

18 July 2012

LONDON STOCK EXCHANGE GROUP plc

INTERIM MANAGEMENT STATEMENT FOR THE PERIOD TO 17 JULY 2012, INCLUDING REVENUES AND KPIs FOR THE THREE MONTHS ENDED 30 JUNE 2012 (Q1)

- Good Group performance achieved against backdrop of testing markets - total income up 10 per cent on Q1 last year at £209.5 million
- Information Services revenues rose 68 per cent, reflecting the benefits of the FTSE acquisition; up 2 per cent on an organic constant currency basis, with increased revenue from other information products offsetting declines in real time data income
- Post Trade Services total income remained resilient (and on a constant currency basis increased 8 per cent), reflecting good growth in treasury management income offset by a reduction in clearing and settlement revenues following lower trading in the period
- Capital Markets revenues decreased 15 per cent following subdued primary market activity (compared with a strong equivalent quarter last year), together with a slowdown in secondary market trading as markets continued to be affected by macro economic uncertainties
- MillenniumIT successfully went live on three markets in three continents during the period: five different trading platforms, including cash equities, fixed income and structured products at Borsa Italiana, now hosted in Milan, successfully migrated to Millennium Exchange; Johannesburg Stock Exchange and the Mongolian Stock Exchange also went live on MillenniumIT
- Regulatory and anti-trust processes are continuing in respect of the shareholder approved acquisition of 60 per cent stake in LCH.Clearnet; the competition authorities in the UK, Spain and Portugal are reviewing the proposed transaction.

Commenting on performance in the past quarter, Xavier Rolet, Chief Executive, said:

“We have delivered a good overall performance, reflecting our broad suite of products and services and the increased diversification of the Group.

“In particular, we have seen a strong contribution from FTSE, which continues to demonstrate good growth. In addition, this has been a great quarter for MillenniumIT which successfully saw Borsa Italiana, Johannesburg Stock Exchange and the Mongolian Stock Exchange all go live on its ultra-low latency trading technology. MillenniumIT technology

has now been contracted by over thirty exchanges or other securities platform customers across Europe, Asia, Africa and the Americas.

“Our focus remains on developing partnerships with our customers, executing on our strategy and delivering on cost control and benefits from recent transactions.”

Financial Position

The amount the Group sets aside to meet regulatory, clearing and commercial requirements has increased as expected from £165 million to £200 million, reflecting an increase in the regulatory capital requirements of CC&G following previously disclosed discussions with Banca d'Italia. The additional amount will be met from the Group's existing cash resources. The Group also continues to review and contribute to a wide range of on-going EU and US draft regulatory proposals.

The Group reduced its net debt in the quarter with net cash generation resulting from normal seasonal inflows from charges for annual services invoiced at the start of the financial year. There are no other material changes to the Group's financial position since financial year end.

The average €:£ exchange rate weakened by 9 per cent in Q1 compared to the same period last year, from €1:13 to €1.23. Each €0.05 movement in the average €:£ rate would have changed the Group's operating profit by approximately £12 million in the last financial year.

Current Trading and Outlook

The Group has made a good start to the new financial year, although market conditions have remained weak and the summer period is expected to be quiet.

Notwithstanding continuing market and economic uncertainties, the Group remains well positioned and will continue to focus on delivering benefits from recent transactions and its more diversified range of products and services.

Further information is available from:

| | | |
|------------------------------------|--|--|
| London Stock Exchange Group plc | Victoria Brough – Media Paul Froud – Investor Relations | +44 (0) 20 7797 1222 +44 (0) 20 7797 3322 |
| Citigate Dewe Rogerson | Patrick Donovan/Grant Ringshaw | +44 (0) 20 7638 9571 |

Q1 Revenue Summary

Revenues for three months ended 30 June 2012, with comparatives against performance for the same period last year. Growth rates for Q1 performance are also expressed on a constant currency basis. All figures are unaudited.

