

26 September 2012

**LONDON STOCK EXCHANGE GROUP plc
PRE-CLOSE PERIOD UPDATE FOR THE FIVE MONTHS ENDED 31 AUGUST
2012**

Highlights:

- Positive performance, with good revenue growth, from the diversified Group in difficult market conditions
- Success of Group's equity markets continued with further raising of new capital to support businesses, though new issue levels and trading remained subdued, reflecting quiet market conditions (and compared with the strong prior year):
 - 49 new issues across Group markets (FY 2012: 91), AIM performing particularly well;
 - Average daily UK equity value of £4.0bn (FY 2012: £5.0bn); and
 - Italian average daily volumes of 226,000 trades (FY 2012: 270,000)
- Share of trading in the total UK equity order book increased 1.5 per cent to 64.4 per cent; share of equity trading in Italy increased 2.4 per cent to 85.7 per cent
- In fixed income, trading on MOT increased 24 per cent and the UK ORB market saw a number of successful bond issues; MTS money markets were flat on last year and MTS cash markets were 18 per cent lower, reflecting difficult markets
- Clearing volumes reduced in line with trading levels although the level of initial margin held increased 23 per cent to an average €10.3bn; net treasury income remained strong though, as previously indicated, is expected to reduce over time
- Assets under management in the Monte Titoli custody business rose 4 per cent; settlement instructions reduced 25 per cent
- In Information Services, FTSE and other Information businesses continued to perform well; in real time data, terminals taking Borsa Italiana data increased 3 per cent while users of UK data were 7 per cent down year on year
- Notable developments in the period included the successful launch of MillenniumIT trading systems at Borsa Italiana, the Johannesburg Stock Exchange and the Mongolian Stock Exchange, with all systems continuing to operate well

- The Group also announced the launch of its 'International Board' in an agreement with Singapore Stock Exchange to allow the largest stocks on each exchange to be traded by their respective member firms; and MTS, in conjunction with other partners, confirmed the launch of a daily repo index series for the euro
- During the period the Group received an additional, non-recurring, payment of C\$29 million from TMX Group in respect of last year's terminated merger transaction
- Regulatory and anti-trust processes are continuing in respect of the shareholder approved acquisition of an up to 60 per cent stake in LCH.Clearnet. The competition authority in Spain has given clearance while authorities in the UK and Portugal continue to review the proposed transaction; it is targeted that all necessary outstanding clearances and approvals will be received during Q4 2012
- Proposals for the regulatory requirements for CCPs under EMIR are expected to be released by EBA and ESMA in the coming days. We plan to update the market on their likely implications for the Group following their release

Commenting on performance for the period, Xavier Rolet, Chief Executive, said:

"We continue to make good progress, with our diversified business delivering good revenue growth against the same period last year. This is particularly pleasing given that some parts of our business have experienced difficult market conditions. Primary markets have continued to successfully raise debt and equity capital for businesses. Information Services, which includes FTSE, and our Post Trade Services have performed well. The MillenniumIT technology business has also had a very successful few months.

"Looking forward, we are well positioned to benefit from improved sentiment in the Eurozone and we remain firmly focused on growth opportunities and delivering benefits from recent initiatives and transactions."

The Group expects to announce its Interim results for the six months ending 30 September 2012 on 16th November 2012.

Further information is available from:

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Key Performance Indicators

Capital Markets - Primary Markets

	Five months ended		Variance %
	31 August 2012	2011	
New Issues			
UK Main Market, PSM & SFM	11	38	(71%)
UK AIM	34	48	(29%)
Borsa Italiana	4	5	(20%)
Total	49	91	(46%)
Company Numbers (as at period end)			
UK Main Market, PSM & SFM	1,397	1,465	(5%)
UK AIM	1,110	1,158	(4%)
Borsa Italiana	291	295	(1%)
Total	2,798	2,918	(4%)
Market Capitalisation (as at period end)			
UK Main Market (£bn)	1,866	1,809	3%
UK AIM (£bn)	59	72	(18%)
Borsa Italiana (€bn)	341	352	(3%)
Borsa Italiana (£bn)	271	311	(13%)
Total (£bn)	2,196	2,192	0%
Money Raised (£bn)			
UK New	0.7	11.5	(94%)
UK Further	2.2	2.9	(24%)
Borsa Italiana new and further	1.4	8.5	(84%)
Total (£bn)	4.3	22.9	(81%)

Capital Markets - Secondary Markets

	Five months ended		Variance %
	31 August		
	2012	2011	
Equity			
Totals for period			
UK value traded (£bn)	418	519	(19%)
Borsa Italiana (no of trades m)	23.9	28.6	(16%)
Turquoise (€bn)	170.7	223.1	(23%)
SETS Yield (basis points)	0.68	0.70	(3%)
Average daily			
UK value traded (£bn)	4.0	5.0	(20%)
Borsa Italiana (no of trades '000)	226	270	(16%)
Turquoise (€bn)	1.60	2.09	(23%)
Derivatives (contracts m)			
Turquoise	11.4	17.6	(35%)
IDEM	17.5	24.4	(28%)
Total	28.9	42.0	(31%)
Fixed Income			
MTS cash and Bondvision (€bn)	906	1,111	(18%)
MTS money markets (€bn term adjusted)	27,178	27,323	(1%)
MOT number of trades (m)	2.12	1.71	24%

Post Trade Services

	Five months ended		Variance %
	31 August		
	2012	2011	
CC&G Clearing (m)			
Equity clearing (trades)	25.1	30.2	(17%)
Derivative clearing (contracts)	17.5	24.4	(28%)
Total Contracts	42.6	54.6	(22%)
Open interest (contracts as at period end)	5.3	5.9	(10%)
Initial margin held (average €bn)	10.3	8.4	23%
Monte Titoli			
Pre Settlement instructions (trades m)	11.3	14.2	(20%)
Settlement instructions (trades m)	10.4	14.9	(30%)
Total Settlement	21.7	29.1	(25%)
Custody assets under management (average €tn)	3.18	3.06	4%

Information Services

	As at		Variance %
	31 August		
	2012	2011	
UK Terminals			
Professional - UK	35,000	38,000	(8%)
Professional - International	51,000	54,000	(6%)
Total	86,000	92,000	(7%)
Borsa Italiana Professional Terminals	141,000	137,000	3%