INTERIM REPORT Six months ended 30 September 2011

GETTING IN SHAPE, LEVERAGING OUR ASSETS, DEVELOPING OPPORTUNITIES

London Stock Exchange Group

Welcome to our Interim Report 2011

PERFORMANCE HIGHLIGHTS

- Total income up 20 per cent at £386.5million (H1 FY 2011: £321.1 million); revenue of £328.1million up 9 per cent (H1 FY 2011: £300.6 million)
- Profit before tax up 79 per cent at £179.7 million (H1 FY 2011: £100.2 million); adjusted operating profit[1] up 38 per cent at £214.3 million (H1 FY 2011: £154.8 million)
- Basic EPS up 86 per cent at 43.1 pence (H1 FY 2011: 23.2 pence); Adjusted EPS[1] up 48 per cent at 47.6 pence (H1 FY 2011: 32.2 pence)
- Interim dividend of 9.3 pence per share, up 6 per cent (H1 FY 2011: 8.8 pence per share)
- Post Trade Services' total income up 68 per cent on an organic basis and at constant currency, driven by growth in clearing volumes and increased treasury income from the central counterparty business arising from higher quantum of margin held and improved spreads achieved on cash collateral put on deposit
- Number of new issues on the Group's primary markets increased 15 per cent to 102, including 24 international companies; total capital raised up 32 per cent at £23 billion
- Trading volumes on Group's fixed income (cash) markets up 6 per cent; derivatives trading volumes on IDEM up 6 per cent and volumes on Turquoise Derivatives up 26 per cent
- Revenue from fixed income trading increased 29 per cent with trading of FTSE 100 Index Futures and Options successfully launched during the period, with further product additions planned in coming period
- Good growth in trading on Turquoise – share of trading more than doubled since acquisition in 2010; Turquoise was the number two European MTF in lit and dark markets
- Revenue from other information products increased 8 per cent with good demand particularly for SEDOL, FTSE and UnaVista; professional users of London Stock Exchange real time data stable since last year at 93,000 and down four per cent at Borsa Italiana
- Technology Services performing well, with MillenniumIT revenue up 10 per cent at constant currency, commencement of technology deliveries to Mongolia and Tullett Prebon and confirmation that the MillenniumIT trading system is to be used by Oslo Børs

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Unless otherwise stated, all figures refer to the six months ended 30 September 2011 and comparative figures are for the six months ended 30 September 2010.

[1]Adjusted earnings per share and adjusted operating profit are stated before amortisation of purchased intangibles and non-recurring items.

CHAIRMAN'S STATEMENT

- *STRONG FINANCIAL PERFORMANCE, INCREASED REVENUES ACROSS ALL BUSINESS SEGMENTS, CONTINUED COST DISCIPLINE*
- *SUCCESSFUL DIVERSIFICATION STRATEGY DELIVERING TANGIBLE RESULTS, PROVIDING GROWTH, PERFORMANCE AND RESILIENCE*

Operational Performance

The Group has delivered a strong first half financial performance, with growth recorded in each of our four main business segments. This performance highlights the success of our diversification strategy which has provided breadth, growth and resilience in a market characterised by uncertainty. The progress we have made also reflects our focus on cost control, working closely with clients, developing the range of products and services across the Group and pursuing opportunities through partnerships and transactions to extend the international reach and increasingly diverse scope of the Group. Over half of the Group's income came from the Post Trade Services and Information Services divisions (H1 FY 2011: 46 per cent).

Overall revenues for the Group's Capital Markets segment, which includes both primary and secondary market activities, increased 13 per cent to £159.8 million reflecting growth across all main asset trading markets and good performance in the issuer business.

In our primary markets business, the total amount of capital raised increased 32 per cent to £23.3 billion, reflecting a number of significant new issues, particularly in Q1. These included Glencore, the largest ever international IPO in London which raised £6.2 billion, and Salvatore Ferragamo in Italy. There were a total of 102 new issues across the Group's markets, an increase of 15 per cent on H1 last year, with 24 international companies joining our markets in the period including DP World, Ophir Energy, Oracle Coalfields (the first Pakistan-focused company to join AIM) and Sberbank (the largest Russian credit organisation, which was admitted to trading on our International Order Book). We now have 95 corporate bonds, 4 supranational bonds and 53 gilts on ORB, our retail bond market, including the innovative raising of £140 million by Places for People in June, and National Grid which raised £282.5 million in October. Over £1.3 billion has been successfully raised on ORB, through the retail investor community, since it launched in 2010. Total primary markets revenues increased 19 per cent in the half year to £40.5 million.

In the secondary markets, average daily value traded in the UK cash equities market increased 2 per cent to £5.0 billion, helped by strong trading in August. In Italy, the average daily number of trades rose seven per cent to 267,000, also benefitting from heightened trading over the summer. Share of cash equities order book trading in the UK averaged 62.3 per cent, broadly in line with the same time last year, although this has reduced slightly in the past two months; in Italy, share of electronic value traded was unchanged at an average 83.8 per cent. Turquoise, the MTF run in partnership with 12 banks, performed well with share of European order book trading increasing from 3.5 per cent to 5.4 per cent and now more than twice the level when the business was acquired in 2010. Turquoise was the second largest lit and dark pool pan-European MTF during the period. In total, revenues from equities trading increased 7 per cent.

Revenues from derivatives trading increased 7 per cent. There was a 6 per cent increase in number of contracts traded on IDEM, and a 26 per cent increase in trading on Turquoise Derivatives, principally representing growth in Russian derivatives contracts. In June the Group launched trading in FTSE 100 Index Futures and last month added trading of FTSE 100 Index Options. Trading levels on these new products, as expected, are low at present but further product additions are expected in coming months, including single stock options and emerging market indices products. Potential changes proposed in the draft review of the EU's Market in Financial Instruments Directive, with regard to non-discriminatory access to clearing and licence to trade indices, may provide further opportunities for Turquoise.

The fixed income business delivered another good performance with a 29 per cent increase in revenue. Both the MTS cash and repo markets recorded good turnover growth, reflecting 6 per cent and 5 per cent growth in trading volumes respectively.

In Post Trade Services, total income, including net treasury income, grew 64 per cent to £106.7 million, up 57 per cent at constant currency. Revenue increased 8 per cent to £52.4 million. Excluding the £4.1 million included in H1 last year from Servizio Titoli, which was sold with effect from the start of the current financial year, total income increased by 75 per cent and revenue increased by 19 per cent.

Treasury income through the central counterparty business continued the strong performance in the immediately preceding H2 period last year, rising from £34.6 million to £54.3 million as a result of stronger trading levels, with a resulting higher quantum of cash margin held, and rising deposit yields. The Group has achieved a significant and sustainable step up in performance, although the high returns achieved in recent months have been elevated by both volatility in Italian markets and continuing low liquidity in the Italian interbank market with consequent high demand for cash from CC&G.

Risk management in the CCP business has remained a key focus amid volatile markets, with frequent reviews of the highly prudent risk controls in place. Treasury investment policies have been tightened. Term deposits for cash margin placed with banks have been shortened and faster call-back facilities put in place.

On 4 November 2011 the Group completed the acquisition of a 13.64 per cent stake in CC&G from Unicredit S.p.A., for a total cash consideration of €62 million. Following the acquisition, the Group now owns 100 per cent of CC&G and the transaction is expected to be earnings accretive in the current financial year. The Group will gain full economic benefit from its increased ownership with effect from 1 April 2011 – if the transaction had been completed on that date it would have added 2.3p to first half adjusted EPS.

The Monte Titoli CSD business performed well during the period. Settlement revenues increased 10 per cent (up 5 per cent in constant currency) with an 11 per cent rise in pre-settlement instructions. In the custody operations the value of assets under management was stable at €3.0 trillion, with a 9 per cent increase in revenues (at constant currency excluding Servizio Titoli) arising from charges for other services.

The Information Services division delivered a 6 per cent increase in revenue to £89.0 million, with gains in both real time data fees, following changes to billing arrangements last year, and from other information products. Professional terminals receiving London Stock Exchange real time data at 30 September 2011 were unchanged over the same date last year, at 93,000, while the number of professional terminals taking Borsa Italiana data declined 4 per cent. Among the non-real time data products, the FTSE indices business, SEDOL and UnaVista all delivered good results, with a total 8 per cent increase in revenue from other information products.

