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February 10, 2010

TMX Group Inc. Reports Results for Fourth Quarter and Year End 2009

- Record revenue of \$153.0 million for Q4/09
- Record revenue of \$556.3 million for 2009
- Q4/09 diluted loss per share of \$0.36 after non-cash goodwill impairment charge and income tax charge related to reduction in value of future tax assets and liabilities
- Adjusted diluted EPS in Q4/09 of 82 cents, up 26% over Q4/08**
- Full year 2009 diluted EPS of \$1.41 after non-cash goodwill impairment charge and income tax charge related to reduction in value of future tax assets and liabilities
- Full year 2009 adjusted diluted EPS of \$2.59, down 3% over 2008**

TORONTO – TMX Group Inc. [TSX:X] announced results for the fourth quarter and year ended December 31, 2009.

Commenting on the past year, Thomas Kloet, Chief Executive Officer of TMX Group noted: “In 2009, we advanced our goal of diversifying our product and revenue mix, successfully completed the integration of the Montréal Exchange and strengthened our energy portfolio with the acquisition and integration of NetThruPut’s crude oil business into NGX. We further expanded our geographic reach with the acquisition of 19.9% of EDX London Limited. In addition, we were extremely pleased with the record level of total financings and trading volumes achieved on our equity markets in 2009, a potential indication of broader market recovery from the economic downturn.”

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

In 2009, TMX Group executed several critical initiatives, Mr. Kloet stated: “We introduced our smart order router solution in 2009, providing a simple and streamlined solution for participants who must now operate in a multiple marketplace environment. On the trading technology front, we transitioned TSX Venture Exchange symbols to the TSX Quantum trading engine and implemented our new TSX Quantum Order Entry Gateway. We continued to showcase our leadership in the derivatives space and successfully launched the SOLA Clearing system, which enhances our position as we develop the infrastructure for OTC derivatives clearing in Canada and completed the migration of the derivative businesses of EDX London Limited and Oslo Børs to the SOLA Trading Platform.”

Looking ahead, Mr. Kloet commented: “TMX Group operates in an increasingly competitive market. The reduction in trading fees announced last week enhances our competitive position and should contribute to the growth of the market overall. Our strategic focus remains clear, to compete and win across all of our business lines and to continue to expand our business and our offerings in key growth areas both domestically and internationally.”

Michael Ptasznik, Chief Financial Officer of TMX Group added: “Increased revenue from issuer services, trading and market data, along with the revenue from licensing our SOLA technology, drove a sequential increase in income from operations in the fourth quarter. While we were required to take a non-cash goodwill write down of \$77.3 million on our investment in BOX, due in part to a decline in the levels of activity on BOX in the highly competitive U.S. equity options market, we are optimistic that recent changes in pricing and management of the business will help build BOX’s liquidity in this market.”

Summary of Financial Information

(in millions of dollars, except per share amounts)

	Q4/09	Q4/08	\$ Increase/ (decrease)	% Increase/ (decrease)
<i>Revenue</i>	\$ 153.0	\$ 151.1	\$ 1.9	1%
<i>Operating expenses</i>	\$ 67.6	\$ 65.6	\$ 2.0	3%
<i>Net income/(loss)</i>	(\$ 26.8)	\$ 49.0	(\$ 75.8)	(155%)
<i>Earnings/(loss) per share:</i>				
<i>Basic</i>	(\$ 0.36)	\$ 0.65	(\$ 1.01)	(155%)
<i>Diluted</i>	(\$ 0.36)	\$ 0.65	(\$ 1.01)	(155%)
<i>Cash flows from operating activities</i>	\$ 56.5	\$ 60.8	(\$ 4.3)	(7%)

Net loss was \$26.8 million, or \$0.36 per common share for Q4/09 on both a basic and diluted basis, compared with net income of \$49.0 million, or \$0.65 per common share on both a basic and diluted basis for Q4/08, representing a decrease of 155% in net income. Net income for

Q4/09 was reduced by the non-cash goodwill impairment charge of \$77.3 million, or \$1.04 per common share on a basic and diluted basis, related to Boston Options Exchange Group LLC, or BOX. Net income for Q4/09 was also reduced by income tax charges related to changes in Ontario corporate income tax rates, which reduced the value of future tax assets and liabilities. These changes will reduce corporate tax rates in future years. This tax adjustment also had no impact on cash flows and resulted in a reduction in net income for Q4/09 of \$10.4 million, or 14 cents per common share (on both a basic and diluted basis).

Adjusted net income ** for Q4/09 of \$60.9 million, or adjusted EPS ** of \$0.82 per common share on a basic and diluted basis, was higher than adjusted net income of \$49.0 million, or EPS of \$0.65 per common share on a basic and diluted basis for Q4/08, due to higher business services revenue, which included a one-time license fee of \$13.5 million (or 14 cents per common share on a basic and diluted basis) from the London Stock Exchange Group plc (LSE) and increased revenue from energy trading, cash markets fixed income trading and MX. The increases were partially offset by lower cash markets equities trading revenue and lower revenue from market data, BOX and issuer services, related to sustaining fees, as well as increased expenses partially related to new technology initiatives. We earned lower investment income in Q4/09 compared with Q4/08 and our results in Q4/08 reflected a \$13.3 million charge related to a mark to market adjustment on interest rate swaps.

The following is a reconciliation of net loss to adjusted net income ** prior to the non-cash goodwill impairment charge in 2009 related to BOX and income tax charges related to changes in Ontario corporate income tax rates which reduced the value of future tax assets and liabilities:

Net Income/(loss) GAAP to non-GAAP Reconciliation for Q4/09 and Q4/08

(in millions of dollars)

	Q4/09	Q4/08
<i>Net income/(loss)</i>	(\$ 26.8)	\$ 49.0
<i>Adjustment related to non-cash impairment of goodwill pertaining to investment in BOX</i>	\$ 77.3	-
<i>Adjustment related to a reduction in the value of future tax assets and liabilities</i>	<u>\$ 10.4</u>	-
<i>Adjusted net income</i>	<u>\$ 60.9</u>	<u>\$ 49.0</u>

The following is a reconciliation of loss per share to adjusted earnings per share ** prior to the non-cash goodwill impairment charge in 2009 related to BOX and income tax charges related to changes in Ontario corporate income tax rates which reduced the value of future tax assets and liabilities:

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

Earnings/(loss) per share GAAP to non-GAAP Reconciliation for Q4/09 and Q4/08

	Q4/09		Q4/08	
	Basic	Diluted	Basic	Diluted
<i>Earnings / (loss) per share</i>	(\$0.36)	(\$0.36)	\$0.65	\$0.65
<i>Adjustment related to non-cash impairment of goodwill pertaining to investment in BOX</i>	\$1.04	\$1.04	-	-
<i>Adjustment related to a reduction in the value of future tax assets and liabilities</i>	<u>\$0.14</u>	<u>\$0.14</u>	=	=
<i>Adjusted earnings per share</i>	<u>\$0.82</u>	<u>\$0.82</u>	<u>\$0.65</u>	<u>\$0.65</u>

Summary of Financial Information

(in millions of dollars, except per share amounts)

	2009	2008	\$	%
			Increase/ (decrease)	Increase/ (decrease)
<i>Revenue</i>	\$556.3	\$532.6	\$ 23.7	4%
<i>Operating expenses</i>	\$273.1	\$227.2	\$ 45.9	20%
<i>Net income</i>	\$104.7	\$182.0	(\$ 77.3)	(42%)
<i>Earnings per share:</i>				
<i>Basic</i>	\$1.41	\$2.48	(\$ 1.07)	(43%)
<i>Diluted</i>	\$1.41	\$2.47	(\$ 1.06)	(43%)
<i>Cash flows from operating activities</i>	\$204.9	\$244.2	(\$ 39.3)	(16%)

Net income was \$104.7 million or \$1.41 per common share for 2009 on a basic and diluted basis, compared with net income of \$182.0 million or \$2.48 per common share (\$2.47 on a diluted basis) for 2008, representing a decrease in net income of 42%. Net income for 2009 was reduced by the non-cash goodwill impairment charge of \$77.3 million, or \$1.04 per common share on a basic and diluted basis, related to BOX. Net income for 2009 was also reduced by a write-down in the value of future tax assets and liabilities which related to a reduction in Ontario corporate income tax rates. The tax adjustment also had no impact on cash flows and resulted in a reduction in net income for 2009 of \$10.4 million, or 14 cents per common share on a basic and diluted basis. In 2008, net income was reduced by \$15.2 million, or 21 cents per common share on a basic and diluted basis due to a payment to ISE Ventures, LLC (ISE Ventures) with respect to the termination of our derivatives joint venture.

