

Interim Consolidated Financial Statements of

TMX GROUP INC.

Nine months ended September 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)

	September 30, 2010	December 31, 2009 (audited)
Assets		
Current assets:		
Cash and cash equivalents	\$ 52,191	\$ 87,978
Marketable securities	237,735	103,169
Restricted cash	1,210	911
Accounts receivable	77,042	79,427
Energy contracts receivable	689,739	714,545
Fair value of open energy contracts	187,929	202,760
Daily settlements and cash deposits	174,674	565,408
Prepaid expenses	6,662	6,032
Income taxes recoverable	8,156	4,619
Future income tax assets	27,269	26,675
	1,462,607	1,791,524
Premises and equipment	35,546	31,556
Future income tax assets	149,277	144,551
Other assets	30,029	27,745
Investment in affiliate, at equity	13,749	12,845
Intangible assets	923,087	932,443
Goodwill	583,349	583,811
Total Assets	\$ 3,197,644	\$ 3,524,475
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 40,027	\$ 44,883
Energy contracts payable	689,739	714,545
Fair value of open energy contracts	187,929	202,760
Daily settlements and cash deposits	174,674	565,408
Deferred revenue	35,012	15,074
Deferred revenue – initial and additional listing fees	85,158	78,001
Fair value of interest rate swaps	1,354	2,117
Future income tax liabilities	10	118
Obligations under capital leases	3,604	3,413
Income taxes payable	2,258	3,232
Term loan (note 8)	429,569	-
	1,649,334	1,629,551
Accrued employee benefits payable	12,753	12,787
Obligations under capital leases	4,825	5,512
Future income tax liabilities	236,296	234,697
Other liabilities	23,458	21,832
Deferred revenue	1,119	882
Deferred revenue – initial and additional listing fees	425,430	405,123
Fair value of interest rate swaps	-	3,584
Term loan (note 8)	-	429,016
Total Liabilities	2,353,215	2,742,984
Non-controlling Interests	10,188	10,915
Shareholders' Equity:		
Share capital (note 4)	1,103,195	1,102,619
Share option plan (note 5)	10,802	8,708
Deficit	(281,041)	(343,975)
Accumulated other comprehensive income	1,285	3,224
Total Shareholders' Equity	834,241	770,576
Total Liabilities and Shareholders' Equity	\$ 3,197,644	\$ 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 September 30,		Nine Months Ended September 30,	
	2010	2009	2010	2009
Revenue:				
Issuer services	\$ 40,547	\$ 35,416	\$ 120,894	\$ 106,269
Trading, clearing and related	57,984	56,389	175,483	176,574
Market data	38,771	35,815	115,027	111,881
Business services and other	4,288	4,006	12,566	11,852
Total revenue	141,590	131,626	423,970	406,576
Expenses:				
Compensation and benefits	32,333	32,490	97,006	97,446
Information and trading systems	10,541	12,105	36,693	34,952
General and administration	17,292	17,550	53,514	54,198
Amortization	8,002	7,607	24,366	22,157
Total operating expenses	68,168	69,752	211,579	208,753
Income from operations	73,422	61,874	212,391	197,823
Income from investment in affiliate	360	(34)	905	172
Investment income	2,062	1,341	4,688	4,293
Interest expense	(1,661)	(1,279)	(4,185)	(4,667)
Net mark to market on interest rate swaps	52	(61)	(214)	(836)
Income before income taxes	74,235	61,841	213,585	196,785
Income taxes	23,100	19,383	66,602	62,217
Net income before non-controlling interests	51,135	42,458	146,983	134,568
Non-controlling interests	337	709	(495)	3,030
Net income	\$ 50,798	\$ 41,749	\$ 147,478	\$ 131,538
Earnings per share (note 6):				
Basic	\$ 0.68	\$ 0.56	\$ 1.98	\$ 1.78
Diluted	\$ 0.68	\$ 0.56	\$ 1.98	\$ 1.77

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 September 30,		Nine Months Ended September 30,	
	2010	2009	2010	2009
Net income	\$ 50,798	\$ 41,749	\$ 147,478	\$ 131,538
Other comprehensive (loss) income:				
Unrealized (loss) on translating financial statements of self-sustaining foreign operations (net of tax - \$nil)	(1,847)	(11,947)	(1,939)	(19,128)
Comprehensive income	\$ 48,951	\$ 29,802	\$ 145,539	\$ 112,410

See accompanying notes to consolidated financial statements.

TMX GROUP INC.

