 14% in 2009 to 12% by July 1, 2010, with further reductions to 10% by July 1, 2013. Since these reforms were not substantively enacted during 1H/09, there was no impact on *Income Taxes*. If the legislation becomes substantively enacted, based on the future income tax asset as at June 30, 2009, we estimate there will be a net reduction in the value of the future income tax asset of approximately \$7.8 million and a corresponding increase in Income Taxes of approximately \$7.8 million. While this accounting adjustment will have no immediate impact on cash flow, the decline in tax rates will reduce taxes paid in future periods.

Non-controlling Interests⁶

As a result of the acquisition of control of BOX on August 29, 2008, the results of BOX were fully consolidated into our consolidated statements of income. MX now has a 53.8% ownership interest in BOX. The non-controlling interests represent the other BOX unitholders' share of BOX's income before taxes.

⁵ The "Income Taxes" section above contains certain forward-looking statements. Please refer to "Forward-Looking Information" for a discussion of risks and uncertainties related to such statements.

⁶ In October 2008, BOX repurchased some of its units thereby increasing MX's ownership interest from 53.3% to 53.8%.

Liquidity and Capital Resources

Cash, Cash Equivalents and Marketable Securities

(in millions of dollars)

June 30, 2009	December 31, 2008	\$ (decrease)
\$ 172.4	\$ 198.7	(\$ 26.3)

- The decrease was due to two dividend payments of \$0.38 per common share, or \$56.5 million in aggregate, as well as to payments totalling \$30.4 million relating to the repurchase of 1,000,000 common shares under our NCIB program in 1H/09.
- In addition, we paid \$23.4 million in relation to the May 1, 2009 acquisition of NTP, net of cash acquired.
- We also paid \$7.7 million for a 19.9% interest in EDX on May 7, 2009.
- The decrease was also due to non-acquisition related additions to intangible assets of \$8.5 million and the payment of \$5.2 million in dividends to non-controlling interests in BOX.
- The decrease was somewhat offset by cash generated from operating activities of \$111.0 million.

Total Assets

(in millions of dollars)

June 30, 2009	December 31, 2008	\$ (decrease)
\$ 3,398.2	\$ 3,688.6	(\$ 290.4)

- *Total assets* decreased due to lower energy contracts receivable of \$566.7 million at June 30, 2009 related to the clearing operations of NGX, compared with \$976.4 million at the end of 2008. The lower level of receivables reflected lower natural gas prices at the end of June 2009 compared with the end of December 2008. As the clearing counterparty to every trade, NGX also carries offsetting liabilities in the form of energy contracts payable, which were \$566.7 million at June 30, 2009 compared with \$976.4 million at the end of 2008.
- The overall decrease was partially offset by higher MX daily settlements and cash deposits of \$539.7 million as at June 30, 2009 related to MX's clearing operations, compared with \$497.3 million at the end of 2008. MX also carried offsetting liabilities related to daily settlements and cash deposits which were \$539.7 million at June 30, 2009 compared with \$497.3 million at the end of 2008. Daily settlements due from/to clearing members consist of amounts due from/to clearing members as a result of marking open futures positions to

market and settling options transactions each day that are required to be collected from/paid to clearing members prior to the commencement of the next trading day.

- The decrease was also partially offset by an increase in current assets related to the fair value of open energy contracts (\$176.5 million as at June 30, 2009, compared with \$155.3 million at December 31, 2008). NGX also carried offsetting liabilities related to the fair value of open energy contracts which were \$176.5 million at June 30, 2009 compared with \$155.3 million at December 31, 2008.
- In addition, the overall decrease in *total assets* was partially offset due to recording \$49.6 million in intangible assets and \$30.0 million in goodwill related to the purchase of NTP on May 1, 2009, less cash paid of \$23.4 million related to the acquisition.