Revenues for Technology Services increased 2 per cent at constant currency to £24.8 million. MillenniumIT performed well, with first technology deliveries to Mongolia made during Q2, contributing to an increase in MillenniumIT revenues of 10 per cent at constant currency £9.6 million (H1 FY 2011: £9.0m). MillenniumIT remains focused on developing technology for the Group as well as developing technology for third party capital markets clients – during the period its system went live at the Chittagong exchange and Tullett Prebon, it won new business with the Delhi Stock Exchange and Oslo Børs confirmed it would transfer to the Millennium Exchange platform.

Strategy for growth

The Group continues to execute on its strategy to grow the business, through our actions to "get in shape", to "leverage our assets" and to "develop opportunities". Operational efficiency, or "getting in shape", which includes technology improvements, aligning fully with clients and controlling costs, remains an on-going priority. The electronic order book for retail bonds (ORB) transferred to MillenniumIT technology in the period and preparation work is underway for migration of the Italian cash equities market to Millennium Exchange in 2012. Control of costs continues; compared to H1 last year and excluding one-off costs and currency changes, operating costs remained flat in real terms even though performance related pay was higher following the strong profit and adjusted EPS growth in the period.

Strategic development of the broad range of businesses within the Group, or "leveraging our assets", remains a key focus and we also continue to work on other plans as part of our "developing opportunities" strategy. Among the initiatives announced or launched during the period were:

- trading of equity derivatives through the Turquoise MTF platform, starting with FTSE 100 Index Futures in June and followed by FTSE 100 Index Options in September - further product launches to expand pan-European and other derivatives will continue, with the planned launch of single stock options in April 2012
- the electronic market for UK government bonds went live on MTS in July – joining the primary and secondary government bond markets of 16 other European countries already trading on MTS
- expansion of ETFs tradable on our markets, including the addition of SPDR and Amundi emerging market ETFs, bringing the total number of ETFs and ETCs on our markets to over 1,450
- new tri-party collateral management (X-Com) commenced testing at Monte Titoli to allow clients to manage assets more efficiently
- opening of a settlement link by Monte Titoli with Euroclear UK and Ireland, to assist harmonisation of cross border trading
- selection of the Group to provide clearing technology services for a new cross-market central counterparty mechanism for Central and Eastern European capital markets, using CC&G expertise and MillenniumIT software

- acquisition of the FSA's transaction reporting service (TRS), with clients of the service able to use the enhanced reporting and other functionality provided by the Group's UnaVista service

On 28 September 2011 the Group announced it had entered exclusive discussions with LCH.Clearnet regarding a potential transaction. Due diligence work and engagement with a large number of stakeholders is continuing, with a view to moving towards an agreement, though the process is complex and there can be no certainty that any transaction will result.

Financial Summary

Unless otherwise stated, all figures below refer to the six months ended 30 September 2011. Comparative figures are for the six months ended 30 September 2010 (H1 FY 2011). Variance is also provided at constant currency. The basis of preparation is set out at the end of this report.

	Six months ended 30 September			Variance at constant currency
	2011 £m	2010 £m	Variance %	%
Revenue				
Capital Markets	**159.8**	141.6	13%	11%
Post Trade Services	**52.4**	48.3	8%	4%
Information Services	**89.0**	84.1	6%	5%
Technology Services	**24.8**	24.5	1%	2%
Other revenue	**2.1**	2.1	-	(5%)
Total revenue	**328.1**	300.6	9%	7%
Net treasury income through CCP business	**54.3**	16.7	225%	209%
Other income	**4.1**	3.8	8%	8%
Total income	**386.5**	31.1	20%	18%
Operating expenses	**(174.5)**	(167.9)	4%	2%
Share of profit of JVs and associates	**2.3**	1.6	44%	44%
Acquisition amortisation and non-recurring items	**(21.8)**	(31.9)	(32%)	(34%)
Operating profit	**192.5**	122.9	57%	54%
Adjusted operating profit*	**214.3**	154.8	38%	35%
Basic earnings per share (p)	**43.1**	23.2	86%	
Adjusted basic earnings per share (p)*	**47.6**	32.2	48%	
Dividend (p)	**9.3**	8.8	6%	

* before amortisation of purchased intangibles and non-recurring items

The Group delivered a strong financial performance in a period that experienced significant market volatility. Total income rose 20 per cent to £386.5 million (H1 FY 2011: £321.1 million), up 18 per cent in constant currency.

Operating expenses, before amortisation of purchased intangibles and non-recurring items, increased 4 per cent to £174.5 million (H1 FY 2011: £167.9 million). Adjusting for currency changes, estimated inflation, the impact of disposals and the non-recurring VAT rebate and TradElect depreciation in H1 last year, operating costs were flat in real terms, reflecting reductions to our underlying cost base offset by increased performance related pay recognised in H1 this year as a result of the strong profit and earnings growth.

Adjusted operating profit for the period, before amortisation of purchased intangibles and non-recurring items, increased 38 per cent to £214.3 million (H1 FY 2011: £154.8 million), up 35 per cent at constant currency.

Net finance costs were £19.2 million, down from £22.7 million in H1 last year, the improvement principally due to lower average net borrowings and one-off costs last year to close out certain interest rate swaps. The underlying effective Group tax rate was 29.4 per cent, down slightly on the rate for the year ended 31 March 2011 (30.3 per cent), reflecting the mix of business between the UK and Italy and a reduction in the headline UK corporate tax rate.

Basic earnings per share were 43.1 pence, an increase of 86 per cent (H1 FY 2011: 23.2 pence). Adjusted basic earnings per share increased 48 per cent to 47.6 pence (H1 FY 2011: 32.2 pence).

Net cash inflow from operating activities was £154.2 million (H1 FY 2011: £143.8 million). Capital expenditure in the period amounted to £14.8 million, and full year spend is expected to approach £50 million. Net cash generated after dividends was £113.5 million (H1 FY 2011: £78.4 million). Free cash flow per share (pre dividend) was 63.0p (H1 FY 2011: 46.8p)

At 30 September 2011 adjusted net debt was £290 million (after setting aside £165 million of cash for regulatory and operational support purposes) while drawn borrowings of £500 million remain unchanged from the end of the previous financial year, being long term sterling bonds. Committed credit lines available for general group purposes total £1 billion, with £750 million extending to 2015 or beyond.

The Group has net assets of £1,159.3 million at 30 September 2011 (31 March 2011: £1,137.0 million). As usual, the central counterparty clearing business assets and liabilities within CC&G largely offset each other and are shown gross on the balance sheet as the amounts receivable and payable are with different counterparties. The gross clearing balances increased during the period, mainly reflecting an increase in the average terms of the repurchase transactions that remained open, together with an increase in the volatility of their nominal values.

Interim Dividend

The Directors have declared an interim dividend of 9.3 pence per share, an increase of 6 per cent on the interim dividend paid last year. The interim dividend will be paid on 5 January 2012 to shareholders on the register on 9 December 2011.

Current Trading and Outlook

The October daily average equity value traded in London was up 1 per cent on last year while average daily equity volumes in Italy were up 20 per cent. In the primary markets, activity levels at the start of H2 are lower than last year and any extended period of market volatility makes timing of new issues uncertain, although the pipeline for IPOs appears encouraging with a number of international companies seeking opportunity to raise capital and we still expect a flow of new issues on our markets. In our Post Trade Services division, active and prudent treasury management of CCP margins will continue, taking close account of the evolving market environment. Net treasury income remained strong in October while the outlook for the balance of the year will depend on trends in market conditions.

Looking forward, market conditions are expected to be testing, though the Group is in good shape as we continue to diversify our business through a focus on our strategy to improve competitiveness, drive innovation, extend our scope and scale and deliver growth.

Chris Gibson-Smith
Chairman
16 November 2011

OPERATING PERFORMANCE – KEY STATISTICS

To assist investors in understanding the underlying performance of the Group, percentage changes are also presented on a constant currency basis.

CAPITAL MARKETS

Capital Markets comprises the Group's primary markets activities, providing access to capital for corporates and others, and the secondary market trading of cash equities, derivatives and fixed income.