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

	Nine Months Ended September 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	503
Cost of exercised options	110	38
Purchased under normal course issuer bid	-	(14,575)
Balance, end of period	1,103,195	1,102,417
Share option plan:		
Balance, beginning of period	8,708	5,969
Cost of exercised options	(110)	(38)
Cost of share option plan	2,204	2,064
Balance, end of period	10,802	7,995
Deficit:		
Balance, beginning of period	(343,975)	(319,843)
Net income	147,478	131,538
Dividends on common shares	(84,544)	(84,737)
Shares purchased under normal course issuer bid	-	(15,860)
Balance, end of period	(281,041)	(288,902)
Accumulated other comprehensive income:		
Balance, beginning of period	3,224	24,104
Unrealized (loss) on translating financial statements of self-sustaining foreign operations	(1,939)	(19,128)
Balance, end of period	1,285	4,976
Shareholders' equity, end of period	\$ 834,241	\$ 826,486

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 September 30,		Nine Months Ended September 30,	
	2010	2009	2010	2009
Cash flows from (used in) operating activities:				
Net income	\$ 50,798	\$ 41,749	\$ 147,478	\$ 131,538
Adjustments to determine net cash flows:				
Amortization	8,002	7,607	24,366	22,157
Unrealized loss (gain) on marketable securities	(724)	(590)	(820)	(278)
(Income) loss from investment in affiliate	(360)	34	(905)	(172)
Cost of share option plan	798	558	2,204	2,064
Amortized financing fees	184	185	553	554
Non-controlling interests	337	709	(495)	3,030
Unrealized (gain) on interest rate swaps	(1,306)	(2,176)	(4,347)	(5,644)
Unrealized foreign exchange loss	173	40	37	38
Future income taxes	(407)	(2,589)	(3,829)	(2,604)
Accounts receivable and prepaid expenses	1,641	(9,321)	1,676	(13,085)
Other assets	292	(861)	(2,284)	(7,723)
Accounts payable and accrued liabilities	4,307	2,893	(4,619)	(16,329)
Long-term accrued and other liabilities	3,030	1,902	1,592	6,481
Deferred revenue	(11,804)	(1,913)	47,639	45,310
Income taxes	3,302	(805)	(4,525)	(16,963)
	58,263	37,422	203,721	148,374
Cash flows from (used in) financing activities:				
Reduction in obligations under capital leases	(975)	-	(3,142)	-
Restricted cash	(45)	22	(299)	415
Proceeds from exercised options	-	374	466	503
Dividends on common shares	(28,248)	(28,232)	(84,544)	(84,737)
Shares purchased under normal course issuer bid	-	-	-	(30,435)
Dividends paid to non-controlling interests	-	(1,143)	-	(6,353)
	(29,268)	(28,979)	(87,519)	(120,607)
Cash flows from (used in) investing activities:				
Additions to premises and equipment	(1,594)	(2,472)	(11,411)	(4,597)
Additions to intangible assets	(2,609)	(1,899)	(6,557)	(10,395)
Marketable securities	(27,597)	4,312	(133,746)	11,634
Acquisitions, net of cash acquired	-	(3,282)	-	(37,101)
	(31,800)	(3,341)	(151,714)	(40,459)
Unrealized foreign exchange (loss) on cash and cash equivalents held in foreign subsidiaries	(445)	(1,465)	(275)	(2,338)
(Decrease) increase in cash and cash equivalents	(3,250)	3,637	(35,787)	(15,030)
Cash and cash equivalents, beginning of period	55,441	83,775	87,978	102,442
Cash and cash equivalents, end of period	\$ 52,191	\$ 87,412	\$ 52,191	\$ 87,412
Supplemental cash flow information:				
Interest paid	\$ 1,109	\$ 943	\$ 3,844	\$ 3,400
Interest received	1,338	616	3,873	3,422
Income taxes paid	19,983	23,348	74,710	82,851

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)

Nine Months Ended September 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
(In thousands of Canadian dollars, except per share amounts)

Nine Months Ended September 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 is 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, a wholly owned subsidiary of Shorcan.

TMX GROUP INC.