Adjusted net income ** for 2009 of \$192.4 million, or adjusted EPS ** of \$2.59 per common share on a basic and diluted basis, was lower than adjusted net income ** of \$197.2 million, or adjusted EPS ** of \$2.69 per common share (\$2.68 on a diluted basis) for 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, cash markets fixed income trading and market data revenue and higher business services revenue which included the license fee of \$13.5 million (or 14 cents per common share on a basic and diluted basis) from the LSE. In addition, our 2009 financial statements reflect a full year of Montréal Exchange Inc.'s (MX or Montréal Exchange) results compared with eight months of results in 2008. BOX's results were consolidated in our 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*. *

The following is a reconciliation of net income to adjusted net income ** prior to the non-cash goodwill impairment charge in 2009 related to BOX, income tax charges which reduced the value of future tax assets and liabilities in 2009 and a loss on termination of joint venture in 2008:

Net Income GAAP to non-GAAP Reconciliation for 2009 and 2008

(in millions of dollars)

	2009	2008
<i>Net Income</i>	\$104.7	\$182.0
<i>Adjustment related to non-cash impairment of goodwill pertaining to investment in BOX</i>	\$ 77.3	-
<i>Adjustment related to a reduction in the value of future tax assets and liabilities</i>	\$ 10.4	-
<i>Adjustment related to loss on termination of joint venture</i>	<u>-</u>	<u>\$ 15.2</u>
<i>Adjusted net income</i>	<u>\$192.4</u>	<u>\$197.2</u>

** 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 the non-cash goodwill impairment charge in 2009 related to BOX, income tax charges which reduced the value of future tax assets and liabilities in 2009 and a loss on termination of joint venture in 2008:

Earnings per share GAAP to non-GAAP Reconciliation for 2009 and 2008

	2009		2008	
	Basic	Diluted	Basic	Diluted
<i>Earnings per share</i>	\$1.41	\$1.41	\$2.48	\$2.47
<i>Adjustment related to non-cash impairment of goodwill pertaining to investment in BOX</i>	\$1.04	\$1.04	-	-
<i>Adjustment related to a reduction in the value of future tax assets and liabilities</i>	\$0.14	\$0.14	-	-
<i>Adjustment related to loss on termination of joint venture</i>	<u>-</u>	<u>-</u>	<u>\$0.21</u>	<u>\$0.21</u>
<i>Adjusted earnings per share</i>	<u>\$2.59</u>	<u>\$2.59</u>	<u>\$2.69</u>	<u>\$2.68</u>

Select Segmented Financial Information

(in millions of dollars)

	Cash Markets - Equities and Fixed Income	Derivatives Markets - MX and BOX	Energy Markets	Total
Q4/09				
<i>Revenue</i>	\$107.1	\$35.8	\$10.1	\$153.0
<i>Net Income/(loss)</i>	\$25.7	(\$57.7)	\$5.2	(\$26.8)
Q4/08				
<i>Revenue</i>	\$116.3	\$26.3	\$8.5	\$151.1
<i>Net Income</i>	\$38.8	\$7.4	\$2.8	\$49.0

(in millions of dollars)

	Cash Markets - Equities and Fixed Income	Derivatives Markets - MX and BOX	Energy Markets	Total
2009				
<i>Revenue</i>	\$403.1	\$113.9	\$39.3	\$556.3
<i>Net Income</i>	\$133.5	(\$42.9)	\$14.1	\$104.7
2008				
<i>Revenue</i>	\$438.9	\$63.5	\$30.2	\$532.6
<i>Net Income</i>	\$155.7	\$18.1	\$8.2	\$182.0

On May 1, 2008, we completed our business combination with MX to create TMX Group, a leading, integrated, multi-asset class exchange group. The results of MX and BOX are included in TMX Group's Q4/09 and 2009 results and in our Q4/08 and 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 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 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 its 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 December 31, 2009 Compared with Quarter Ended December 31, 2008

Revenue

Revenue was \$153.0 million for Q4/09, up \$1.9 million, or 1% compared with \$151.1 million for Q4/08, due to the increased business services revenue, which included a one-time license fee of \$13.5 million from the LSE and increased revenue from energy trading, cash markets fixed income trading and MX. The increases were partially offset by lower cash markets equities trading revenue and lower revenue from market data, BOX and issuer services, related to sustaining fees.

Issuer Services Revenue

The following is a summary of issuer services revenue reported based on initial and additional listing fee revenue reported, and issuer services revenue based on initial and additional listing fees billed** (reconciled below in this section) in Q4/09 and Q4/08.

(in millions of dollars)

	<i>Reported</i>				<i>Billed**</i>			
	Q4/09	Q4/08	\$ increase/ (decrease)	% increase/ (decrease)	Q4/09	Q4/08	\$ increase/ (decrease)	% increase/ (decrease)
<i>Initial listing fees</i>	\$ 4.3	\$ 4.1	\$ 0.2	5%	\$ 5.9	\$ 3.2	\$ 2.7	84%
<i>Additional listing fees</i>	\$ 15.2	\$ 13.4	\$ 1.8	13%	\$ 29.5	\$ 15.7	\$ 13.8	88%
<i>Sustaining listing fees***</i>	\$ 13.8	\$ 17.6	(\$ 3.8)	(22%)	\$ 13.8	\$ 17.6	(\$ 3.8)	(22%)
<i>Other issuer services</i>	<u>\$ 3.2</u>	<u>\$ 3.2</u>	=	-	<u>\$ 3.2</u>	<u>\$ 3.2</u>	=	-
<i>Total</i>	<u>\$ 36.5</u>	<u>\$ 38.3</u>	<u>(\$ 1.8)</u>	(5%)	<u>\$ 52.4</u>	<u>\$ 39.7</u>	<u>\$ 12.7</u>	32%

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)	Q4/09	Q4/08
Initial listing fees billed**	\$ 5.9	\$ 3.2
Initial listing fees billed** and deferred to future periods	(\$ 5.8)	(\$ 3.1)
Recognition of initial listing fees billed** and previously included in deferred revenue	<u>\$ 4.2</u>	<u>\$ 4.0</u>
Initial listing fee revenue reported	<u>\$ 4.3</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)	Q4/09	Q3/08
Additional listing fees billed**	\$ 29.5	\$ 15.7
Additional listing fees billed** and deferred to future periods	(\$ 29.0)	(\$ 15.5)
Recognition of additional listing fees billed** and previously included in deferred revenue	<u>\$ 14.7</u>	<u>\$ 13.2</u>
Additional listing fee revenue reported	<u>\$ 15.2</u>	<u>\$ 13.4</u>

- *Initial and additional listing fees reported* increased in Q4/09 compared with Q4/08, reflecting an increase in capital market activity during the period from January 1, 2000 to December 31, 2009 compared with the period from January 1, 1999 to December 31, 2008. *Initial and additional listing fees billed*** increased in Q4/09, as compared with Q4/08, due to an increase in initial and additional financings on Toronto Stock Exchange and TSX Venture Exchange.
- 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, slightly offset by price changes on Toronto Stock Exchange that were effective January 1, 2009.
- *Other issuer services* revenue of \$3.2 million was unchanged from Q4/08.

Trading, Clearing and Related Revenue

(in millions of dollars)

	Q4/09	Q4/08	\$ increase/ (decrease)	% increase/ (decrease)
<i>Cash markets revenue</i>	\$ 33.6	\$ 39.4	(\$ 5.8)	(15%)
<i>Derivatives markets revenue</i>	\$ 17.2	\$ 21.4	(\$ 4.2)	(20%)
<i>Energy markets revenue</i>	<u>\$ 10.0</u>	<u>\$ 8.3</u>	<u>\$ 1.7</u>	20%
<i>Total</i>	<u>\$ 60.8</u>	<u>\$ 69.1</u>	<u>(\$ 8.3)</u>	(12%)

Cash Markets

- *Cash markets* equity trading revenue decreased in Q4/09 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

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

the spread between active fees and passive credits, and the elimination of a premium fee on ETF transactions. We implemented further changes to the equity trading fee schedule on October 1, 2009. Fees under the ELP Program were replaced with a single tier model which reduced the passive credit paid to ELP Program participants. The active fee paid by ELP Program participants was also reduced in some cases. Effective October 1, 2009, there was also a reduction in active trading fees on stocks trading at less than \$1 in the post-open continuous market.