Credit Facilities and Guarantee

Long-term Debt

(in millions of dollars)

June 30, 2009	December 31, 2008	\$ increase
\$428.6	\$428.3	\$ 0.3

- In connection with the combination with MX, we established the Term Facility with a syndicate of seven financial institutions. In addition, we also established a revolving three-year unsecured credit facility of \$50.0 million with the same syndicate. We may draw on these facilities in Canadian dollars by way of prime rate loans and/or Bankers' Acceptances or in U.S. dollars by way of LIBOR loans and/or U.S. base rate loans. Currently, TMX Group's acceptance fee or spread on the loan is 0.45%. On April 30, 2008, we borrowed \$430.0 million in Canadian funds on the Term Facility to satisfy the cash consideration of the purchase price for MX.

These credit facilities contain 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, depreciation and amortization, all determined in accordance with GAAP but adjusted to include initial and additional listing fees billed and to exclude initial and additional listing fees reported as revenue;
- 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, 2009, all covenants were met.

We entered into a series of interest rate swap agreements which took effect on August 28, 2008 in order to partially manage our exposure to interest rate fluctuations.

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.

CDCC has also arranged a total of \$30.0 million in revolving standby credit facilities with a Canadian Schedule I bank to provide liquidity in the event of default by a clearing member.

These facilities have not been drawn upon at June 30, 2009.

Shareholders' Equity

(in millions of dollars)

June 30, 2009	December 31, 2008	\$ increase
\$ 824.0	\$ 794.6	\$ 29.4

- *Shareholders' equity* increased due to an increase of \$32.1 million in share capital following the issuance of 878,059 TMX Group common shares in satisfaction of a portion of the purchase price for NTP on May 1, 2009.
- On August 14, 2008, we received approval from Toronto Stock Exchange to repurchase up to 7,595,585 of our common shares pursuant to an NCIB. *Shareholders' equity* decreased partially due to the repurchase of shares in connection with our NCIB. In 1H/09, we repurchased for cancellation 1,000,000 shares for \$30.4 million pursuant to two private agreements between TMX Group and an arm's length third-party seller. These common shares were cancelled and are included in calculating the number of common shares we may repurchase under our NCIB. As of June 30, 2009, 3,513,525 common shares remain available for repurchase under the NCIB until August 17, 2009.
- We earned \$89.8 million of net income and paid \$56.5 million in dividends during 1H/09.
- At June 30, 2009, there were 74,290,113 common shares issued and outstanding. In 1H/09, 8,477 common shares were issued on the exercise of share options. At June 30, 2009, 4,243,819 common shares were reserved for issuance upon the exercise of options granted under the share option plan. At June 30, 2009, there were 1,454,466 options outstanding.
- At July 28, 2009, there were 74,295,113 common shares issued and outstanding and 1,449,466 options outstanding under the share option plan.

Cash Flows from Operating Activities

(in millions of dollars)

	Q2/09	Q2/08	(Decrease) in cash
<i>Cash Flows from Operating Activities</i>	\$ 50.3	\$ 61.1	(\$ 10.8)

Cash Flows from Operating Activities were \$10.8 million lower in Q2/09 compared with Q2/08 due to:

(in millions of dollars)

	Q2/09	Q2/08	Increase/ (decrease) in cash
Net income	\$ 46.9	\$ 49.2	(\$ 2.3)
Amortization	\$ 6.8	\$ 6.0	\$ 0.8
Unrealized (gain)/loss on marketable securities	(\$ 0.3)	-	(\$ 0.3)
Net increase/(decrease) in future income taxes	\$ 0.9	(\$ 3.5)	\$ 4.4
Unrealized (gain) on interest rate swaps	(\$ 2.5)	-	(\$ 2.5)
Decrease in accounts receivable and prepaid expenses	\$ 12.0	\$ 1.1	\$ 10.9
(Increase)/decrease in other assets	(\$ 7.2)	\$ 4.6	(\$ 11.8)
Net (decrease) in accounts payable and accrued liabilities	(\$ 7.0)	(\$ 4.2)	(\$ 2.8)
Increase (decrease) in deferred revenue	\$ 0.8	(\$ 2.1)	\$ 2.9
Net increase/(decrease) in income taxes	(\$ 1.5)	\$ 9.6	(\$ 11.1)
Net increase in other items	<u>\$ 1.4</u>	<u>\$ 0.4</u>	<u>\$ 1.0</u>
<i>Cash Flows from Operating Activities</i>	<u>\$ 50.3</u>	<u>\$ 61.1</u>	<u>(\$ 10.8)</u>