| | Three months ended 30 June | | Variance % | Organic and constant currency variance ¹ |
|---|-------------------------------|------------|---------------|---|
| | 2012 £m | 2011 £m | | % |
| Revenue | | | | |
| Capital Markets | 67.5 | 79.7 | (15%) | (12%) |
| Post Trade Services | 22.8 | 26.0 | (12%) | (5%) |
| Information Services | 75.3 | 44.7 | 68% | 2% |
| Technology Services | 12.1 | 10.6 | 14% | 21% |
| Other | 1.3 | 1.4 | (7%) | (7%) |
| Total revenue | 179.0 | 162.4 | 10% | (5%) |
| Net treasury income through CCP business | 28.5 | 25.8 | 10% | 21% |
| Other income | 2.0 | 2.0 | 0% | 0% |
| Total income | 209.5 | 190.2 | 10% | (1%) |
| Organic Excluding FTSE revenue and royalties and TRS | | | | |
| Total revenue | 145.2 | 159.2 | (9%) | (5%) |
| Total income | 175.7 | 187.0 | (6%) | (1%) |

¹Exchange rates for the relevant period are detailed at the end of this section

Adjustments to calculate organic growth:

- 1) Removal of FTSE revenue from current year and royalties from last year (Information)
- 2) Removal of TRS revenue from current year (Information)

More detailed revenues by segment are provided in tables below:

Capital Markets

| | Three months ended 30 June | | Variance % | Variance at constant currency % |
|---------------------------------|-------------------------------|-------------|---------------|--|
| | 2012 £m | 2011 £m | | |
| Revenue | | | | |
| Primary Markets | | | | |
| Annual fees | 9.8 | 9.9 | (1%) | 1% |
| Admission fees | 7.9 | 12.2 | (35%) | (34%) |
| | 17.7 | 22.1 | (20%) | (18%) |
| Secondary Markets | | | | |
| Cash equities UK & Turquoise | 21.1 | 24.3 | (13%) | (13%) |
| Cash equities Italy | 6.6 | 7.7 | (14%) | (6%) |
| Derivatives | 3.6 | 4.3 | (16%) | (8%) |
| Fixed income | 8.1 | 9.8 | (17%) | (11%) |
| | 39.4 | 46.1 | (15%) | (11%) |
| Other | 10.4 | 11.5 | (10%) | (4%) |
| Total revenue | 67.5 | 79.7 | (15%) | (12%) |

Post Trade Services

| | Three months ended 30 June | | Variance % | Variance at constant currency % |
|---|-------------------------------|-------------|---------------|--|
| | 2012 £m | 2011 £m | | |
| Revenue | | | | |
| Clearing | 9.0 | 9.9 | (9%) | (1%) |
| Settlement | 3.6 | 4.8 | (25%) | (18%) |
| Custody & other | 10.2 | 11.3 | (10%) | (2%) |
| Total revenue | 22.8 | 26.0 | (12%) | (5%) |
| Net treasury income through CCP business | 28.5 | 25.8 | 10% | 21% |
| Total income | 51.3 | 51.8 | (1%) | 8% |

Information Services

| | Three months ended 30 June | | | Organic and constant currency variance |
|--|-------------------------------|-------------|---------------|--|
| | 2012 £m | 2011 £m | Variance % | |
| Revenue | | | | |
| Real time data | 23.7 | 25.2 | (6%) | (4%) |
| Other information services | 18.6 | 16.3 | 14% | 12% |
| FTSE royalties | - | 3.2 | - | - |
| FTSE revenue | 33.0 | - | - | - |
| Total revenue | 75.3 | 44.7 | 68% | 2% |
| Total revenue excluding FTSE revenue and royalties & TRS revenue | 41.5 | 41.5 | 0% | 2% |

Note:

Adjustments to calculate organic growth:

- 1) Removal of FTSE revenue from current year and royalties from last year (Information)
- 2) Removal of TRS revenue from current year (Information)