- In addition, during 2009, there were changes in customer and product mix including a higher proportion of volumes coming from new ELP market participants.
- This decrease was also partially due to an 18% decrease in the volume of securities traded on Toronto Stock Exchange in Q4/09 over Q4/08 (27.2 billion securities in Q4/09 versus 33.1 billion securities in Q4/08).
- The decrease was partially offset by an increase in the volume of securities traded on TSX Venture Exchange in Q4/09 over Q4/08 (15.3 billion securities in Q4/09 versus 10.7 billion securities in Q4/08).
- The decrease in *Cash Markets* equity trading revenue also was partially offset by an increase in Shorcan Brokers Limited (Shorcan) *Cash Markets* fixed income trading revenue primarily reflecting an increase in trading of Government of Canada bonds and provincial bonds in Q4/09 versus Q4/08.

Derivatives Markets

- *Derivatives markets* revenue from MX increased primarily due to higher volumes of contracts traded. MX volumes increased by 18% (9.8 million contracts traded in Q4/09 versus 8.3 million contracts traded in Q4/08) reflecting increased trading in ETFs derivatives trading and in both the BAX Three-Month Canadian Bankers' Acceptance Futures and CGB Ten-Year Government of Canada Bond Futures contracts.
- *Derivatives markets* revenue from BOX decreased primarily due to a 58% decrease in volumes of contracts traded (18.9 million contracts in Q4/09 versus 44.5 million contracts traded in Q4/08), reflecting increased competition and a weakening market share in the U.S. equity options trading market.

Energy Markets

- *Energy markets* revenue increased due to a 9% increase in the volumes of natural gas, over the counter, or OTC, bilateral and crude oil contracts traded or cleared on NGX over Q4/08 (3.7 million terajoules in Q4/09 compared to 3.4 million terajoules in Q4/08). 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. NGX's crude oil volumes for Q4/09 averaged over 4.1 million Bbls/mo (135,000 barrels per day).

Market Data Revenue

(in millions of dollars)

Q4/09	Q4/08	\$ (decrease)	% (decrease)
\$ 36.8	\$ 38.0	(\$1.2)	(3%)

- This decrease reflects a 6% decrease in the number of professional and equivalent real-time market data subscriptions to Toronto Stock Exchange and TSX Venture Exchange products (over 153,000 professional and equivalent real-time market data subscriptions at December 31, 2009 versus over 162,000 at December 31, 2008). The decrease also reflects a 20% decrease in MX market data subscriptions (over 22,000 at December 31, 2009 versus over 28,000 at December 31, 2008).
- The decrease was also attributable to the change in the exchange rate of the U.S. dollar relative to the Canadian dollar in Q4/09 compared with Q4/08.
- The decrease was partially offset by pricing changes that were effective January 1, 2009.

Business Services and Other Revenue

(in millions of dollars)

Q4/09	Q4/08	\$ increase	% increase
\$ 18.8	\$ 5.7	\$13.1	230%

- *Business services* revenue increased in Q4/09 due to \$13.5 million in revenue received from the LSE under our technology license agreement.

Operating Expenses

Operating expenses in Q4/09 were \$67.6 million, an increase of \$2.0 million, or 3%, as compared with \$65.6 million in Q4/08. The increase was partially due to higher expenses related to various technology initiatives in Q4/09 compared with Q4/08.

These higher expenses were partially offset by the cost synergies related to the integration with MX. By Q4/09, we had achieved the previously announced \$25.0 million in cost synergies on a run rate basis when compared with the 2008 business plans of the separate organizations through headcount reductions, reducing corporate support costs, combining our data centres and other technology initiatives.

Compensation and Benefits

(in millions of dollars)

Q4/09	Q4/08	\$ increase	% increase
\$ 31.9	\$ 29.2	\$2.7	9%

- *Compensation and benefits* costs increased due to higher overall costs related to certain performance incentives as well as technology initiatives, partially offset by lower costs related to an accounting adjustment to post retirement benefit costs of \$0.8 million.
- There were 849 employees at December 31, 2009, which included 7 NTP employees, versus 845 employees at December 31, 2008. The number of additional employees related to technology initiatives was more than offset by a reduction in the number of employees due to efficiencies realized through the integration of MX.

Information and Trading Systems

(in millions of dollars)

Q4/09	Q4/08	\$ increase	% increase
\$ 11.2	\$ 10.6	\$0.6	6%

- *Information and trading systems* costs increased due to costs associated with our technology initiatives including enterprise expansion.
- In addition, there were higher expenses related to NGX's arrangement with ICE.
- During Q4/09, we reclassified some leases as capital leases versus operating leases. As a result, *Information and Trading Systems* costs were reduced and amortization of the related costs increased (see **Amortization**).

General and Administration

(in millions of dollars)

Q4/09	Q4/08	\$ (decrease)	% (decrease)
\$ 14.5	\$ 17.7	(\$3.2)	(18%)

- *General and administration* costs decreased primarily as a result of lower fees paid to external advisors as well as lower lease costs of \$1.3 million resulting from a change in estimate of a lease liability.

Amortization

(in millions of dollars)

Q4/09	Q4/08	\$ increase	% increase
\$ 10.0	\$ 8.1	\$1.9	23%

- *Amortization* costs increased primarily due to increased obligations under capital leases for which the related cost is amortized. During Q4/09, we entered into a number of new capital leases. In addition, we reclassified some leases as capital leases versus operating leases. As a result, *Amortization* costs increased by \$2.7 million.
- The increase was somewhat offset by reduced amortization relating to assets that were fully depreciated by 2009.

Investment Income

(in millions of dollars)

Q4/09	Q4/08	\$ (decrease)	% (decrease)
\$ 0.3	\$ 4.1	(\$3.8)	(93%)

- *Investment income* decreased due to a reduction in cash available for investment and lower overall returns on investments during Q4/09 compared with Q4/08.

Impairment of Goodwill

(in millions of dollars)

Q4/09	Q4/08	\$ Increase
\$ 77.3	-	\$ 77.3

- Primarily due to increased competition and a weakening market share in the U.S. equity options trading market, which resulted in a decline in current and forecasted revenues, we recorded a non-cash goodwill impairment charge of \$77.3 million related to our investment in BOX.

Interest Expense

(in millions of dollars)

Q4/09	Q4/08	\$ (decrease)	% (decrease)
\$ 1.4	\$ 3.5	(\$2.1)	(60%)

- *Interest expense* decreased as a result of lower interest rates in Q4/09 compared with Q4/08.

Mark to Market on Interest Rate Swaps – Loss

(in millions of dollars)

Q4/09	Q4/08	\$ (decrease)	% (decrease)
\$0.6	\$13.3	(\$12.7)	(95%)

- We entered into a series of interest rate swap agreements to partially manage our exposure to interest rate fluctuations on our long-term debt, effective August 28, 2008 (*see Long-term Debt*).
- During Q4/09, unrealized gains of \$1.1 million and realized losses of \$1.7 million were reflected in net income, compared with \$12.5 million of unrealized losses recorded in Q4/08 and \$0.8 million of realized losses recognized in Q4/08. Included in the Q4/08 amounts is \$3.4 million, which represents an unrealized loss related to Q3/08 and reflected in Other Comprehensive Income in Q3/08.

Income Taxes

(in millions of dollars)

Q4/09	Q4/08	Effective tax rate (%)	
		Q4/09	Q4/08
\$ 34.7	\$ 22.9	41% ⁺	31%

- In November 2009, the Ontario government substantively enacted legislation to reduce the general corporate tax rate from 14% in 2009 to 12% effective July 1, 2010, with further reductions to 10% by July 1, 2013. As a result of these changes to Ontario corporate tax rates, there was a reduction in the value of future tax assets and liabilities and a corresponding net increase in income taxes of \$10.4 million.

⁺ The goodwill impairment charge in Q4/09 of \$77.3 million has been excluded from income before taxes in calculating the effective tax rate.

Non-controlling Interests¹

(in millions of dollars)

Q4/09	Q4/08	\$ (decrease)	% (decrease)
(\$1.2)	\$1.4	(\$2.6)	(186%)

- MX has a 53.8% ownership interest in BOX. The non-controlling interests represent the other BOX unitholders' share of BOX's income or loss before taxes.
- The Q4/09 loss is attributable to BOX's lower revenues in Q4/09 compared with Q4/08, reflecting increased competition and a significant decline in market share.