	1H/09	1H/08	(Decrease) in cash
<i>Cash Flows from Operating Activities</i>	\$ 111.0	\$ 128.7	(\$ 17.7)

Cash Flows from Operating Activities were \$17.7 million lower in 1H/09 compared with 1H/08 due to:

(in millions of dollars)

	1H/09	1H/08	Increase/ (decrease) in cash
Net income	\$ 89.8	\$ 82.0	\$ 7.8
Amortization	\$ 14.6	\$ 10.2	\$ 4.4
Unrealized (gain)/loss on marketable securities	\$ 0.3	(\$ 0.8)	\$ 1.1
Payment to ISE Ventures related to termination of joint venture	-	\$ 15.2	(\$ 15.2)
Net (decrease) in future income taxes	-	(\$ 3.9)	\$ 3.9
Unrealized (gain) on interest rate swaps	(\$ 3.5)	-	(\$ 3.5)
(Increase) in accounts receivable and prepaid expenses	(\$ 3.8)	(\$ 8.6)	\$ 4.8
(Increase)/decrease in other assets	(\$ 6.9)	\$ 3.8	(\$ 10.7)
Net (decrease) in accounts payable and accrued liabilities	(\$ 14.6)	(\$ 33.3)	\$ 18.7
Increase in deferred revenue	\$ 47.2	\$ 65.3	(\$ 18.1)
Net (decrease) in income taxes	(\$ 16.2)	(\$ 1.7)	(\$ 14.5)
Net increase in other items	<u>\$ 4.1</u>	<u>\$ 0.5</u>	<u>\$ 3.6</u>
<i>Cash Flows from Operating Activities</i>	<u>\$ 111.0</u>	<u>\$ 128.7</u>	<u>(\$ 17.7)</u>

Cash Flows from (used in) Financing Activities

(in millions of dollars)

	Q2/09	Q2/08	(Decrease) in cash
<i>Cash Flows from (used in) Financing Activities</i>	(\$ 30.0)	\$ 263.1	(\$ 293.1)

Cash Flows (used in) Financing Activities were \$293.1 million higher in Q2/09 compared with Q2/08 due to:

(in millions of dollars)

	Q2/09	Q2/08	Increase/ (decrease) in cash
Dividends paid on common shares	(\$ 28.2)	(\$ 31.0)	\$ 2.8
Repurchase of common shares under NCIB	-	(\$ 134.4)	\$ 134.4
Dividend paid to BOX non-controlling interests	(\$ 2.0)	-	(\$ 2.0)
Proceeds on term loan	-	\$ 428.0	(\$ 428.0)
Proceeds from exercised options	\$ 0.1	\$ 0.5	(\$ 0.4)
Net increase in other items	<u>\$ 0.1</u>	<u>-</u>	<u>\$ 0.1</u>
<i>Cash Flows from (used in) Financing Activities</i>	<u>(\$ 30.0)</u>	<u>\$ 263.1</u>	<u>(\$ 293.1)</u>

(in millions of dollars)

	1H/09	1H/08	(Decrease) in cash
<i>Cash Flows from (used in) Financing Activities</i>	(\$ 91.6)	\$ 243.7	(\$335.3)

Cash Flows (used in) Financing Activities were \$335.3 million higher in 1H/09 compared with 1H/08 due to:

(in millions of dollars)

