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TMX Group Inc. Reports Results for Third Quarter 2009

TORONTO – TMX Group Inc. [TSX:X] announced results for the third quarter and first nine months ended September 30, 2009.

Commenting on the Company’s performance this quarter, Thomas Kloet, Chief Executive Officer of TMX Group noted: “While we experienced reductions in revenues in certain areas of the business, due in part to the global economic slowdown, we are encouraged by the improving market conditions, which have already resulted in a substantial increase in the value of IPO and secondary financing activities as well as overall volumes on the Toronto Stock Exchange.”

Mr. Kloet added: “We continue to make necessary and important investments to allow us to excel in an increasingly competitive marketplace. The launch of our new TSX Quantum gateway, the construction of a substantial number of additional co-location spaces and the expansion of our enterprise infrastructure are just some of the initiatives that will come to fruition in the months ahead.”

Michael Ptasznik, Chief Financial Officer of TMX Group added: “Despite market challenges in the third quarter, we remain highly focused on our operating results and on managing our overall cost base while continuing to invest to deliver maximum shareholder value. Our diversified portfolio allowed us to maintain momentum in key areas with revenue growth in energy, fixed income and TSX Venture Exchange trading.”

Summary of Financial Information

(in millions of dollars, except per share amounts)

| | | | \$ | % |
|---|----------|----------|-------------------------|-------------------------|
| | Q3/09 | Q3/08 | Increase/ (decrease) | Increase/ (decrease) |
| <i>Revenue</i> | \$ 130.2 | \$ 139.2 | (\$ 9.0) | (6%) |
| <i>Operating expenses</i> | \$ 68.4 | \$ 62.2 | \$ 6.2 | 10% |
| <i>Net income</i> | \$ 41.7 | \$ 50.9 | (\$ 9.2) | (18%) |
| <i>Earnings per share:</i> | | | | |
| <i>Basic</i> | \$ 0.56 | \$ 0.66 | (\$ 0.10) | (15%) |
| <i>Diluted</i> | \$ 0.56 | \$ 0.66 | (\$ 0.10) | (15%) |
| <i>Cash flows from operating activities</i> | \$ 37.4 | \$ 54.6 | (\$ 17.2) | (32%) |

Net income was \$41.7 million, or \$0.56 per common share for Q3/09 (on both a basic and diluted basis), compared with net income of \$50.9 million, or \$0.66 per common share (on both a basic and diluted basis) for Q3/08, representing a decrease of 18% in net income. Net income in Q3/09 was lower than Q3/08 due to lower cash markets equity trading revenue on Toronto Stock Exchange, lower issuer services revenue, increased expenses partially related to new technology initiatives and lower investment income. The decreases were partially offset by higher revenue from energy trading, cash markets equity trading revenue on TSX Venture Exchange and fixed income trading. BOX's results were consolidated in our Q3/09 financial statements (with an adjustment made for non-controlling interests) and were consolidated in our Q3/08 financial statements from August 29, 2008. Prior to acquisition of control on August 29, 2008, 31.4% of earnings from BOX were included as Income from investments in affiliates*.

* Based on MX's ownership interest in BOX, prior to acquisition of control.

(in millions of dollars, except per share amounts)

| | Nine months ended | | \$ | % |
|---|-------------------|----------------|-----------|-------|
| | Sept. 30/09 | Sept. 30/08 | | |
| <i>Revenue</i> | \$403.3 | \$381.6 | \$ 21.7 | 6% |
| <i>Operating expenses</i> | \$205.5 | \$161.7 | \$ 43.8 | 27% |
| <i>Net income</i> | \$131.5 | \$132.9 | (\$ 1.4) | (1%) |
| <i>Earnings per share:</i> | | | | |
| <i>Basic</i> | \$1.78 | \$1.82 | (\$ 0.04) | (2%) |
| <i>Diluted</i> | \$1.77 | \$1.82 | (\$ 0.05) | (3%) |
| <i>Cash flows from operating activities</i> | \$148.4 | \$183.3 | (\$ 34.9) | (19%) |

Net income was \$131.5 million, or \$1.78 per common share for the first nine months of 2009 (\$1.77 on a diluted basis), compared with net income of \$132.9 million, or \$1.82 per common share on a basic and diluted basis for the same period in 2008, representing a decrease of 1% in net income. In the first nine months of 2008, net income was reduced by \$15.2 million, or 21 cents per common share (20 cents on a diluted basis) due to a payment to ISE Ventures, LLC (ISE Ventures), a wholly-owned subsidiary of International Securities Exchange Holdings, Inc. (ISE), with respect to the termination of our derivatives joint venture. EPS for the first nine months of 2009 was lower than the adjusted EPS prior to loss on termination of joint venture ** of \$2.03 per common share (\$2.02 on a diluted basis) for the first nine months of 2008, 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 the first nine months of 2009, our financial statements reflected nine months of MX's results compared with five months of results in the first nine months of 2008. BOX's results were consolidated in our first nine months of 2009 financial statements (with an adjustment made for non-controlling interests) and were only consolidated in our 2008 financial statements from August 29, 2008. From May 1, 2008, to August 28, 2008, 31.4% of earnings from BOX were included as Income from investments in affiliates.*

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

* Based on MX's ownership interest in BOX, prior to acquisition of control.

The following is a reconciliation of earnings per share to adjusted earnings per share prior to a loss on termination of joint venture** in the first nine months of 2008:

Reconciliation for nine months ended September 30, 2009 and September 30, 2008

| | Nine months ended | | | |
|--|-------------------|---------------|---------------|---------------|
| | Sept. 30/09 | | Sept. 30/08 | |
| | Basic | Diluted | Basic | Diluted |
| <i>Earnings per share</i> | \$1.78 | \$1.77 | \$1.82 | \$1.82 |
| <i>Adjustment related to loss on termination of joint venture</i> | = | = | <u>\$0.21</u> | <u>\$0.20</u> |
| <i>Adjusted earnings per share prior to loss on termination of joint venture**</i> | <u>\$1.78</u> | <u>\$1.77</u> | <u>\$2.03</u> | <u>\$2.02</u> |

Select Segmented Financial Information

(in millions of dollars)

| | Cash Markets - Equities and Fixed Income | Derivatives Markets - MX and BOX | Energy Markets | Total |
|-------------------|--|--|----------------|---------|
| Q3/09 | | | | |
| <i>Revenue</i> | \$95.3 | \$24.8 | \$10.2 | \$130.2 |
| <i>Net Income</i> | \$33.6 | \$5.3 | \$2.9 | \$41.7 |
| Q3/08 | | | | |
| <i>Revenue</i> | \$108.2 | \$23.3 | \$7.7 | \$139.2 |
| <i>Net Income</i> | \$41.9 | \$6.9 | \$2.2 | \$50.9 |

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

(in millions of dollars)

| Nine months ended Sept. 30/09 | Cash Markets - Equities and Fixed Income | Derivatives Markets - MX and BOX | Energy Markets | Total |
|--|---|---|-----------------------|--------------|
| <i>Revenue</i> | \$296.0 | \$78.1 | \$29.2 | \$403.3 |
| <i>Net Income</i> | \$107.9 | \$14.8 | \$8.9 | \$131.5 |
| Nine months ended Sept. 30/08 | | | | |
| <i>Revenue</i> | \$322.7 | \$37.2 | \$21.7 | \$381.6 |
| <i>Net Income</i> | \$116.9 | \$10.7 | \$5.3 | \$132.9 |

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 Q3/09 and first nine months 2009 results and in our Q3/08 and first nine months 2008 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 first nine months 2008 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%.

On May 1, 2009, we completed the acquisition of NetThruPut Inc. (NTP) and therefore their results have been included in TMX Group's consolidated financial statements from that date.

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

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

Revenue

Revenue was \$130.2 million for Q3/09, down \$9.0 million, or 6% compared with \$139.2 million for Q3/08, largely due to lower revenue from cash markets equity trading on Toronto Stock Exchange and issuer services primarily related to lower sustaining listing fees and other issuer services. The decrease was partially offset by increased revenue from energy trading, cash markets equity trading revenue on TSX Venture Exchange and fixed income trading. Revenue

included \$24.8 million of revenue from MX and BOX in Q3/09, compared with \$23.3 million in revenue from MX in Q3/08 and BOX revenue from August 29, 2008 in Q3/08.

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 Q3/09 and Q3/08.