Year Ended December 31, 2009 Compared with Year Ended December 31, 2008

Revenue

Revenue was \$556.3 million in 2009, up \$23.7 million, or 4% compared with \$532.6 million for 2008, reflecting \$113.9 million in revenue related to the business operations of MX and BOX, compared with \$63.5 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 cash markets fixed income trading and market data revenue, which was more than offset by lower cash markets equity trading and issuer services revenue, related to sustaining listing fees and other issuer services.

Issuer Services Revenue

The following is a summary of issuer services revenue reported based on initial and additional listing fee revenue reported, and issuer services revenue based on initial and additional listing fees billed^{**} (reconciled below in this section) in 2009 and 2008.

¹ In October 2008, BOX repurchased some of its common shares thereby increasing MX's ownership interest from 53.3% to 53.8%.

(in millions of dollars)

	<i>Reported</i>				<i>Billed**</i>			
	2009	2008	\$ increase/ (decrease)	% increase/ (decrease)	2009	2008	\$ increase/ (decrease)	% increase/ (decrease)
<i>Initial listing fees</i>	\$ 16.9	\$ 16.0	\$ 0.9	6%	\$ 12.8	\$ 18.6	(\$ 5.8)	(31%)
<i>Additional listing fees</i>	\$ 57.6	\$ 51.3	\$ 6.3	12%	\$ 92.0	\$ 76.9	\$ 15.1	20%
<i>Sustaining listing fees</i>	\$ 54.7	\$ 69.6	(\$ 14.9)	(21%)	\$ 54.7	\$ 69.6	(\$ 14.9)	(21%)
<i>Other issuer services</i>	<u>\$ 12.9</u>	<u>\$ 15.3</u>	<u>(\$ 2.4)</u>	(16%)	<u>\$ 12.9</u>	<u>\$ 15.3</u>	<u>(\$ 2.4)</u>	(16%)
<i>Total</i>	<u>\$ 142.1</u>	<u>\$ 152.2</u>	<u>(\$ 10.1)</u>	(7%)	<u>\$ 172.4</u>	<u>\$ 180.4</u>	<u>(\$ 8.0)</u>	(4%)

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)	2009	2008
Initial listing fees billed**	\$ 12.8	\$ 18.6
Initial listing fees billed** and deferred to future periods	(\$ 12.3)	(\$ 17.4)
Recognition of initial listing fees billed** and previously included in deferred revenue	<u>\$ 16.4</u>	<u>\$ 14.8</u>
Initial listing fee revenue reported	<u>\$ 16.9</u>	<u>\$ 16.0</u>
<i>Additional Listing Fees</i> (in millions of dollars)	2009	2008
Additional listing fees billed**	\$ 92.0	\$ 76.9
Additional listing fees billed** and deferred to future periods	(\$ 87.5)	(\$ 72.6)
Recognition of additional listing fees billed** and previously included in deferred revenue	<u>\$ 53.1</u>	<u>\$ 47.0</u>
Additional listing fee revenue reported	<u>\$ 57.6</u>	<u>\$ 51.3</u>

- *Initial and additional listing fees reported* increased in 2009 compared with 2008, reflecting an increase in capital market activity during the period from April 1, 1999 to December 31, 2009 compared with the period from April 1, 1998 to December 31, 2008. *Initial listing fees*

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

*billed*** decreased in 2009 compared with 2008. While the value of initial financings on Toronto Stock Exchange in 2009 increased compared with 2008, substantially all IPOs related to ETFs or structured products, for which we charge a lower fee. The corporate IPOs were high value transactions, for which issuers paid the maximum listing fee. In addition, there was also a decrease in initial financings on TSX Venture Exchange. *Additional listing fees billed*** in 2009 increased over 2008 due to an increase in additional financings on Toronto Stock Exchange. While the value of additional financings on Toronto Stock Exchange increased in 2009, this was driven by a larger proportion of high value transactions, for which issuers paid the maximum additional listing fee. The positive impact from additional financings on Toronto Stock Exchange was somewhat offset by a decrease in additional financings on TSX Venture Exchange.

- 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 \$12.9 million decreased from \$15.3 million in 2008, reflecting lower demand for investor relations services.

Trading, Clearing and Related Revenue

(in millions of dollars)

	2009	2008	\$ increase/ (decrease)	% increase/ (decrease)
<i>Cash markets revenue</i>	\$ 119.4	\$ 145.7	(\$ 26.3)	(18%)
<i>Derivatives markets revenue</i>	\$ 78.5	\$ 47.2	\$ 31.3	66%
<i>Energy markets revenue</i>	<u>\$ 39.4</u>	<u>\$ 29.8</u>	<u>\$ 9.6</u>	32%
<i>Total</i>	<u>\$ 237.3</u>	<u>\$ 222.7</u>	<u>\$ 14.6</u>	7%

Cash Markets

- *Cash markets* equity trading revenue 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

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

transactions. We implemented further changes to the equity trading fee schedule on October 1, 2009. Fees under the ELP Program were replaced with a single tier model which reduced the passive credit paid to ELP Program participants. The active fee paid by ELP Program participants was also reduced in some cases. Effective October 1, 2009, there was also a reduction in active trading fees on stocks trading at less than \$1 in the post-open continuous market

- In addition, during 2009, there were changes in customer and product mix including a higher proportion of volumes coming from market makers and new ELP market participants.
- This decrease was partially offset by a 9% increase in the volume of securities traded on Toronto Stock Exchange in 2009 over 2008 (118.5 billion securities in 2009 versus 109.2 billion securities in 2008) and a 6% increase in the volume of securities traded on TSX Venture Exchange in 2009 over 2008 (46.8 billion securities in 2009 versus 44.1 billion securities in 2008).
- The decrease in *Cash Markets* equity trading revenue was partially offset by an increase in Shorcan *Cash Markets* fixed income trading revenue related to Government of Canada bonds and provincial bonds in 2009 versus 2008.

Derivatives Markets

- *Derivatives markets* revenue reflects \$78.5 million in trading and clearing revenue from MX and trading revenue from BOX for the full year 2009, compared with \$47.2 million from MX in 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 9% (34.8 million contracts traded in 2009 versus 38.1 million contracts traded in 2008) reflecting reduced trading in both the BAX and CGB contracts, as well as stock index derivatives, partially offset by an increase in stock options and ETF options derivatives trading. We believe the reduction in fixed income futures trading was a reflection of the recent interest rate environment of historically low rates with little volatility.
- BOX volumes decreased by 23% (137.8 million contracts in 2009 versus 178.7 million contracts traded in 2008), reflecting increased competition and a weakening market share in the U.S. equity options trading market.

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. NGX's crude oil volumes for 2009 averaged over 4.1 million Bbls/mo or 135,000 barrels per day.
- The increase was also due to pricing changes on natural gas contracts that were effective January 1, 2009, the change in the exchange rate of the U.S. dollar relative to the Canadian

dollar in 2009 compared with 2008 and also as a result of NGX having deferred less revenue in 2009, on a net basis, than in 2008 due to a reduced level of forward contracts.

- *Energy markets* revenue also increased due to a 3% increase in the volumes of natural gas, over the counter, or OTC, bilateral and crude oil contracts traded or cleared on NGX over 2008 (14.8 million terajoules in 2009 compared to 14.4 million terajoules in 2008). This excludes the Alberta Watt Exchange Limited (Watt-Ex) volumes.

Market Data Revenue

(in millions of dollars)

2009	2008	\$ increase	% increase
\$ 146.0	\$ 135.4	\$10.6	8%

- *Market data* revenue included \$16.2 million in revenue related to the business operations of MX and BOX in 2009, compared with \$9.4 million from MX from May 1, 2008 and BOX from August 29, 2008. There was a 13% decrease in the average number of MX market data subscriptions in 2009 compared with the eight months from May 1, 2008 to December 31, 2008. There were over 22,000 MX market data subscriptions at December 31, 2009.
- The increase was also due to higher revenue from data feeds, index products, usage-based quotes, indices and other data products, the change in the exchange rate of the U.S. dollar relative to the Canadian dollar in 2009 compared with 2008, 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 2009 compared with 2008. There were over 153,000 professional and equivalent real-time market data subscriptions at December 31, 2009.
- In addition, the increase was partially offset by lower revenue recoveries related to under-reported usage of real-time quotes in 2009 compared with 2008 and an increase in revenue provisions.

Business Services and Other Revenue

(in millions of dollars)

2009	2008	\$ increase	% increase
\$ 30.9	\$ 22.3	\$8.6	39%

- *Business services* revenue increased primarily due to \$13.5 million in revenue received from the LSE under our technology license agreement.
- The increase was partially offset by the elimination of revenue from BOX for technology and other services provided by MX. *Business services* revenue in 2008 included four months of

related revenue from BOX. This revenue has been eliminated as BOX is now a consolidated subsidiary of MX.