	Six months ended 30 September			Variance at constant
	2011	2010	Variance	currency
	£m	£m	%	%
Revenue				
Primary Markets				
Annual fees	**20.1**	18.7	7%	6%
Admission fees	**20.4**	15.3	33%	32%
	40.5	34.0	19%	18%
Secondary Markets				
Cash equities UK & Turquoise	**52.1**	48.6	7%	7%
Cash equities Italy	**16.2**	14.7	10%	6%
Derivatives	**9.0**	8.4	7%	3%
Fixed income	**18.8**	14.6	29%	25%
	96.1	86.3	11%	9%
Other	**23.2**	21.3	9%	5%
Total revenue	**159.8**	141.6	13%	11%

Capital Markets - Primary Markets

	Six months ended 30 September		Variance
	2011	2010	%
New Issues			
UK Main Market, PSM & SFM	**39**	35	11%
UK AIM	**58**	51	14%
Borsa Italiana	**5**	3	67%
Total	**102**	89	15%
Company Numbers (as at period end)			
UK Main Market, PSM & SFM	**1,457**	1,479	(1%)
UK AIM	**1,156**	1,204	(4%)
Borsa Italiana	**294**	295	(0%)
Total	**2,907**	2,978	(2%)
Market Capitalisation (as at period end)			
UK Main Market (£bn)	**1,713**	1,824	(6%)
UK AIM (£bn)	**64**	66	(3%)
Borsa Italiana (€bn)	**337**	418	(19%)
Borsa Italiana (£bn)	**292**	363	(20%)
Total (£bn)	**2,069**	2,253	(8%)
Money Raised (£bn)			
UK New	**11.5**	5.0	130%
UK Further	**3.3**	11.5	(71%)
Borsa Italiana new and further	**8.5**	1.1	673%
Total (£bn)	**23.3**	17.6	32%

Capital Markets - Secondary Markets

	Six months ended 30 September 2011	2010	Variance %
Equity Volume Bargains (m)			
UK	**87.5**	76.1	15%
Borsa Italiana	**34.2**	32.1	7%
Total	**121.7**	108.2	12%
Equity Value Traded			
UK (£bn)	**626**	613	2%
Borsa Italiana (€bn)	**367**	414	(11%)
Borsa Italiana (£bn)	**324**	350	(7%)
Total (£bn)	**950**	963	(1%)
Equity Average Daily Bargains ('000)			
UK	**700**	604	16%
Borsa Italiana	**267**	249	7%
Total	**967**	853	13%
Equity Average Daily Value Traded			
UK (£bn)	**5.0**	4.9	2%
Borsa Italiana (€bn)	**2.9**	3.2	(9%)
Borsa Italiana (£bn)	**2.5**	2.7	(7%)
Total (£bn)	**7.5**	7.6	(1%)
SETS Yield (basis points)	**0.70**	0.71	(1%)
Derivatives (contracts m)			
Turquoise	**21.7**	17.2	26%
IDEM	**28.3**	26.6	6%
Total	**50.0**	43.8	14%
Fixed Income			
MTS cash and Bondvision (€bn)	**1,318**	1,247	6%
MTS money markets (€bn term adjusted)	**33,008**	31,296	5%
MOT number of trades (m)	**2.1**	1.8	16%

POST TRADE SERVICES

The Post Trade Services division principally comprises the Group's Italian-based clearing, settlement and custody businesses.

	Six months ended 30 September 2011 £m	2010 £m	Variance %	Variance at constant currency %
Revenue				
Clearing	**21.6**	16.9	28%	23%
Settlement	**9.8**	8.9	10%	5%
Custody & other	**21.0**	22.5	(7%)	(11%)
Total revenue	**52.4**	48.3	8%	4%
Net treasury income through CCP business	**54.3**	16.7	225%	209%
Total income	**106.7**	65.0	64%	57%
Total income excluding Servizio Titoli (disposed with effect from 1 April 2011)	**106.7**	60.9	75%	68%

	Six months ended 30 September 2011	2010	Variance %
CC&G Clearing (m)			
Equity clearing (trades)	**36.1**	34.0	6%
Derivative clearing (contracts)	**28.3**	26.6	6%
Total Contracts	**64.4**	60.6	6%
Open interest (contracts as at period end)	**5.6**	4.3	30%
Initial margin held (average €bn)	**8.7**	6.5	34%
Monte Titoli			
Pre Settlement instructions (trades m)	**16.8**	15.1	11%
Settlement instructions (trades m)	**17.4**	19.9	(13%)
Total Settlement	**34.2**	35.0	(2%)
Custody assets under management (average €tn)	**3.1**	3.0	2%

INFORMATION SERVICES

The Information Services division consists of real time data products and a number of other discrete businesses, including Global Indices products, Trade Processing operations, Desktop and Work Flow products.

	Six months ended 30 September 2011 £m	2010 £m	Variance %	Variance at constant currency %
Revenue				
Real time data	**50.2**	48.3	4%	2%
Other information services	**38.8**	35.8	8%	7%
Total revenue	**89.0**	84.1	6%	5%

	30 September 2011	2010	Variance %
UK Terminals			
Professional - UK	**38,500**	38,000	1%
Professional - International	**54,500**	55,000	(1%)
Total	**93,000**	93,000	-
Borsa Italiana Professional Terminals	**134,000**	140,000	(4%)

TECHNOLOGY SERVICES

Technology Services comprises technology connections and data centre services for clients of London Stock Exchange and Borsa Italiana, plus the MillenniumIT software business, based in Sri Lanka, which provides technology for the Group as well as third party sales and enterprise services.

	Six months ended 30 September			Variance at constant currency
	2011	**2010**	**Variance**	
	£m	**£m**	**%**	**%**
Revenue				
MillenniumIT	**9.6**	9.0	7%	10%
Technology	**15.2**	15.5	(2%)	(3%)
Total revenue	**24.8**	24.5	1%	2%

BASIS OF PREPARATION

Results for the Italian business have been translated into Sterling using the exchange rates set out below. Constant currency growth rates have been calculated by translating prior period results at the average exchange rate for the current period.

	Closing € : £ rate	Average € : £ rate for the period ended
30 September 2011	**€1.154**	**€1.136**
30 September 2010	€1.154	€1.187
31 March 2011	€1.131	€1.177

CONSOLIDATED INCOME STATEMENT

Continuing operations	Notes	Six months ended 30 September 2011 Unaudited £m	Six months ended 30 September 2010 Unaudited £m Restated	Year ended 31 March 2011 £m
Revenue		**328.1**	300.6	615.9
Net treasury income through CCP business		**54.3**	16.7	51.3
Other Income		**4.1**	3.8	7.7
Total Income	2	**386.5**	321.1	674.9
Expenses				
Operating expenses before amortisation of purchased intangible assets and non-recurring items	3	**(174.5)**	(167.9)	(336.9)
Share of profit after tax of joint ventures/associates		**2.3**	1.6	3.1
Operating profit before amortisation of purchased intangible assets and non-recurring items		**214.3**	154.8	341.1
Amortisation of purchased intangible assets	4	**(20.0)**	(27.0)	(47.1)
Non-recurring items	4	**(1.8)**	(4.9)	(11.0)
Operating profit	2	**192.5**	122.9	283.0
Profit on disposal of shares in subsidiary	4	**6.4**	-	-
Finance income		**8.2**	8.2	16.1
Finance costs		**(27.4)**	(30.9)	(60.9)
Net finance expense	5	**(19.2)**	(22.7)	(44.8)
Profit before taxation		**179.7**	100.2	238.2
Taxation on profit before amortisation of purchased intangible assets and non-recurring items		**(57.4)**	(43.6)	(89.8)
Taxation on amortisation of purchased intangible assets and non-recurring items	4	**1.7**	5.6	8.1
Total taxation	6	**(55.7)**	(38.0)	(81.7)
Profit for the financial period		**124.0**	62.2	156.5
Profit attributable to non-controlling interests		**7.9**	0.0	4.9
Profit attributable to equity holders		**116.1**	62.2	151.6
		124.0	62.2	156.5
Basic earnings per share	7	**43.1p**	23.2p	56.4p
Diluted earnings per share	7	**42.5p**	23.0p	55.9p
Adjusted basic earnings per share	7	**47.6p**	32.2p	73.7p
Adjusted diluted earnings per share	7	**46.9p**	32.0p	72.9p
Dividend per share in respect of the financial period:	8			
Dividend per share paid during the period		**18.0p**	16.0p	24.8p
Dividend per share proposed for the period		**9.3p**	8.8p	26.8p

The comparative figures for September 2010 have been restated to show the revenues of Turquoise gross of rebates of £2.7m, which have been transferred to cost of sales. This reflects the policy implemented for the March 2011 financial statements. There have been no changes to the profit for the year and accordingly no third Balance Sheet has been presented.