(in millions of dollars)

| | <i>Reported</i> | | | | <i>Billed**</i> | | | |
|-----------------------------------|-----------------|----------------|--|---------------------------------------|-----------------|----------------|--|---------------------------------------|
| | Q3/09 | Q3/08 | \$ increase/ (decrease) | % increase/ (decrease) | Q3/09 | Q3/08 | \$ increase/ (decrease) | % increase/ (decrease) |
| <i>Initial listing fees</i> | \$ 4.2 | \$ 4.1 | \$ 0.1 | 2% | \$ 3.0 | \$ 4.3 | (\$ 1.3) | (30%) |
| <i>Additional listing fees</i> | \$ 14.6 | \$ 13.1 | \$ 1.5 | 11% | \$ 22.4 | \$ 17.2 | \$ 5.2 | 30% |
| <i>Sustaining listing fees***</i> | \$ 13.6 | \$ 17.5 | (\$ 3.9) | (22%) | \$ 13.6 | \$ 17.5 | (\$ 3.9) | (22%) |
| <i>Other issuer services</i> | <u>\$ 2.7</u> | <u>\$ 3.3</u> | <u>(\$ 0.6)</u> | (18%) | <u>\$ 2.7</u> | <u>\$ 3.3</u> | <u>(\$ 0.6)</u> | (18%) |
| <i>Total</i> | <u>\$ 35.1</u> | <u>\$ 38.0</u> | <u>(\$ 2.9)</u> | (8%) | <u>\$ 41.7</u> | <u>\$ 42.3</u> | <u>(\$ 0.6)</u> | (1%) |

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) | Q3/09 | Q3/08 |
|--|---------------|---------------|
| Initial listing fees billed** | \$ 3.0 | \$ 4.3 |
| Initial listing fees billed** and deferred to future periods | (\$ 2.9) | (\$ 4.2) |
| Recognition of initial listing fees billed** and previously included in deferred revenue | <u>\$ 4.1</u> | <u>\$ 4.0</u> |
| Initial listing fee revenue reported | <u>\$ 4.2</u> | <u>\$ 4.1</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) | Q3/09 | Q3/08 |
|---|----------------|----------------|
| Additional listing fees billed** | \$ 22.4 | \$ 17.2 |
| Additional listing fees billed** and deferred to future periods | (\$ 22.0) | (\$ 16.9) |
| Recognition of additional listing fees billed** and previously included in deferred revenue | <u>\$ 14.2</u> | <u>\$ 12.8</u> |
| Additional listing fee revenue reported | <u>\$ 14.6</u> | <u>\$ 13.1</u> |

- *Initial and additional listing fees reported* increased in Q3/09 compared with Q3/08, reflecting an increase in capital market activity during the period from October 1, 1999 to September 30, 2009 compared with the period from October 1, 1998 to September 30, 2008. *Initial and additional listing fees billed*** increased in Q3/09, as compared with Q3/08, due to an increase in initial and additional financings on Toronto Stock Exchange, somewhat offset by a decrease in initial and additional financings on TSX Venture Exchange. While there was significant increase in the value of initial and additional financings on Toronto Stock Exchange in Q3/09 compared with Q3/08, this was driven by a number of high value transactions where issuers paid the maximum listing fee.
- 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* revenue of \$2.7 million decreased from \$3.3 million in Q3/08, reflecting lower demand for investor relations services compared with Q3/08.

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

Trading, Clearing and Related Revenue¹

(in millions of dollars)

| | Q3/09 | Q3/08 | \$ increase/ (decrease) | % increase/ (decrease) |
|------------------------------------|----------------|----------------|----------------------------|---------------------------|
| <i>Cash markets:</i> | | | | |
| • <i>Toronto Stock Exchange</i> | \$ 15.2 | \$ 26.0 | (\$ 10.8) | (42%) |
| • <i>TSX Venture Exchange</i> | <u>\$ 7.5</u> | <u>\$ 5.6</u> | <u>\$ 1.9</u> | 34% |
| | \$ 22.7 | \$ 31.6 | (\$ 8.9) | (28%) |
| • <i>Shorcan</i> | <u>\$ 4.0</u> | <u>\$ 2.8</u> | <u>\$ 1.2</u> | 43% |
| <i>Cash markets revenue</i> | \$ 26.7 | \$ 34.4 | (\$ 7.7) | (22%) |
| <i>Derivatives markets revenue</i> | \$ 19.4 | \$ 16.9 | \$ 2.5 | 15% |
| <i>Energy markets revenue</i> | <u>\$ 10.3</u> | <u>\$ 7.6</u> | <u>\$ 2.7</u> | 36% |
| <i>Total</i> | <u>\$ 56.4</u> | <u>\$ 58.9</u> | <u>(\$ 2.5)</u> | (4%) |

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 and a change in trading mix. The fee 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. This decrease was partially offset by a 10% increase in the volume of securities traded on Toronto Stock Exchange in Q3/09 over Q3/08 (28.3 billion securities in Q3/09 versus 25.7 billion securities in Q3/08).
- *Cash markets* equity trading revenue from TSX Venture Exchange increased due to a 56% increase in the volume of securities traded in Q3/09 over Q3/08 (12.5 billion securities in Q3/09 versus 8.0 billion securities in Q3/08). The increase was partially offset by 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 \$11.0 to \$14.0 million on an annual basis if offsetting benefits, including increased volumes, were not realized. During Q3/09, there were changes in customer and product mix including a higher proportion of volumes coming from

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.

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.

- On August 14, 2009, we announced changes to the equity trading fee schedule that took effect October 1, 2009. Fees under the ELP Program have been replaced with a single tier model which reduces the passive credit paid to ELP Program participants. The active fee paid by ELP Program participants has also been reduced in some cases. In addition, the revised fee schedule is expected to provide all participants with an average reduction of 24% in active trading fees on stocks trading at less than \$1 in the post-open continuous market. It is expected that these fee changes will have a neutral impact on our revenues based on historical volumes and product and customer mix. The ongoing impact of these fee changes on actual cash markets equity trading revenue will depend on future trading activity and product and customer mix.
- The increase in revenue from Shorcan Brokers Limited (Shorcan), primarily reflects an increase in trading of Government of Canada bonds and swaps in Q3/09 versus Q3/08.

Derivatives Markets

- *Derivatives markets* revenue includes \$19.4 million in trading and clearing revenue from MX and trading revenue from BOX, versus \$16.9 million in trading and clearing revenue from MX in Q3/08 and trading revenue from BOX from August 29, 2008 when BOX's results were consolidated into our financial statements, with an adjustment for non-controlling interests.
- MX volumes decreased by 16% (8.3 million contracts traded in Q3/09 versus 9.9 million contracts traded in Q3/08) reflecting reduced trading in both the BAX and CGB contracts, partially offset by an increase in ETFs derivatives trading. We believe the reduction in fixed income futures trading is a reflection of the current interest rate environment of historically low rates with little volatility.
- BOX volumes decreased by 30% (34.1 million contracts in Q3/09 versus 48.9 million contracts traded in Q3/08).

Energy Markets

- *Energy markets* revenue increased due to a 6% increase in the volumes of natural gas and electricity contracts traded or cleared on NGX over Q3/08 (3.8 million terajoules in Q3/09 versus 3.6 million terajoules in Q3/08). This excludes the Alberta Watt Exchange Limited (Watt-Ex) volumes.
- The increase was also due to pricing changes on natural gas contracts that were effective January 1, 2009 and the inclusion of revenue from crude oil trading following the acquisition of NTP on May 1, 2009. We traded 10.5 million barrels of crude oil in Q3/09.

Market Data Revenue

(in millions of dollars)

| Q3/09 | Q3/08 | \$ (decrease) | % (decrease) |
|---------|---------|---------------|--------------|
| \$ 34.5 | \$ 35.3 | (\$0.8) | (2%) |

- This decrease reflects a 12% decrease in the number of professional and equivalent real-time market data subscriptions to Toronto Stock Exchange and TSX Venture Exchange products (over 145,000 professional and equivalent real-time market data subscriptions at September 30, 2009 versus over 165,000 at September 30, 2008).
- The decrease was also due to lower revenue recoveries related to under-reported usage of real-time quotes in Q3/09 compared with Q3/08.
- The decrease was largely offset by higher revenues from data feeds and co-location services as well as pricing changes that were effective January 1, 2009.
- *Market data* revenue included \$3.7 million in data revenue from MX and BOX, compared with \$3.4 million in market data revenue related to MX in Q3/08 and market data revenue from BOX from August 29, 2008. There were over 22,000 MX market data subscriptions at September 30, 2009 compared with over 28,000 at September 30, 2008, a decrease of 21%.

