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**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION.**

**FOR IMMEDIATE RELEASE**

**03 January 2017**

**RECOMMENDED ALL-SHARE MERGER BETWEEN LONDON STOCK EXCHANGE GROUP PLC AND DEUTSCHE BÖRSE AG**

**Proposed Sale of LCH SA to Euronext N.V.**

London Stock Exchange Group plc ("LSEG") and LCH Group Limited ("LCH Group") announce today that they have received an irrevocable all-cash offer from Euronext N.V. ("Euronext") to purchase LCH SA, LCH Group's French-regulated operating subsidiary (the "Transaction"). LCH SA has commenced a period of consultation with its works council during which LSEG and LCH Group have granted exclusivity to Euronext.

LSEG and LCH Group confirm that the terms and conditions, including the financial terms on which any Transaction would take place if the irrevocable offer were accepted, have been agreed with Euronext offering an all-cash consideration of €510 million to be adjusted for surplus regulatory capital movement between 30 June 2016 and completion of the Transaction. LSEG will use any proceeds it receives for general corporate purposes.

The proposed sale of LCH SA would be subject to review and approval by the European Commission in connection with the recommended merger of LSEG and Deutsche Börse AG which was announced on 16 March 2016 (the "Merger"). It would also be conditional on the successful closing of the Merger.

In addition, the Transaction would be conditional upon the receipt of various regulatory and other consents and approvals, the completion of LCH SA's works council consultation process and Euronext shareholder majority approval at an Extraordinary General Meeting to be held in the first quarter of 2017. Euronext has received support in favour of the Transaction from reference shareholders ("Reference Shareholders") who in their entirety comprise 33.36% of the share capital of Euronext. Under the terms of the Reference Shareholder agreement, all Reference Shareholders are obliged to vote in accordance with the recommendation of a two-third majority of Reference Shareholders<sup>1</sup>.

For the fiscal year ending 31 December 2015, LCH SA generated net profit of €36 million and held gross assets of €260 billion and net assets of €303 million. For the six month period ending 30 June 2016, LCH SA generated €69 million of gross income, and held net assets of €301 million<sup>2</sup>.

Following the proposed Transaction LSEG will continue to hold its other existing clearing assets. LSEG today operates multiple central counterparties ("CCPs"): LCH Group, the multi-asset global CCP operator which has legal subsidiaries in the UK (LCH Ltd), the US (LCH LLC), France (LCH SA), and CC&G in Italy.

LCH Group operates an open access model, offering a choice of execution venues and delivering unprecedented choice and efficiencies to the marketplace.

<sup>1</sup> [https://www.euronext.com/sites/www.euronext.com/files/euronext-nv\\_2015\\_registration\\_document.pdf](https://www.euronext.com/sites/www.euronext.com/files/euronext-nv_2015_registration_document.pdf)

<sup>2</sup> All numbers are based on unaudited IFRS figures, adjusted for intercompany charges including those charged for IT and management services provided by other LSEG entities

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### ***About LCH Group***

LCH is a group of leading multi-asset clearing houses that provides proven risk management capabilities across a range of asset classes.

As the markets' partner, LCH Group operates an open access model, offering a choice of execution venues, delivering unprecedented choice and efficiencies to the marketplace.

LCH Group operates clearing houses around the world, with clearing houses incorporated in the UK, France and the United States with additional offices in the Asia Pacific region. It offers clearing services across asset classes including Over-The-Counter and listed rates; Credit Default Swaps ("CDS") and Foreign Exchange; fixed income; commodities; cash equities and equity derivatives.

LCH Group is majority owned by LSEG, an international markets infrastructure business that sits at the heart of the world's financial community.

### ***About LCH SA***

LCH SA is authorised as a central counterparty to offer services and activities in the European Union in accordance with the European Markets Infrastructure Regulation (EMIR). It acts as the clearing house for regulated markets in France, the Netherlands, Belgium and Portugal and

offers clearing services for a diverse range of asset classes including CDS; repos and fixed income; commodities; cash equities and equity derivatives.