The notes on pages 14 to 27 form an integral part of this Interim Report.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended 30 September		Year ended 31 March
	2011	2010	2011
	Unaudited	Unaudited	
	£m	£m	£m
Profit for the financial period	**124.0**	62.2	156.5
Other comprehensive income:			
Defined benefit pension scheme actuarial (loss)/gain	**(39.1)**	10.6	32.4
Cash flow hedge	**-**	2.7	2.8
Net investment hedge	**6.8**	7.5	6.5
Exchange loss on translation of foreign operations	**(27.2)**	(41.8)	(13.0)
Tax related to items not recognised in income statement	**10.5**	(2.9)	(6.5)
Other comprehensive income for the financial period	**(49.0)**	(23.9)	22.2
Total comprehensive income for the financial period	**75.0**	38.3	178.7
Attributable to non-controlling interests	**6.4**	(0.8)	5.9
Attributable to equity holders	**68.6**	39.1	172.8
	75.0	38.3	178.7

The notes on pages 14 to 27 form an integral part of this Interim Report.

CONSOLIDATED BALANCE SHEET

		30 September		31 March
		2011	2010	2011
		Unaudited	Unaudited	
	Notes	£m	£m	£m
Assets				
Non-current assets				
Property, plant and equipment		**62.0**	68.9	62.4
Intangible assets	9	**1,342.6**	1,408.1	1,394.4
Investment in joint ventures		**17.9**	7.6	17.3
Investment in associates		**0.6**	1.2	0.6
Deferred tax assets		**13.6**	1.5	12.2
Available for sale investments		**0.4**	0.4	0.4
Retirement benefit asset	10	**-**	15.8	37.6
Other non-current assets		**0.3**	0.7	0.5
		1,437.4	1,504.2	1,525.4
Current assets				
Inventories		**3.8**	2.0	1.4
Trade and other receivables	11	**127.2**	117.1	126.8
Derivative financial instruments		**0.3**	0.8	0.7
CCP financial assets		**124,773.4**	103,181.4	110,177.9
CCP cash and cash equivalents (restricted)		**4,794.7**	5,071.3	5,929.3
CCP clearing business assets	13	**129,568.1**	108,252.7	116,107.2
Current tax		**22.2**	-	21.2
Assets held at fair value	13	**12.3**	7.3	8.6
Cash and cash equivalents		**379.9**	193.9	267.0
		130,113.8	108,573.8	116,532.9
Assets held for sale		**9.3**	-	36.9
Total assets		**131,560.5**	110,078.0	118,095.2
Liabilities				
Current liabilities				
Trade and other payables	12	**164.7**	142.6	156.5
Derivative financial instruments		**-**	-	0.3
CCP clearing business liabilities	13	**129,564.8**	108,252.3	116,104.5
Current tax		**49.2**	26.4	49.9
Borrowings	14	**0.4**	0.7	0.1
Provisions		**3.7**	3.6	3.7
		129,782.8	108,425.6	116,315.0
Non-current liabilities				
Borrowings	14	**499.0**	499.0	499.0
Derivative financial instruments		**5.9**	11.7	12.9
Deferred tax liabilities		**79.2**	84.6	92.3
Retirement benefit obligations	10	**7.7**	6.6	6.4
Provisions		**26.6**	29.0	27.8
		618.4	630.9	638.4
Liabilities held for sale		**-**	-	4.8
Total liabilities		**130,401.2**	109,056.5	116,958.2
Net assets		**1,159.3**	1,021.5	1,137.0
Equity				
Capital and reserves attributable to the Company's equity holders				
Share capital		**18.8**	18.8	18.8
Retained losses		**(616.6)**	(745.9)	(662.9)
Other reserves		**1,661.9**	1,653.7	1,681.0
		1,064.1	926.6	1,036.9
Non-controlling interests		**95.2**	94.9	100.1
Total equity		**1,159.3**	1,021.5	1,137.0

The notes on pages 14 to 27 form an integral part of this Interim Report.

CONSOLIDATED CASH FLOW STATEMENT

	Notes	Six months ended 30 September 2011 Unaudited £m	Six months ended 30 September 2010 Unaudited £m	Year ended 31 March 2011 £m
Cash flow from operating activities				
Cash generated from operations	16	**231.4**	193.6	381.8
Interest received		**1.6**	0.7	1.4
Interest paid		**(19.8)**	(23.6)	(44.9)
Corporation tax paid		**(34.0)**	(20.3)	(54.3)
Withholding tax paid		**(25.0)**	(6.6)	(19.5)
Net cash inflow from operating activities		**154.2**	143.8	264.5
Cash flow from investing activities				
Purchase of property, plant and equipment		**(7.2)**	(8.2)	(16.9)
Sale of property, plant and equipment		**-**	0.4	0.4
Purchase of intangible assets		**(7.6)**	(9.8)	(26.1)
Investment in subsidiaries		**-**	(4.5)	(10.3)
Proceeds from sale of subsidiary		**28.4**	-	-
Dividends received		**1.8**	1.3	4.3
Net cash inflow from acquisitions		**-**	2.5	4.8
Net cash inflow/(outflow) from investing activities		**15.4**	(18.3)	(43.8)
Cash flow from financing activities				
Dividends paid to shareholders		**(48.5)**	(42.9)	(66.6)
Dividends paid to non-controlling interests		**(7.6)**	(4.2)	(6.1)
Proceeds from own shares on exercise of employee share options		**1.3**	0.2	3.3
Proceeds/(repayments) from borrowings		**0.3**	(103.9)	(104.6)
Net cash outflow from financing activities		**(54.5)**	(150.8)	(174.0)
Increase/(decrease) in cash and cash equivalents		**115.1**	(25.3)	46.7
Cash and cash equivalents at beginning of period		**267.0**	223.1	223.1
Exchange losses on cash and cash equivalents		**(2.2)**	(3.9)	(0.9)
Transfer to assets held for sale		**-**	-	(1.9)
Cash and cash equivalents at end of period		**379.9**	193.9	267.0

The notes on pages 14 to 27 form an integral part of this Interim Report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Company					
	Ordinary share capital	Retained (loss)/ earnings	Other reserves	Total attributable to equity holders	Non-controlling interests	Total equity
	£m	£m	£m	£m	£m	£m
1 April 2010	18.8	(775.7)	1,684.8	927.9	102.9	1,030.8
Total comprehensive income for the financial period	-	70.2	(31.1)	39.1	(0.8)	38.3
Final dividend relating to the year ended 31 March 2010	-	(42.9)	-	(42.9)	-	(42.9)
Employee share scheme expenses	-	2.7	-	2.7	-	2.7
Dividend payments to non-controlling interests	-	-	-	-	(7.2)	(7.2)
Purchase of non-controlling interests	-	(0.2)	-	(0.2)	-	(0.2)
30 September 2010	18.8	(745.9)	1,653.7	926.6	94.9	1,021.5
Total comprehensive income for the financial period	-	106.4	27.3	133.7	6.7	140.4
Interim dividend relating to the year ended 31 March 2011	-	(23.7)	-	(23.7)	-	(23.7)
Employee share scheme expenses	-	5.6	-	5.6	-	5.6
Purchase of non-controlling interests	-	(5.3)	-	(5.3)	(1.5)	(6.8)
31 March 2011	18.8	(662.9)	1,681.0	1,036.9	100.1	1,137.0
Total comprehensive income for the financial period	**-**	**87.7**	**(19.1)**	**68.6**	**6.4**	**75.0**
Final dividend relating to the year ended 31 March 2011	**-**	**(48.5)**	**-**	**(48.5)**	**-**	**(48.5)**
Employee share scheme expenses	**-**	**7.1**	**-**	**7.1**	**-**	**7.1**
Dividend payments to non-controlling interests	**-**	**-**	**-**	**-**	**(11.3)**	**(11.3)**
30 September 2011	**18.8**	**(616.6)**	**1,661.9**	**1,064.1**	**95.2**	**1,159.3**

The other reserves are set out on page 67 of the Group's Annual Report for the year ended 31 March 2011. The movement in the current period comprises a charge of £25.9m to the foreign exchange reserves and a credit of £6.8m to the hedging reserve, both of which are distributable reserves. The balance held at 30 September 2011 includes £1,660.2m of distributable reserves.

The notes on pages 14 to 27 form an integral part of this Interim Report.

NOTES TO THE FINANCIAL INFORMATION

The Interim Report for London Stock Exchange Group plc ('the Group' or 'the Company') for the six months ended 30 September 2011 was approved by the Directors on 16 November 2011.

1. Basis of Preparation and Accounting Policies

This Interim Report has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Services Authority and in accordance with International Accounting Standard (IAS) 34 - 'Interim Financial Reporting'.