Business Services and Other Revenue

(in millions of dollars)

| Q3/09 | Q3/08 | \$ (decrease) | % (decrease) |
|--------|--------|---------------|--------------|
| \$ 4.3 | \$ 7.0 | (\$2.7) | (39%) |

- *Business services* revenue in Q3/08 included two months of revenue from BOX (prior to consolidation on August 29, 2008) for technology and other services provided by MX. This revenue has been eliminated as BOX is now a subsidiary of MX. The decrease in Q3/09 was somewhat offset by the inclusion of revenue from the technology services arrangement with the London Stock Exchange Group plc (LSE).
- The decrease was also due to net foreign exchange losses on U.S. dollar accounts receivable.

Operating Expenses²

Operating expenses in Q3/09 were \$68.4 million, an increase of \$6.2 million, or 10%, as compared with \$62.2 million in Q3/08. The increase was partially due to the inclusion of \$17.9 million of expenses related to MX and BOX, versus \$15.7 million related to MX in Q3/08 and the operations of BOX from August 29, 2008. In addition, we incurred higher expenses related to various technology initiatives in Q3/09 compared with Q3/08.

These higher expenses were partially offset by the cost synergies related to the integration with MX of approximately \$1.5 million per month that were realized on a run-rate basis in Q3/09. 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 at one location which should greatly reduce their technology and communication expenditures. 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 2008 business plans of the separate organizations.

In keeping with our commitment to deliver state of the art levels of technology to our markets, we are continuing to invest in and are planning a multi-phased initiative to upgrade the infrastructure across our trading enterprise. In order to increase speed and improve performance, we are upgrading our internal networks. In addition, we are also working to expand our message storage capabilities in order to handle higher speed transactions and the increasing number of messages that need to be stored. We are planning to have this completed in Q1/10. We expect to incur annual operating expenses of approximately \$8.0 million to support this initiative. However, we estimate these costs will be largely offset by the decommissioning of legacy hardware beginning in the second half of 2010. The upgrade of the trading and data enterprise is designed to create the necessary infrastructure to attract additional customers and order flow to our marketplace.

Compensation and Benefits

(in millions of dollars)

| Q3/09 | Q3/08 | \$ increase | % increase |
|---------|---------|-------------|------------|
| \$ 32.5 | \$ 32.1 | \$0.4 | 1% |

- *Compensation and benefits* costs include \$6.4 million in costs related to MX and BOX in Q3/09, unchanged from MX compensation and benefits costs in Q3/08 and compensation and benefits costs from BOX from August 29, 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.

- The increase was attributable to higher costs associated with technology initiatives, partially offset by lower costs related to short term performance incentives.
- There were 845 employees at September 30, 2009, which included 6 NTP employees, versus 850 employees at September 30, 2008.

Information and Trading Systems

(in millions of dollars)

| Q3/09 | Q3/08 | \$ increase | % increase |
|--------------|--------------|--------------------|-------------------|
| \$ 12.1 | \$ 9.2 | \$2.9 | 32% |

- *Information and trading systems* costs included \$1.8 million in costs related to MX and BOX, compared with \$1.5 million related to MX in Q3/08 and from BOX from August 29, 2008.
- *Information and trading systems* costs increased due to costs associated with our technology initiatives including data centre enhancements, the TSX Quantum gateway and enterprise expansion.

General and Administration

(in millions of dollars)

| Q3/09 | Q3/08 | \$ increase | % increase |
|--------------|--------------|--------------------|-------------------|
| \$ 16.2 | \$ 13.8 | \$2.4 | 17% |

- *General and administration* costs included \$5.8 million in costs related to MX and BOX, compared with \$4.5 million from MX in Q3/08 and from BOX from August 29, 2008.
- *General and administration* costs also increased as a result of increased spending related to our technology initiatives.

Amortization

(in millions of dollars)

| Q3/09 | Q3/08 | \$ increase | % increase |
|--------------|--------------|--------------------|-------------------|
| \$ 7.6 | \$ 7.0 | \$0.6 | 9% |

- *Amortization* costs increased reflecting amortization of \$4.0 million related to MX and BOX, compared with \$3.3 million from MX in Q3/08 and from BOX from August 29, 2008.

Investment Income

(in millions of dollars)

| Q3/09 | Q3/08 | \$ (decrease) | % (decrease) |
|--------|--------|---------------|--------------|
| \$ 1.3 | \$ 2.9 | (\$1.6) | (55%) |

- *Investment income* decreased due to a reduction in cash available for investment and lower overall returns on investments during Q3/09 compared with Q3/08.

Interest Expense

(in millions of dollars)

| Q3/09 | Q3/08 | \$ (decrease) | % (decrease) |
|--------|--------|---------------|--------------|
| \$ 1.3 | \$ 4.3 | (\$3.0) | (70%) |

- *Interest expense* decreased as a result of lower interest rates in Q3/09 compared with Q3/08. 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**).

Income Taxes³

(in millions of dollars)

| Q3/09 | Q3/08 | Effective tax rate (%) | |
|---------|---------|------------------------|-------|
| | | Q3/09 | Q3/08 |
| \$ 19.4 | \$ 24.8 | 32% | 33% |

- The effective tax rate for Q3/09 was somewhat lower than the effective tax rate of 33% for Q3/08 due to a lower federal income tax rate in Q3/09 compared with Q3/08.
- 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 Q3/09, there was no impact on *Income Taxes*. If the legislation becomes substantively enacted, based on the future income tax asset as at September 30, 2009, we

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.

estimate there will be a net reduction in the value of the future income tax asset of approximately \$8.0 million and a corresponding increase in *Income Taxes* of approximately \$8.0 million. While this accounting adjustment will have no immediate impact on cash flow, the decline in tax rates will reduce taxes payable in future periods.

Nine Months Ended September 30, 2009 Compared with Nine Months Ended September 30, 2008

Revenue

Revenue was \$403.3 million for the first nine months of 2009, up \$21.7 million, or 6% compared with \$381.6 million for the first nine months of 2008, reflecting \$78.1 million in revenue related to the business operations of MX and BOX, compared with \$37.2 million from MX following the combination on May 1, 2008 and BOX from August 29, 2008. The increase was also due to increased energy and fixed income trading, 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 the first nine months of 2009 and the first nine months of 2008.

(in millions of dollars)

| | <i>Reported</i> | | | | <i>Billed**</i> | | | |
|-----------------------------------|-------------------|-----------------|-----------------|-------------|-------------------|-----------------|------------------|--------------|
| | Nine months ended | | \$ | % | Nine months ended | | \$ | % |
| | Sept. 30/09 | Sept. 30/08 | | | Sept. 30/09 | Sept. 30/08 | | |
| <i>Initial listing fees</i> | \$ 12.6 | \$ 11.9 | \$ 0.7 | 6% | \$ 6.9 | \$ 15.4 | (\$ 8.5) | (55%) |
| <i>Additional listing fees</i> | \$ 42.4 | \$ 37.9 | \$ 4.5 | 12% | \$ 62.4 | \$ 61.1 | \$ 1.3 | 2% |
| <i>Sustaining listing fees***</i> | \$ 40.9 | \$ 52.1 | (\$ 11.2) | (21%) | \$ 40.9 | \$ 52.1 | (\$ 11.2) | (21%) |
| <i>Other issuer services</i> | \$ 9.7 | \$ 12.0 | (\$ 2.3) | (19%) | \$ 9.7 | \$ 12.0 | (\$ 2.3) | (19%) |
| Total | \$ 105.6 | \$ 113.9 | (\$ 8.3) | (7%) | \$ 119.9 | \$ 140.6 | (\$ 20.7) | (15%) |

** 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 period. 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.

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:

| | Nine months ended | |
|--|--------------------------|------------------------|
| | Sept. 30/09 | Sept. 30/08 |
| <i>Initial Listing Fees</i> (in millions of dollars) | | |
| Initial listing fees billed** | \$ 6.9 | \$ 15.4 |
| Initial listing fees billed** and deferred to future periods | (\$ 6.6) | (\$ 14.7) |
| Recognition of initial listing fees billed** and previously included in deferred revenue | <u>\$ 12.3</u> | <u>\$ 11.2</u> |
| Initial listing fee revenue reported | <u>\$ 12.6</u> | <u>\$ 11.9</u> |

| | Nine months ended | |
|---|--------------------------|------------------------|
| | Sept. 30/09 | Sept. 30/08 |
| <i>Additional Listing Fees</i> (in millions of dollars) | | |
| Additional listing fees billed** | \$ 62.4 | \$ 61.1 |
| Additional listing fees billed** and deferred to future periods | (\$ 60.0) | (\$ 58.6) |
| Recognition of additional listing fees billed** and previously included in deferred revenue | <u>\$ 40.0</u> | <u>\$ 35.4</u> |
| Additional listing fee revenue reported | <u>\$ 42.4</u> | <u>\$ 37.9</u> |

- *Initial and additional listing fees reported* increased in the first nine months of 2009 compared with the first nine months of 2008, reflecting an increase in capital market activity during the period from April 1, 1999 to September 30, 2009 compared with the period from April 1, 1998 to September 30, 2008. *Initial and additional listing fees billed*** decreased in the first nine months of 2009, as compared with the first nine months of 2008, 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 the value of initial and additional financings on Toronto Stock Exchange in the first nine months of

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

2009 increased compared with the first nine months of 2008, this was driven by a larger proportion of high value transactions, where issuers paid the maximum additional listing fee.

