

Interim Consolidated Financial Statements of

TMX GROUP INC.

Six months ended June 30, 2010 and 2009

(In thousands of Canadian dollars, unless otherwise stated)

(Unaudited)

TMX GROUP INC.

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

	June 30, 2010	December 31, 2009 (audited)
Assets		
Current assets:		
Cash and cash equivalents	\$ 55,441	\$ 87,978
Marketable securities	209,414	103,169
Restricted cash	1,165	911
Accounts receivable	77,480	79,427
Energy contracts receivable	704,531	714,545
Fair value of open energy contracts	173,227	202,760
Daily settlements and cash deposits	210,834	565,408
Prepaid expenses	7,994	6,032
Income taxes recoverable	10,407	4,619
Future income tax assets	27,910	26,675
	1,478,403	1,791,524
Premises and equipment	37,382	31,556
Future income tax assets	149,051	144,551
Other assets	30,321	27,745
Investment in affiliate, at equity	13,389	12,845
Intangible assets	926,121	932,443
Goodwill	584,096	583,811
Total Assets	\$ 3,218,763	\$ 3,524,475
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 35,770	\$ 44,883
Energy contracts payable	704,531	714,545
Fair value of open energy contracts	173,227	202,760
Daily settlements and cash deposits	210,834	565,408
Deferred revenue	51,197	15,074
Deferred revenue – initial and additional listing fees	83,240	78,001
Fair value of interest rate swaps	493	2,117
Future income tax liabilities	28	118
Obligations under capital leases	3,720	3,413
Income taxes payable	1,184	3,232
Term loan (note 8)	429,385	-
	1,693,609	1,629,551
Accrued employee benefits payable	12,762	12,787
Obligations under capital leases	5,685	5,512
Future income tax liabilities	237,100	234,697
Other liabilities	20,419	21,832
Deferred revenue	1,114	882
Deferred revenue – initial and additional listing fees	422,972	405,123
Fair value of interest rate swaps	2,167	3,584
Term loan (note 8)	-	429,016
Total Liabilities	2,395,828	2,742,984
Non-controlling Interests	10,195	10,915
Shareholders' Equity:		
Share capital (note 4)	1,103,195	1,102,619
Share option plan (note 5)	10,004	8,708
Deficit	(303,591)	(343,975)
Accumulated other comprehensive income	3,132	3,224
Total Shareholders' Equity	812,740	770,576
Total Liabilities and Shareholders' Equity	\$ 3,218,763	\$ 3,524,475

See accompanying notes to consolidated financial statements.

TMX GROUP INC.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2010	2009	2010	2009
Revenue:				
Issuer services	\$ 40,644	\$ 35,802	\$ 80,347	\$ 70,853
Trading, clearing and related	58,529	61,229	117,499	120,185
Market data	38,803	37,313	76,256	76,066
Business services and other	4,698	3,788	8,278	7,846
Total revenue	142,674	138,132	282,380	274,950
Expenses:				
Compensation and benefits	32,427	31,245	64,673	64,956
Information and trading systems	14,045	11,732	26,152	22,847
General and administration	19,299	18,381	36,222	36,648
Amortization	7,999	6,821	16,364	14,550
Total operating expenses	73,770	68,179	143,411	139,001
Income from operations	68,904	69,953	138,969	135,949
Income from investment in affiliate	291	135	545	206
Investment income	1,854	1,382	2,626	2,952
Interest expense	(1,321)	(1,307)	(2,524)	(3,388)
Net mark to market on interest rate swaps	(191)	141	(266)	(775)
Income before income taxes	69,537	70,304	139,350	134,944
Income taxes	22,379	22,685	43,502	42,834
Net income before non-controlling interests	47,158	47,619	95,848	92,110
Non-controlling interests	(440)	748	(832)	2,321
Net income	\$ 47,598	\$ 46,871	\$ 96,680	\$ 89,789
Earnings per share (note 6):				
Basic	\$ 0.64	\$ 0.63	\$ 1.30	\$ 1.21
Diluted	\$ 0.64	\$ 0.63	\$ 1.30	\$ 1.21

See accompanying notes to consolidated financial statements.

TMX GROUP INC.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2010	2009	2010	2009
Net income	\$ 47,598	\$ 46,871	\$ 96,680	\$ 89,789
Other comprehensive (loss) income:				
Unrealized (loss) gain on translating financial statements of self-sustaining foreign operations (net of tax - \$nil)	2,568	(12,794)	(92)	(7,181)
Comprehensive income	\$ 50,166	\$ 34,077	\$ 96,588	\$ 82,608

See accompanying notes to consolidated financial statements.