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

Nine Months Ended September 30, 2010 and 2009
(Unaudited)

Three months ended September 30

	Cash	Derivatives	Energy	Total
2010				
Issuer services	\$ 40,547	\$ -	\$ -	\$ 40,547
Trading, clearing and related	24,119	21,006	12,859	57,984
Market data	34,632	4,002	137	38,771
Business services and other	3,029	1,265	(6)	4,288
Total revenue	102,327	26,273	12,990	141,590
Net income	39,181	7,513	4,104	50,798
Goodwill	116,912	414,578	51,859	583,349
Total assets	604,551	1,568,657	1,024,436	3,197,644
2009				
Issuer services	\$ 35,416	\$ -	\$ -	\$ 35,416
Trading, clearing and related	26,678	19,360	10,351	56,389
Market data	32,029	3,727	59	35,815
Business services and other	2,514	1,744	(252)	4,006
Total revenue	96,637	24,831	10,158	131,626
Net income	33,565	5,307	2,877	41,749
Goodwill	116,912	493,782	52,150	662,844
Total assets	500,444	2,069,633	882,952	3,453,029

Nine months ended September 30*

	Cash	Derivatives	Energy	Total
2010				
Issuer services	\$ 120,894	\$ -	\$ -	\$ 120,894
Trading, clearing and related	81,443	60,635	33,405	175,483
Market data	103,066	11,517	444	115,027
Business services and other	8,675	3,768	123	12,566
Total revenue	314,078	75,920	33,972	423,970
Net income	118,469	19,510	9,499	147,478
Goodwill	116,912	414,578	51,859	583,349
Total assets	604,551	1,568,657	1,024,436	3,197,644
2009				
Issuer services	\$ 106,269	\$ -	\$ -	\$ 106,269
Trading, clearing and related	85,881	61,313	29,380	176,574
Market data	99,122	12,658	101	111,881
Business services and other	7,988	4,160	(296)	11,852
Total revenue	299,260	78,131	29,185	406,576
Net income	107,869	14,804	8,865	131,538
Goodwill	116,912	493,782	52,150	662,844
Total assets	500,444	2,069,633	882,952	3,453,029

* Includes results from dates of acquisitions in the year

TMX GROUP INC.

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4. Share capital:

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

	Three months ended September 30, 2010		Nine months ended September 30, 2010	
	Number of shares	\$	Number of shares	\$
Balance, beginning of the period	74,337,607	\$ 1,103,195	74,307,041	\$ 1,102,619
Options exercised	-	-	30,566	576
Balance, end of the period	74,337,607	\$ 1,103,195	74,337,607	\$ 1,103,195

5. Share option plan:

4,097,081 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 September 30, 2010		Three months ended September 30, 2009	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
Outstanding, beginning of period	1,732,281	\$ 34.11	1,454,466	\$ 35.88
Granted	-	-	10,000	34.24
Forfeited	(13,714)	39.67	(43,848)	48.93
Exercised	-	-	(14,064)	26.59
Outstanding, end of period	1,718,567	\$ 34.06	1,406,554	\$ 35.55

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Nine Months Ended September 30, 2010 and 2009
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	Nine months ended September 30, 2010		Nine months ended September 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	635,717	31.63
Forfeited	(91,218)	39.88	(228,441)	42.02
Exercised	(30,566)	15.22	(22,541)	22.32
Outstanding, end of period	1,718,567	\$ 34.06	1,406,554	\$ 35.55

At September 30, 2010, 750,039 options were fully vested and exercisable at strike prices in the range of \$10.53 to \$54.50. During the three months ended September 30, 2010, the Company recognized compensation costs of \$798 in relation to its share option plan (three months ended September 30, 2009 - \$558). During the nine months ended September 30, 2010, the Company recognized compensation cost of \$2,204 (nine months ended September 30, 2009 - \$2,064) in respect of its share option plan.

6. Earnings per share:

	Three months ended September 30,		Nine months ended September 30,	
	2010	2009	2010	2009
Net income	\$ 50,798	\$ 41,749	\$ 147,478	\$ 131,538
Weighted average number of common shares outstanding	74,337,607	74,298,278	74,325,358	74,076,037
Basic earnings per share	\$ 0.68	\$ 0.56	\$ 1.98	\$ 1.78
Diluted weighted average number of common shares outstanding	74,406,802	74,486,068	74,400,399	74,260,586
Diluted earnings per share	\$ 0.68	\$ 0.56	\$ 1.98	\$ 1.77

7. Employee future benefits:

Total defined benefit cost recognized for the three months ended September 30, 2010 was \$574 (three months ended September 30, 2009 - \$445) and for the nine months ended September 30, 2010 was \$1,655 (nine months ended September 30, 2009 - \$1,577).

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Notes to Interim Consolidated Financial Statements
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Nine Months Ended September 30, 2010 and 2009
(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 18, 2011. As such, from April 18, 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.