Delivering on our strategy

Getting in shape
Leveraging our assets
Developing opportunities

Building a diversified international business,
based on strong customer partnerships

London Stock Exchange Group

INTERIM REPORT Six months ended 30 September 2012

Welcome to our Interim Report 2012

PERFORMANCE HIGHLIGHTS

- Strong financial performance in challenging markets with good contribution from the Group's Information Services, Post Trade Services and Technology businesses
- FTSE performing well, with major US and European client wins announced; range of new services and initiatives launched; further successful roll out of MillenniumIT platforms; and continued success of UK and Italian retail bond markets
- Total income up 10 per cent at £423.7 million (H1 FY 2012: £386.5 million)
- Revenue up 7 per cent to £349.8 million (H1 FY 2012: £328.1 million)
- Adjusted operating profit[1] up 1 per cent at £217.2 million (H1 FY 2012: £214.3 million); operating profit of £186.8 million (H1 FY 2012: £192.5 million)
- Adjusted basic EPS[1] up 9 per cent at 51.8 pence (H1 FY 2012: 47.6 pence); basic EPS broadly stable at 43.0 pence (H1 FY 2012: 43.1 pence)
- Interim dividend up 4 per cent to 9.7 pence per share (H1 FY 2012: 9.3 pence per share)
- Successful inaugural retail bond on Group's ORB platform – increases facility headroom and extends maturity of financing through a £300 million, 4.75 per cent 9 year bond
- Strong net cash inflow from operating activities of £172.5 million; operating net debt to adjusted EBITDA was 1.4 times in line with the position at the start of the year
- Regulatory and anti-trust processes are progressing in respect of the acquisition of up to 60 per cent of LCH.Clearnet, with approval received from French lead regulator; the Group remains in discussions to explore options regarding potential implications of increased capital requirements for LCH.Clearnet

CONTENTS

Unless otherwise stated, all figures refer to the six months ended 30 September 2012 and comparative figures are for the six months ended 30 September 2011.

[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 REFLECTS INCREASINGLY DIVERSIFIED INTERNATIONAL GROUP*
- *GOOD CONTRIBUTION FROM INFORMATION SERVICES, POST TRADE SERVICES AND TECHNOLOGY BUSINESSES*
- *LAUNCH OF NEW INITIATIVES AND SUCCESSFUL BUSINESS WINS*

Introduction

The Group has produced a strong first half financial performance in challenging markets, with income growth in our Information Services, Post Trade Services and Technology business segments. The good results are further testament to the benefits of increased scope and diversification of our business, reflecting the success of our strategy for increased expansion and reach that we have been actively following for the past three years. We also continue to focus on operational efficiencies, controlling costs which remained flat on an underlying basis and working hard on the integration of new businesses such as FTSE into the Group. We have seen a busy period with a number of successful business wins and development of new initiatives as we seek further growth opportunities, through customer partnerships and new services. We highlight the progress we have made, and the factors affecting Group performance over the past six months, in the commentary below.

Operational Performance

The Information Services division delivered a headline 66 per cent increase in revenue to £147.6 million, reflecting inclusion of FTSE since the acquisition of full control in December 2011. On an organic and constant currency basis, revenues increased 1 per cent. The number of professional users of real time UK data at 30 September 2012 declined 8 per cent year on year to 86,000 although the number of users of Italian data grew 4 per cent over the same period. Offsetting the reduction in real time sales was a 17 per cent increase in revenue from other information services, with good performance in particular from UnaVista, Sedol and Proquote.

The FTSE indices business produced a good performance, with revenues of £64.8 million. In October FTSE announced that it has been selected by Vanguard, one of the top three US asset management firms, as the index benchmark provider for six international equity index funds with aggregate assets of $170 billion as of 31 August 2012. This contract win represents the largest ever international index provider benchmark switch, and helps to establish FTSE as the third-largest equity ETF index benchmark provider globally as well as helping cement a strong presence in the important US market. French exchange-traded funds provider Lyxor also selected FTSE as the index provider for two of its funds. Progress is being made to integrate FTSE into the Group and achieve the planned cost and revenue synergies. Work is underway to deliver IT savings, organisational changes are being made and new products have been launched, such as global FX indices in partnership with Curex. With the benefit of new business in H2, we expect FTSE will deliver double digit revenue growth for the full financial year.