- 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* revenue of \$9.7 million decreased from \$12.0 million in the first nine months of 2008, reflecting lower demand for investor relations services compared with the first nine months of 2008.

Trading, Clearing and Related Revenue⁴

(in millions of dollars)

| | Nine months ended | | \$ increase/ (decrease) | % increase/ (decrease) |
|------------------------------------|-------------------|-------------|----------------------------|---------------------------|
| | Sept. 30/09 | Sept. 30/08 | | |
| <i>Cash markets:</i> | | | | |
| • <i>Toronto Stock Exchange</i> | \$ 54.8 | \$ 74.3 | (\$ 19.5) | (26%) |
| • <i>TSX Venture Exchange</i> | \$ 18.4 | \$ 22.8 | (\$ 4.4) | (19%) |
| | \$ 73.2 | \$ 97.1 | (\$ 23.9) | (25%) |
| • <i>Shorcan</i> | \$ 12.6 | \$ 9.2 | \$ 3.4 | 37% |
| <i>Cash markets revenue</i> | \$ 85.8 | \$ 106.3 | (\$ 20.5) | (19%) |
| <i>Derivatives markets revenue</i> | \$ 61.3 | \$ 25.8 | \$ 35.5 | 138% |
| <i>Energy markets revenue</i> | \$ 29.4 | \$ 21.5 | \$ 7.9 | 37% |
| <i>Total</i> | \$ 176.5 | \$ 153.6 | \$ 22.9 | 15% |

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 and a change in trading mix. The fee changes included increased credits to ELP market participants, a reduction in the spread between active fees and passive credits, and the elimination of a premium fee on ETF transactions. This decrease was partially offset by a

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.

20% increase in the volume of securities traded on Toronto Stock Exchange in the first nine months of 2009 over the first nine months of 2008 (91.3 billion securities in the first nine months of 2009 versus 76.2 billion securities in the first nine months of 2008).

- *Cash markets* equity trading revenue from TSX Venture Exchange decreased due to a 5% decrease in the volume of securities traded in the first nine months of 2009 over the first nine months of 2008 (31.6 billion securities in the first nine months of 2009 versus 33.3 billion securities in the first nine months of 2008). 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 \$11.0 to \$14.0 million on an annual basis if offsetting benefits, including increased volumes, were not realized. During the first nine months of 2009, there were changes 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.
- On August 14, 2009, we announced changes to the equity trading fee schedule that took effect October 1, 2009. Fees under the ELP Program have been replaced with a single tier model which reduces the passive credit paid to ELP Program participants. The active fee paid by ELP Program participants has also been reduced in some cases. In addition, the revised fee schedule is expected to provide all participants with an average reduction of 24% in active trading fees on stocks trading at less than \$1 in the post-open continuous market. It is expected that these fee changes will have a neutral impact on our revenues based on historical volumes and product and customer mix. The ongoing impact of these fee changes on actual cash markets equity trading revenue will depend on future trading activity and product and customer mix.
- The increase in revenue from Shorcan primarily reflects an increase in trading of Government of Canada bonds and swaps in the first nine months of 2009 versus the first nine months of 2008.

Derivatives Markets

- *Derivatives markets* revenue reflects \$61.3 million in trading and clearing revenue from MX and trading revenue from BOX, compared with \$25.8 million from MX in the first nine months of 2008 following the combination on May 1, 2008 and BOX from August 29, 2008 when BOX's results were consolidated into our financial statements, with an adjustment for non-controlling interests.
- MX volumes decreased by 16% (24.9 million contracts traded in the first nine months of 2009 versus 29.8 million contracts traded in the first nine months of 2008) reflecting reduced trading in both the BAX and CGB contracts, as well as index derivatives, partially offset by an increase in ETFs derivatives and equity options trading.

- BOX volumes decreased by 11% (118.9 million contracts in the first nine months of 2009 versus 134.1 million contracts traded in the first nine months of 2008).

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 20.6 million barrels of crude oil between May 1, 2009 and September 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 the first nine months of 2009, on a net basis, than in the first nine months of 2008 due to a reduced level of forward contracts.
- The increased revenue was also due to the change in the exchange rate of the U.S. dollar relative to the Canadian dollar in the first nine months of 2009 compared with the first nine months of 2008.
- NGX traded or cleared 11.0 million terajoules in natural gas and electricity contracts in the first nine months of 2009 and in the first nine months of 2008. This excludes Watt-Ex volumes.

Market Data Revenue

(in millions of dollars)

| Nine months ended | | \$ increase | % increase |
|--------------------------|--------------------|--------------------|-------------------|
| Sept. 30/09 | Sept. 30/08 | | |
| \$ 109.1 | \$ 97.4 | \$11.7 | 12% |

- *Market data* revenue included \$12.7 million in revenue related to the business operations of MX and BOX in the first nine months of 2009, compared with \$5.3 million from MX from May 1, 2008 and BOX from August 29, 2008. There was an 11% decrease in the average number of MX market data subscriptions in the first nine months of 2009 compared with the five months from May 1, 2008 to September 30, 2008. There were over 22,000 MX market data subscriptions at September 30, 2009.
- The increase was also due to the change in the exchange rate of the U.S. dollar relative to the Canadian dollar in the first nine months of 2009 compared with the first nine months of 2008, 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 an 8% decrease in the average number of professional and equivalent real-time market data subscriptions to Toronto Stock Exchange and TSX Venture Exchange products in the first nine months of 2009 compared with the first nine

months of 2008. There were over 145,000 professional and equivalent real-time market data subscriptions at September 30, 2009.

Business Services and Other Revenue

(in millions of dollars)

| Nine months ended | | | |
|-------------------|-------------|---------------|--------------|
| Sept. 30/09 | Sept. 30/08 | \$ (decrease) | % (decrease) |
| \$ 12.1 | \$ 16.6 | (\$4.5) | (27%) |

- *Business services* revenue in first nine months of 2008 included four months of revenue from BOX for technology and other services provided by MX, which in the first nine months of 2009 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 the first nine months of 2009 were \$205.5 million, an increase of \$43.8 million, or 27%, as compared with \$161.7 million in first nine months of 2008. The increase was due primarily to the inclusion of \$57.5 million of expenses related to MX and BOX, versus \$25.4 million related to MX from May 1, 2008 to September 30, 2008 and the operations of BOX from August 29, 2008 to September 30, 2008. In addition, we incurred higher expenses related to various technology initiatives in first nine months of 2009 compared with first nine months of 2008.

Compensation and Benefits

(in millions of dollars)

| Nine months ended | | | |
|-------------------|-------------|-------------|------------|
| Sept. 30/09 | Sept. 30/08 | \$ increase | % increase |
| \$ 97.4 | \$ 81.4 | \$16.0 | 20% |

- *Compensation and benefits* costs increased primarily due to the inclusion of \$22.6 million in costs related to MX and BOX. There were \$10.6 million in costs related to MX in the first nine months of 2008 following the combination on May 1, 2008 and BOX from August 29, 2008.
- The increase was also attributable to higher costs associated with technology initiatives, increased overall costs related to certain performance incentives, higher organizational

transition costs and increased costs associated with salary increases compared with the first nine months of 2008.

- There were 845 employees at September 30, 2009, which included 6 NTP employees, versus 850 employees at September 30, 2008.

Information and Trading Systems

(in millions of dollars)

| Nine months ended | | \$ increase | % increase |
|-------------------|-------------|-------------|------------|
| Sept. 30/09 | Sept. 30/08 | | |
| \$ 35.0 | \$ 25.0 | \$10.0 | 40% |

- *Information and trading systems* costs included \$5.2 million in costs related to MX and BOX, compared with \$2.4 million in costs related to MX in the first nine months of 2008 following the combination on May 1, 2008 and BOX from August 29, 2008.
- *Information and trading systems* costs also increased due to costs associated with our technology initiatives including data centre enhancements, the TSX Quantum gateway, the smart order router and enterprise expansion. In addition, there were higher expenses related to NGX's arrangement with ICE.