Technology Services

| | Three months ended 30 June | | | Variance at constant currency |
|----------------------|-------------------------------|-------------|---------------|-------------------------------------|
| | 2012 £m | 2011 £m | Variance % | |
| Revenue | | | | |
| MillenniumIT | 4.9 | 3.2 | 53% | 75% |
| Technology | 7.2 | 7.4 | (3%) | 0% |
| Total revenue | 12.1 | 10.6 | 14% | 21% |

Basis of Preparation

Results for Borsa Italiana for the periods ended 30 June 2012 have been translated into Sterling using the average monthly exchange rate for the period of €1.23: £1. 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 June 2012 | Closing €:£ rate at 30 June 2012 | Average €:£ rate 3 months ended 30 June 2011 | Closing €:£ rate at 30 June 2011 |
|---|--|---|--|
| €1.23 | €1.24 | €1.13 | €1.11 |

Appendix

Capital Markets - Primary Markets

| | Three months ended | | Variance % |
|---|--------------------|--------------|---------------|
| | 30 June | | |
| | 2012 | 2011 | |
| New Issues | | | |
| UK Main Market, PSM & SFM | 7 | 26 | (73%) |
| UK AIM | 20 | 24 | (17%) |
| Borsa Italiana | 2 | 4 | (50%) |
| Total | 29 | 54 | (46%) |
| Company Numbers (as at period end) | | | |
| UK Main Market, PSM & SFM | 1,416 | 1,466 | (3%) |
| UK AIM | 1,114 | 1,151 | (3%) |
| Borsa Italiana | 290 | 297 | (2%) |
| Total | 2,820 | 2,914 | (3%) |
| Market Capitalisation (as at period end) | | | |
| UK Main Market (£bn) | 1,855 | 2,006 | (8%) |
| UK AIM (£bn) | 61 | 76 | (20%) |
| Borsa Italiana (€bn) | 327 | 432 | (24%) |
| Borsa Italiana (£bn) | 264 | 390 | (32%) |
| Total (£bn) | 2,180 | 2,472 | (12%) |
| Money Raised (£bn) | | | |
| UK New | 0.6 | 10.6 | (94%) |
| UK Further | 1.7 | 2.0 | (15%) |
| Borsa Italiana new and further | 0.3 | 6.0 | (95%) |
| Total (£bn) | 2.6 | 18.6 | (86%) |

Capital Markets - Secondary Markets

| | Three months ended | | Variance % |
|---------------------------------------|--------------------|-------------|---------------|
| | 30 June | | |
| | 2012 | 2011 | |
| Equity | | | |
| Totals for period | | | |
| UK value traded (£bn) | 268 | 290 | (8%) |
| Borsa Italiana (no of trades m) | 15.3 | 15.6 | (2%) |
| Turquoise (€bn) | 110.2 | 105.3 | 5% |
| SETS Yield (basis points) | 0.67 | 0.73 | (8%) |
| Average daily | | | |
| UK value traded (£bn) | 4.5 | 4.8 | (6%) |
| Borsa Italiana (no of trades '000) | 246 | 248 | (1%) |
| Turquoise (€bn) | 1.75 | 1.67 | 5% |
| Derivatives (contracts m) | | | |
| Turquoise | 7.5 | 10.3 | (27%) |
| IDEM | 12.3 | 16.8 | (27%) |
| Total | 19.8 | 27.1 | (27%) |
| Fixed Income | | | |
| MTS cash and Bondvision (€bn) | 564 | 722 | (22%) |
| MTS money markets (€bn term adjusted) | 15,739 | 15,947 | (1%) |
| MOT number of trades (m) | 1.32 | 0.90 | 47% |