The accounting policies used are consistent with those set out on pages 68 to 72 of the Group's Annual Report for the year ended 31 March 2011, with the exception of the changes in the standards identified below:

The following standards have been issued by the International Accounting Standards Board (IASB) and IFRS Interpretations Committee (IFRIC) and has been adopted in these condensed consolidated interim financial statements:

IAS 24 (revised) 'Related party disclosures' – effective for annual periods beginning on or after 1 January 2011;
IFRIC 14 'Pre-payments of a Minimum Funding Requirement' - effective for annual periods beginning on or after 1 January 2011;
IFRIC 19 'Extinguishing financial liabilities with equity instruments' - effective for annual periods beginning on or after 1 July 2010; and
IFRS various Annual improvements 2011.

The adoption of these standards did not have a material impact on these condensed consolidated interim financial statements.

The following standards and interpretations were issued by the IASB and IFRIC since the last Annual Report, but have not been adopted either because they were not endorsed by the European Union (EU) at 30 September 2011 or they are not yet mandatory and the Group has not chosen to early adopt. The standards are all effective for annual periods beginning on or after 1 January 2013 and none of these are expected to have a material impact on the Group's historical consolidated results:

IAS 27 'Separate Financial Statements' - amendments;
IAS 28 'Investments in Associates and Joint Ventures' - amendments;
IFRS 9 'Financial Instruments';
IFRS 10 'Consolidated Financial Statements';
IFRS 11 'Joint Arrangements';
IFRS 12 'Disclosure of Interests in Other Entities'; and
IFRS 13 'Fair Value Measurement'.

The preparation of the Interim Report requires management to make estimates and assumptions that affect the reported income and expense, assets and liabilities and disclosure of contingencies at the date of the Interim Report. Although these estimates and assumptions are based on management's best judgment at the date of the Interim Report, actual results may differ from these estimates.

For these condensed consolidated interim financial statements the Group is not adopting the columnar format for its consolidated income statement as stated in the Group basis of preparation and accounting policies.

The statutory financial statements of London Stock Exchange Group plc for the year ended 31 March 2011, which carried an unqualified audit report, have been delivered to the Registrar of Companies and did not contain a statement under section 498 of the Companies Act 2006.

The Interim Report is unaudited but has been reviewed by the auditors and their review opinion is included in this report.

The Interim Report does not constitute statutory financial statements within the meaning of section 434 of the Companies Act 2006.

2. Segmental Information

Segmental disclosures for the six months ended 30 September 2011 are as follows:

	Capital Markets	Post Trade Services	Information Services	Technology Services	Other	Group
	£m	£m	£m	£m	£m	£m
Revenue	**159.8**	**52.4**	**89.0**	**29.9**	**2.1**	**333.2**
Inter-segmental revenue	**-**	**-**	**-**	**(5.1)**	**-**	**(5.1)**
Revenue from external customers	**159.8**	**52.4**	**89.0**	**24.8**	**2.1**	**328.1**
Net treasury income through CCP business	**-**	**54.3**	**-**	**-**	**-**	**54.3**
Other Income	**-**	**-**	**-**	**-**	**4.1**	**4.1**
Total income	**159.8**	**106.7**	**89.0**	**24.8**	**6.2**	**386.5**
Expenses						
Depreciation and non-acquisition software amortisation	**(11.8)**	**(2.7)**	**(3.4)**	**(0.6)**	**(0.2)**	**(18.7)**
Other recurring expenses	**(66.6)**	**(29.9)**	**(28.9)**	**(26.6)**	**(3.8)**	**(155.8)**
Share of (loss)/profit after tax of joint ventures/associates	**(1.1)**	**-**	**3.4**	**-**	**-**	**2.3**
Operating profit/(loss) before amortisation of purchased intangible assets and non-recurring items	**80.3**	**74.1**	**60.1**	**(2.4)**	**2.2**	**214.3**
Amortisation of purchased intangible assets						**(20.0)**
Non-recurring items						**(1.8)**
Operating profit						**192.5**
Net finance expense						**(19.2)**
Profit on disposal of subsidiary						**6.4**
Profit before taxation						**179.7**

Segmental disclosures for the six months ended 30 September 2010 (restated) are as follows:

	Capital Markets £m	Post Trade Services £m	Information Services £m	Technology Services £m	Other £m	Group £m
Revenue	141.6	48.3	84.1	28.4	2.1	304.5
Inter-segmental revenue	-	-	-	(3.9)	-	(3.9)
Revenue from external customers	141.6	48.3	84.1	24.5	2.1	300.6
Net treasury income through CCP business	-	16.7	-	-	-	16.7
Other Income	-	-	-	-	3.8	3.8
Total income	141.6	65.0	84.1	24.5	5.9	321.1
Expenses						
Depreciation and non-acquisition software amortisation	(20.2)	(2.5)	(4.6)	(0.5)	(0.2)	(28.0)
Other recurring expenses	(56.4)	(25.7)	(20.0)	(33.7)	(4.1)	(139.9)
Share of (loss)/profit after tax of joint ventures/associates	(0.8)	-	2.4	-	-	1.6
Operating profit/(loss) before amortisation of purchased intangible assets and non-recurring items	64.2	36.8	61.9	(9.7)	1.6	154.8
Amortisation of purchased intangible assets						(27.0)
Non-recurring items						(4.9)
Operating profit						122.9
Net finance expense						(22.7)
Profit before taxation						100.2

Segmental disclosures for the year ended 31 March 2011 (restated) are as follows:

	Capital Markets	Post Trade Services	Information Services	Technology Services	Other	Group
	£m	£m	£m	£m	£m	£m
Revenue	291.5	99.3	171.8	82.1	4.7	649.4
Inter-segmental revenue	-	-	-	(33.5)	-	(33.5)
Revenue from external customers	291.5	99.3	171.8	48.6	4.7	615.9
Net treasury income through CCP business	-	51.3	-	-	-	51.3
Other Income	-	-	-	-	7.7	7.7
Total income	291.5	150.6	171.8	48.6	12.4	674.9
Expenses						
Depreciation and non-acquisition software amortisation	(33.4)	(5.5)	(8.8)	(1.3)	(0.5)	(49.5)
Other recurring expenses	(119.6)	(54.3)	(54.8)	(52.3)	(6.4)	(287.4)
Share of (loss)/profit after tax of joint ventures/associates	(1.9)	-	5.0	-	-	3.1
Operating profit/(loss) before amortisation of purchased intangible assets and non-recurring items	136.6	90.8	113.2	(5.0)	5.5	341.1
Amortisation of purchased intangible assets						(47.1)
Non-recurring items						(11.0)
Operating profit						283.0
Net finance expense						(44.8)
Profit before taxation						238.2

The segmental reporting has been restated to show the transfer of the Turquoise business from Information Services into the Capital Markets segment. This reflects the current organisation of the chief operating decision maker, which is the Executive Committee.

3. Expenses by nature

Expenses comprise the following:

	Six months ended 30 September		Year ended 31 March
	2011	**2010**	**2011**
	£m	**£m**	**£m**
		Restated	
Cost of sales	**20.2**	22.3	37.0
Employee costs	**68.1**	54.7	117.4
Depreciation and non-acquisition software amortisation	**18.7**	28.0	49.5
IT costs	**33.7**	34.7	65.7
Other costs	**33.8**	28.2	67.3
Total expenses	**174.5**	167.9	336.9

4. Amortisation of purchased intangible assets and non-recurring items

		Six months ended 30 September		Year ended 31 March
		2011	**2010**	**2011**
	Notes	**£m**	**£m**	**£m**
Amortisation of purchased intangible assets	9	**20.0**	27.0	47.1
Transaction costs		**1.8**	-	15.4
Restructuring costs		**-**	2.8	3.5
Property costs		**-**	2.1	2.1
Revaluation on acquisition within joint ventures		**-**	-	(10.0)
Total affecting operating profit		**21.8**	31.9	58.1
Profit on disposal of shares in subsidiary		**(6.4)**	-	-
Total affecting profit before tax		**15.4**	31.9	58.1
Tax effect on items affecting profit before tax				
Deferred tax on amortisation of purchased intangible assets		**(1.7)**	(4.1)	(6.4)
Tax effect on other items affecting profit before tax		**-**	(1.5)	(1.7)
Total tax effect on items affecting profit before tax		**(1.7)**	(5.6)	(8.1)
Total charge to income statement		**13.7**	26.3	50.0

Transaction costs comprise charges incurred for ongoing services related to potential or completed acquisitions net of £6.5m received from TMX Group following the termination of the merger agreement.

Profit on disposal of shares in subsidiary reflects the sale of Servizio Titoli in April 2011.