General and Administration

(in millions of dollars)

| Nine months ended | | \$ increase | % increase |
|-------------------|-------------|-------------|------------|
| Sept. 30/09 | Sept. 30/08 | | |
| \$ 51.0 | \$ 38.0 | \$13.0 | 34% |

- *General and administration* costs included \$18.0 million in costs related to MX and BOX, compared with \$7.0 million in costs related to MX in the first nine months of 2008 following the combination on May 1, 2008 and BOX from August 29, 2008.
- *General and administration* costs also increased as a result of increased spending related to our technology initiatives and higher insurance costs.

Amortization

(in millions of dollars)

| Nine months ended | | | |
|-------------------|-------------|-------------|------------|
| Sept. 30/09 | Sept. 30/08 | \$ increase | % increase |
| \$ 22.2 | \$ 17.3 | \$4.9 | 28% |

- *Amortization* costs increased reflecting amortization of \$11.7 million related to MX and BOX, compared with \$5.3 million related to MX in the first nine months of 2008 following the combination on May 1, 2008 and BOX from August 29, 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)

| Nine months ended | | |
|-------------------|-------------|---------------|
| Sept. 30/09 | Sept. 30/08 | \$ (decrease) |
| \$ 0.2 | \$ 1.0 | (\$0.8) |

- *Income from investments in affiliates* of \$0.2 million represents TSX Inc.'s share of CanDeal.ca Inc. (CanDeal) income for the first nine months of 2009 based on its 47% interest in CanDeal, compared with \$0.3 million from the first nine months of 2008. CanDeal is an electronic trading system for the institutional debt market.
- In the first nine months of 2008, *Income from investments in affiliates* included \$0.7 million representing MX's share of BOX income, based on its 31.4% interest in BOX from May 1, 2008 to August 28, 2008.

Investment Income

(in millions of dollars)

| Nine months ended | | | |
|-------------------|-------------|---------------|--------------|
| Sept. 30/09 | Sept. 30/08 | \$ (decrease) | % (decrease) |
| \$ 4.3 | \$ 10.7 | (\$6.4) | (60%) |

- *Investment income* decreased due to a reduction in cash available for investment and lower overall returns on investments during the first nine months of 2009 compared with the first nine months of 2008.

Interest Expense

(in millions of dollars)

| Nine months ended | | | |
|-------------------|-------------|---------------|--------------|
| Sept. 30/09 | Sept. 30/08 | \$ (decrease) | % (decrease) |
| \$ 4.7 | \$ 7.1 | (\$2.4) | (34%) |

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

Other Acquisition Related Expenses

(in millions of dollars)

| Nine months ended | | |
|-------------------|-------------|---------------|
| Sept. 30/09 | Sept. 30/08 | \$ (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 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 with MX, we expensed the unamortized balance of \$0.7 million in Q2/08.

Income Taxes⁵

(in millions of dollars)

| Nine months ended | | Effective tax rate (%) | |
|-------------------|-------------|------------------------|-------------|
| Sept. 30/09 | Sept. 30/08 | Sept. 30/09 | Sept. 30/08 |
| \$ 62.2 | \$ 75.3 | 32% | 36% |

- The effective tax rate in the first nine months of 2009 was lower than the effective tax rate of 36% for the first nine months of 2008 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 the first nine months of 2009 was also somewhat lower than that for the first nine months of 2008 due to an increase in income attributable to the Province of Quebec in the first nine months of 2009, compared with the period from May 1, 2008 to September 30, 2008. 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 the first nine months of 2009 compared with the first nine months of 2008.
- 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 the first nine months of 2009, there was no impact on *Income Taxes*. If the legislation becomes substantively enacted, based on the future income tax asset as at September 30, 2009, we estimate there will be a net reduction in the value of the future income tax asset of approximately \$8.0 million and a corresponding increase in *Income Taxes* of approximately \$8.0 million. While this accounting adjustment will have no immediate impact on cash flow, the decline in tax rates will reduce taxes payable 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)

| September 30, 2009 | December 31, 2008 | \$ (decrease) |
|---------------------------|--------------------------|----------------------|
| \$ 172.3 | \$ 198.7 | (\$26.4) |

- The decrease was due to three dividend payments of \$0.38 per common share, or \$84.7 million in aggregate, as well as to payments totalling \$30.4 million relating to the repurchase of 1,000,000 common shares under our normal course issuer bid (NCIB) program in the first nine months of 2009.
- In addition, we paid \$24.2 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 London Limited (EDX), the equity derivatives business of LSE on May 7, 2009.
- The decrease was also due to non-acquisition related additions to intangible assets of \$10.4 million, the payment of \$6.4 million in dividends to non-controlling interests in BOX and \$4.6 million in capital expenditures.
- The decrease was somewhat offset by cash generated from operating activities of \$148.4 million.

Total Assets

(in millions of dollars)

| September 30, 2009 | December 31, 2008 | \$ (decrease) |
|---------------------------|--------------------------|----------------------|
| \$ 3,453.0 | \$ 3,688.6 | (\$ 235.6) |

- *Total assets* decreased due to lower energy contracts receivable of \$487.5 million at September 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 September 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 \$487.5 million at September 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 \$610.1 million as at September 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 \$610.1 million at September 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 (\$247.1 million as at September 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 \$247.1 million at September 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 \$30.9 million in goodwill related to the purchase of NTP on May 1, 2009, less cash paid of \$24.2 million related to the acquisition.

Credit Facilities and Guarantee

Long-term Debt

(in millions of dollars)

| September 30, 2009 | December 31, 2008 | \$ increase |
|---------------------------|--------------------------|--------------------|
| \$428.8 | \$428.3 | \$ 0.5 |

- 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 September 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. On August 31, 2009, swap agreements with a notional value of \$100.0 million, representing one third of the total notional value of the swaps, matured.

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.

Canadian Derivatives Clearing Corporation (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 September 30, 2009.

Shareholders' Equity

(in millions of dollars)

| September 30, 2009 | December 31, 2008 | \$ increase |
|---------------------------|--------------------------|--------------------|
| \$ 826.5 | \$ 794.6 | \$ 31.9 |

- *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 the first nine months of 2009, 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 the NCIB expired August 17, 2009.
- We earned \$131.5 million of net income and paid \$84.7 million in dividends during the first nine months of 2009.
- At September 30, 2009, there were 74,304,177 common shares issued and outstanding. In the first nine months of 2009, 22,541 common shares were issued on the exercise of share options. At September 30, 2009, 4,229,755 common shares were reserved for issuance upon the exercise of options granted under the share option plan. At September 30, 2009, there were 1,406,554 options outstanding.

- At October 27, 2009, there were 74,305,041 common shares issued and outstanding and 1,404,651 options outstanding under the share option plan.

Cash Flows from Operating Activities

(in millions of dollars)

| | Q3/09 | Q3/08 | (Decrease) in cash |
|---|---------|---------|-----------------------|
| <i>Cash Flows from Operating Activities</i> | \$ 37.4 | \$ 54.6 | (\$ 17.2) |

Cash Flows from Operating Activities were \$17.2 million lower in Q3/09 compared with Q3/08 due to:

(in millions of dollars)

| | Q3/09 | Q3/08 | Increase/ (decrease) in cash |
|---|----------------|----------------|------------------------------------|
| Net income | \$ 41.7 | \$ 50.9 | (\$ 9.2) |
| Amortization | \$ 7.6 | \$ 7.0 | \$ 0.6 |
| Unrealized (gain)/loss on marketable securities | (\$ 0.6) | \$ 0.7 | (\$ 1.3) |
| Net (decrease) in future income taxes | (\$ 2.6) | (\$ 1.3) | (\$ 1.3) |
| Unrealized (gain) on interest rate swaps | (\$ 2.2) | - | (\$ 2.2) |
| (Increase)/decrease in accounts receivable and prepaid expenses | (\$ 9.3) | \$ 8.6 | (\$ 17.9) |
| (Increase)/decrease in other assets | (\$ 0.9) | \$ 1.3 | (\$ 2.2) |
| Net increase/(decrease) in accounts payable and accrued liabilities | \$ 4.8 | (\$ 2.5) | \$ 7.3 |
| (Decrease) in deferred revenue | (\$ 1.9) | (\$ 13.2) | \$ 11.3 |
| Net increase/(decrease) in income taxes | (\$ 0.8) | \$ 2.2 | (\$ 3.0) |
| Net increase in other items | <u>\$ 1.6</u> | <u>\$ 0.9</u> | <u>\$ 0.7</u> |
| <i>Cash Flows from Operating Activities</i> | <u>\$ 37.4</u> | <u>\$ 54.6</u> | <u>(\$ 17.2)</u> |