Post Trade Services

| | Three months ended | | Variance % |
|---|--------------------|-------------|---------------|
| | 30 June | | |
| | 2012 | 2011 | |
| CC&G Clearing (m) | | | |
| Equity clearing (trades) | 16.0 | 16.5 | (3%) |
| Derivative clearing (contracts) | 12.3 | 16.8 | (27%) |
| Total Contracts | 28.3 | 33.3 | (15%) |
| Open interest (contracts as at period end) | 4.5 | 4.4 | 2% |
| Initial margin held (average €bn) | 9.7 | 8.5 | 14% |
| Monte Titoli | | | |
| Pre Settlement instructions (trades m) | 7.1 | 8.5 | (16%) |
| Settlement instructions (trades m) | 6.4 | 9.2 | (30%) |
| Total Settlement | 13.5 | 17.7 | (24%) |
| Custody assets under management (average €tn) | 3.17 | 3.08 | 3% |

Information Services

| | As at 30 June | | Variance |
|--|------------------|----------------|-------------|
| | 2012 | 2011 | % |
| UK Terminals | | | |
| Professional - UK | 36,000 | 38,500 | (6%) |
| Professional - International | 52,000 | 54,500 | (5%) |
| Total | 88,000 | 93,000 | (5%) |
| Borsa Italiana Professional Terminals | 143,000 | 132,000 | 8% |

Total Income – Quarterly

| £ millions | FY 2012 | | | | FY 2012 | FY 2013 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| | Q1 | Q2 | Q3 | Q4 | | Q1 |
| Annual Fees | 9.9 | 10.2 | 10.0 | 9.4 | 39.5 | 9.8 |
| Admission Fees | 12.2 | 8.2 | 7.1 | 9.5 | 37.0 | 7.9 |
| Cash equities UK & Turquoise | 24.3 | 27.8 | 21.1 | 22.2 | 95.4 | 21.1 |
| Cash equities Italy | 7.7 | 8.5 | 7.2 | 8.0 | 31.4 | 6.6 |
| Derivatives | 4.3 | 4.7 | 3.9 | 3.8 | 16.7 | 3.6 |
| Fixed Income | 9.8 | 9.0 | 8.0 | 8.9 | 35.7 | 8.1 |
| Other | 11.5 | 11.7 | 11.6 | 11.4 | 46.2 | 10.4 |
| Capital Markets | 79.7 | 80.1 | 68.9 | 73.2 | 301.9 | 67.5 |
| Clearing | 9.9 | 11.7 | 10.2 | 9.3 | 41.1 | 9.0 |
| Settlement | 4.8 | 5.0 | 4.3 | 4.8 | 18.9 | 3.6 |
| Custody & other | 11.3 | 9.7 | 10.0 | 10.6 | 41.6 | 10.2 |
| Post Trade Services | 26.0 | 26.4 | 24.5 | 24.7 | 101.6 | 22.8 |
| Real time data | 25.2 | 25.0 | 25.4 | 27.2 | 102.8 | 23.7 |
| Other information | 16.3 | 15.8 | 16.3 | 17.2 | 65.6 | 18.6 |
| FTSE royalties | 3.2 | 3.5 | 6.4 | 0.0 | 13.1 | - |
| FTSE revenue | | | 4.7 | 32.7 | 37.4 | 33.0 |
| Information Services | 44.7 | 44.3 | 52.8 | 77.0 | 218.9 | 75.3 |
| MillenniumIT | 3.2 | 6.4 | 5.5 | 7.2 | 22.2 | 4.9 |
| Technology | 7.4 | 7.8 | 7.6 | 7.6 | 30.4 | 7.2 |
| Technology Services | 10.6 | 14.2 | 13.1 | 14.8 | 52.6 | 12.1 |
| Other | 1.4 | 0.7 | 1.5 | 1.2 | 4.8 | 1.3 |
| Total Revenue | 162.4 | 165.7 | 160.8 | 190.9 | 679.8 | 179.0 |
| Net treasury income through CCP business | 25.8 | 28.5 | 33.5 | 39.1 | 126.9 | 28.5 |
| Other income | 2.0 | 2.1 | 2.0 | 2.0 | 8.1 | 2.0 |
| Total income | 190.2 | 196.3 | 196.3 | 232.0 | 814.8 | 209.5 |

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