5. Net finance expense

	Six months ended 30 September		Year ended 31 March
	2011	2010	2011
	£m	£m	£m
Finance income			
Bank deposit and other interest income	**1.7**	0.8	1.6
Expected return on defined benefit pension scheme assets	**6.5**	7.4	14.5
	8.2	8.2	16.1
Finance expense			
Interest payable on bank and other borrowings	**(19.4)**	(23.0)	(42.8)
Fair value losses on financial instruments	**(0.2)**	-	(0.1)
Other finance costs	**(0.3)**	-	(1.8)
Interest on discounted provision for leasehold properties	**(0.7)**	(0.8)	(1.5)
Defined benefit pension scheme interest cost	**(6.8)**	(7.1)	(14.7)
	(27.4)	(30.9)	(60.9)
Net finance expense	**(19.2)**	(22.7)	(44.8)

6. Taxation

	Six months ended 30 September		Year ended 31 March
	2011	2010	2011
Taxation charged to the income statement	£m	£m	£m
Current tax:			
UK corporation tax for the period	**16.8**	19.8	38.1
Overseas tax for the period	**41.6**	24.8	55.3
Adjustments in respect of previous years	**-**	(1.8)	1.0
	58.4	42.8	94.4
Deferred tax:			
Deferred tax for the period	**(1.0)**	(2.1)	(10.4)
Adjustments in respect of previous years	**-**	1.4	4.1
Deferred tax liability on amortisation of purchased intangible assets	**(1.7)**	(4.1)	(6.4)
Taxation charge	**55.7**	38.0	81.7

	Six months ended 30 September		Year ended 31 March
	2011	2010	2011
Taxation on items not credited/(charged) to income statement	£m	£m	£m
Current tax credit:			
Tax allowance on share options/awards in excess of expense recognised	**0.3**	-	1.3
Deferred tax credit/(loss):			
Defined benefit pension scheme actuarial loss/(gain)	**10.2**	(2.9)	(9.0)
Tax allowance on share options/awards in excess of expense recognised	**-**	-	0.5
Adjustments relating to change in UK tax rate	**-**	-	0.7
	10.5	(2.9)	(6.5)

Factors affecting the tax charge for the period

The income statement tax charge for the period differs from the standard rate of corporation tax in the UK of 26% as explained below:

	Six months ended 30 September		Year ended 31 March
	2011	2010	2011
	£m	£m	£m
Profit before taxation	**179.7**	100.2	238.2
Profit multiplied by standard rate of corporation tax in the UK	**46.7**	28.1	66.7
(Income not taxable)/expenses not deductible	**(3.8)**	2.6	1.6
Share of joint venture and associates consolidated at profit after tax	**(0.6)**	(0.5)	(3.8)
Deferred tax arising on consolidation	**1.2**	-	(7.5)
Adjustment arising from change in UK tax rate	**-**	(0.1)	-
Overseas earnings taxed at higher rate	**8.7**	4.8	13.2
Adjustments in respect of previous years	**-**	(0.3)	5.1
Amortisation of purchased intangibles	**3.5**	3.4	6.4
Taxation charge	**55.7**	38.0	81.7

The tax rate applied as at 30 September 2011 is the expected rate for the full financial year.

The standard UK corporation tax rate was 26% (28% for the periods ended 30 September 2010 and 31 March 2011).

7. Earnings per share

Earnings per share is presented on four bases: basic earnings per share; diluted earnings per share; adjusted basic earnings per share; and adjusted diluted earnings per share. Basic earnings per share is in respect of all activities and diluted earnings per share takes into account the dilution effects which would arise on conversion or vesting of share options and share awards under the Employee Share Ownership Plan (ESOP). Adjusted basic earnings per share and adjusted diluted earnings per share exclude amortisation of purchased intangible assets and non-recurring items to enable a better comparison of the underlying earnings of the business with prior periods.

	Six months ended 30 September		Year ended 31 March
	2011	**2010**	**2011**
Basic earnings per share	**43.1p**	23.2p	56.4p
Diluted earnings per share	**42.5p**	23.0p	55.9p
Adjusted basic earnings per share	**47.6p**	32.2p	73.7p
Adjusted diluted earnings per share	**46.9p**	32.0p	72.9p
	£m	**£m**	**£m**
Profit for the financial period attributable to equity holders	**116.1**	62.2	151.6
Adjustments:			
Amortisation of purchased intangible assets	**20.0**	27.0	47.1
Transaction costs	**1.8**	-	15.4
Restructuring costs	**-**	2.8	3.5
Property costs	**-**	2.1	2.1
Revaluation on acquisition within joint ventures	**-**	-	(10.0)
Non-recurring profit on disposal of shares in subsidiary	**(6.4)**	-	-
Tax effect of amortisation and non-recurring items	**(1.7)**	(5.6)	(8.1)
Non-recurring items, amortisation and taxation attributable to non-controlling interests	**(1.7)**	(2.1)	(3.7)
Adjusted profit for the financial period attributable to equity holders	**128.1**	86.4	197.9
Weighted average number of shares - million	**269.4**	268.3	268.6
Effect of dilutive share options and awards - million	**3.5**	2.0	2.8
Diluted weighted average number of shares - million	**272.9**	270.3	271.4

The weighted average number of shares excludes those held in the ESOP.

8. Dividends

	30 September		31 March
	2011	**2010**	**2011**
	£m	**£m**	**£m**
Final dividend for 2010 paid 16 August 2010: 16.0p per Ordinary share	**-**	42.9	42.9
Interim dividend for 2011 paid 5 January 2011: 8.8p per Ordinary share	**-**	-	23.7
Final dividend for 2011 paid 22 August 2011: 18.0p per Ordinary share	**48.5**	-	-
	48.5	42.9	66.6

An interim dividend relating to the six months ended 30 September 2011 of 9.3p, amounting to an estimated £25.1m, has been declared by the Board.

This interim dividend, which is due to be paid in January 2012, is not reflected in this financial information.

9. Intangible Assets

		Purchased intangible assets				
	Goodwill	Customer and supplier relationships	Brands	Software, licenses and intellectual property	Software	Total
	£m	£m	£m	£m	£m	£m
Cost:						
1 April 2010	1,217.8	699.3	11.1	123.2	197.1	2,248.5
Additions	-	-	-	-	11.0	11.0
Acquisition of subsidiaries	-	0.3	-	-	-	0.3
Disposals	-	-	-	-	(1.1)	(1.1)
Foreign exchange	(34.2)	(20.0)	(0.3)	(3.8)	(0.5)	(58.8)
30 September 2010	1,183.6	679.6	10.8	119.4	206.5	2,199.9
Additions	-	-	-	-	18.3	18.3
Disposals	(1.1)	-	-	-	-	(1.1)
Transfers to held for sale	(27.7)	(20.6)	-	-	-	(48.3)
Foreign exchange	22.9	13.0	0.2	2.1	0.4	38.6
31 March 2011	1,177.7	672.0	11.0	121.5	225.2	2,207.4
Additions	**-**	**-**	**-**	**-**	**4.8**	**4.8**
Foreign exchange	**(21.9)**	**(12.7)**	**(0.2)**	**(1.6)**	**(0.5)**	**(36.9)**
30 September 2011	**1,155.8**	**659.3**	**10.8**	**119.9**	**229.5**	**2,175.3**
Amortisation and accumulated impairment:						
1 April 2010	487.6	79.5	2.8	51.7	142.8	764.4
Amortisation charge for the period	-	15.4	0.5	11.1	19.2	46.2
Disposals	-	-	-	-	(1.1)	(1.1)
Foreign exchange	(13.1)	(2.0)	(0.1)	(2.0)	(0.5)	(17.7)
30 September 2010	474.5	92.9	3.2	60.8	160.4	791.8
Amortisation charge for the period	-	15.3	0.6	4.2	14.1	34.2
Transfers to held for sale	(22.3)	(3.6)	-	-	-	(25.9)
Foreign exchange	9.2	2.0	0.1	1.2	0.4	12.9
31 March 2011	461.4	106.6	3.9	66.2	174.9	813.0
Amortisation charge for the period	**-**	**15.3**	**0.5**	**4.2**	**11.3**	**31.3**
Foreign exchange	**(8.3)**	**(1.9)**	**(0.1)**	**(1.0)**	**(0.3)**	**(11.6)**
30 September 2011	**453.1**	**120.0**	**4.3**	**69.4**	**185.9**	**832.7**
Net book values:						
30 September 2011	**702.7**	**539.3**	**6.5**	**50.5**	**43.6**	**1,342.6**
31 March 2011	716.3	565.4	7.1	55.3	50.3	1,394.4
30 September 2010	709.1	586.7	7.6	58.6	46.1	1,408.1

The fair values of purchased intangible assets were principally valued using discounted cash flow methodologies and are being amortised over their useful economic lives, which do not normally exceed 25 years. The goodwill arising on consolidation represents the growth potential and assembled workforces of the Italian group, MillenniumIT and Turquoise.

