

22 October 2015

LONDON STOCK EXCHANGE GROUP plc

INTERIM MANAGEMENT STATEMENT FOR THE PERIOD TO 21 OCTOBER 2015, INCLUDING REVENUES AND KPIs FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2015 (Q3)

- Another period of growth: Q3 total income from continuing operations up 11% and rose 8% year-to-date; headline Q3 total income¹ up 85% to £589.3 million and 9 months year-to-date up 83%, to £1,798.1 million;
- Q3 revenues from continuing operations (excluding assets held for sale) up 12% to £326.4 million; up 10% for 9 months year-to-date at £897.4 million
- All business divisions delivering growth on an underlying, organic and constant currency basis
- Information Services Q3 revenues up 44% (up 5% on organic and constant currency basis), reflecting good growth at FTSE and contribution from Russell Indexes; the index businesses are now managed and reported as an integrated business
- LCH.Clearnet Q3 revenues, excluding loss of LME commodities clearing, increased 8%, with 14% growth in OTC; on a reported basis revenue reduced 8%
- Capital Markets Q3 revenues down 1% (up 5% at constant currency), with growth in cash equities trading offset in part by weaker primary markets and reduction in fixed income trading
- Post Trade Services (Italy) Q3 revenues down 1% (up 10% at constant currency), with growth in clearing volumes partly offset by decline in settlement and custody
- Technology Services revenues up 20% (up by same amount on an organic and constant currency basis), driven by growth from MillenniumIT
- Group continues to deliver on its strategy:
 - announced the launch of CurveGlobal, a new interest rate derivatives venture with a number of major dealer banks and CBOE, further extending our product offer and reflecting our partnership and open access approach; all products designed and supported by CurveGlobal will be admitted to trading on the Group's, London Stock Exchange Derivatives Market, and cleared through LCH.Clearnet
 - On 8 October 2015, the Group announced the proposed sale of Russell Investment Management to TA Associates, for gross proceeds of US\$1,150 million; the transaction is expected to complete in H1 2016

- During the period, the Group confirmed the sale of Proquote, a UK market data vendor provider, which is expected to close in Q4 2015

¹ revenue and total income include both continuing and discontinuing operations

Organic growth is calculated in respect of businesses owned for at least the full 3 or 9 months in either period and so excludes Bonds.com, MTS Indices and Frank Russell Company. The Group's principal foreign exchange exposure arises from translating our European based euro and US based USD reporting businesses into sterling.

Commenting on performance in Q3, Xavier Rolet, Chief Executive, said:

“The Group has delivered further revenue growth in the third quarter, with good performance in particular from our Information Services division, including FTSE Russell, and from LCH.Clearnet with another strong result from the OTC clearing services.

“The Group also continues to innovate, partnering with customers to deliver open access solutions, such as the launch of CurveGlobal, part of our effort to further develop a comprehensive Rates offering to our customers.

“We have started Q4 well, with the successful IPO of Worldpay, the largest UK new issue so far in 2015, and the expected IPO of Poste Italiane which will be the largest in Europe this year. We remain focused on executing on a wide range of attractive growth opportunities and continuing to deliver on our strategy to be a leading globally diversified open access market infrastructure business.”

Financial Position

Following normal course interim dividend and bond coupon payments, as well as ongoing investment in organic growth initiatives, the Group's financial position is broadly unchanged from that reported at 30 June 2015. As at 30 September, 2015, the Group had committed facility headroom of circa £500 million available for general corporate purposes.

The euro weakened by 10% against sterling compared with the same period last year while the US \$ strengthened by 8%. To illustrate our exposure to movements in exchange rates, a €0.05 change in the average euro:sterling rate would have resulted in a change to total income of c£4 million for Q3, while a US\$0.05 move would have resulted in a c£1.5 million change.

Current trading and outlook

The Group made good progress in Q3 and year-to-date, despite exchange rate headwinds. While we are early in the fourth quarter, the period has started well, with continuing capital raising activity, including the largest IPO on our markets this year - Worldpay – and an encouraging pipeline of companies seeking to join our markets in Italy and the UK. In secondary markets, both UK and Italian cash equity trading and fixed income trading is running in line with levels in September.