Post Trade Services produced another strong performance with total income, including net treasury income, growing 6 per cent to £112.7 million, up 16 per cent at constant currency. Treasury income through the CC&G central counterparty (CCP) business increased 38 per cent at constant currency to £68.1 million, as the quantum of initial cash margin held was 21 per cent higher than the same period last year at an average €10.5 billion, and deposit yields remained at elevated levels. Excluding treasury income, revenues for clearing and settlement declined 13 per cent at constant currency, mainly reflecting a reduction in trading of Italian equities and derivatives in the period. In the Monte Titoli custody operations, the value of assets under management increased to €3.19 trillion, with a 4 per cent increase in revenues at constant currency.

During the period, Monte Titoli launched a new service to provide tri-party collateral management through its X-Com service, which allows customers to manage their investment strategies and financing more efficiently. Monte Titoli also signed the ECB's T2S framework agreement and will be a first wave participant in the project, which aims to provide a harmonized and competitive European securities settlement infrastructure.

Proposed technical standards for CCPs under the forthcoming European Markets Infrastructure Regulation, due to come into effect from early 2013, were published at the end of September. Although the new regulatory framework is likely to provide more stringent rules on regulatory capital, the Group has stated that requirements would be met from CC&G's existing capital resources and current year profit generation.

The proposed standards also require that a CCP's cash deposits placed with financial institutions shall be subject to collateralised arrangements, with 95 per cent of such deposits collateralised with debt instruments meeting certain conditions regarding, among other things, liquidity and credit and market risk. As indicated at the time, the Group expects that as market conditions improve it will see a more normalised return compared to recent elevated levels and the recommendations, if adopted in their current form, would further reduce net treasury income in the Group's financial year ended 31 March 2014 as a consequence of the proposed requirements in relation to deposits of collateral. Although details of a revised investment approach are not fully agreed and the new standards are not yet adopted, CC&G is already adapting its investment policy in advance of the mandatory enforcement, with in excess of €4 billion of cash margin currently invested on a fully collateralised basis. Our latest assessment, given its strength in H1 and if market conditions are maintained, is that net treasury income will slightly exceed current FY 2013 market estimates.

Revenue for the Group’s Capital Markets segment, which includes primary and secondary market activities, reduced 19 per cent to £129.7 million as markets continued to be impacted by macro economic uncertainties and trading and issuance levels were consequently subdued.

In primary markets, the total amount of capital raised was £7.9 billion, down on the strong comparable period last year (H1 FY 2012: £23.3 billion). Nonetheless, our markets have remained active and have provided capital raising for a number of domestic and international issuers, with 43 companies admitted to trading on AIM, four companies coming to market in Italy and 12 in London, including Sberbank, the largest commercial bank in Russia, which joined our Main Market in September and became our fourth largest ever international capital raising.

ORB, our retail bond market in London, continued to make good progress with a number of new issuers, including its first Renminbi-denominated retail bond. Following the Group’s own successful inaugural retail bond last month, ORB has successfully raised in excess of £2.8 billion for companies from the retail investor community since launch in 2010, with £1.3 billion raised since March 2012. In Italy, the MOT retail bond market also performed well and last month saw more than €18 billion raised on its market with the third issue of BTP Italia, the biggest ever bond sale in Europe.

In secondary markets, average daily value traded in the UK cash equities market declined 18 per cent to £4.1 billion, while in Italy, the average daily number of trades reduced 15 per cent to 227,000, indicative of widespread declines in equities trading across Europe. Trading in derivatives was also similarly affected, with a 32 per cent overall decline across the IDEM and Turquoise markets. IDEM recently announced the launch of the FTSE 100 Mini-future, the first Italian futures contract based on the euro denominated FTSE 100 index.

The fixed income business delivered a resilient performance with trading on MOT up 26 per cent and MTS repo markets flat year on year. MTS cash markets declined 16 per cent although, within this segment, trading increased on BondVision, the dealer to client electronic bond market. During the period MTS announced plans to launch a daily repo index series for the euro, in conjunction with other partners. The index series will include indices for a number of European sovereign bond markets.

Revenues for Technology Services increased 3 per cent to £25.6 million, up 10 per cent at constant currency. MillenniumIT performed well, with revenues up 36 per cent at constant currency, as its technology 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, while Johannesburg Stock Exchange and the Mongolian Stock Exchange also went live on MillenniumIT trading platforms. Since the period end, trading has successfully gone live on MillenniumIT technology on Oslo Børs and it was also recently announced that a MillenniumIT surveillance system is to be used by London Metal Exchange.

