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08 October 2015

For Immediate Release

LONDON STOCK EXCHANGE GROUP PLC

Proposed Sale of Frank Russell Company's Asset Management Business

London Stock Exchange Group plc ("LSEG") today announces that it has agreed the proposed sale of Frank Russell Company's asset management business ("Russell Investments") to TA Associates for gross proceeds of US\$1,150 million (£752 million¹) in cash, subject to customary closing adjustments and regulatory and other required approvals. Reverence Capital Partners ("Reverence Capital"), partnered with TA Associates and will make a significant minority investment in Russell Investments. This follows the announcement by LSEG on 5 February 2015 of its intention to sell this business in its entirety.

Russell Investments has US\$266² billion of assets under management and is focused on delivering outcome-oriented investments through a multi-asset solutions approach to its clients worldwide. Integral to the delivery of multi-asset solutions, Russell Investments has created implementation capabilities that are offered on a standalone basis, including transition management, currency management, overlay services, commission management and agency trading. Russell Investments also offers consulting services to clients and has US\$2.4³ trillion of assets being advised upon.

For the six months ended 30 June 2015, Russell Investments had gross income of US\$757 million (£498 million⁴), operating profit of US\$89 million (£59 million^{4,5}) and profit before taxes of US\$43 million (£28 million⁴). As at 30 June 2015, the business had gross assets of US\$1,846 million (£1,176 million⁶) and liabilities of \$752 million (£479 million⁶).

Until the transaction closes, LSEG remains wholly committed to continued focus on maintaining the existing quality of client service and fund performance at Russell Investments. LSEG will also continue to seek to ensure management and employee continuity and to provide strong support for growth and innovation in the business, working closely with TA Associates and Reverence Capital wherever possible.

Following the proposed sale, subsidiaries of LSEG will enter into certain licence agreements with Russell Investments.

¹ Converted using spot exchange rate of 1.53 US\$ to £ as of 07 October 2015

² As of 30 June 2015

³ As of 31 December 2014

⁴ Numbers prepared in accordance with IFRS; converted using 2015 first half average exchange rate of 1.52 US\$ to £

⁵ Before amortisation of purchased intangibles and non-recurring items of US\$48 million (£32 million)

⁶ Numbers prepared in accordance with IFRS; converted using spot exchange rate as of 30 June 2015 of 1.57 US\$ to £

Commenting on the proposed sale, Xavier Rolet, Chief Executive of LSEG, said:

“We are very pleased to have agreed the proposed sale of Russell Investments to TA Associates and Reverence Capital, both of whom have strong track records investing in the asset management industry. We look forward to working with them and Russell Investments’ management to deliver a smooth transition of ownership. Until completion, LSEG remains firmly committed to Russell Investments, its global customer base, its exemplary client service and its innovative product offering.”

Commenting on the proposed acquisition, Todd Crockett, a Managing Director at TA Associates, said:

“We are delighted to partner with such an established and highly respected market leader in the investment management industry. We believe that the breadth of Russell Investments’ investment and implementation operations, as well as its orientation to multi-asset and solutions investing will continue to be a differentiator and driver of growth in the marketplace going forward.”

Commenting on the proposed acquisition, Milton Berlinski, Managing Partner of Reverence Capital, said:

“We are pleased to partner with TA Associates on the acquisition of Russell Investments, a pioneer and leader in global multi-asset investment solutions.”

Commenting on the proposed acquisition, Len Brennan, President and CEO of Russell Investments, added:

“This transaction brings together a global asset manager with two of the most experienced private equity firms with significant asset management expertise. Russell Investments will maintain its operational independence, and TA Associates and Reverence Capital will provide us with strong financial backing, new strategic insights, and a commitment to help us continue to deliver innovative investment solutions to our global client base.”

The transaction is expected to close with proceeds payable to LSEG in the first half of 2016. US\$1,000 million (£654 million⁷) will be paid in cash on completion, with the balance of US\$150 million (£98 million⁷) paid annually in four equal cash instalments, starting from 31 December 2017. After the payment by LSEG of tax on gains, principally in the United States, settlement of certain liabilities by LSEG and payment of transaction related expenses, the net proceeds (including earnings from Russell Investments during LSEG’s period of ownership) expected to be received by LSEG will be approximately US\$920 million (£601 million⁷). After deducting the expected net US\$920 million proceeds from the original consideration paid for the entire Russell business in 2014, the implied consideration for the remaining index business is approximately US\$1,860 million (after initial transaction and debt costs). This represents an implied multiple of c.18x current year EBITDA for the index operation.

The consideration payable by TA Associates and Reverence Capital to LSEG is subject to customary closing adjustments, including a downward price adjustment if the fee revenues of the business decline in the period to closing below an agreed buffer amount. The percentage of revenue decline covered by the adjustment mechanism is capped.

⁷ Converted using spot exchange rate of 1.53 US\$ to £ as of 07 October 2015

The net cash proceeds of the transaction will be applied to LSEG's existing net debt, reducing LSEG's pro forma leverage to approximately 1.6x net debt to EBITDA⁸, if measured as at 30 June 2015. LSEG continues to review ways to maximise value for its shareholders and maintain an efficient capital structure. As stated at LSEG's interim results on 5 August 2015, the Board intends to provide an update on capital allocation, including its longer term dividend policy at the time of the preliminary results for 2015, expected to be in March 2016.

LSEG confirms that the separation of Russell Index business from Russell Investments is expected to be completed in Q1 2016. Following this date the Russell Index business will be fully integrated with FTSE. FTSE Russell is the overall operating business for both index offerings. Len Brennan, President and CEO, will continue to lead Russell Investments, and will remain a member of the Board of Russell Investments. He will step down from the Executive Committee of LSEG on closing.

LSEG is being advised on the proposed sale by J.P. Morgan and Goldman Sachs.

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⁸ LSEG's pro forma leverage reported as at 30 June 2015 has been adjusted to reflect the impact of (i) removing the last 12 months' EBITDA of Russell Investments and (ii) applying the Russell Investments net sale proceeds to net debt and further adjusting this for the reduction in free cash associated with Russell Investments as at 30 June 2015