We remain focused on delivering the synergy benefits from the continuing integration of FTSE Russell index operations and on completing the successful disposal of Russell Investment Management, following full separation from the Indexes business. The Group continues to invest in a wide range of growth initiatives, including the opportunities highlighted in our Post Trade event earlier this year, and we are well placed to develop further.

The Group will host an investor update event on Information Services, in particular focusing on FTSE Russell Indexes, on 9 November 2015.

Further information is available from:

| | | |
|------------------------------------|---|--|
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| Finsbury | Guy Lamming / Mike Turner | +44 (0) 20 7251 3801 |

A conference call for analysts and investors will be held at 8:30 (UK time) on Thursday 22 October. On the call will be David Warren (CFO) and Paul Froud (Head of Investor Relations).

To access the Telephone conference call dial 0800 694 0257 or +44 (0) 1452 555 566

Conference ID: 49956864

Q3 Revenue Summary

Revenues for three months and nine months ended 30 September 2015, with comparatives against performance for the same period last year, are provided below. Growth rates for both Q3 and year to date performance are also expressed on an organic and constant currency basis. All figures are unaudited.

| | Three months ended | | | Organic and constant currency variance ¹ | Nine months ended | | | Organic and constant currency variance ¹ |
|---|--------------------|--------------|------------|---|-------------------|--------------|------------|---|
| | 30 September | | | | 30 September | | | |
| | 2015 | 2014 | Variance | | 2015 | 2014 | Variance | |
| | £m | £m | % | £m | £m | % | % | |
| Revenue | | | | | | | | |
| Capital Markets | 77.1 | 77.6 | (1%) | 5% | 247.1 | 248.7 | (1%) | 5% |
| Post Trade Services - CC&G and Monte Titoli | 21.8 | 22.0 | (1%) | 10% | 68.7 | 73.0 | (6%) | 5% |
| Post Trade Services - LCH.Clearnet | 75.8 | 82.5 | (8%) | (6%) | 224.9 | 256.4 | (12%) | (9%) |
| Information Services ² | 133.7 | 93.0 | 44% | 5% | 394.7 | 273.0 | 45% | 6% |
| Technology Services | 19.8 | 16.5 | 20% | 20% | 58.1 | 49.4 | 18% | 16% |
| Russell Investment Management (gross) ² | 237.4 | - | - | - | 735.6 | - | - | - |
| Other | 0.5 | 1.1 | (55%) | (55%) | 2.1 | 3.8 | (45%) | (42%) |
| Total revenue | 566.1 | 292.7 | 93% | 3% | 1,731.2 | 904.3 | 91% | 1% |
| Net treasury income through CCP businesses | 21.2 | 25.2 | (16%) | (12%) | 61.5 | 71.3 | (14%) | (9%) |
| Other income | 2.0 | 0.1 | - | - | 5.4 | 4.5 | - | - |
| Total income | 589.3 | 318.0 | 85% | 2% | 1,798.1 | 980.1 | 83% | 1% |

¹ Organic growth is calculated in respect of businesses owned for at least the full 3 or 9 months in either period and so excludes Bonds.com, MTS Indices and Frank Russell Company. The Group's principal foreign exchange exposure arises from translating our European based euro and US based USD reporting businesses into sterling.