10. Retirement benefit obligations

The Group operates separate defined benefit and defined contribution schemes. The assets of the defined benefit and defined contribution schemes are held separately from those of the Group. The 'Other plans' referred to below relate to the unfunded severance and leaving indemnity scheme trattamento di fine rapporto (TFR) operated by the Italian Group in accordance with Italian law and the employee benefit and retirement plan operated by MillenniumIT.

	Six months ended 30 September		Year ended 31 March
	2011	2010	2011
Defined benefit (obligations)/assets for UK pension scheme	£m	£m	£m
Fair value of assets	**247.5**	284.1	282.1
Present value of funded obligations	**(249.0)**	(268.3)	(244.5)
(Deficit)/surplus	**(1.5)**	15.8	37.6

Movement in defined benefit net (liability)/asset during the period (UK Pension)

	Six months ended 30 September		Year ended 31 March
	2011	2010	2011
	£m	£m	£m
At beginning of period	**37.6**	4.6	4.6
Current service cost	**(0.4)**	(0.4)	(0.7)
Net finance (cost)/income	**(0.3)**	0.3	0.2
Contributions paid	**0.7**	0.7	1.4
Actuarial (loss)/gain	**(39.1)**	10.6	32.1
At end of period	**(1.5)**	15.8	37.6

The assets within the UK scheme include an insurance policy to the value of £125.8m. This policy insures all future payments to scheme members who were pensioners at 31 March 2011. The actuarial movement recognised in the period includes a loss of £33.0m in relation to the excess of premium paid for the insurance policy over the actuarial value of the liabilities insured.

Movement in defined benefit liability during the period (Other plans)

	Six months ended 30 September		Year ended 31 March
	2011	2010	2011
	£m	£m	£m
At beginning of period	**6.4**	7.3	7.3
Current service cost	**0.1**	1.2	1.0
Interest expense	**-**	-	0.4
Benefits paid	**(0.3)**	(1.5)	(1.8)
Actuarial gain	**-**	-	(0.3)
Exchange differences	**-**	(0.4)	(0.2)
At end of period	**6.2**	6.6	6.4

The main actuarial assumptions are set out below:

	Six months ended 30 September 2011		Six months ended 30 September 2010		Year ended 31 March 2011	
	UK Pension	Other plans	UK Pension	Other plans	UK Pension	Other plans
Inflation rate - RPI	**3.2%**	**2.0%**	3.2%	2.0%	3.5%	2.0%
Inflation rate - CPI	**2.2%**	-	-	-	2.5%	-
Rate of increase in salaries	**4.7%**	**3.5%**	4.7%	3.5%	5.0%	3.5%
Rate of increase in pensions in payment	**3.5%**	**3.0%**	3.5%	3.0%	3.7%	3.0%
Discount rate	**5.3%**	**4.1%**	5.0%	4.1%	5.6%	4.1%
Expected return on assets						
- equities	**7.6%**	**-**	7.6%	-	7.6%	-
- bonds	**4.8%**	**-**	5.2%	-	4.8%	-
- property	**6.8%**	**-**	6.7%	-	6.8%	-
Life expectancy from age 60 (Years)						
- Non retired male member	**27.8**	**-**	27.7	-	27.8	-
- Non retired female member	**30.6**	**-**	30.5	-	30.6	-
- Retired male member	**26.2**	**-**	26.1	-	26.2	-
- Retired female member	**29.1**	**-**	29.0	-	29.1	-

The mortality assumptions are based on the standard tables S1NA published by the Institute and Faculty of Actuaries adjusted to take account of projected future improvements in life expectancy from the Self Administered Pension Scheme (SAPS) mortality survey, which was published in 2008. The S1NA base data is derived from pension scheme data from 2000 to 2006.

11. Trade and other receivables

	30 September		31 March
	2011	2010	2011
	£m	£m	£m
Current			
Trade receivables	**67.6**	64.2	75.1
Other receivables	**1.0**	4.1	3.6
Prepayments and accrued income	**58.6**	48.8	48.1
Total trade and other receivables	**127.2**	117.1	126.8

The carrying values less impairment provision of trade and other receivables are reasonable approximations of fair values.

Trade receivables that are not past due are not considered to be impaired.

12. Trade and other payables

	30 September		31 March
	2011	2010	2011
	£m	£m	£m
Trade payables	**15.9**	17.0	19.0
Social security and other taxes	**10.7**	3.3	11.3
Other payables	**24.9**	21.4	24.7
Accruals and deferred income	**113.2**	100.9	101.5
Total trade and other payables	**164.7**	142.6	156.5

13. Financial instruments by category

The financial instruments of the Group are categorised as follows:

	30 September		31 March
	2011	2010	2011
	£m	£m	£m
Assets as per balance sheet			
Financial assets of the CCP clearing business			
- CCP trading assets	**4,255.3**	5,605.4	7,309.5
- Receivables for repurchase transactions	**112,973.3**	94,574.4	98,863.1
- Other receivables from clearing members	**7,523.0**	2,993.0	3,983.1
- Financial assets held at fair value	**21.8**	8.6	22.2
- Cash and cash equivalents of clearing members	**4,794.7**	5,071.3	5,929.3
Financial assets of the CCP clearing business	**129,568.1**	108,252.7	116,107.2
Assets held at fair value	**12.3**	7.3	8.6
Total financial assets for CCP clearing	**129,580.4**	108,260.0	116,115.8
Trade and other receivables	**127.2**	117.1	78.7
Cash and cash equivalents	**379.9**	193.9	267.0
Available for sale financial assets	**0.4**	0.4	0.4
Interest rate swaps	**0.3**	0.8	0.4
Forward foreign exchange contracts	**-**	-	0.3
Total	**130,088.2**	108,572.2	116,462.6

	30 September		31 March
	2011	2010	2011
	£m	£m	£m
Liabilities as per balance sheet			
Financial liabilities of the CCP clearing business			
- CCP trading liabilities	**4,255.3**	5,605.4	7,309.5
- Liabilities under repurchase transactions	**112,973.3**	94,575.2	98,863.1
- Other payables to clearing members	**12,314.1**	8,063.5	9,910.9
- Financial liabilities held at fair value	**22.1**	8.2	21.0
Financial liabilities of the CCP clearing business	**129,564.8**	108,252.3	116,104.5
Trade and other payables	**164.7**	142.6	156.5
Provisions	**30.3**	32.6	31.5
Borrowings	**499.4**	499.7	499.1
Cross currency interest rate swaps	**5.9**	11.7	12.9
Forward foreign exchange contracts	**-**	-	0.3
Total	**130,265.1**	108,938.9	116,804.8

The valuation of the CCP assets held at fair value through profit or loss is performed with reference to quoted prices from the markets to which they relate and therefore are all considered to be level 1. The derivative financial instruments are considered to be level 2.

14. Borrowings

	30 September		31 March
	2011	2010	2011
	£m	£m	£m
Current			
Bank borrowings	**0.4**	0.7	0.1
	0.4	0.7	0.1
Non-current			
Bonds	**499.4**	499.6	499.5
Deferred arrangement fees	**(0.4)**	(0.6)	(0.5)
	499.0	499.0	499.0

The Group has the following unsecured notes and bank facilities:

Type	Expiry Date	Notes/ Facility £m	Drawn value £m	Interest rate %
Drawn value of facilities				
Multi-currency revolving credit facility	Jul 2013	250.0	-	LIBOR + 0.8
Multi-currency revolving credit facility	Nov 2015	250.0	-	LIBOR + 1.0
Capitalised bank facility arrangement fees		-	(0.4)	
Total Bank facilities		500.0	(0.4)	
Notes due July 2016	Jul 2016	250.0	251.8	6.125
Notes due October 2019	Oct 2019	250.0	247.6	9.125
Total bonds		500.0	499.4	
Total debt		1,000.0	499.0	

Cassa di Compensazione e Garanzia S.p.A. (CC&G) has direct intra-day access to refinancing with the Bank of Italy to cover its operational liquidity requirements. In addition, uncommitted credit lines of €1.0bn are available from major Italian banks in relation to support of the MTS markets. If these are drawn they are guaranteed by CCP assets comprising Italian Government Bonds. CC&G also has available to it €200m of committed facilities with banks, for short term CCP related activity purposes only.