In July, the Group announced the signing of a Memorandum of Understanding with the Singapore Stock Exchange (SGX) to allow the largest and most actively traded stocks on each exchange to be traded by their respective member firms. The trading of SGX-listed shares on LSE is expected to launch in the near future.

Board and Management changes

During the period a number of key Board and senior management changes and appointments were announced. Doug Webb stepped down as Chief Financial Officer after four busy years in the role. He played a significant part in the recent strategic diversification, strong financial performance and growth of the organisation and the Board is grateful for his contribution over this time. David Warren joined the Group as CFO in July, bringing a wealth of senior level experience both in banking and in running exchanges, including 9 years as CFO at Nasdaq OMX.

Alexander Justham was appointed to the new role of CEO London Stock Exchange plc and Director of Regulation & Public Affairs. He will draw not only on his experience in banking but also from four years in regulation as Director of Markets at the FSA. Elsewhere, existing senior executives took on new or additional roles: Antoine Shagoury was appointed Group COO; David Lester was appointed Group Director of Strategy; and Mark Makepeace joined the Executive Committee as Group Director of Information Services in addition to his role as CEO of FTSE. These appointments further strengthen the Group’s executive management team as the business continues to pursue its strategic and operational ambitions.

LCH.Clearnet

Regulatory and anti-trust processes are progressing in respect of the announced acquisition of up to a 60 per cent stake in LCH.Clearnet. The competition authorities in the UK and Portugal are continuing to review the proposed transaction with the UK OFT and Portuguese competition authority decisions expected before the end of 2012. Clearances have been received from the Spanish competition authority, CNC, and the French regulator, ACP.

Following the release in September of proposed technical standards for CCPs under the forthcoming European Markets Infrastructure Regulation, LCH.Clearnet announced that it estimates that it will be required to increase its regulatory capital by between €300 million to €375 million. The Group is in discussions with LCH.Clearnet regarding the potential financial implications of the proposed technical standards and the measures LCH.Clearnet is exploring to ensure it can continue to deliver an acceptable return on its capital employed. The Group will disclose the outcome of these discussions in due course.

Financial Summary

Unless otherwise stated, all figures below refer to the six months ended 30 September 2012. Comparative figures are for the six months ended 30 September 2011 (H1 FY 2012). Variance is also provided at organic and constant currency. The basis of preparation is set out at the end of this report.

	Six months ended 30 September			**Organic and constant currency**
	2012	**2011**	**Variance**	**variance**
	£m	**£m**	**%**	**%**
Revenue				
Capital Markets	**129.7**	159.8	(19%)	(16%)
Post Trade Services	**44.6**	52.4	(15%)	(6%)
Information Services	**147.6**	89.0	66%	1%
Technology Services	**25.6**	24.8	3%	10%
Other revenue	**2.3**	2.1	10%	15%
Total revenue	**349.8**	328.1	7%	(8%)
Net treasury income through CCP business	**68.1**	54.3	25%	38%
Other income	**5.8**	4.1	41%	45%
Total income	**423.7**	386.5	10%	(1%)
Operating expenses	**(206.5)**	(174.5)	18%	3%
Share of profit of JVs and associates	**-**	2.3	-	
Amortisation of purchased intangibles and non-recurring items	**(30.4)**	(21.8)	39%	
Operating profit	**186.8**	192.5	(3%)	8%
Adjusted operating profit*	**217.2**	214.3	1%	(2%)
Basic earnings per share (p)	**43.0**	43.1	(0%)	
Adjusted basic earnings per share (p)*	**51.8**	47.6	9%	
Dividend (p)	**9.7**	9.3	4%	

* before amortisation of purchased intangibles and non-recurring items

The Group produced a strong financial performance in challenging markets. Total income rose 10 per cent to £423.7 million (H1 FY 2012: £386.5 million); revenue increased 7 per cent to £349.8 million (H1 FY 2012: £328.1 million)

Operating expenses, before amortisation of purchased intangibles and non-recurring items, rose 18 per cent to £206.5 million (H1 FY 2012: £174.5 million), principally reflecting FX impacts and £35.3 million operating costs relating to FTSE. Adjusting for currency changes, estimated inflation and the impact of the acquisitions of FTSE and TRS, operating costs remained flat, reflecting tight control of our underlying cost base.