² includes discontinuing operations revenue of £239.7m (2014: £2.2m) for 3 months and £742.4m (2014: £6.9m) for 9 months

More detailed revenues by segment are provided in tables below:

Capital Markets

| | Three months ended 30 September | | | Organic and constant currency variance ¹ | Nine months ended 30 September | | | Organic and constant currency variance ¹ |
|---|------------------------------------|-------------|---------------|---|-----------------------------------|--------------|---------------|---|
| | 2015 £m | 2014 £m | Variance % | | 2015 £m | 2014 £m | Variance % | |
| Revenue | | | | | | | | |
| Primary Markets | 19.1 | 20.1 | (5%) | (3%) | 64.5 | 66.1 | (2%) | 0% |
| Secondary Markets - Equities | 35.1 | 32.5 | 8% | 11% | 109.8 | 103.2 | 6% | 9% |
| Secondary Markets - Fixed income, derivatives and other | 22.9 | 25.0 | (8%) | 0% | 72.8 | 79.4 | (8%) | 3% |
| Total revenue | 77.1 | 77.6 | (1%) | 5% | 247.1 | 248.7 | (1%) | 5% |

¹ Removal Bonds.com revenue (Capital Markets – Fixed Income) and MTS Indices removed from Capital Markets Fixed Income revenue and included in Information Services FTSE revenue

Post Trade Services

| | Three months ended 30 September | | | Constant currency variance | Nine months ended 30 September | | | Constant currency variance |
|--------------------------------|------------------------------------|-------------|---------------|----------------------------------|-----------------------------------|-------------|---------------|----------------------------------|
| | 2015 £m | 2014 £m | Variance % | | 2015 £m | 2014 £m | Variance % | |
| Revenue | | | | | | | | |
| Clearing | 9.4 | 8.2 | 15% | 27% | 29.3 | 28.8 | 2% | 14% |
| Settlement, Custody & other | 12.4 | 13.8 | (10%) | (1%) | 39.4 | 44.2 | (11%) | (0%) |
| Total revenue | 21.8 | 22.0 | (1%) | 10% | 68.7 | 73.0 | (6%) | 5% |
| Net treasury income | 7.7 | 8.0 | (4%) | 7% | 21.0 | 24.9 | (16%) | (6%) |
| Total income | 29.5 | 30.0 | (2%) | 9% | 89.7 | 97.9 | (8%) | 2% |

LCH.Clearnet

| Revenue | Three months ended | | | Constant currency variance | Nine months ended | | | Constant currency variance |
|---|--------------------|-------------|--------------|----------------------------------|-------------------|--------------|--------------|----------------------------------|
| | 30 September | | | | 30 September | | | |
| | 2015 | 2014 | Variance | | 2015 | 2014 | Variance | |
| £m | £m | % | % | £m | £m | % | % | |
| OTC - SwapClear, ForexClear & CDSClear | 39.4 | 34.5 | 14% | 17% | 114.7 | 101.8 | 13% | 16% |
| Non-OTC - Fixed income, Cash equities and Listed derivatives ¹ | 30.0 | 41.7 | (28%) | (25%) | 87.9 | 129.8 | (32%) | (29%) |
| Other | 6.4 | 6.3 | 2% | (2%) | 22.3 | 24.8 | (10%) | (11%) |
| Total revenue | 75.8 | 82.5 | (8%) | (6%) | 224.9 | 256.4 | (12%) | (9%) |
| Net treasury income | 13.5 | 17.2 | (22%) | (20%) | 40.5 | 46.4 | (13%) | (11%) |
| Unrealised gain / (loss) | 0.1 | (0.3) | - | - | 0.2 | 0.4 | - | - |
| Total income | 89.4 | 99.4 | (10%) | (8%) | 265.6 | 303.2 | (12%) | (10%) |

¹ 2014 includes LME revenue of £12.2m for 3 months and £37.5m for 9 months. Total revenue adjusted for the loss of LME increased 8% for 3 months and 3% for 9 months

Information Services

| Revenue | Three months ended | | | Organic and constant currency variance ¹ | Nine months ended | | | Organic and constant currency variance ¹ |
|--|--------------------|-------------|------------|---|-------------------|--------------|------------|---|
| | 30 September | | | | 30 September | | | |
| | 2015 | 2014 | Variance | | 2015 | 2014 | Variance | |
| £m | £m | % | % | £m | £m | % | % | |
| FTSE Russell Indexes | 90.7 | 48.3 | 88% | 12% | 261.9 | 138.6 | 89% | 10% |
| Real time data | 19.9 | 21.3 | (7%) | (4%) | 61.8 | 65.9 | (6%) | (4%) |
| Other information services ² | 23.1 | 23.4 | (1%) | 1% | 71.0 | 68.5 | 4% | 6% |
| | 133.7 | 93.0 | 44% | 5% | 394.7 | 273.0 | 45% | 6% |