	1H/09	1H/08	Increase/ (decrease) in cash
Dividends paid on common shares	(\$ 56.5)	(\$ 56.2)	(\$ 0.3)
Repurchase of common shares under NCIB	(\$ 30.4)	(\$ 134.4)	\$ 104.0
Dividends paid to BOX non-controlling interests	(\$ 5.2)	-	(\$ 5.2)
Proceeds on term loan	-	\$ 428.0	(\$ 428.0)
Proceeds from exercised options	\$ 0.1	\$ 6.3	(\$ 6.2)
Net increase in other items	<u>\$ 0.4</u>	<u>-</u>	<u>\$ 0.4</u>
<i>Cash Flows from (used in) Financing Activities</i>	<u>(\$ 91.6)</u>	<u>\$ 243.7</u>	<u>(\$335.3)</u>

Cash Flows from (used in) Investing Activities

(in millions of dollars)

	Q2/09	Q2/08	Increase in cash
<i>Cash Flows from (used in) Investing Activities</i>	(\$ 13.9)	(\$ 269.2)	\$ 255.3

Cash Flows (used in) Investing Activities were \$255.3 million lower in Q2/09 compared with Q2/08 due to:

(in millions of dollars)

	Q2/09	Q2/08	Increase/ (decrease) in cash
Additional payments related to the 2007 acquisition of Equicom and the acquisition of MX, net of cash acquired	(\$ 2.1)	(\$ 357.1)	\$ 355.0
Acquisition of NTP, net of cash acquired	(\$ 23.4)	-	(\$ 23.4)
Investment in EDX	(\$ 7.7)	-	(\$ 7.7)
Payment to ISE Ventures related to termination of joint venture	-	(\$ 15.2)	\$ 15.2
Capital expenditures primarily related to technology investments and leasehold improvements	(\$ 1.7)	(\$ 1.9)	\$ 0.2
Additions to intangible assets including TSX Quantum and SOLA internal development costs	(\$ 5.1)	(\$ 2.6)	(\$ 2.5)
Net sale of marketable securities	<u>\$ 26.1</u>	<u>\$ 107.6</u>	<u>(\$ 81.5)</u>
<i>Cash Flows from (used in) Investing Activities</i>	<u>(\$ 13.9)</u>	<u>(\$ 269.2)</u>	<u>\$ 255.3</u>

	1H/09	1H/08	Increase in cash
<i>Cash Flows from (used in) Investing Activities</i>	(\$ 37.1)	(\$ 307.1)	\$ 270.0

Cash Flows (used in) Investing Activities were \$270.0 million lower in 1H/09 compared with 1H/08 due to:

(in millions of dollars)

	1H/09	1H/08	Increase/ (decrease) in cash
Additional payments related to the 2007 acquisition of Equicom and the acquisition of MX, net of cash acquired	(\$ 2.7)	(\$ 357.1)	\$ 354.4
Acquisition of NTP, net of cash acquired	(\$ 23.4)	-	(\$ 23.4)
Investment in EDX	(\$ 7.7)	-	(\$ 7.7)
Payment to ISE Ventures related to termination of joint venture	-	(\$ 15.2)	\$ 15.2
Capital expenditures primarily related to technology investments and leasehold improvements	(\$ 2.1)	(\$ 3.3)	\$ 1.2
Additions to intangible assets including TSX Quantum and SOLA internal development costs	(\$ 8.5)	(\$ 4.0)	(\$ 4.5)
Net sale of marketable securities	<u>\$ 7.3</u>	<u>\$ 72.5</u>	<u>(\$ 65.2)</u>
<i>Cash Flows from (used in) Investing Activities</i>	<u>(\$ 37.1)</u>	<u>(\$ 307.1)</u>	<u>\$ 270.0</u>

Financial Statements Governance Practice

The Finance & Audit Committee of the Board of Directors of TMX Group Inc. reviewed this press release as well as the Q2/09 unaudited consolidated 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 financial statements, MD&A and the contents of this press release were approved.