(in millions of dollars)

| | Nine months ended | | (Decrease) in cash |
|---|--------------------------|------------------------|-------------------------------|
| | Sept. 30/09 | Sept. 30/08 | |
| <i>Cash Flows from Operating Activities</i> | \$ 148.4 | \$ 183.3 | (\$ 34.9) |

Cash Flows from Operating Activities were \$34.9 million lower in the first nine months of 2009 compared with the first nine months of 2008 due to:

(in millions of dollars)

| | Nine months ended | | Increase/ (decrease) in cash |
|---|--------------------------|------------------------|---|
| | Sept. 30/09 | Sept. 30/08 | |
| Net income | \$ 131.5 | \$ 132.9 | (\$ 1.4) |
| Amortization | \$ 22.2 | \$ 17.3 | \$ 4.9 |
| Unrealized (gain)/loss on marketable securities | (\$ 0.3) | (\$ 0.2) | (\$ 0.1) |
| Payment to ISE Ventures related to termination of joint venture | - | \$ 15.2 | (\$ 15.2) |
| Net (decrease) in future income taxes | (\$ 2.6) | (\$ 5.2) | \$ 2.6 |
| Unrealized (gain) on interest rate swaps | (\$ 5.6) | - | (\$ 5.6) |
| (Increase) in accounts receivable and prepaid expenses | (\$ 13.1) | - | (\$ 13.1) |
| (Increase)/decrease in other assets | (\$ 7.7) | \$ 5.1 | (\$ 12.8) |
| Net (decrease) in accounts payable and accrued liabilities | (\$ 9.8) | (\$ 35.8) | \$ 26.0 |
| Increase in deferred revenue | \$ 45.3 | \$ 52.1 | (\$ 6.8) |
| Net increase/(decrease) in income taxes | (\$ 17.0) | \$ 0.5 | (\$ 17.5) |
| Net increase in other items | <u>\$ 5.5</u> | <u>\$ 1.4</u> | <u>\$ 4.1</u> |
| <i>Cash Flows from Operating Activities</i> | <u>\$ 148.4</u> | <u>\$ 183.3</u> | <u>(\$ 34.9)</u> |

Cash Flows from (used in) Financing Activities

(in millions of dollars)

| | Q3/09 | Q3/08 | Increase in cash |
|---|--------------|--------------|-----------------------------|
| <i>Cash Flows from (used in) Financing Activities</i> | (\$ 29.0) | (\$ 152.2) | \$ 123.2 |

Cash Flows (used in) Financing Activities were \$123.2 million lower in Q3/09 compared with Q3/08 due to:

(in millions of dollars)

| | Q3/09 | Q3/08 | Increase/ (decrease) in cash |
|---|------------------|-------------------|---|
| Dividends paid on common shares | (\$ 28.2) | (\$ 29.4) | \$ 1.2 |
| Repurchase of common shares under NCIB | - | (\$ 123.3) | \$ 123.3 |
| Dividend paid to BOX non-controlling interests | (\$ 1.2) | - | (\$ 1.2) |
| Proceeds on term loan | - | (\$ 0.2) | \$ 0.2 |
| Proceeds from exercised options | <u>\$ 0.4</u> | <u>\$ 0.7</u> | <u>(\$ 0.3)</u> |
| <i>Cash Flows from (used in) Financing Activities</i> | <u>(\$ 29.0)</u> | <u>(\$ 152.2)</u> | <u>\$ 123.2</u> |

(in millions of dollars)

| | Nine months ended | | (Decrease) in cash |
|---|--------------------------|------------------------|-------------------------------|
| | Sept. 30/09 | Sept. 30/08 | |
| <i>Cash Flows from (used in) Financing Activities</i> | (\$ 120.6) | \$ 91.5 | (\$ 212.1) |

Cash Flows (used in) Financing Activities were \$212.1 million higher in the first nine months of 2009 compared with the first nine months of 2008 due to:

(in millions of dollars)

| | Nine months ended | | Increase/ (decrease) in cash |
|---|--------------------------|------------------------|---|
| | Sept. 30/09 | Sept. 30/08 | |
| Dividends paid on common shares | (\$ 84.7) | (\$ 85.6) | \$ 0.9 |
| Repurchase of common shares under NCIB | (\$ 30.4) | (\$ 257.6) | \$ 227.2 |
| Dividends paid to BOX non-controlling interests | (\$ 6.4) | - | (\$ 6.4) |
| Proceeds on term loan | - | \$ 427.8 | (\$ 427.8) |
| Proceeds from exercised options | \$ 0.5 | \$ 7.0 | (\$ 6.5) |
| Net increase in other items | <u>\$ 0.4</u> | <u>(\$ 0.1)</u> | <u>\$ 0.5</u> |
| <i>Cash Flows from (used in) Financing Activities</i> | <u>(\$ 120.6)</u> | <u>\$ 91.5</u> | <u>(\$ 212.1)</u> |

Cash Flows from (used in) Investing Activities

(in millions of dollars)

| | Q3/09 | Q3/08 | Decrease in cash |
|---|----------|---------|---------------------|
| <i>Cash Flows from (used in) Investing Activities</i> | (\$ 3.3) | \$ 56.6 | (\$ 59.9) |

Cash Flows (used in) Investing Activities were \$59.9 million higher in Q3/09 compared with Q3/08 due to:

(in millions of dollars)

| | Q3/09 | Q3/08 | Increase/ (decrease) in cash |
|---|-----------------|-----------------|------------------------------------|
| Additional payments related to the 2007 acquisition of The Equicom Group Inc. (Equicom) and the 2008 acquisition of controlling interest in BOX, net of cash acquired | (\$ 3.3) | (\$ 56.0) | \$ 52.7 |
| Capital expenditures primarily related to technology investments and leasehold improvements | (\$ 2.4) | (\$ 1.6) | (\$ 0.8) |
| Additions to intangible assets including TSX Quantum and SOLA internal development costs | (\$ 1.9) | (\$ 1.6) | (\$ 0.3) |
| Net sale of marketable securities | <u>\$ 4.3</u> | <u>\$ 115.8</u> | <u>(\$ 111.5)</u> |
| <i>Cash Flows from (used in) Investing Activities</i> | <u>(\$ 3.3)</u> | <u>\$ 56.6</u> | <u>(\$ 59.9)</u> |

(in millions of dollars)

| | Nine months ended | | |
|---|--------------------------|------------------------|-----------------------------|
| | Sept. 30/09 | Sept. 30/08 | Increase in cash |
| <i>Cash Flows from (used in) Investing Activities</i> | (\$ 40.5) | (\$ 250.5) | \$ 210.0 |

Cash Flows (used in) Investing Activities were \$210.0 million lower in the first nine months of 2009 compared with the first nine months of 2008 due to:

(in millions of dollars)

| | Nine months ended | | Increase/ (decrease) in cash |
|--|--------------------------|------------------------|---|
| | Sept. 30/09 | Sept. 30/08 | |
| Additional payments related to the 2007 acquisition of Equicom and the acquisition of MX and controlling interest in BOX, net of cash acquired | (\$ 5.2) | (\$ 413.2) | \$ 408.0 |
| Acquisition of NTP, net of cash acquired | (\$ 24.2) | - | (\$ 24.2) |
| 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 | (\$ 4.6) | (\$ 4.8) | \$ 0.2 |
| Additions to intangible assets including TSX Quantum and SOLA internal development costs | (\$ 10.4) | (\$ 5.6) | (\$ 4.8) |
| Net sale of marketable securities | <u>\$ 11.6</u> | <u>\$ 188.3</u> | <u>(\$ 176.7)</u> |
| <i>Cash Flows from (used in) Investing Activities</i> | <u>(\$ 40.5)</u> | <u>(\$ 250.5)</u> | <u>\$ 210.0</u> |

Co-location⁷

On September 15, 2009, we announced a major expansion of our co-location services to offer our equity and derivatives trading and market data clients the opportunity to locate their trading and data applications in the TMX data centre to achieve lowest latency access to the TSX Quantum and SOLA trading enterprises. This move will offer clients reduced response times,

⁷ The “*Co-location*” section above contains certain forward-looking statements. Please refer to “*Forward-Looking Information*” for a discussion of risks and uncertainties related to such statements.

increase their effectiveness and permit them to better serve their own customers as high frequency multi-asset class trading becomes an increasingly important component of capital markets activity.

To meet the significantly-increased international demand and to accommodate the expanded co-location services, we are increasing the size of our co-location facilities. Construction has begun to prepare the new space for targeted rollout beginning in the first half of 2010. The new facility is designed to accommodate up to 200 co-location spaces, which will meet current and medium-term demand for the services. The capital expenditures associated with the expansion project are expected to be incurred between Q4/09 and Q2/10 at a cost of approximately \$10.0 million, which we plan to amortize over ten years. We expect to realize incremental revenue beginning in the second half of 2010.