¹ Removal Russell Indexes and MTS Indices revenue from FTSE Russell Indexes

² includes discontinuing operations revenue of £2.3m (2014: £2.2m) for 3 months and £6.8m (2014: £6.9m) for 9 months

Technology Services

| | Three months ended | | | Organic and | Nine months ended | | | Organic and |
|--|--------------------|------|----------|-------------|-------------------|------|----------|-------------|
| | 30 September | | | constant | 30 September | | | constant |
| | 2015 | 2014 | Variance | currency | 2015 | 2014 | Variance | currency |
| | £m | £m | % | Variance | £m | £m | % | variance |
| | | | | % | | | | % |
| MillenniumIT & other technology | 19.8 | 16.5 | 20% | 20% | 58.1 | 49.4 | 18% | 16% |

Basis of Preparation

Results for the period ended 30 September 2015 have been translated into Sterling using the average monthly exchange rates. Constant currency growth rates have been calculated by translating prior period results at the average exchange rate for the current period.

| | Average rate 3 months ended 30 September 2015 | Average rate 9 months ended 30 September 2015 | Closing rate at 30 September 2015 | Average rate 3 months ended 30 September 2014 | Average rate 9 months ended 30 September 2014 | Closing rate at 30 September 2014 |
|-----------|---|---|---|---|--|---|
| GBP : EUR | 1.39 | 1.38 | 1.35 | 1.26 | 1.23 | 1.29 |
| GBP : USD | 1.55 | 1.53 | 1.52 | 1.67 | 1.67 | 1.62 |

Appendix – Key performance indicators

Capital Markets - Primary Markets

| | Three months ended | | | Nine months ended | | |
|--------------------------------|--------------------|------------|--------------|-------------------|-------------|--------------|
| | 30 September | | Variance % | 30 September | | Variance % |
| | 2015 | 2014 | | 2015 | 2014 | |
| New Issues | | | | | | |
| UK Main Market, PSM & SFM | 13 | 14 | (7%) | 60 | 62 | (3%) |
| UK AIM | 14 | 24 | (42%) | 46 | 88 | (48%) |
| Borsa Italiana | 7 | 10 | (30%) | 21 | 22 | (5%) |
| Total | 34 | 48 | (29%) | 127 | 172 | (26%) |
| Money Raised (£bn) | | | | | | |
| UK New | 0.8 | 2.1 | (62%) | 7.1 | 14.1 | (50%) |
| UK Further | 4.3 | 3.8 | 13% | 17.1 | 12.3 | 39% |
| Borsa Italiana new and further | 0.4 | 1.7 | (76%) | 4.4 | 9.3 | (53%) |
| Total (£bn) | 5.5 | 7.6 | (28%) | 28.6 | 35.7 | (20%) |