TMX GROUP INC.

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

	Six Months Ended June 30,	
	2010	2009
Common shares:		
Balance, beginning of period	\$ 1,102,619	\$ 1,084,399
Issued on acquisition	-	32,052
Proceeds from options exercised	466	129
Cost of exercised options	110	38
Purchased under normal course issuer bid	-	(14,575)
Balance, end of period	1,103,195	1,102,043
Share option plan:		
Balance, beginning of period	8,708	5,969
Cost of exercised options	(110)	(38)
Cost of share option plan	1,406	1,506
Balance, end of period	10,004	7,437
Deficit:		
Balance, beginning of period	(343,975)	(319,843)
Net income	96,680	89,789
Dividends on common shares	(56,296)	(56,505)
Shares purchased under normal course issuer bid	-	(15,860)
Balance, end of period	(303,591)	(302,419)
Accumulated other comprehensive income:		
Balance, beginning of period	3,224	24,104
Unrealized (loss) gain on translating financial statements of self-sustaining foreign operations	(92)	(7,181)
Balance, end of period	3,132	16,923
Shareholders' equity, end of period	\$ 812,740	\$ 823,984

See accompanying notes to consolidated financial statements.

TMX GROUP INC.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2010	2009	2010	2009
Cash flows from (used in) operating activities:				
Net income	\$ 47,598	\$ 46,871	\$ 96,680	\$ 89,789
Adjustments to determine net cash flows:				
Amortization	7,999	6,821	16,364	14,550
Unrealized loss (gain) on marketable securities	(520)	(318)	(96)	312
Income from investment in affiliate	(291)	(135)	(545)	(206)
Cost of share option plan	761	619	1,406	1,506
Amortized financing fees	185	185	369	369
Non-controlling interests	(440)	748	(832)	2,321
Unrealized (gain) on interest rate swaps	(1,444)	(2,540)	(3,041)	(3,468)
Unrealized foreign exchange loss (gain)	(176)	34	(136)	(2)
Future income taxes	(1,860)	929	(3,422)	(15)
Accounts receivable and prepaid expenses	23,143	12,008	34	(3,763)
Other assets	(2,152)	(7,241)	(2,576)	(6,862)
Accounts payable and accrued liabilities	2,971	(6,936)	(8,925)	(19,223)
Long-term accrued and other liabilities	(210)	(105)	(1,438)	4,579
Deferred revenue	(1,897)	827	59,443	47,223
Income taxes	157	(1,500)	(7,827)	(16,158)
	73,824	50,267	145,458	110,952
Cash flows from (used in) financing activities:				
Reduction in obligations under capital leases	(1,229)	-	(2,167)	-
Restricted cash	(286)	160	(254)	393
Proceeds from exercised options	402	98	466	129
Dividends on common shares	(28,248)	(28,230)	(56,296)	(56,505)
Shares purchased under normal course issuer bid	-	-	-	(30,435)
Dividends paid to non-controlling interests	-	(2,017)	-	(5,210)
	(29,361)	(29,989)	(58,251)	(91,628)
Cash flows from (used in) investing activities:				
Additions to premises and equipment	(4,940)	(1,739)	(9,817)	(2,125)
Additions to intangible assets	(1,815)	(5,090)	(3,948)	(8,496)
Marketable securities	(49,358)	26,067	(106,149)	7,322
Acquisitions, net of cash acquired	-	(33,172)	-	(33,819)
	(56,113)	(13,934)	(119,914)	(37,118)
Unrealized foreign exchange (loss) gain on cash and cash equivalents held in foreign subsidiaries	610	(1,549)	170	(873)
(Decrease) increase in cash and cash equivalents	(11,040)	4,795	(32,537)	(18,667)
Cash and cash equivalents, beginning of period	66,481	78,980	87,978	102,442
Cash and cash equivalents, end of period	\$ 55,441	\$ 83,775	\$ 55,441	\$ 83,775
Supplemental cash flow information:				
Interest paid	\$ 1,704	\$ 662	\$ 2,735	\$ 2,458
Interest received	1,049	896	2,535	3,065
Income taxes paid	24,209	23,325	54,727	59,503

See accompanying notes to consolidated financial statements.