Financial Statements Governance Practice

The Finance & Audit Committee of the Board of Directors of TMX Group reviewed this press release as well as the Q3/09 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 Q3/09 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 Q3/09 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.tmx.com. We are not incorporating information contained on the website in this press release. In addition, copies of these documents will be available upon request, at no cost, by contacting TMX Group Investor Relations by phone at (416) 947-4277 or by e-mail at shareholder@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 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, assumptions, estimates, projections and other factors that management believes to be relevant as of the date of this press release. Often, but not always, such forward-looking information can be identified by the use of forward-looking words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “targeted”, “estimates”, “forecasts”, “intends”, “anticipates”, “believes”, or variations or the negatives of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved or not be taken, occur or be achieved. Forward-looking information 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 and energy exchanges and clearing houses and the business, strategic goals and priorities, financial condition, 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 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. The forward looking information contained in this press release is presented for the purpose of assisting readers of this document in understanding our financial condition and results of operations and our strategies, priorities and objectives and may not be appropriate for other purposes. Actual results, events, performances, achievements and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking information contained in this press release.

Such forward-looking information is based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions in connection with the ability of TMX Group to successfully compete against global exchanges; the accuracy, timing and ability to realize the projected synergies in respect of among others, cost savings, 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 (TSX-X)

TMX Group's key subsidiaries operate cash and derivatives markets for multiple asset classes including equities, fixed income and energy. Toronto Stock Exchange, TSX Venture Exchange, Montreal Exchange, Natural Gas 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 third quarter 2009.

Time: 4:00 p.m. – 5:00 p.m. EDT on Wednesday, October 28, 2009.

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

Teleconference Number: 416-644-3425 or 1-800-732-1073

AudioWebcast: www.tsx.com, under Investor Relations

Audio Replay: 416-640-1917 and 1-877-289-8525
The passcode for the replay is 4169375#

For further information please contact:

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TMX GROUP INC.

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

| | September 30, 2009 | December 31, 2008 (audited) |
|--|-----------------------|--------------------------------|
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 87,412 | \$ 102,442 |
| Marketable securities | 84,895 | 96,251 |
| Restricted cash | 1,039 | 1,454 |
| Accounts receivable | 79,771 | 63,755 |
| Energy contracts receivable | 487,546 | 976,431 |
| Fair value of open energy contracts | 247,121 | 155,331 |
| Daily settlements and cash deposits | 610,111 | 497,312 |
| Prepaid expenses | 6,378 | 9,050 |
| Income taxes recoverable | 4,803 | 599 |
| Future income tax assets | 28,353 | 30,529 |
| | 1,637,429 | 1,933,154 |
| Premises and equipment | 22,739 | 27,505 |
| Future income tax assets | 156,301 | 151,960 |
| Other assets | 26,243 | 21,072 |
| Investment in affiliate, at equity | 12,597 | 12,424 |
| Intangible assets | 934,876 | 891,976 |
| Goodwill | 662,844 | 650,554 |
| Total Assets | \$ 3,453,029 | \$ 3,688,645 |
| Liabilities and Shareholders' Equity | | |
| Current liabilities: | | |
| Accounts payable and accrued liabilities | \$ 41,968 | \$ 59,311 |
| Energy contracts payable | 487,546 | 976,431 |
| Fair value of open energy contracts | 247,121 | 155,331 |
| Daily settlements and cash deposits | 610,111 | 497,312 |
| Deferred revenue | 42,986 | 12,353 |
| Deferred revenue – initial and additional listing fees | 75,013 | 69,540 |
| Fair value of interest rate swaps | 2,772 | 1,787 |
| Future income tax liabilities | 106 | 66 |
| Income taxes payable | 1,473 | 14,121 |
| | 1,509,096 | 1,786,252 |
| Accrued employee benefits payable | 13,407 | 12,916 |
| Future income tax liabilities | 242,101 | 236,995 |
| Other liabilities | 23,480 | 17,482 |
| Deferred revenue | 1,006 | 718 |
| Deferred revenue – initial and additional listing fees | 392,231 | 383,315 |
| Fair value of interest rate swaps | 4,061 | 10,690 |
| Term loan | 428,831 | 428,278 |
| Total Liabilities | 2,614,213 | 2,876,646 |
| Non-controlling Interests | 12,330 | 17,370 |
| Shareholders' Equity: | | |
| Share capital | 1,102,417 | 1,084,399 |
| Share option plan | 7,995 | 5,969 |
| Deficit | (288,902) | (319,843) |
| Accumulated other comprehensive income | 4,976 | 24,104 |
| Total Shareholders' Equity | 826,486 | 794,629 |
| Total Liabilities and Shareholders' Equity | \$ 3,453,029 | \$ 3,688,645 |

TMX GROUP INC.

Interim Consolidated Statements of Income

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

(Unaudited)

| | Three months ended September 30, 2009 | | Nine months ended September 30, 2009 | |
|--|---|------------------|--|-------------------|
| | 2009 | 2008 | 2009 | 2008 |
| Revenue: | | | | |
| Issuer services | \$ 35,108 | \$ 38,024 | \$ 105,588 | \$ 113,936 |
| Trading, clearing and related | 56,383 | 58,883 | 176,516 | 153,615 |
| Market data | 34,477 | 35,288 | 109,141 | 97,430 |
| Business services and other | 4,275 | 6,988 | 12,097 | 16,583 |
| Total revenue | 130,243 | 139,183 | 403,342 | 381,564 |
| Expenses: | | | | |
| Compensation and benefits | 32,490 | 32,098 | 97,446 | 81,419 |
| Information and trading systems | 12,105 | 9,178 | 34,952 | 24,987 |
| General and administration | 16,167 | 13,845 | 50,964 | 38,012 |
| Amortization | 7,607 | 7,031 | 22,157 | 17,258 |
| Total operating expenses | 68,369 | 62,152 | 205,519 | 161,676 |
| Income from operations | 61,874 | 77,031 | 197,823 | 219,888 |
| (Loss) Income from investments in affiliates | (34) | 503 | 172 | 1,002 |
| Investment income | 1,341 | 2,886 | 4,293 | 10,703 |
| Interest expense | (1,279) | (4,260) | (4,667) | (7,055) |
| Net mark to market on interest rate swaps | (61) | - | (836) | - |
| Other acquisition related expenses | - | - | - | (15,902) |
| Income before income taxes | 61,841 | 76,160 | 196,785 | 208,636 |
| Income taxes | 19,383 | 24,765 | 62,217 | 75,268 |
| Net income before non-controlling interests | 42,458 | 51,395 | 134,568 | 133,368 |
| Non-controlling interests | 709 | 451 | 3,030 | 451 |
| Net income | \$ 41,749 | \$ 50,944 | \$ 131,538 | \$ 132,917 |
| Earnings per share: | | | | |
| Basic | \$ 0.56 | \$ 0.66 | \$ 1.78 | \$ 1.82 |
| Diluted | \$ 0.56 | \$ 0.66 | \$ 1.77 | \$ 1.82 |
| Share information: | | | | |
| Weighted average number of common shares outstanding | 74,298,278 | 77,025,461 | 74,076,037 | 73,017,868 |
| Diluted weighted average number of common shares outstanding | 74,486,068 | 77,119,217 | 74,260,586 | 73,142,735 |

TMX GROUP INC.

Interim Consolidated Statements of Comprehensive Income

(In thousands of Canadian dollars)

(Unaudited)

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|-------------------------------------|------------------|------------------------------------|-------------------|
| | 2009 | 2008 | 2009 | 2008 |
| Net income | \$ 41,749 | \$ 50,944 | \$ 131,538 | \$ 132,917 |
| Other comprehensive income (loss): | | | | |
| Unrealized (loss) gain on translating financial statements of self-sustaining foreign operations | (11,947) | 3,368 | (19,128) | 4,315 |
| Unrealized fair value (loss) on the interest rate swaps designated as cash flow hedges (net of tax) | - | (2,277) | - | (2,277) |
| Comprehensive income | \$ 29,802 | \$ 52,035 | \$ 112,410 | \$ 134,955 |

TMX GROUP INC.