Adjusted operating profit for the period, before amortisation of purchased intangibles and non-recurring items, increased 1 per cent to £217.2 million (H1 FY 2012: £214.3 million).

Net finance costs were £21.4 million, up from £19.2 million in H1 last year, reflecting the utilisation of credit facilities to fund the acquisition of the outstanding 50 per cent stake in FTSE in December 2011. The underlying effective Group tax rate was 29.0 per cent, down slightly on the rate for the year ended 31 March 2012 (29.2 per cent).

Basic earnings per share were 43.0 pence, in line with last year (H1 FY 2012: 43.1 pence). Adjusted basic earnings per share increased 9 per cent to 51.8 pence (H1 FY 2012: 47.6 pence).

During the period the Group received a non-recurring payment of C$29 million (£18.3 million) from TMX Group in respect of last year's terminated merger transaction.

Net cash inflow from operating activities was £172.5 million (H1 FY 2012: £154.2 million). Capital expenditure in the period amounted to £26.7 million. Net cash generated after capex, other investments and dividends was £79.5 million (H1 FY 2012: £113.5 million). Free cash flow per share (pre dividend) was 50.0p (H1 FY 2012: 63.0p)

At 30 September 2012 adjusted net debt was £662.6 million (after setting aside £200 million of cash for regulatory and operational support purposes) while drawn borrowings of £713.2 million are £44 million lower than at the start of the current financial year. Committed credit lines available for general group purposes at 30 September 2012 totalled £1.35 billion, with £750 million extending to 2015 or beyond.

Since the period end, the Group successfully issued an inaugural £300 million, 4.75% 9 year sterling fixed rate bond on the Group's ORB platform. This bond provides a more diversified source of longer term financing for the Group and extends debt maturities out to 2021.

The Group had net assets of £1,458.3 million at 30 September 2012 (31 March 2012: £1,449.7 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.

Interim Dividend

The Directors have declared an interim dividend of 9.7 pence per share, an increase of 4 per cent on the interim dividend paid last year. The interim dividend will be paid on 7 January 2013 to shareholders on the register on 7 December 2012.

Current Trading and Outlook

The Group has delivered a good first half performance, demonstrating the benefits of a more diversified, international business. Market conditions continue to create headwinds in some areas, notably in our Capital Markets businesses, although the successful Direct Line IPO (the largest UK equity capital raising this year) demonstrates that our markets remain active.

Looking ahead, the Group is well placed as we continue to adjust our business to an evolving industry and regulatory landscape. We will continue our focus on operational and integration efficiencies, progressing the transaction with LCH.Clearnet as well as developing further opportunities to grow and diversify the Group.

C. S. Gibson Smith.

Chris Gibson-Smith
Chairman
16 November 2012

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 currency
	2012 £m	2011 £m	Variance %	%
Revenue				
Primary Markets				
Annual fees	**19.2**	20.1	(4%)	(2%)
Admission fees	**14.5**	20.4	(29%)	(28%)
	33.7	40.5	(17%)	(15%)
Secondary Markets				
Cash equities UK & Turquoise	**40.1**	52.1	(23%)	(23%)
Cash equities Italy	**12.2**	16.2	(25%)	(17%)
Derivatives	**6.8**	9.0	(24%)	(18%)
Fixed income	**15.9**	18.8	(15%)	(8%)
	75.0	96.1	(22%)	(19%)
Other	**21.0**	23.2	(9%)	(3%)
Total revenue	**129.7**	159.8	(19%)	(16%)

Capital Markets - Primary Markets

	Six months ended 30 September		Variance
	2012	2011	%
New Issues			
UK Main Market, PSM & SFM	**12**	39	(69%)
UK AIM	**43**	58	(26%)
Borsa Italiana	**4**	5	(20%)
Total	**59**	102	(42%)
Company Numbers (as at period end)			
UK Main Market, PSM & SFM	**1,393**	1,457	(4%)
UK AIM	**1,107**	1,156	(4%)
Borsa Italiana	**288**	294	(2%)
Total	**2,788**	2,907	(4%)
Market Capitalisation (as at period end)			
UK Main Market (£bn)	**1,885**	1,713	10%
UK AIM (£bn)	**64**	64	-
Borsa Italiana (€bn)	**345**	337	2%
Borsa Italiana (£bn)	**275**	292	(6%)
Total (£bn)	**2,224**	2,069	7%
Money Raised (£bn)			
UK New	**4.1**	11.5	(64%)
UK Further	**2.4**	3.3	(27%)
Borsa Italiana new and further	**1.4**	8.5	(84%)
Total (£bn)	**7.9**	23.3	(66%)