TMX GROUP INC.

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

Six Months Ended June 30, 2010 and 2009
(Unaudited)

TMX Group Inc. owns and operates two national stock exchanges, Toronto Stock Exchange, serving the senior equity market and TSX Venture Exchange, serving the public venture equity market, Montréal Exchange Inc. ("MX"), Canada's national derivatives exchange, Natural Gas Exchange Inc. ("NGX"), an exchange providing a platform for the trading and clearing of natural gas, electricity, and crude oil contracts in North America, Shorcan Brokers Limited ("Shorcan"), a fixed income inter-dealer broker, and The Equicom Group Inc. ("Equicom"), providing investor relations and related corporate communications services.

1. **Basis of presentation:**

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

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

TMX GROUP INC.

Notes to Interim Consolidated Financial Statements
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Six Months Ended June 30, 2010 and 2009
(Unaudited)

2. Changes in accounting policies:

These financial statements follow the same accounting policies and their methods of application as the Company's audited consolidated financial statements for the year ended December 31, 2009.

Future accounting changes - International Financial Reporting Standards ("IFRS")

In March 2009, the Canadian Accounting Standards Board reconfirmed in its second omnibus Exposure Draft that Canadian GAAP for publicly accountable enterprises will be replaced by IFRS for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. Accordingly, the conversion from Canadian GAAP to IFRS will be applicable to the Company's reporting for the first quarter of 2011, for which current and comparative information will be prepared under IFRS. The Company will also present an opening IFRS statement of financial position as at January 1, 2010, the Company's date of transition as part of the Company's 2011 interim and annual financial statements. The Company commenced its IFRS conversion project in 2008, and a project management structure has been put in place to ensure a timely transition.

3. Segmented information:

The Company operates in three reportable segments: the Cash Markets ("Cash") segment, the Derivatives Markets ("Derivatives") segment, and the Energy Markets ("Energy") segment. In the Cash segment, the Company owns and operates Canada's two national stock exchanges, Toronto Stock Exchange and TSX Venture Exchange, Shorcan, a fixed income inter-dealer broker, and Equicom, an investor relations and corporate communications services provider. The Derivatives segment provides markets for trading derivatives, clearing options and futures contracts and certain over-the-counter ("OTC") products through MX and its subsidiaries, Canadian Derivatives Clearing Corporation, Montréal Climate Exchange Inc., and Boston Options Exchange Group, LLC. The Energy segment provides a platform for the trading and clearing of natural gas, electricity and crude oil contracts through NGX, and includes the brokering of crude oil through Shorcan Energy Brokers Inc.

TMX GROUP INC.

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

Six Months Ended June 30, 2010 and 2009
(Unaudited)

Three months ended June 30*

	Cash	Derivatives	Energy	Total
2010				
Issuer services	\$ 40,644	\$ -	\$ -	\$ 40,644
Trading, clearing and related	26,050	21,264	11,215	58,529
Market data	34,726	3,937	140	38,803
Business services and other	2,874	1,631	193	4,698
Total revenue	104,294	26,832	11,548	142,674
Net income	37,763	6,520	3,315	47,598
Goodwill	116,912	415,325	51,859	584,096
Total assets	593,301	1,598,828	1,026,634	3,218,763
2009				
Issuer services	35,802	-	-	35,802
Trading, clearing and related	30,512	20,163	10,554	61,229
Market data	32,921	4,350	42	37,313
Business services and other	2,277	1,670	(159)	3,788
Total revenue	101,512	26,183	10,437	138,132
Net income	37,982	5,983	2,906	46,871
Goodwill	115,095	509,899	51,345	676,339
Total assets	498,013	2,011,593	888,587	3,398,193

* Includes results from dates of acquisitions in the year

Six months ended June 30*

	Cash	Derivatives	Energy	Total
2010				
Issuer services	\$ 80,347	\$ -	\$ -	\$ 80,347
Trading, clearing and related	57,324	39,629	20,546	117,499
Market data	68,434	7,515	307	76,256
Business services and other	5,646	2,503	129	8,278
Total revenue	211,751	49,647	20,982	282,380
Net income	79,288	11,997	5,395	96,680
Goodwill	116,912	415,325	51,859	584,096
Total assets	593,301	1,598,828	1,026,634	3,218,763
2009				
Issuer services	70,853	-	-	70,853
Trading, clearing and related	59,203	41,953	19,029	120,185
Market data	67,092	8,932	42	76,066
Business services and other	5,474	2,416	(44)	7,846
Total revenue	202,622	53,301	19,027	274,950
Net income	74,304	9,497	5,988	89,789
Goodwill	115,095	509,899	51,345	676,339
Total assets	498,013	2,011,593	888,587	3,398,193