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

| | Nine months ended September 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 | 503 | 6,959 |
| Cost of exercised options | 38 | 1,731 |
| Purchased under normal course issuer bid | (14,575) | (95,969) |
| Balance, end of period | 1,102,417 | 1,098,664 |
| Share option plan: | | |
| Balance, beginning of period | 5,969 | 5,060 |
| Cost of exercised options | (38) | (1,731) |
| Cost of share option plan | 2,064 | 1,912 |
| Balance, end of period | 7,995 | 5,241 |
| Deficit: | | |
| Balance, beginning of period | (319,843) | (212,520) |
| Net income | 131,538 | 132,917 |
| Dividends on common shares | (84,737) | (85,591) |
| Shares purchased under normal course issuer bid | (15,860) | (161,636) |
| Balance, end of period | (288,902) | (326,830) |
| Accumulated other comprehensive income: | | |
| Balance, beginning of period | 24,104 | - |
| Unrealized (loss) gain on translating financial statements of self-sustaining foreign operations | (19,128) | 4,315 |
| Unrealized fair value (loss) on the interest rate swaps designated as cash flow hedges (net of tax) | - | (2,277) |
| Balance, end of period | 4,976 | 2,038 |
| Shareholders' equity, end of period | \$ 826,486 | \$ 779,113 |

TMX GROUP INC.

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

| | Three months ended September 30 | | Nine months ended September 30 | |
|--|------------------------------------|------------------|-----------------------------------|------------------|
| | 2009 | 2008 | 2009 | 2008 |
| Cash flows from (used in) operating activities: | | | | |
| Net income | \$ 41,749 | \$ 50,944 | \$ 131,538 | \$ 132,917 |
| Adjustments to determine net cash flows: | | | | |
| Amortization | 7,607 | 7,031 | 22,157 | 17,258 |
| Unrealized (gain) loss on marketable securities | (590) | 685 | (278) | (157) |
| Loss (income) from investments in affiliates, at equity | 34 | (503) | (172) | (1,002) |
| Cost of share option plan | 558 | 700 | 2,064 | 1,745 |
| Payment on termination of joint venture | - | - | - | 15,152 |
| Amortized financing fees | 185 | 197 | 554 | 307 |
| Non-controlling interests | 709 | 451 | 3,030 | 451 |
| Unrealized (gain) on interest rate swaps | (2,176) | - | (5,644) | - |
| Unrealized foreign exchange loss | 40 | - | 38 | - |
| Future income taxes, net | (2,589) | (1,309) | (2,604) | (5,248) |
| Accounts receivable and prepaid expenses | (9,321) | 8,576 | (13,085) | (15) |
| Other assets | (861) | 1,306 | (7,723) | 5,076 |
| Accounts payable and accrued liabilities | 2,893 | 1,996 | (16,329) | (25,400) |
| Long-term accrued and other liabilities | 1,902 | (4,538) | 6,481 | (10,425) |
| Deferred revenue | (1,913) | (13,188) | 45,310 | 52,073 |
| Income taxes | (805) | 2,219 | (16,963) | 531 |
| | 37,422 | 54,567 | 148,374 | 183,263 |
| Cash flows from (used in) financing activities: | | | | |
| Restricted cash | 22 | 3 | 415 | (71) |
| Proceeds from exercised options | 374 | 713 | 503 | 6,959 |
| Dividends on common shares | (28,232) | (29,433) | (84,737) | (85,591) |
| Shares purchased under normal course issuer bid | - | (123,233) | (30,435) | (257,605) |
| Proceeds from term loan, net | - | (231) | - | 427,786 |
| Dividends paid to non-controlling interests | (1,143) | - | (6,353) | - |
| | (28,979) | (152,181) | (120,607) | 91,478 |
| Cash flows from (used in) investing activities: | | | | |
| Additions to premises and equipment | (2,472) | (1,568) | (4,597) | (4,833) |
| Additions to intangible assets | (1,899) | (1,597) | (10,395) | (5,648) |
| Marketable securities | 4,312 | 115,766 | 11,634 | 188,269 |
| Payment on termination of joint venture | - | - | - | (15,152) |
| Cost of acquisitions and investments, net of cash acquired | (3,282) | (56,022) | (37,101) | (413,157) |
| | (3,341) | 56,579 | (40,459) | (250,521) |
| Unrealized foreign exchange (loss) on cash and cash equivalents held in foreign subsidiaries | (1,465) | - | (2,338) | - |
| Increase (decrease) in cash and cash equivalents | 3,637 | (41,035) | (15,030) | 24,220 |
| Cash and cash equivalents, beginning of period | 83,775 | 118,653 | 102,442 | 53,398 |
| Cash and cash equivalents, end of period | \$ 87,412 | \$ 77,618 | \$ 87,412 | \$ 77,618 |
| Supplemental cash flow information: | | | | |
| Interest paid | \$ 943 | \$ 2,904 | \$ 3,400 | \$ 8,044 |
| Interest received | 616 | 2,405 | 3,422 | 8,837 |
| Income taxes paid | 23,348 | 24,636 | 82,851 | 81,508 |

TMX GROUP INC.

Market Statistics

(Unaudited)

| | Three months ended | | Nine months ended | |
|--|--------------------|-------------|-------------------|--------------|
| | September 30 | | September 30 | |
| | 2009 | 2008 | 2009 | 2008 |
| Toronto Stock Exchange: | | | | |
| Volume (millions) | 28,310.6 | 25,694.3 | 91,338.7 | 76,202.0 |
| Value (\$ billions) | 345.9 | 493.4 | 1,062.7 | 1,449.6 |
| Transactions (000s) | 44,003.2 | 46,008.0 | 147,650.3 | 126,175.5 |
| Issuers Listed | 1,475 | 1,587 | 1,475 | 1,587 |
| New Issuers Listed: | | | | |
| Number of Initial Public Offerings | 16 | 21 | 53 | 99 |
| Number of graduates from TSX Venture/NEX | 8 | 6 | 36 | 45 |
| | 4 | 10 | 10 | 37 |
| New Equity Financing ¹ : (\$ millions) | | | | |
| Initial Public Offering Financings (\$ millions) | 18,900.5 | 3,726.5 | 44,506.3 | 22,112.5 |
| Secondary Offering Financings ¹ (\$ millions) | 1,609.0 | 144.4 | 2,976.7 | 1,670.8 |
| Supplementary Financings (\$ millions) | 14,241.2 | 1,724.5 | 30,477.3 | 13,518.1 |
| Market Cap of Issuers Listed (\$ billions) | 3,050.3 | 1,857.6 | 11,052.3 | 6,923.6 |
| S&P/TSX Composite Index ² Close | 1,688.6 | 1,661.8 | 1,688.6 | 1,661.8 |
| | 11,395.0 | 11,752.9 | 11,395.0 | 11,752.9 |
| TSX Venture Exchange:³ | | | | |
| Volume (millions) | 12,452.3 | 7,988.7 | 31,571.4 | 33,311.3 |
| Value (\$ millions) | 4,598.6 | 4,136.4 | 9,435.6 | 21,895.3 |
| Transactions (000s) | 1,460.5 | 1,201.7 | 3,373.3 | 5,007.7 |
| Issuers Listed | 2,377 | 2,431 | 2,377 | 2,431 |
| New Issuers Listed | | | | |
| New Equity Financing: (\$ millions) | 22 | 68 | 66 | 205 |
| Initial Public Offering Financings (\$ millions) | 1,066.8 | 1,607.3 | 2,341.8 | 4,984.2 |
| Secondary Offering Financings ¹ (\$ millions) | 7.9 | 91.6 | 31.5 | 218.3 |
| Market Cap of Issuers Listed: (\$ billions) | 1,058.9 | 1,515.7 | 2,310.3 | 4,765.9 |
| S&P/TSX Venture Composite Index ² Close | 29.9 | 30.2 | 29.9 | 30.2 |
| | 1,277.2 | 1,415.0 | 1,277.2 | 1,415.0 |
| Toronto Stock Exchange and TSX Venture Exchange: | | | | |
| Professional and Equivalent Real-time Data Subscriptions | 145,949 | 165,366 | 145,949 | 165,366 |
| NGX: | | | | |
| Total Volume (TJs) ⁴ | 3,807,272.7 | 3,551,322.4 | 10,950,092.4 | 11,018,937.6 |
| | Three months ended | | Nine months ended | |
| | September 30 | | September 30 | |
| | 2009 | 2008 | 2009 | 2008 |
| Montreal Exchange: | | | | |
| Volume (Contracts) (000s) | 8,333.8 | 9,891.2 | 24,927.9 | 29,762.4 |
| Open Interest (Contracts) (000s) as at September 30 | 2,703.3 | 2,800.4 | 2,703.3 | 2,800.4 |
| Data Subscriptions | 22,265 | 28,392 | 22,265 | 28,392 |
| Boston Options Exchange: | | | | |
| Volume (Contracts) (000s) | 34,064.6 | 48,893.5 | 118,872.6 | 134,129.6 |

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

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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 (170 issuers at September 30, 2008 and 191 issuers at September 30, 2009).

⁴ Natural gas volumes only.