Capital Markets - Secondary Markets

	Six months ended 30 September 2012	2011	Variance %
Totals for period			
UK value traded (£bn)	**508**	626	(19%)
Borsa Italiana (no of trades m)	**28.6**	34.2	(16%)
Turquoise value traded (€bn)	**200.8**	276.3	(27%)
SETS Yield (basis points)	**0.68**	0.70	(3%)
Average daily			
UK value traded (£bn)	**4.1**	5.0	(18%)
Borsa Italiana (no of trades '000)	**227**	267	(15%)
Turquoise value traded (€bn)	**1.57**	2.14	(27%)
Derivatives (contracts m)			
Turquoise	**13.4**	21.7	(38%)
IDEM	**20.4**	28.3	(28%)
Total	**33.8**	50.0	(32%)
Fixed Income			
MTS cash and Bondvision (€bn)	**1,103**	1,318	(16%)
MTS money markets (€bn term adjusted)	**32,977**	33,008	(0%)
MOT number of trades (m)	**2.68**	2.12	26%

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 2012 £m	2011 £m	Variance %	Variance at constant currency %
Revenue				
Clearing	**17.7**	21.6	(18%)	(10%)
Settlement	**7.0**	9.8	(29%)	(21%)
Custody & other	**19.9**	21.0	(5%)	4%
Total revenue	**44.6**	52.4	(15%)	(6%)
Net treasury income through CCP business	**68.1**	54.3	25%	38%
Total income	**112.7**	106.7	6%	16%

	Six months ended 30 September 2012	2011	Variance %
CC&G Clearing (m)			
Equity clearing (no of trades)	**30.1**	36.1	(17%)
Derivative clearing (no of contracts)	**20.4**	28.3	(28%)
Total	**50.5**	64.4	(22%)
Open interest (contracts as at period end)	**4.8**	5.6	(14%)
Initial margin held (average €bn)	**10.5**	8.7	21%
Monte Titoli			
Pre Settlement instructions (trades m)	**13.8**	16.8	(18%)
Settlement instructions (trades m)	**12.6**	17.4	(28%)
Total Settlement	**26.4**	34.2	(23%)
Custody assets under management (average €tn)	**3.19**	3.05	5%

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 2012 £m	2011 £m	Variance %	Variance at constant currency %
Revenue				
Real time data	**45.3**	50.2	(10%)	(7%)
Other information services	**37.5**	32.1	17%	13%
FTSE royalties	**-**	6.7	-	-
FTSE revenue	**64.8**	-	-	-
Total revenue	**147.6**	89.0	66%	1%
Total revenue excluding FTSE revenue and royalties & TRS revenue	**81.1**	82.3	(1%)	1%

	30 September 2012	2011	Variance %
UK Terminals			
Professional - UK	**35,000**	38,500	(9%)
Professional - International	**51,000**	54,500	(6%)
Total	**86,000**	93,000	(8%)
Borsa Italiana Professional Terminals	**140,000**	134,000	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
	2012	2011	Variance	currency
	£m	£m	%	%
Revenue				
MillenniumIT	**11.4**	9.6	19%	36%
Technology	**14.2**	15.2	(7%)	(4%)
Total revenue	**25.6**	24.8	3%	10%

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 2012	**€1.25**	**€1.25**
30 September 2011	€1.15	€1.14
31 March 2012	€1.20	€1.16