Capital Markets - Secondary Markets

| | Three months ended | | | Nine months ended | | |
|---------------------------------------|--------------------|-------------|------------|-------------------|-------------|-------------|
| | 30 September | | Variance % | 30 September | | Variance % |
| | 2015 | 2014 | | 2015 | 2014 | |
| Equity | | | | | | |
| Totals for period | | | | | | |
| UK value traded (£bn) | 311 | 264 | 18% | 965 | 851 | 13% |
| Borsa Italiana (no of trades m) | 17.5 | 14.4 | 22% | 54.6 | 49.4 | 11% |
| Turquoise value traded (€bn) | 254 | 228 | 11% | 825 | 691 | 19% |
| SETS Yield (basis points) | 0.62 | 0.65 | (5%) | 0.62 | 0.64 | (3%) |
| Average daily | | | | | | |
| UK value traded (£bn) | 4.8 | 4.1 | 17% | 5.1 | 4.5 | 13% |
| Borsa Italiana (no of trades '000) | 265 | 222 | 19% | 286 | 260 | 10% |
| Turquoise value traded (€bn) | 3.8 | 3.5 | 9% | 4.3 | 3.6 | 19% |
| Derivatives (contracts m) | | | | | | |
| LSE Derivatives | 1.1 | 1.9 | (42%) | 3.4 | 9.8 | (65%) |
| IDEM | 11.5 | 8.9 | 29% | 33.6 | 28.3 | 19% |
| Total | 12.6 | 10.8 | 17% | 37.0 | 38.1 | (3%) |
| Fixed Income | | | | | | |
| MTS cash and BondVision (€bn) | 861 | 998 | (14%) | 2,996 | 3,259 | (8%) |
| MTS money markets (€bn term adjusted) | 22,728 | 17,743 | 28% | 67,584 | 54,412 | 24% |

Post Trade Services - CC&G and Monte Titoli

| | Three months ended | | | Nine months ended | | |
|---|--------------------|------|---------------|-------------------|------|---------------|
| | 30 September | | Variance % | 30 September | | Variance % |
| | 2015 | 2014 | | 2015 | 2014 | |
| CC&G Clearing | | | | | | |
| Contracts (m) | 30.2 | 24.0 | 26% | 91.7 | 79.9 | 15% |
| Initial margin held (average €bn) | 12.8 | 9.3 | 38% | 12.4 | 10.2 | 22% |
| Monte Titoli | | | | | | |
| Settlement instructions (trades m) | 14.0 | 14.5 | (3%) | 48.9 | 49.2 | (1%) |
| Custody assets under management (average €tn) | 3.30 | 3.36 | (2%) | 3.31 | 3.37 | (2%) |

Post Trade Services - LCH.Clearnet

| | Three months ended | | | Nine months ended | | |
|-------------------------------------|--------------------|-------|---------------|-------------------|-------|---------------|
| | 30 September | | Variance % | 30 September | | Variance % |
| | 2015 | 2014 | | 2015 | 2014 | |
| OTC derivatives | | | | | | |
| SwapClear | | | | | | |
| IRS notional cleared (\$trn) | 131 | 159 | (18%) | 392 | 505 | (22%) |
| SwapClear members | 114 | 108 | 6% | 114 | 108 | 6% |
| Client trades ('000) | 182 | 104 | 75% | 492 | 296 | 66% |
| CDSClear | | | | | | |
| Notional cleared (€bn) | 38.5 | 10.0 | 285% | 104.9 | 48.4 | 117% |
| CDSClear members | 11 | 9 | 22% | 11 | 9 | 22% |
| ForexClear | | | | | | |
| Notional value cleared (\$bn) | 291 | 247 | 18% | 813 | 650 | 25% |
| ForexClear members | 23 | 20 | 15% | 23 | 20 | 15% |
| Non-OTC | | | | | | |
| Fixed income - Nominal value (€trn) | 18.5 | 19.0 | (3%) | 55.0 | 55.6 | (1%) |
| Listed derivatives (contracts m) | 38.2 | 40.7 | (6%) | 110.8 | 132.7 | (17%) |
| Cash equities trades (m) | 139.2 | 105.2 | 32% | 410.3 | 326.9 | 26% |
| Average cash collateral (€bn) | 58.8 | 50.9 | 16% | 57.1 | 46.9 | 22% |

Information Services

| | As at | | Variance % |
|--|--------------|---------|---------------|
| | 30 September | | |
| | 2015 | 2014 | |
| Terminals | | | |
| UK | 75,000 | 78,000 | (4%) |
| Borsa Italiana Professional Terminals | 130,000 | 129,000 | 1% |
| ETFs assets under management benchmarked (\$bn) | | | |
| FTSE | 206 | 216 | (5%) |
| Russell Indexes | 145 | 134 | 8% |
| Russell Investment Management AuM (\$bn) ¹ | 237 | 275 | (14%) |