LCH SA is regulated as a Credit Institution and Clearing House by the French Authorities, L'Autorité des Marchés Financiers (AMF), L'Autorité de Contrôle Prudentiel et de Résolution (ACPR), and Banque de France. It is also designated as a Securities and Settlement System by the French Authorities and is registered as a Derivatives Clearing Organization with the Commodity Futures Trading Commission (CFTC), USA and registered as a Clearing Agency with the Securities and Exchange Commission.

### **About Euronext**

Euronext is the leading pan-European exchange in the Eurozone with more than 1 300 listed issuers worth close to €3.1 trillion in market capitalization as of end November 2016, an unmatched blue chip franchise consisting of 25 issuers in the EURO STOXX 50® benchmark and a strong diverse domestic and international client base.

Euronext operates regulated and transparent equity and derivatives markets. Its total product offering includes Equities, Exchange Traded Funds, Warrants & Certificates, Bonds, Derivatives, Commodities and Indices. Euronext also leverages its expertise in running markets by providing technology and managed services to third parties. Euronext operates regulated markets, Alternext and the Free Market; in addition it offers EnterNext, which facilitates SMEs' access to capital markets.

### **Euronext's Reference Shareholders:**

<b>Shareholder</b>	<b>Individual shareholding (% of share capital of Euronext)</b>
ABN AMRO Participaties Fund I B.V.	1.64%
ASR Levensverzekering N.V.	0.83%
Novo Banco	1.25%
BancoBPI Pension Fund represented by BPI Vida e Pensões - Companhia de Seguros, S.A.	1.14%
BNP Paribas Fortis SA/NV	1.50%
BNP Paribas S.A.	5.50%
Bpifrance Participations	3.00%
Caisse des Dépôts et Consignations	3.00%
Euroclear SA/NV	8.00%
Société Fédérale de Participations et d'Investissement / Federale Participatie - en Investeringsmaatschappij	4.50%
Société Générale	3.00%
<b>Total Shareholding</b>	<b>33.36%</b>

### **Important notices**

*J.P. Morgan Limited, which conducts its UK investment banking businesses as J.P. Morgan Cazenove ("J.P. Morgan Cazenove"), is authorised and regulated in the United Kingdom by the Financial Conduct Authority. J.P. Morgan Cazenove is acting as lead financial adviser exclusively for LSEG and no one else in connection with the matters set out in this announcement and will not regard any other person as its client in relation to the matters in this announcement and will not be responsible to anyone other than LSEG for providing the protections afforded to clients of J.P. Morgan Cazenove or its affiliates, or for providing advice in relation to any matter referred to herein.*

*Société Générale (“SG”) which is a French credit institution (bank) is authorised and supervised by the ECB, the Autorité de Contrôle Prudentiel et de Résolution and the Prudential Regulation Authority (PRA), and regulated by the Autorité des Marchés Financiers and subject to limited regulation by the FCA and the PRA. SG is acting solely for LSEG and no one else in connection with the matters set out in this announcement and will not be responsible to anyone other than LSEG for providing the protections afforded to the clients of SG or for providing advice in relation to any matter referred to in this announcement.*

### **Further information**

*This announcement is not intended to and does not constitute, or form part of, an offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to the Merger or otherwise, nor shall there be any sale, issuance or transfer of securities of LSEG or Deutsche Börse AG in any jurisdiction in contravention of applicable law.*

### **Overseas jurisdictions**

*The release, publication or distribution of this announcement in jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, any applicable requirements. The information disclosed in this announcement may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside the United Kingdom.*

### **Publication of this announcement**

*In accordance with Rule 26.1 of the Code, a copy of this announcement will be available on the website of LSEG at [www.lseg.com](http://www.lseg.com) by no later than 12 noon (London time) on the business day following this announcement. The content of the websites referred to in this announcement are not incorporated into and do not form part of this announcement.*