* Includes results from dates of acquisitions in the year

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4. Share capital:

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

	Three months ended June 30, 2010		Six months ended June 30, 2010	
	Number of shares	\$	Number of shares	\$
Balance, beginning of the period	74,313,041	\$ 1,102,699	74,307,041	\$ 1,102,619
Options exercised	24,566	496	30,566	576
Balance, end of the period	74,337,607	\$ 1,103,195	74,337,607	\$ 1,103,195

5. Share option plan:

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

4,100,302 common shares of the Company remain reserved for issuance upon exercise of share options granted under the plan, representing approximately 6% of the outstanding common shares of the Company.

The fair value of each share option grant is estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions used for grants in 2010: dividend yield of 4.1% (2009 – 3.5%); expected volatility of 32.8% (2009 – 26.8%); risk-free interest rate of 3.5% (2009 – 4.0%) and expected life of 7 years (2009 – 7 years).

Options granted will expire in 2011, 2012, 2013, 2014, 2015, 2016, and 2017.

Share options:

	Three months ended June 30, 2010		Three months ended June 30, 2009	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
Outstanding, beginning of period	1,774,518	\$ 33.93	1,606,420	\$ 36.24
Granted	-	-	15,000	31.71
Forfeited	(17,671)	41.48	(163,312)	39.27
Exercised	(24,566)	16.36	(3,642)	26.86
Outstanding, end of period	1,732,281	\$ 34.11	1,454,466	\$ 35.88

TMX GROUP INC.

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

Six Months Ended June 30, 2010 and 2009
(Unaudited)

	Six months ended June 30, 2010		Six months ended June 30, 2009	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
Outstanding, beginning of period	1,382,569	\$ 35.53	1,021,819	\$ 39.14
Granted	457,782	29.52	625,717	31.59
Forfeited	(77,504)	39.91	(184,593)	40.37
Exercised	(30,566)	15.22	(8,477)	15.25
Outstanding, end of period	1,732,281	\$ 34.11	1,454,466	\$ 35.88

At June 30, 2010, 755,126 options were fully vested and exercisable at strike prices in the range of \$10.53 to \$54.50. During the three months ended June 30, 2010, the Company recognized compensation costs of \$761 in relation to its share option plan (three months ended June 30, 2009 - \$619). During the six months ended June 30, 2010, the Company recognized compensation cost of \$1,406 (six months ended June 30, 2009 - \$1,506) in respect of its share option plan.

6. Earnings per share:

	Three months ended June 30,		Six months ended June 30,	
	2010	2009	2010	2009
Net income	\$ 47,598	\$ 46,871	\$ 96,680	\$ 89,789
Weighted average number of common shares outstanding	74,328,025	73,997,648	74,319,133	73,964,917
Basic earnings per share	\$ 0.64	\$ 0.63	\$ 1.30	\$ 1.21
Diluted weighted average number of common shares outstanding	74,398,996	74,151,093	74,397,168	74,111,319
Diluted earnings per share	\$ 0.64	\$ 0.63	\$ 1.30	\$ 1.21

7. Employee future benefits:

Total defined benefit cost recognized for the three months ended June 30, 2010 was \$506 (three months ended June 30, 2009 - \$561) and for the six months ended June 30, 2010 was \$1,081 (six months ended June 30, 2009 - \$1,132).

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Notes to Interim Consolidated Financial Statements
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(Unaudited)

8. Term loan

The Company's \$430,000 three year term loan, which was drawn on April 30, 2008, becomes due for repayment on April 30, 2011. As such, from April 30, 2010, the term loan is now presented as a current liability on the balance sheet, net of prepaid financing fees.

9. Comparative figures:

Certain comparative figures have been reclassified to conform to the financial presentation adopted in the current period. In particular, commencing in 2010, provisions for doubtful accounts receivable are included in General and administration expenses whereas, in 2009, these provisions were reflected as a reduction in various sources of revenue. The comparative figures for both revenue and expenses in 2009 have been reclassified to conform with the financial presentation adopted in 2010.