- The increase was also partially offset by net foreign exchange losses on U.S. dollar accounts receivable.

Operating Expenses

Operating expenses in 2009 were \$273.1 million, an increase of \$45.9 million, or 20%, as compared with \$227.2 million in 2008. The increase was due primarily to the inclusion of \$75.9 million of expenses related to MX and BOX, versus \$43.3 million related to MX from May 1, 2008 to December 31, 2008 and the operations of BOX from August 29, 2008 to December 31, 2008. In addition, we incurred higher expenses related to various technology initiatives in 2009 compared with 2008.

These higher expenses were partially offset by the cost synergies related to the integration with MX. By Q4/09, we had achieved the previously announced \$25.0 million in cost synergies on a run rate basis when compared with the 2008 business plans of the separate organizations through headcount reductions, reducing corporate support costs, combining our data centres and other technology initiatives.

Compensation and Benefits

(in millions of dollars)

2009	2008	\$ increase	% increase
\$ 129.4	\$ 110.6	\$18.8	17%

- *Compensation and benefits* costs increased primarily due to the inclusion of \$28.6 million in costs related to MX and BOX. There were \$16.9 million in costs related to MX in 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 2008, partially offset by lower costs related to an accounting adjustment to post retirement benefit costs of \$0.8 million.
- There were 849 employees at December 31, 2009, which included 7 NTP employees, versus 845 employees at December 31, 2008. The number of additional employees related to technology initiatives was more than offset by a reduction in the number of employees due to efficiencies realized through the integration of MX.

Information and Trading Systems

(in millions of dollars)

2009	2008	\$ increase	% increase
\$ 46.1	\$ 35.6	\$10.5	29%

- *Information and trading systems* costs included \$6.6 million in costs related to MX and BOX, compared with \$3.9 million in costs related to MX in 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 enterprise expansion, the TSX Quantum gateway and the smart order router.
- In addition, there were higher expenses related to NGX's arrangement with ICE.
- During Q4/09, we reclassified some leases as capital leases versus operating leases. As a result, *Information and Trading Systems* costs were reduced and amortization of the related costs increased (see **Amortization**).

General and Administration

(in millions of dollars)

2009	2008	\$ increase	% increase
\$ 65.5	\$ 55.7	\$9.8	18%

- *General and administration* costs included \$23.5 million in costs related to MX and BOX, compared with \$13.0 million in costs related to MX in 2008 following the combination on May 1, 2008 and BOX from August 29, 2008.
- *General and administration* costs also increased as a result of higher insurance costs relating to NTP, which were more than offset by lower lease costs resulting from a change in estimate of a lease liability.

Amortization

(in millions of dollars)

2009	2008	\$ increase	% increase
\$ 32.2	\$ 25.3	\$6.9	27%

- *Amortization* costs increased reflecting amortization of \$15.2 million related to MX and BOX, compared with \$9.5 million related to MX in 2008 following the combination on May 1, 2008 and BOX from August 29, 2008.

- During Q4/09, we entered into a number of new capital leases. In addition, we reclassified some leases as capital leases versus operating leases. As a result, *Amortization* costs increased by \$2.7 million.
- 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)

2009	2008	\$ (decrease)
\$ 0.4	\$ 1.4	(\$ 1.0)

- *Income from investments in affiliates* of \$0.4 million represents TSX Inc.'s share of CanDeal.ca Inc. (CanDeal) income for 2009 based on its 47% interest in CanDeal, compared with \$0.7 million from 2008. CanDeal is an electronic trading system for the institutional debt market.
- In 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.

Impairment of Goodwill

(in millions of dollars)

2009	2008	\$ Increase
\$ 77.3	-	\$ 77.3

- Primarily due to increased competition and a weakening market share in the U.S. equity options trading market, which resulted in a decline in current and forecasted revenues, we recorded a non-cash goodwill impairment charge of \$77.3 million related to our investment in BOX.

Investment Income

(in millions of dollars)

2009	2008	\$ (decrease)	% (decrease)
\$ 4.6	\$ 14.8	(\$10.2)	(69%)

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

Interest Expense

(in millions of dollars)

2009	2008	\$ (decrease)	% (decrease)
\$ 6.1	\$ 10.5	(\$4.4)	(42%)

- *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 related to financing the cash consideration of the purchase price for MX (*see Long-term Debt*).

Mark to Market on Interest Rate Swaps – Loss

(in millions of dollars)

2009	2008	\$ (decrease)	% (decrease)
\$1.4	\$13.3	(\$11.9)	(89%)

- We entered into a series of interest rate swap agreements to partially manage our exposure to interest rate fluctuations on our long-term debt, effective August 28, 2008 (*see Long-term Debt*).
- During 2009, unrealized gains of \$6.8 million and realized losses of \$8.2 million were reflected in net income, compared with unrealized losses of \$12.5 million recorded in 2008 and realized losses of \$0.8 million recognized in 2008.

Other Acquisition Related Expenses

(in millions of dollars)

2009	2008	\$ (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.
- 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 2008.

Income Taxes

(in millions of dollars)

		Effective tax rate (%)	
2009	2008	2009	2008
\$ 97.0	\$ 98.1	48%	35%

- In November 2009, the Ontario government substantively enacted legislation to reduce the general corporate tax rate from 14% in 2009 to 12% effective July 1, 2010, with further reductions to 10% by July 1, 2013. As a result of these changes to Ontario corporate tax rates, there was a reduction in the value of future tax assets and liabilities and a corresponding net increase in income taxes of \$10.4 million. Excluding this revaluation, the effective tax rate for 2009 was lower compared with 2008 due to an increase in income attributable to the Province of Quebec in 2009, compared with the period from May 1, 2008 to December 31, 2008. In our case, this income is taxed at a lower tax rate in Quebec due to a tax holiday which ends after 2010.
- The goodwill impairment charge in 2009 of \$77.3 million increased the effective tax rate, as this amount is non-deductible for income tax purposes.
- In addition, there was a lower federal income tax rate in 2009 compared with 2008.
- In 2008, we paid \$15.2 million to ISE Ventures in 2008, which was not deducted for income tax purposes.

Non-controlling Interests²

(in millions of dollars)

2009	2008	\$ increase	% increase
\$1.8	\$1.8	-	-

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

² In October 2008, BOX repurchased some of its common shares thereby increasing MX's ownership interest from 53.3% to 53.8%.

Comprehensive Income

Comprehensive Income was \$83.8 million for 2009 and is comprised of Net Income of \$104.7 million and Other Comprehensive Losses of \$20.9 million.

Other comprehensive losses include the unrealized loss on the foreign currency translation of BOX, a self-sustaining foreign operation, which amounted to \$20.9 million for 2009.

Accumulated Other Comprehensive Income of \$3.2 million as at December 31, 2009 is included as a component of **Shareholders' Equity**.

Comprehensive Income was \$206.1 million for 2008 which was comprised of Net Income of \$182.0 million and Other Comprehensive Income of \$24.1 million.

Other comprehensive income includes the unrealized gain on the foreign currency translation of BOX, a self-sustaining foreign operation, which amounted to \$24.1 million for 2008.

Our Accumulated Other Comprehensive Income of \$24.1 million as at December 31, 2008 is included as a component of **Shareholders' Equity**.

Liquidity and Capital Resources

Cash, Cash Equivalents and Marketable Securities

(in millions of dollars)

December 31, 2009	December 31, 2008	\$ (decrease)
\$ 191.1	\$ 198.7	(\$ 7.6)

- The decrease was due to:
 - Four dividend payments of \$0.38 per common share, or \$113.0 million in aggregate, as well as to payments totalling \$30.4 million relating to the repurchase of 1,000,000 common shares under our NCIB program in 2009.
 - Cash paid of \$24.2 million in relation to the May 1, 2009 acquisition of NTP, net of cash acquired.
 - Cash paid of \$7.7 million for a 19.9% interest in EDX on May 7, 2009.
 - Non-acquisition related additions to intangible assets of \$13.2 million, the payment of \$6.4 million in dividends to non-controlling interests in BOX and \$7.1 million in capital expenditures.
- The decrease was largely offset by cash generated from operating activities of \$204.9 million.