Consolidated Financial Statements

TMX Group's Q2/09 unaudited consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP) and are reported in

Canadian dollars. The financial information in this press release is in Canadian dollars unless otherwise indicated and is based on financial statements prepared in accordance with Canadian GAAP, unless otherwise noted.

TMX Group expects to file its Q2/09 unaudited consolidated 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.tsx.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@tsx.com.

Non-GAAP Financial Measures

Toronto Stock Exchange customers are billed for initial and additional listing fees, and there is a lag between the time when securities are issued or reserved and the time when these listing fees are paid by Toronto Stock Exchange listed issuers. For TSX Venture Exchange issuers, fees are paid either prior to, or at the time of, listing or reserving securities. In order to reflect these activities, we use the terms “issuer services fees billed”, “initial listing fees billed” and “additional listing fees billed”.

Certain measures used in this press release, specifically “initial listing fees billed”, “additional listing fees billed” and “issuer services revenue based on initial and additional listing fees billed” do not have standardized meanings prescribed by Canadian GAAP and therefore are unlikely to be comparable to similar measures presented by other issuers. We present these non-GAAP revenue measures as an indication of how initial and additional listing activity and the fees billed or received in connection with the listing or reserving of securities impact the financial performance and cash flows of our business. Management uses these measures to assess the effectiveness of our strategy to serve our listed issuers and to manage the listings portion of our business.

We present “adjusted earnings per share prior to loss on termination of joint venture” as an indication of operating performance exclusive of the payment made on April 1, 2008 to ISE Ventures, a wholly-owned subsidiary of International Securities Exchange Holdings, Inc. (ISE), related to terminating DEX, our proposed derivatives joint venture. This measure does not have a standardized meaning prescribed by Canadian GAAP and therefore is unlikely to be comparable to similar measures presented by other issuers. Management believes this measure allows it to assess operating performance excluding the type of payment made to ISE Ventures.

Forward-Looking Information

This press release contains “forward-looking information” (as defined in applicable Canadian securities legislation) that is based on expectations, estimates and projections 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 involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of TMX Group to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information in this press release.

Examples of such forward-looking information in this press release include, but are not limited to factors relating to stock, derivatives, energy exchanges and clearing houses and the business, financial position, operations and prospects of TMX Group, including the creation (through the combination with MX) of opportunities to create cost and revenue synergies, which are subject to significant risks and uncertainties, including 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; 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 NGX’s (including NTP) and CDCC’s 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 MX within TMX Group; dependence on market activity that cannot be controlled; and the risk that the cost savings, anticipated revenues from new product development; growth prospects and any other synergies expected to result from the combination with MX may not be fully realized or may take longer to materialize than expected. Actual results 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 exchanges; the accuracy, timing and ability to realize the projected synergies in respect of expected cash flows, cost savings and profitability, which will be dependent on, but not limited to, such factors as optimizing technology and data centres, reducing corporate costs and rationalizing premises (cost synergies are presented in this press release to provide one strategic rationale to support the benefits of the combination with MX and these estimated cost synergies should not be relied on for any other purpose); 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; 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 of new derivatives and equity products; tax benefits/changes; 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 2008 Annual MD&A under the heading **Risks and Uncertainties**; which risk factors are specifically incorporated by reference.

About TMX Group Inc.

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, Montreal Exchange, Natural Gas Exchange, Boston Options Exchange (BOX), Shorcan, Equicom and other TMX Group companies provide trading markets, clearing facilities, data products and other services to the global financial community. TMX Group is headquartered in Toronto with offices in Montreal, Calgary and Vancouver. 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 second quarter 2009.

Time: 4:00 p.m. – 5:00 p.m. EDST on Wednesday, July 29, 2009.

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

Teleconference Number: 416-644-3426 or 1-800-731-5319

AudioWebcast: www.tsx.com, under Investor Relations

Audio Replay: 416-640-1917 and 1-877-289-8525
The passcode for the replay is 21310743#

For further information please contact:

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TMX GROUP INC.

