1. Introduction
   - Good afternoon ladies and gentlemen and welcome to the 2012 Annual General Meeting of London Stock Exchange Group.
   - I would like to introduce some of my colleagues, before turning to the substance of our strategic execution over the last 12 months.
     - Massimo Tononi, Chairman of Borsa Italiana
     - Robert Webb, Chairman of the Remuneration Committee and Non-Executive Director
     - Xavier Rolet, Group CEO
     - David Warren, Chief Financial Officer; and
     - Paul Heiden, Chairman of the Audit and Risk Committee and Non-Executive Director
   - Apologies have been received from Paolo Scaroni and Andrea Munari.
   - We welcome David Warren our new CFO. David spent 11 years at Nasdaq, nine of those as CFO. He therefore brings a wealth of international exchange and financial markets experience to the Group.
   - I would also like to acknowledge outgoing CFO Doug Webb’s contribution to the Group and his leadership in driving forward the delivery of our strategy.
   - As there is a quorum present we can start.

2. Our ambition and purpose
   - Three years ago we set ourselves the ambition of becoming one of the world’s leading diversified exchange groups.
   - Our purpose in pursuing this goal is to deliver a successful business, and therefore drive shareholder value through providing a trusted market that enables businesses to access the international capital they need to grow and create jobs.
The Western world, and Europe in particular, is in a crisis of confidence, and desperately seeking economic growth and jobs. This crisis is the result of years of political and economic imprudence which we, as taxpayers, are being called upon to pay for, and will continue to pay for, for many years to come.

The UK has taken some steps to stabilise its economy through the recapitalisation of the banks and quantitative easing. But these were only the first steps and much more needs to be done to stimulate savings, investment and employment.

London Stock Exchange Group’s markets are playing a powerful role in supporting the real economy. The headline number that was raised, listed or facilitated this year was £1 trillion. This includes welcoming 159 new companies to our equity markets, including 40 international issuers, with total equity capital raised of £36bn. In addition the value of bonds issued in UK fixed income markets was £388bn. In Italy we successfully raised over €13.6bn on our thriving bond markets.

Finally, over €700 billion (nominal value) of fixed income securities successfully listed on our Italian bond markets.

Politicians and the public are deeply sceptical about financial vested interests. So LSEG as a provider of transparent and neutral trading venues, is well placed to respond to market demand for orderly and efficient capital formation and trading that investors and companies alike can trust.

And in speaking to international policy makers we make the case that to create jobs and stimulate entrepreneurship they need to recalibrate the whole framework of business financing in order to increase access to non-bank finance for growth companies, particularly SMEs. That is especially true of equity, which is now an under-utilised part of a diverse funding solution allowing investors and companies’ interests to be fully aligned.

We have also strongly made the point to policymakers about the paradox of driving an increasing dependency on debt, whilst simultaneously limiting the ability of banks to lend through the increasing capital and liquidity requirements of post-crisis regulation.

As well as supporting companies, we also remain committed to expanding the role of retail investors. And, as part of a range of initiatives, we are delighted to be sponsoring this year’s London Investor Show in October.

3. Delivering our strategy

Moving more directly to the business our strategy of “Getting in Shape; Leveraging our Assets and Developing Opportunities” has delivered sound operational and financial improvement in the context of major regulatory changes, and difficult market conditions.
• We have innovated and we have diversified across our business locations, our platforms and our products and our new portfolio of businesses is responding well to the changing market conditions. The resilience of our results is improving whilst providing a strong platform for further growth and acquisitions.

• One example of this organic growth is our technology division, which now underpins our entire operations. Last week we successfully migrated Borsa Italiana’s cash equities market to MillenniumIT while at the same time providing new trading systems for Mongolia, Johannesburg and Oslo.

• Our fixed income markets have seen 10 per cent growth this year. MOT, the Italian retail bond market, saw a 120% increase in the number of bonds issued on the platform with a total nominal value of €719 billion. In the UK, our retail bond market ORB celebrated its second anniversary, having raised over £1.2 billion through 11 dedicated new issues.

• The turbulent market conditions have highlighted the importance of post trade and risk management services and that division delivered an income increase of over 50 per cent, meaning that the post trade business accounted for 28 per cent of Group income.

• Monte Titoli, our Italian Central Securities Depository, is participating in the first wave of the EU’s TARGET2-Securities project alongside 23 other European Central Securities Depotsitories. TARGET2-Securities is a large scale project which potentially will have a significant impact on the European market infrastructure landscape. In 2008, 346 million delivery instructions were processed by Central Securities Depositories in the EU, with a total value of €831 trillion

• So, our industry is being transformed by complex and widespread structural and regulatory change.

• Both the completed FTSE acquisition and the intended acquisition of a 60 per cent stake in LCH. Clearnet mean we are positioning to take advantage of these changes.

• FTSE is a global business operating in 80 countries, calculating 200,000 indices. With a track record of double digit growth, FTSE provides many benefits including the opportunity for new tradable derivative products; exposure to new global markets; and direct exposure to global buy-side firms.

• The London clearing house LCH.Clearnet is an international clearing and risk management business covering a wide range of financial securities. The acquisition will position the Exchange for a long term leading role in market infrastructure as well as presenting an immediate earnings increase. The antitrust and competition process is underway in the UK, Spain and Portugal.

• The acquisition also extends our open-access, with-customer model, already in place at Turquoise and MTS. This partnership model is key to driving choice, competition, greater efficiencies and lower trading costs.
These transformative deals extend our position as a key market infrastructure company in a world deeply focused on systemic and macro-prudential security.

4. Financial Results

- This strategy is delivering excellent financial results.
- We saw a 21 per cent increase in Group total income to £814.8m and a 36 per cent increase in adjusted earnings per share to 100.6 pence per share.
- As a result, the Board is proposing a six per cent increase in the final dividend to 19.0 pence per share. This increase balances the ongoing major uncertainties in the world with our investment needs and dividend distribution.
- The increase is consistent with the dividend uplift at the half year, meaning the dividend for the full year is 28.3 pence per share.
- And today we have announced our Q1 revenues for 2012, with total income up 10 per cent on Q1 last year at £209.5 million. This is encouraging given the prevailing macro environment. A copy of these results is available at the front desk.
- Like the full year results I have just mentioned, this is further evidence of the benefits from our much broader range of products and services.

5. Conclusion

- So in conclusion, fundamental shifts in the way markets are structured and governed have created significant opportunities and challenges for us, and we remain alert and responsive to these changes.
- The Group is growing steadily across all our businesses, leading to increased scope, scale, breadth and balance. This gives us a stronger and more resilient position in the face of very uncertain economic conditions.
- We are confident that we can continue to play our part in supporting economic growth by matching companies with international investors and stepping close to our ambition to become a leading global provider of market infrastructure.
- And we are playing our part in delivering a trusted, neutral and transparent suite of diversified trading venues in partnership with our customers.
- In doing so we provide the market integrity that is valued by both companies and investors in these uncertain times.
- We are looking forward to what no doubt will be another exciting year for London Stock Exchange Group.
Further information is available from:

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