Total Assets

(in millions of dollars)

December 31, 2009	December 31, 2008	\$ (decrease)
\$ 3,524.5	\$ 3,688.6	(\$ 164.1)

- *Total assets* decreased due to lower energy contracts receivable of \$714.5 million at December 31, 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 December 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 \$714.5 million at December 31, 2009 compared with \$976.4 million at the end of 2008.
- Total assets also decreased due to the reduction in goodwill related to the impairment charge of \$77.3 million related to BOX.
- The overall decrease was partially offset by higher MX daily settlements and cash deposits of \$565.4 million as at December 31, 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 \$565.4 million at December 31, 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 (\$202.8 million as at December 31, 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 \$202.8 million at December 31, 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 \$30.6 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)

December 31, 2009	December 31, 2008	\$ increase
\$429.0	\$428.3	\$ 0.7

- In connection with the combination with MX, we established a non-revolving three-year term unsecured credit facility of \$430.0 million, 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.
- 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 our \$430.0 million non-revolving three year term facility. On August 31, 2009, swap agreements with a notional value of \$100.0 million (Swap #1), representing one third of the total notional value of the swaps, matured. The interest rate swaps in place at December 31, 2009 are as follows:

Notional value (in millions of dollars)	Interest rate we will pay under swap (excludes 0.45% fee)	Maturity date of swap
Swap #2 - \$100.0	3.749%	August 31, 2010
Swap #3 - \$100.0	3.829%	April 18, 2011

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, extraordinary, unusual or non-recurring items, 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 December 31, 2009, all covenants were met.

Other Credit Facilities and Guarantee

To backstop its clearing operations, NGX currently has a credit agreement in place with a Canadian chartered bank which includes a U.S.\$100.0 million clearing backstop fund. We are NGX's unsecured guarantor for this fund up to a maximum of U.S.\$100.0 million.

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

These facilities had not been drawn upon in the year ended December 31, 2009.

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

Shareholders' Equity

(in millions of dollars)

December 31, 2009	December 31, 2008	\$ (decrease)
\$ 770.6	\$ 794.6	(\$ 24.0)

- We earned \$104.7 million of net income during 2009 and paid \$113.0 million in dividends.
- We also recorded an unrealized foreign exchange loss of \$20.9 million on translating the financial statements of BOX.
- *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 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.
- At December 31, 2009, there were 74,307,041 common shares issued and outstanding. In 2009, 25,405 common shares were issued on the exercise of share options. At December 31, 2009, 4,143,100 common shares were reserved for issuance upon the exercise of options granted under the share option plan. At December 31, 2009, there were 1,382,569 options outstanding.
- At February 9, 2010, there were 74,310,047 common shares issued and outstanding and 1,338,859 options outstanding under the share option plan.

Cash Flows from Operating Activities

(in millions of dollars)

	Q4/09	Q4/08	(Decrease) in cash
<i>Cash Flows from Operating Activities</i>	\$ 56.5	\$ 60.8	(\$ 4.3)

Cash Flows from Operating Activities were \$4.3 million lower in Q4/09 compared with Q4/08 due to:

(in millions of dollars)

	Q4/09	Q4/08	Increase/ (decrease) in cash
Net income	(\$ 26.8)	\$ 49.0	(\$ 75.8)
Amortization	\$ 10.0	\$ 8.1	\$ 1.9
Non-cash impairment charge related to BOX	\$ 77.3	-	\$ 77.3
Net increase / (decrease) in future income taxes	\$ 6.1	(\$ 4.1)	\$ 10.2
Unrealized (gain) / loss on interest rate swaps	(\$ 1.1)	\$ 12.5	(\$ 13.6)
(Increase) / decrease in accounts receivable and prepaid expenses	\$ 0.6	(\$ 1.2)	\$ 1.8
(Increase) in other assets	(\$ 1.5)	(\$ 0.1)	(\$ 1.4)
Net increase in accounts payable and accrued liabilities	\$ 1.9	\$ 8.3	(\$ 6.4)
(Decrease) in deferred revenue	(\$ 12.2)	(\$ 17.5)	\$ 5.3
Net increase in income taxes	\$ 1.9	\$ 4.5	(\$ 2.6)
Net increase in other items	<u>\$ 0.3</u>	<u>\$ 1.3</u>	<u>(\$ 1.0)</u>
<i>Cash Flows from Operating Activities</i>	<u>\$ 56.5</u>	<u>\$ 60.8</u>	<u>(\$ 4.3)</u>

Cash Flows from Operating Activities

(in millions of dollars)

	2009	2008	(Decrease) in cash
<i>Cash Flows from Operating Activities</i>	\$ 204.9	\$ 244.2	(\$ 39.3)

Cash Flows from Operating Activities were \$39.3 million lower in 2009 compared with 2008 due to:

(in millions of dollars)

	2009	2008	Increase/ (decrease) in cash
Net income	\$ 104.7	\$ 182.0	(\$ 77.3)
Amortization	\$ 32.2	\$ 25.3	\$ 6.9
Non-cash impairment charge related to BOX	\$ 77.3	-	77.3
Payment to ISE Ventures related to termination of joint venture	-	\$ 15.2	(\$ 15.2)
Net increase / (decrease) in future income taxes	\$ 3.5	(\$ 9.3)	\$ 12.8
Unrealized (gain) / loss on interest rate swaps	(\$ 6.8)	\$ 12.5	(\$ 19.3)
(Increase) in accounts receivable and prepaid expenses	(\$ 12.5)	(\$ 1.2)	(\$ 11.3)
(Increase)/decrease in other assets	(\$ 9.2)	\$ 5.0	(\$ 14.2)
Net (decrease) in accounts payable and accrued liabilities	(\$ 7.9)	(\$ 27.3)	\$ 19.4
Increase in deferred revenue	\$ 33.2	\$ 34.6	(\$ 1.4)
Net (decrease)/increase in income taxes	(\$ 15.0)	\$ 5.0	(\$ 20.0)
Net increase in other items	<u>\$ 5.4</u>	<u>\$ 2.4</u>	<u>\$ 3.0</u>
<i>Cash Flows from Operating Activities</i>	<u>\$ 204.9</u>	<u>\$ 244.2</u>	<u>(\$ 39.3)</u>

Cash Flows from (used in) Financing Activities

(in millions of dollars)

	Q4/09	Q4/08	Increase in cash
<i>Cash Flows from (used in) Financing Activities</i>	(\$ 30.8)	(\$ 58.2)	\$ 27.4

Cash Flows (used in) Financing Activities were \$27.4 million lower in Q4/09 compared with Q4/08 due to:

(in millions of dollars)

	Q4/09	Q4/08	Increase/ (decrease) in cash
Dividends paid on common shares	(\$ 28.2)	(\$ 28.5)	\$ 0.3
Repurchase of common shares under NCIB	-	(\$ 27.8)	\$ 27.8
Dividends paid to BOX non-controlling interests	-	(\$ 1.9)	\$ 1.9
Obligation under capital lease	(\$ 2.8)	-	(\$ 2.8)
Net increase in other items	<u>\$ 0.2</u>	-	<u>\$ 0.2</u>
<i>Cash Flows from (used in) Financing Activities</i>	<u>(\$ 30.8)</u>	<u>(\$ 58.2)</u>	<u>\$ 27.4</u>

Cash Flows from (used in) Financing Activities

(in millions of dollars)

	2009	2008	(Decrease) in cash
<i>Cash Flows from (used in) Financing Activities</i>	(\$ 151.4)	\$ 33.1	(\$ 184.5)

Cash Flows (used in) Financing Activities were \$184.5 million higher in 2009 compared with 2008 due to:

(in millions of dollars)

	2009	2008	Increase/ (decrease) in cash
Dividends paid on common shares	(\$ 113.0)	(\$ 114.1)	\$ 1.1
Repurchase of common shares under NCIB	(\$ 30.4)	(\$ 285.4)	\$ 255.0
Dividends paid to BOX non-controlling interests	(\$ 6.4)	(\$ 2.0)	(\$ 4.4)
Proceeds on term loan	-	\$ 427.8	(\$ 427.8)
Proceeds from exercised options	\$ 0.6	\$ 7.0	(\$ 6.4)
Net (decrease) in other items	<u>(\$ 2.2)</u>	<u>(\$ 0.2)</u>	<u>(\$ 2.0)</u>
<i>Cash Flows from (used in) Financing Activities</i>	<u>(\$ 151.4)</u>	<u>\$ 33.1</u>	<u>(\$ 184.5)</u>

Cash Flows from (used in) Investing Activities

(in millions of dollars)

	Q4/09	Q4/08	(Decrease) in cash
<i>Cash Flows from (used in) Investing Activities</i>	(\$ 24.8)	\$ 19.9	(\$ 44.7)