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

	June 30, 2009	December 31, 2008 (audited)
Assets		
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
	1,565,543	1,933,121
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
Total Assets	\$ 3,398,193	\$ 3,688,645
Liabilities and Shareholders' Equity		
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	511	1,787
Future income tax liabilities	105	66
Income taxes payable	642	14,121
	1,448,686	1,786,469
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	8,498	10,690
Term loan	428,647	428,278
Total Liabilities	2,560,374	2,876,646
Non-controlling Interests	13,835	17,370
Shareholders' Equity:		
Share capital	1,102,043	1,084,399
Share option plan	7,437	5,969
Deficit	(302,419)	(319,843)
Accumulated other comprehensive income	16,923	24,104
Total Shareholders' Equity	823,984	794,629
Total Liabilities and Shareholders' Equity	\$ 3,398,193	\$ 3,688,645

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
Revenue:				
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
Total revenue	137,582	130,077	273,391	242,430
Expenses:				
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
Total operating expenses	67,629	54,570	137,442	99,573
Income from operations	69,953	75,507	135,949	142,857
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	141	-	(775)	-
Other acquisition related expenses	-	(750)	-	(15,902)
Income before income taxes	70,304	75,704	134,944	132,476
Income taxes	22,685	26,477	42,834	50,503
Net income before non-controlling interests	47,619	49,227	92,110	81,973
Non-controlling interests	748	-	2,321	-
Net income	\$ 46,871	\$ 49,227	\$ 89,789	\$ 81,973
Earnings per share :				
Basic	\$ 0.63	\$ 0.65	\$ 1.21	\$ 1.15
Diluted	\$ 0.63	\$ 0.65	\$ 1.21	\$ 1.15
Share information:				
Weighted average number of common shares outstanding	73,997,648	75,948,133	73,964,917	71,133,890
Diluted weighted average number of common shares outstanding	74,151,093	76,122,180	74,111,319	71,375,618

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
Net income	\$ 46,871	\$ 49,227	\$ 89,789	\$ 81,973
Other comprehensive income (loss)				
Unrealized (loss) gain on translating financial statements of self-sustaining foreign operations	(12,794)	947	(7,181)	947
Comprehensive income	\$ 34,077	\$ 50,174	\$ 82,608	\$ 82,920

TMX GROUP INC.

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

	Six months ended June 30,	
	2009	2008
Common shares:		
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	(14,575)	(47,644)
Balance, end of period	1,102,043	1,146,098
Share option plan:		
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	7,437	4,719
Deficit:		
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	(15,860)	(96,087)
Balance, end of period	(302,419)	(282,792)
Accumulated other comprehensive income:		
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	16,923	947
Shareholders' equity, end of period	\$ 823,984	\$ 868,972

TMX GROUP INC.

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

	Three months ended June 30		Six months ended June 30	
	2009	2008	2009	2008
Cash flows from (used in) operating activities:				
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	(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
Cash flows from (used in) financing activities:				
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	-	(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
Cash flows from (used in) investing activities:				
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)	-
Increase (decrease) in cash and cash equivalents	4,795	54,979	(18,667)	65,255
Cash and cash equivalents, beginning of period	78,980	63,674	102,442	53,398
Cash and cash equivalents, end of period	\$ 83,775	\$ 118,653	\$ 83,775	\$ 118,653
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

TMX GROUP INC.