15. Analysis of net debt

	30 September		31 March
	2011	**2010**	**2011**
	£m	**£m**	**£m**
Due within one year			
Cash and cash equivalents	**379.9**	193.9	267.0
Bank borrowings	**(0.4)**	(0.7)	(0.1)
Derivative financial assets	**0.3**	0.8	0.7
Derivative financial liabilities	**-**	-	(0.3)
	379.8	194.0	267.3
Due after one year			
Deferred arrangement fees	**0.4**	0.6	0.5
Bonds	**(499.4)**	(499.6)	(499.5)
Derivative financial liabilities	**(5.9)**	(11.7)	(12.9)
Total net debt	**(125.1)**	(316.7)	(244.6)

Reconciliation of net cash flow to movement in net debt	Six months ended 30 September		Year ended 31 March
	2011	**2010**	**2011**
	£m	**£m**	**£m**
Increase/(decrease) in cash in the period	**115.1**	(25.3)	46.7
Bank loan repayments less new drawings	**(0.3)**	103.9	104.6
Change in net debt resulting from cash flows	**114.8**	78.6	151.3
Foreign exchange movements	**(2.1)**	(0.8)	0.1
Movement on derivative financial assets and liabilities	**6.8**	7.5	5.9
Bond valuation adjustment	**-**	-	0.1
Net debt at the start of the period	**(244.6)**	(402.0)	(402.0)
Net debt at the end of the period	**(125.1)**	(316.7)	(244.6)

16. Net cash flow generated from operations

	Six months ended 30 September		Year ended 31 March
	2011	2010	2011
	£m	£m	£m
Profit before taxation	**179.7**	100.2	238.2
Depreciation and amortisation	**38.7**	57.7	96.7
Property impairment	**-**	-	2.5
Gain on disposal of property, plant and equipment	**-**	(0.4)	(0.4)
Profit on disposal of shares in subsidiary	**(6.4)**	-	-
Net finance expense	**19.2**	22.7	44.8
Share of profit after tax of joint venture	**(2.3)**	(1.6)	(13.1)
(Increase)/decrease in inventories	**(2.4)**	-	0.7
(Increase)/decrease in trade and other receivables	**(1.5)**	14.4	5.2
Increase in trade and other payables	**8.1**	4.6	13.9
Increase in CCP financial assets	**(17,645.1)**	(25,175.3)	(30,334.8)
Increase in CCP clearing business liabilities	**17,644.3**	25,168.1	30,325.1
Defined benefit pension obligation - contributions in excess of expenses charged	**(0.4)**	(0.9)	(0.9)
Provisions utilised during the period	**(1.9)**	(2.1)	(3.9)
(Increase)/decrease in assets held at fair value from operating activities	**(3.9)**	1.6	0.7
Share scheme expense	**6.0**	2.4	5.0
Foreign exchange (losses)/gains on operating activities	**(0.7)**	2.2v	2.1
Cash generated from operations	**231.4**	193.6	381.8
Comprising:			
Ongoing operating activities	**241.1**	200.3	394.4
Non-recurring items	**(9.7)**	(6.7)	(12.6)
	231.4	193.6	381.8

17. Transactions with related parties

Royalties received from FTSE were £6.7m (30 September 2010: £5.3m, March 2011: £11.3m) while dividends received were £1.7m (30 September 2010: £1.2m, March 2011: £3.7m).

The nature and contractual terms of key management compensation and inter-company transactions with subsidiary undertakings during the period are consistent with the disclosures in Note 35 of the Annual Report for the year ended 31 March 2011.

18. Commitments and contingencies

Contracted capital commitments and other contracted commitments not provided for in the Interim Report of the Group were £21.0m (30 September 2010: £11.1m) of which £0.7m (30 September 2010: £1.7m) related to commitments of joint ventures.

The Group is fully funding the cash needs of Turquoise, within an agreed framework, for the first 24 months from acquisition in February 2010.

19. Post balance sheet events

On 18 October 2011 London Stock Exchange plc completed the acquisition of the business and assets of the TRS business from the Financial Services Authority for a consideration of £15m in cash.

On 4 November 2011 Borsa Italiana S.p.A acquired for €62m in cash the remaining 13.64% of CC&G that it did not own. The terms of the contract stated that any profit generated from 1 April 2011 until the closing of the agreement will be for the benefit of Borsa Italiana S.p.A. This will result in €7.2m of profits attributable to non-controlling interests for the period to 30 September being transferred to equity holders on completion.

Principal Risks

The Group's risk management processes bring greater judgement to decision making as they allow management to make better, more informed and more consistent decisions based on a clear understanding of the risks involved. We regularly review the risk assessment and monitoring process as part of our commitment to continually improve the quality of decision-making across the Group.

The Group's principal risks and uncertainties and its internal control policies are consistent with those set out on pages 32 to 37 of its Annual Report for the year ended 31 March 2011.

The principal risks and uncertainties which may affect the Group in the second half of the financial year include the following specific risks:

The Group is reliant on the continued successful performance of technology. If expected performance levels are not met, especially in relation to the MillenniumIT developed trading platform, this could have adverse consequences for revenue and revenue growth, as well as increased costs, and may damage our reputation, competitiveness and the goodwill of our clients.

The substantial focus on the securities markets following the global economic crisis and the broadening of the regulatory agenda could lead to significant changes in our regulatory environment, some of which may reduce our profitability and market share, whilst others may bring new growth opportunities. The increasing scope and scrutiny of the regulators has required that our strategic planning takes into account the uncertain environment within which we operate and that our plans remain flexible.

Economic conditions remain variable and the outlook remains uncertain, particularly in relation to sovereign debt in certain European countries. Issues in individual countries are likely to affect the wider European landscape and could impact our business in a number of areas, including uncertain market conditions for new listings, equity trading volumes remaining relatively low against historic levels, sovereign debt concerns affecting fixed income trading volumes, heightened counterparty risks impacting our Post Trade business and the possibility of further reductions in headcount in the financial services industry which may impact our Information Services business.

Competition for UK and Italian equities trading is expected to remain strong, as our business continues to be reliant on a relatively small number of clients who also maintain close relationships with our primary competitors and may be direct competitors in their own right as market providers. This may lead to further strain on both our market share and pricing.

Going Concern

After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. The financial risk management objectives and policies of the Group and the exposure of the Group to market risk, credit risk and liquidity risk are discussed on pages 73 to 75 of the Annual Report for the Group for the year ended 31 March 2011.

Directors

The directors of London Stock Exchange Group plc are listed in its Annual Report for the year ended 31 March 2011.

A list of current directors is maintained and is available for inspection at the Company's registered office located at 10 Paternoster Square, London EC4M 7LS.

Statement of Directors' responsibilities

The directors confirm that, to the best of their knowledge, this condensed consolidated interim financial information has been prepared in accordance with IAS 34 as adopted by the European Union and that the interim management report herein includes a fair review of the information required by the Financial Services Authority's Disclosure and Transparency Rules 4.2.7 and 4.2.8, namely:

- an indication of important events that have occurred during the first six months and their impact on the Interim Report, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and

- material related party transactions in the first six months and any material changes in the related party transactions described in the last annual report.

By order of the Board

Xavier Rolet
Chief Executive

Doug Webb
Chief Financial Officer

16 November 2011

INDEPENDENT REVIEW REPORT TO LONDON STOCK EXCHANGE GROUP PLC

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the Interim Report for the six months ended 30 September 2011, which comprises the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity and related notes. We have read the other information contained in the Interim Report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' responsibilities

The Interim Report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the Interim Report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this Interim Report have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the Interim Report based on our review. This report, including the conclusion, has been prepared for and only for the Company for the purpose of the Disclosure and Transparency Rules of the Financial Services Authority and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the Interim Report for the six months ended 30 September 2011 are not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

PricewaterhouseCoopers LLP
Chartered Accountants
16 November 2011
London

FINANCIAL CALENDAR

Ex-dividend date for interim dividend	7 December 2011
Interim dividend record date	9 December 2011
Interim dividend payment date	5 January 2012
Q3 Interim Management Statement (revenues only)	January 2012
Financial year end	31 March 2012
Preliminary results	May 2012
Annual General Meeting	July 2012

The financial calendar is updated on a regular basis throughout the year.
Please refer to our website www.londonstockexchangegroup.com and click on the shareholder services section for up-to-date details.

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