Cash Flows (used in) Investing Activities were \$44.7 million higher in Q4/09 compared with Q4/08 due to:

(in millions of dollars)

	Q4/09	Q4/08	Increase/ (decrease) in cash
Cost of acquisitions, net of cash acquired	(\$ 0.8)	\$ 7.9	(\$ 8.7)
Capital expenditures primarily related to technology investments and leasehold improvements	(\$ 2.5)	(\$ 0.5)	(\$ 2.0)
Additions to intangible assets including the TSX Quantum gateway and SOLA internal development costs	(\$ 2.8)	(\$ 2.8)	-
Net sale / (purchases) of marketable securities	<u>(\$ 18.7)</u>	<u>\$ 15.3</u>	<u>(\$ 34.0)</u>
<i>Cash Flows from (used in) Investing Activities</i>	<u>(\$ 24.8)</u>	<u>\$ 19.9</u>	<u>(\$ 44.7)</u>

Cash Flows from (used in) Investing Activities

(in millions of dollars)

	2009	2008	Increase in cash
<i>Cash Flows from (used in) Investing Activities</i>	(\$ 65.3)	(\$ 230.6)	\$ 165.3

Cash Flows (used in) Investing Activities were \$165.3 million lower in 2009 compared with 2008 due to:

(in millions of dollars)

	2009	2008	Increase/ (decrease) in cash
Cost of acquisitions and investments, net of cash acquired	(\$ 37.9)	(\$ 405.3)	\$ 367.4
Payment to ISE Ventures related to termination of joint venture	-	(\$ 15.2)	\$ 15.2
Capital expenditures primarily related to technology investments and leasehold improvements	(\$ 7.1)	(\$ 5.3)	(\$ 1.8)
Additions to intangible assets including TSX Quantum gateway, smart order router and SOLA internal development costs	(\$ 13.2)	(\$ 8.4)	(\$ 4.8)
Net (purchases) / sale of marketable securities	<u>(\$ 7.1)</u>	<u>\$ 203.6</u>	<u>(\$ 210.7)</u>
<i>Cash Flows from (used in) Investing Activities</i>	<u>(\$ 65.3)</u>	<u>(\$ 230.6)</u>	<u>\$ 165.3</u>

Financial Statements Governance Practice

The Finance & Audit Committee of the Board of Directors of TMX Group reviewed this press release as well as the 2009 audited annual 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 2009 audited 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 2009 audited 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

Certain measures used in this press release do not have standardized meanings prescribed by Canadian GAAP and therefore are unlikely to be comparable to similar measures presented by other Canadian issuers.

“Initial listing fees billed” and “additional listing fees billed”

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 “initial listing fees billed” and “additional listing fees billed”.

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. This is how our international peers, who currently report using International Financial Reporting Standards (IFRS), account for these fees. These non-GAAP revenue measures provide investors with 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.

“Adjusted net income” and “Adjusted earnings per share”

We present “adjusted net income” and “adjusted earnings per share” as an indication of operating performance exclusive of:

- (i) income tax charge related to lower Ontario corporate income tax rates which reduced the value of future tax assets and liabilities;
- (ii) the non-cash goodwill impairment charge in 2009 related to our investment in BOX; and
- (iii) the payment made on April 1, 2008 to ISE Ventures, a wholly-owned subsidiary of International Securities Exchange Holdings, Inc. (ISE), related to terminating DEX, our proposed derivatives joint venture.

These measures allow management and investors to assess operating performance excluding non-cash items such as the net impact from a reduction in the value of future tax assets and liabilities, and the non-cash impairment charge related to BOX. In addition, they allow them to assess operating performance excluding the impact of non-recurring payments such as that made to ISE Ventures in 2008.

Caution Regarding Forward-looking Information

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

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

The forward looking information contained in this press release is presented for the purpose of assisting readers of this document in understanding our financial condition and results of operations and our strategies, priorities and objectives and may not be appropriate for other

purposes. Actual results, events, performances, achievements and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking information contained in this press release.

Such forward-looking information is based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions in connection with the ability of TMX Group to successfully compete against global and regional marketplaces; business and economic conditions generally; exchange rates (including estimates of the U.S. dollar - Canadian dollar exchange rate), the level of trading and activity on markets, and particularly the level of trading in TMX Group's key products; 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 2009 Annual MD&A under the heading **Risks and Uncertainties**.

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 fourth quarter 2009.

Time: 4:00 p.m. - 5:00 p.m. EST on Wednesday, February 10, 2010.

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

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

AudioWebcast: www.tmx.com, under Investor Relations

Audio Replay: 416-849-0833 or 1-800-642-1687

The passcode for the replay is 49804549#

For further information please contact:

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TMX GROUP INC.

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

	December 31, 2009	December 31, 2008
Assets		
Current assets:		
Cash and cash equivalents	\$ 87,978	\$ 102,442
Marketable securities	103,169	96,251
Restricted cash	911	1,454
Accounts receivable	79,427	63,755
Energy contracts receivable	714,545	976,431
Fair value of open energy contracts	202,760	155,331
Daily settlements and cash deposits	565,408	497,312
Prepaid expenses	6,032	9,050
Income taxes recoverable	4,619	599
Future income tax assets	26,675	30,529
	1,791,524	1,933,154
Premises and equipment	31,556	27,505
Future income tax assets	144,551	151,960
Other assets	27,745	21,072
Investment in affiliate, at equity	12,845	12,424
Intangible assets	932,443	891,976
Goodwill	583,811	650,554
Total Assets	\$ 3,524,475	\$ 3,688,645
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 44,883	\$ 59,240
Energy contracts payable	714,545	976,431
Fair value of open energy contracts	202,760	155,331
Daily settlements and cash deposits	565,408	497,312
Deferred revenue	15,074	12,353
Deferred revenue – initial and additional listing fees	78,001	69,540
Fair value of interest rate swaps	2,117	1,787
Future income tax liabilities	118	66
Obligations under capital leases	3,413	42
Income taxes payable	3,232	14,121
	1,629,551	1,786,223
Accrued employee benefits payable	12,787	12,916
Obligations under capital leases	5,512	29
Future income tax liabilities	234,697	236,995
Other liabilities	21,832	17,482
Deferred revenue	882	718
Deferred revenue – initial and additional listing fees	405,123	383,315
Fair value of interest rate swaps	3,584	10,690
Term loan	429,016	428,278
Total Liabilities	2,742,984	2,876,646
Non-controlling Interests	10,915	17,370
Shareholders' Equity:		
Share capital	1,102,619	1,084,399
Share option plan	8,708	5,969
Deficit	(343,975)	(319,843)
Accumulated other comprehensive income	3,224	24,104
Total Shareholders' Equity	770,576	794,629
Total Liabilities and Shareholders' Equity	\$ 3,524,475	\$ 3,688,645

TMX GROUP INC.

Consolidated Statements of Income

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

(Unaudited)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2009	2008	2009	2008
Revenue:				
Issuer services	\$ 36,530	\$ 38,273	\$ 142,118	\$ 152,209
Trading, clearing and related	60,829	69,088	237,345	222,703
Market data	36,835	37,977	145,976	135,407
Business services and other	18,780	5,712	30,877	22,295
Total revenue	152,974	151,050	556,316	532,614
Expenses:				
Compensation and benefits	31,923	29,162	129,369	110,581
Information and trading systems	11,168	10,630	46,120	35,617
General and administration	14,486	17,693	65,450	55,705
Amortization	10,037	8,082	32,194	25,340
Total operating expenses	67,614	65,567	273,133	227,243
Income from operations	85,360	85,483	283,183	305,371
Income from investments in affiliates	248	424	420	1,426
Investment income	330	4,121	4,623	14,824
Goodwill impairment charge	(77,255)	-	(77,255)	-
Interest expense	(1,404)	(3,453)	(6,071)	(10,508)
Net mark to market on interest rate swaps	(578)	(13,289)	(1,414)	(13,289)
Other acquisition related expenses	-	-	-	(15,902)
Income before income taxes	6,701	73,286	203,486	281,922
Income taxes	34,735	22,881	96,952	98,149
Net income (loss) before non-controlling interests	(28,034)	50,405	106,534	183,773
Non-controlling interests	(1,197)	1,370	1,833	1,821
Net income (loss)	\$ (26,837)	\$ 49,035	\$ 104,701	\$ 181,952
Earnings per share:				
Basic	\$ (0.36)	\$ 0.65	\$ 1.41	\$ 2.48
Diluted	\$ (0.36)	\$ 0.65	\$ 1.41	\$ 2.47
Share information:				
Weighted average number of common shares outstanding	74,305,951	74,866,873	74,131,244	73,443,944
Diluted weighted average number of common shares outstanding	74,402,189	74,941,186	74,255,480	73,540,390

TMX GROUP INC.