Market Statistics*

(Unaudited)

	Three months ended June 30		Six months ended June 30	
	2009	2008	2009	2008
Toronto Stock Exchange:				
Volume (millions)	32,995.9	24,980.9	63,028.1	50,507.7
Value (\$ billions)	370.9	483.0	716.8	956.2
Transactions (000s)	51,722.3	38,887.6	103,647.1	80,167.5
Issuers Listed	1,503	1,615	1,503	1,615
New Issuers Listed:	22	32	37	78
Number of Initial Public Offerings	20	18	28	39
Number of graduates from TSX Venture/NEX	2	10	6	27
New Equity Financing*: (\$ millions)	13,767.7	9,510.7	25,619.7	18,386.0
Initial Public Offering Financings (\$ millions)	1,086.7	1,028.4	1,367.7	1,526.3
Secondary Offering Financings ¹ (\$ millions)	9,475.5	5,144.1	16,250.0	11,793.7
Supplementary Financings (\$ millions)	3,205.5	3,338.2	8,002.0	5,066.0
Market Cap of Issuers Listed (\$ billions)	1,504.1	2,156.6	1,504.1	2,156.6
S&P/TSX Composite Index ² Close	10,374.9	14,467.0	10,374.9	14,467.0
TSX Venture Exchange: ³				
Volume (millions)	11,049.6	13,844.6	19,119.0	25,332.6
Value (\$ millions)	3,062.8	9,978.3	4,837.0	17,758.9
Transactions (000s)	1,113.2	2,073.1	1,912.7	3,806.1
Issuers Listed	2,429	2,396	2,429	2,396
New Issuers Listed	20	64	44	137
New Equity Financing: (\$ millions)	743.5	1,866.5	1,274.9	3,376.9
Initial Public Offering Financings (\$ millions)	16.2	58.7	23.6	126.7
Secondary Offering Financings ¹ (\$ millions)	727.3	1,807.8	1,251.3	3,250.2
Market Cap of Issuers Listed: (\$ billions)	25.0	55.9	25.0	55.9
S&P/TSX Venture Composite Index ² Close	1,092.0	2,635.8	1,092.0	2,635.8
Toronto Stock Exchange and TSX Venture Exchange:				
Professional and Equivalent Real-time Data Subscriptions	150,515	167,756	150,515	167,756
NGX:				
Total Volume (TJs) ⁴	3,656,237.6	3,763,627.5	7,142,819.7	7,467,615.2
	Three months ended June 30		Six months ended June 30	
	2009	2008	2009	2008
Montreal Exchange:				
Volume (Contracts) (000s)	8,534.5	9,660.6	16,594.2	19,871.1
Open Interest (Contracts) (000s) as at June 30	2,420.5	2,395.1	2,420.5	2,395.1
Data Subscriptions	25,524	28,197	25,524	28,197
Boston Options Exchange:				
Volume (Contracts) (000s)	39,107.7	44,027.6	84,807.9	85,236.1

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

² S&P is a trade-mark owned by The McGraw-Hill Companies, Inc. and is used under license.

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's listing standards (162 issuers at June 30, 2008 and 179 issuers at June 30, 2009).

⁴ Natural gas volumes only.

* Market statistics revised from TSX market statistics issued July 3, 2009.

SUPPLEMENTARY INFORMATION ON DEFERRED REVENUE - INITIAL AND ADDITIONAL LISTING FEES¹**As at June 30, 2009****Unaudited**

(in millions of dollars)

Future amortization of deferred revenue - initial and additional listing fees

	Q1	Q2	Q3	Q4	Total Year
2009			18.4	18.4	36.8
2010	18.2	18.0	17.9	17.8	71.9
2011	17.6	17.5	17.2	17.0	69.3
2012	16.8	16.4	16.1	15.8	65.1
2013	15.5	15.3	14.8	14.3	59.9
2014	13.8	13.2	12.8	12.2	52.0
2015	11.7	11.0	10.4	10.0	43.1
2016	9.4	8.6	7.8	7.2	33.0
2017	6.4	5.4	4.5	3.8	20.1
2018	3.1	2.4	1.7	1.3	8.5
2019	0.8	0.3			1.1
Total deferred revenue - initial and additional listing fees				\$	460.8

Note: only includes initial and additional listing fees billed up to June 30, 2009 (and is calculated based on an estimated service period of ten years)

¹ Please refer to Forward-Looking Information.