Total Income – Quarterly

| £ millions | <u>CY 2014</u> | | | | <u>CY 2014</u> | <u>CY 2015</u> | | |
|--|----------------|--------------|--------------|--------------|----------------|----------------|--------------|--------------|
| | Q1 | Q2 | Q3 | Q4 | | Q1 | Q2 | Q3 |
| Primary Markets | 20.7 | 25.3 | 20.1 | 22.7 | 88.8 | 21.4 | 24.0 | 19.1 |
| Secondary Markets - Equities | 36.3 | 34.5 | 32.5 | 35.9 | 139.2 | 38.2 | 36.5 | 35.1 |
| Secondary Markets - Fixed income, derivatives & other | 27.2 | 27.2 | 25.0 | 25.8 | 105.2 | 26.3 | 23.6 | 22.9 |
| Capital Markets | 84.2 | 87.0 | 77.6 | 84.4 | 333.2 | 85.9 | 84.1 | 77.1 |
| Clearing | 10.4 | 10.2 | 8.2 | 9.3 | 38.2 | 10.0 | 9.8 | 9.4 |
| Settlement, Custody & other | 14.6 | 15.8 | 13.8 | 14.1 | 58.3 | 13.4 | 13.6 | 12.4 |
| Post Trade Services - CC&G and Monte Titoli | 25.0 | 26.0 | 22.0 | 23.4 | 96.5 | 23.4 | 23.4 | 21.8 |
| OTC - SwapClear, ForexClear & CDSClear | 33.2 | 34.1 | 34.5 | 36.4 | 138.2 | 36.5 | 38.8 | 39.4 |
| Non OTC - Fixed income, Cash equities & Listed derivatives | 44.5 | 43.6 | 41.7 | 29.8 | 159.8 | 29.0 | 28.9 | 30.0 |
| Other | 13.0 | 5.5 | 6.3 | 6.8 | 31.4 | 8.4 | 7.5 | 6.4 |
| Post Trade Services - LCH.Clearnet | 90.7 | 83.2 | 82.5 | 73.1 | 329.4 | 73.9 | 75.2 | 75.8 |
| FTSE Russell Indexes | 45.9 | 44.4 | 48.3 | 58.2 | 196.8 | 85.0 | 86.2 | 90.7 |
| Real time data | 23.3 | 21.3 | 21.3 | 18.4 | 84.3 | 21.3 | 20.7 | 19.9 |
| Other information | 22.8 | 22.3 | 23.4 | 23.4 | 91.9 | 24.5 | 23.3 | 23.1 |
| Information Services | 92.0 | 88.0 | 93.0 | 100.0 | 373.0 | 130.8 | 130.2 | 133.7 |
| Technology Services | 18.6 | 14.3 | 16.5 | 16.6 | 66.0 | 19.7 | 18.6 | 19.8 |
| Russell Investment Management (gross) | | | | 79.7 | 79.7 | 246.7 | 251.5 | 237.4 |
| Other | 1.3 | 1.4 | 1.1 | 1.6 | 5.4 | 0.8 | 0.8 | 0.5 |
| Total Revenue | 311.8 | 299.9 | 292.7 | 378.8 | 1,283.2 | 581.1 | 583.9 | 566.1 |
| Net treasury income through CCP: | | | | | | | | |
| CC&G | 9.4 | 7.5 | 8.0 | 7.7 | 32.6 | 6.8 | 6.6 | 7.7 |
| LCH.Clearnet | 14.1 | 15.1 | 17.2 | 13.6 | 60.0 | 13.4 | 13.6 | 13.5 |
| Other income | 1.9 | 2.1 | 0.4 | 0.9 | 5.3 | 1.7 | 1.7 | 2.0 |
| Total income | 337.2 | 324.6 | 318.3 | 401.0 | 1,381.1 | 603.0 | 605.8 | 589.3 |

Note: Minor rounding differences may mean quarterly and other segmental figures may differ slightly