Consolidated Statements of Comprehensive Income (Loss)

(In thousands of Canadian dollars)

(Unaudited)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2009	2008	2009	2008
Net income (loss)	\$ (26,837)	\$ 49,035	\$ 104,701	\$ 181,952
Other comprehensive (loss) income:				
Unrealized (loss) gain on translating financial statements of self-sustaining foreign operations (net of tax - \$nil)	(1,752)	19,789	(20,880)	24,104
Unrealized fair value gain on the interest rate swaps designated as cash flow hedges (net of taxes)	-	2,277	-	-
Comprehensive income (loss)	\$ (28,589)	\$ 71,101	\$ 83,821	\$ 206,056

TMX GROUP INC.

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

Years ended December 31, 2009 and 2008

	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	573	6,959
Cost of exercised options	170	1,731
Purchased under normal course issuer bid	(14,575)	(110,234)
Balance, end of period	1,102,619	1,084,399
Share option plan:		
Balance, beginning of period	5,969	5,060
Cost of exercised options	(170)	(1,731)
Cost of share option plan	2,909	2,640
Balance, end of period	8,708	5,969
Deficit:		
Balance, beginning of period	(319,843)	(212,520)
Net income	104,701	181,952
Dividends on common shares	(112,973)	(114,099)
Shares purchased under normal course issuer bid	(15,860)	(175,176)
Balance, end of period	(343,975)	(319,843)
Accumulated other comprehensive income:		
Balance, beginning of period	24,104	-
Unrealized (loss) gain on translating financial statements of self-sustaining foreign operations	(20,880)	24,104
Balance, end of period	3,224	24,104
Shareholders' equity, end of period	\$ 770,576	\$ 794,629

TMX GROUP INC.

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

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2009	2008	2009	2008
Cash flows from (used in) operating activities:				
Net income (loss)	\$ (26,837)	\$ 49,035	\$ 104,701	\$ 181,952
Adjustments to determine net cash flows:				
Amortization	10,037	8,082	32,194	25,340
Unrealized loss (gain) on marketable securities	431	(1,049)	153	(1,206)
Income from investments in affiliates, at equity	(248)	(424)	(420)	(1,426)
Cost of share option plan	845	728	2,909	2,473
Payment on termination of joint venture	-	-	-	15,152
Amortized financing fees	185	185	738	492
Non-controlling interests	(1,197)	1,370	1,833	1,821
Goodwill impairment charge	77,255	-	77,255	-
Unrealized (gain) loss on interest rate swaps	(1,132)	12,477	(6,776)	12,477
Unrealized foreign exchange loss	304	401	343	401
Future income taxes	6,080	(4,059)	3,476	(9,307)
Accounts receivable and prepaid expenses	561	(1,160)	(12,524)	(1,175)
Other assets	(1,502)	(122)	(9,226)	4,954
Accounts payable and accrued liabilities	5,920	10,170	(10,409)	(15,063)
Long-term accrued and other liabilities	(3,976)	(1,838)	2,506	(12,263)
Deferred revenue	(12,156)	(17,507)	33,154	34,566
Income taxes	1,933	4,470	(15,030)	5,001
	56,503	60,759	204,877	244,189
Cash flows from (used in) financing activities:				
Reduction in obligation under capital lease	(2,754)	(10)	(2,754)	(177)
Restricted cash	128	24	543	(47)
Proceeds from exercised options	70	-	573	6,959
Dividends on common shares	(28,236)	(28,508)	(112,973)	(114,099)
Shares purchased under normal course issuer bid	-	(27,805)	(30,435)	(285,410)
Proceeds from term loan, net	-	-	-	427,786
Dividends paid to non-controlling interests	-	(1,946)	(6,353)	(1,946)
	(30,792)	(58,245)	(151,399)	33,066
Cash flows from (used in) investing activities:				
Additions to premises and equipment	(2,539)	(474)	(7,136)	(5,306)
Additions to intangible assets	(2,757)	(2,803)	(13,152)	(8,451)
Marketable securities	(18,705)	15,277	(7,071)	203,546
Payment on termination of joint venture	-	-	-	(15,152)
Acquisitions, net of cash acquired	(831)	7,875	(37,932)	(405,283)
	(24,832)	19,875	(65,291)	(230,646)
Unrealized foreign exchange (loss) gain on cash and cash equivalents held in foreign subsidiaries	(313)	2,435	(2,651)	2,435
(Decrease) increase in cash and cash equivalents	566	24,824	(14,464)	49,044
Cash and cash equivalents, beginning of period	87,412	77,618	102,442	53,398
Cash and cash equivalents, end of period	\$ 87,978	\$ 102,442	\$ 87,978	\$ 102,442
Supplemental cash flow information:				
Interest paid	\$ 1,219	\$ 2,994	\$ 4,619	\$ 11,038
Interest received	540	3,811	3,962	12,648
Income taxes paid	27,499	25,606	110,350	107,114

TMX GROUP INC.

Market Statistics

(Unaudited)

	Three months ended		Twelve months ended	
	December 31		December 31	
	2009	2008	2009	2008
Toronto Stock Exchange:				
Volume (millions)	27,187.2	33,073.7	118,525.9	109,239.7
Value (\$ billions)	335.6	403.6	1,398.4	1,853.2
Transactions (000s)	43,670.9	56,726.0	191,321.2	182,901.5
Issuers Listed	1,462	1,570	1,462	1,570
New Issuers Listed:				
Number of Initial Public Offerings	47	27	100	126
Number of graduates from TSX Venture/NEX	24	7	60	52
	10	8	20	45
New Equity Financing: (\$ millions)	15,535.1	13,199.5	60,041.4	35,312.0
Initial Public Offering Financings (\$ millions)	1,791.2	258.2	4,767.9	1,929.0
Secondary Offering Financings* ¹ (\$ millions)	10,642.9	11,005.7	41,120.2	24,523.8
Supplementary Financings (\$ millions)	3,101.0	1,935.6	14,153.3	8,859.3
Market Cap of Issuers Listed (\$ billions)	1,771.9	1,279.3	1,771.9	1,279.3
S&P/TSX Composite Index ² Close	11,746.1	8,987.7	11,746.1	8,987.7
TSX Venture Exchange:³				
Volume (millions)	15,254.0	10,740.9	46,825.3	44,052.2
Value (\$ millions)	6,656.9	1,900.8	16,092.6	23,796.1
Transactions (000s)	1,962.8	904.9	5,336.0	5,912.6
Issuers Listed	2,375	2,443	2,375	2,443
New Issuers Listed				
New Equity Financing: (\$ millions)	41	28	107	233
Initial Public Offering Financings (\$ millions)	2,721.2	576.0	5,062.9	5,560.2
Secondary Offering Financings ¹ (\$ millions)	58.8	6.8	90.3	225.1
Market Cap of Issuers Listed: (\$ billions)	2,662.4	569.2	4,972.6	5,335.1
S&P/TSX Venture Composite Index ² Close	36.3	17.1	36.3	17.1
	1,520.7	797.0	1,520.7	797.0
Toronto Stock Exchange and TSX Venture Exchange:				
Professional and Equivalent Real-time Data Subscriptions	153,119	162,460	153,119	162,460
NGX:				
Total Volume (TJs) ⁴	3,746,366.2	3,441,275.7	14,800,701.1	14,460,338.1
	Three months ended		Twelve months ended	
	December 31		December 31	
	2009	2008	2009	2008
Montreal Exchange:				
Volume (Contracts) (000s)	9,825.1	8,302.6	34,753.1	38,064.9
Open Interest (Contracts) (000s) as at December 31	2,769.8	2,085.9	2,769.8	2,085.9
Data Subscriptions	22,876	28,461	22,876	28,461
Boston Options Exchange:				
Volume (Contracts) (000s)	18,912.0	44,521.0	137,784.6	178,650.5

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

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

³ TSX Venture Exchange market statistics do not include data for debt securities. 'New Issuers Listed' and 'S&P/TSX Venture Composite Index Close' statistics exclude data for issuers on NEX. All other TSX Venture Exchange market statistics include data for issuers on NEX, which is a board that was established on August 18, 2003 for issuers that have fallen below TSX Venture Exchange's listing standards (181 issuers at December 31, 2008 and 197 issuers at December 31, 2009).

⁴ Includes natural gas volumes, OTC, bilateral and crude oil business.

