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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION.

FOR IMMEDIATE RELEASE

29 March 2017

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

Termination of the Merger following EC decision

London Stock Exchange Group plc ("**LSEG**") today announces that the European Commission ("**Commission**") has notified LSEG, Deutsche Börse AG ("**Deutsche Börse**") and HLDCO123 PLC ("**HoldCo**") of its decision to prohibit the recommended all-share merger between LSEG and Deutsche Börse (the "**Merger**"). The Merger is subject to certain Conditions, including one that relates to the European Commission (the "**EC Merger Control Condition**"). The EC Merger Control Condition is LSEG Condition 4 to the LSEG Acquisition as set out in Part IV of the Scheme Document and is Deutsche Börse Condition B.7 to the Deutsche Börse Acquisition as set out in Section 14.1 of the Exchange Offer Document. The EC Merger Control Condition to the Merger has become incapable of being satisfied and consequently, the Merger will not proceed to Completion. Accordingly, the proposed Scheme of Arrangement of LSEG and the proposed Exchange Offer for Deutsche Börse Shares have lapsed, and the Cooperation Agreement has been terminated.

As a consequence of the termination of the Merger, the proposed sale of LCH SA by LSEG and LCH Group to Euronext N.V. will also terminate in accordance with its terms.

LSEG regrets the Commission's decision to prohibit the proposed Merger and looks forward to reviewing the detailed Commission decision in due course.

LSEG notes that the announcement by the Commission details its concerns around the viability of the LCH SA remedy, and its assessment that the improved remedy proposal submitted by the merger parties did not adequately address these concerns.

LSEG does not agree with the view that a business of LCH SA's scale would not be a viable stand-alone competitor without the concurrent sale of MTS. LCH SA accounts for a significant proportion of all European repo clearing and European cash bond clearing, and is not reliant on revenue generated from MTS trade feeds. Nevertheless, in order to address the Commission's viability concerns, LSEG offered a clear cut structural remedy which included guaranteed access to MTS trade feeds for three years. As a result of the complete remedy package, LSEG calculated that MTS would have accounted for less than 10% of LCH SA's overall gross income. LSEG regrets the Commission's decision to reject this improved remedy, which was clear cut, viable and addressed the Commission's competition concerns.

LSEG believes the proposed merger with Deutsche Börse in combination with the LCH SA remedy would have preserved credible and robust competition in all markets. This was an opportunity to create a world leading market infrastructure group anchored in Europe, which would have supported Europe's 23 million SMEs and the development of a deeper Capital Markets Union. LSEG looks forward to reviewing the detailed Commission decision to be published under Article 8(3) Regulation (EC) 139/2004 in due course.

LSEG is confident in its prospects as a standalone business and its strategy for growth continues to deliver strong results, as seen in the Group's recent Preliminary Results for 2016. As part of the Merger, LSEG had previously announced that it would pay a special dividend to LSEG shareholders, contingent on completion of the merger with Deutsche Börse. Although this special dividend is now not required, LSEG intends to honour the capital return commitment, consistent with its capital allocation framework and reflecting its leverage at the low end of its targeted range. Accordingly, LSEG now plans to initiate an on-market share buyback of £200 million, an amount broadly equivalent to the return it would have made had the merger with Deutsche Börse proceeded as planned. LSEG continues to be actively engaged in exploring selective inorganic and ongoing organic investment in order to drive further growth and will continue to consider opportunities for further capital returns in line with its capital allocation framework.

Unless otherwise defined, all capitalised terms used but not defined in this announcement shall have the meaning given to them in the Scheme Document published by LSEG on 1 June 2016 in connection with the Merger.

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Further information

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Overseas jurisdictions

The release, publication or distribution of this announcement in or into jurisdictions other than the UK or the United States may be restricted by law and therefore any persons who are subject to the law of any jurisdiction other than the UK or the United States should inform themselves about, and observe, any applicable legal or regulatory 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 on website

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 and the website of HoldCo at www.mergerdocumentsdb-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