CONSOLIDATED INCOME STATEMENT

	Notes	Six months ended 30 September 2012 Unaudited £m	Six months ended 30 September 2011 Unaudited £m	Year ended 31 March 2012 £m
Revenue		**349.8**	328.1	679.8
Net treasury income through CCP business		**68.1**	54.3	126.9
Other Income		**5.8**	4.1	8.1
Total Income	2	**423.7**	386.5	814.8
Expenses				
Operating expenses before amortisation of purchased intangible assets and non-recurring items	3	**(206.5)**	(174.5)	(378.8)
Share of profit after tax of joint ventures/associates		**-**	2.3	5.9
Operating profit before amortisation of purchased intangible assets and non-recurring items		**217.2**	214.3	441.9
Amortisation of purchased intangible assets	4	**(44.6)**	(20.0)	(54.9)
Non-recurring items	4	**14.2**	(1.8)	(28.5)
Operating profit	2	**186.8**	192.5	358.5
Profit on disposal/acquisition of shares in subsidiary and joint venture	4	**-**	6.4	323.8
Finance income		**7.7**	8.2	16.8
Finance costs		**(29.1)**	(27.4)	(59.4)
Net finance expense	5	**(21.4)**	(19.2)	(42.6)
Profit before taxation		**165.4**	179.7	639.7
Taxation on profit before amortisation of purchased intangible assets and non-recurring items		**(56.4)**	(57.4)	(116.9)
Taxation on amortisation of purchased intangible assets and non-recurring items	4	**5.5**	1.7	8.6
Total taxation	6	**(50.9)**	(55.7)	(108.3)
Profit for the financial period		**114.5**	124.0	531.4
(Loss)/profit attributable to non-controlling interests		**(1.5)**	7.9	9.4
Profit attributable to equity holders		**116.0**	116.1	522.0
		114.5	124.0	531.4
Basic earnings per share	7	**43.0p**	43.1p	193.6p
Diluted earnings per share	7	**42.4p**	42.5p	190.9p
Adjusted basic earnings per share	7	**51.8p**	47.6p	100.6p
Adjusted diluted earnings per share	7	**51.0p**	46.9p	99.2p
Dividend per share in respect of the financial period:	8			
Dividend per share paid during the period		**19.0p**	18.0p	27.3p
Dividend per share proposed for the period		**9.7p**	9.3p	28.3p

The notes on pages 14 to 28 form an integral part of this Interim Report.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended 30 September		Year ended 31 March
	2012	2011	2012
	Unaudited	Unaudited	
	£m	£m	£m
Profit for the financial period	**114.5**	124.0	531.4
Other comprehensive income:			
Defined benefit pension scheme actuarial loss	**(5.1)**	(39.1)	(47.6)
Cash flow hedge	**0.1**	-	-
Net investment hedge	**15.9**	6.8	15.6
Exchange loss on translation of foreign operations	**(56.3)**	(27.2)	(75.7)
Tax related to items not recognised in income statement	**1.7**	10.5	12.7
Other comprehensive expense for the financial period	**(43.7)**	(49.0)	(95.0)
Total comprehensive income for the financial period	**70.8**	75.0	436.4
Attributable to non-controlling interests	**(4.0)**	6.4	9.5
Attributable to equity holders	**74.8**	68.6	426.9
	70.8	75.0	436.4

The notes on pages 14 to 28 form an integral part of this Interim Report.

CONSOLIDATED BALANCE SHEET

	Notes	30 September 2012 Unaudited £m	30 September 2011 Unaudited £m	31 March 2012 £m
Assets				
Non-current assets				
Property, plant and equipment		**79.9**	62.0	73.3
Intangible assets	9	**2,016.4**	1,342.6	2,117.4
Investment in joint ventures		**-**	17.9	-
Investment in associates		**11.4**	0.6	0.6
Deferred tax assets		**17.4**	13.6	16.8
Derivative financial instruments	12	**18.9**	-	5.2
Available for sale investments	12	**0.4**	0.4	0.4
Other non-current assets		**0.2**	0.3	0.3
		2,144.6	1,437.4	2,214.0
Current assets				
Inventories		**1.7**	3.8	2.0
Trade and other receivables	11	**162.1**	127.2	178.3
Derivative financial instruments	12	**0.2**	0.3	-
CCP financial assets		**120,617.0**	124,773.4	93,619.6
CCP cash and cash equivalents (restricted)		**7,448.0**	4,794.7	6,137.3
CCP clearing business assets	12	**128,065.0**	129,568.1	99,756.9
Current tax		**15.6**	22.2	41.8
Assets held at fair value	12	**5.9**	12.3	14.6
Cash and cash equivalents	12	**231.5**	379.9	216.0
		128,482.0	130,113.8	100,209.6
Assets held for sale		**-**	9.3	6.4
Total assets		**130,626.6**	131,560.5	102,430.0
Liabilities				
Current liabilities				
Trade and other payables	13	**201.1**	164.7	233.7
CCP clearing business liabilities	12	**128,043.0**	129,564.8	99,747.2
Current tax		**48.0**	49.2	72.5
Borrowings	14	**203.2**	0.4	10.5
Provisions	12	**2.5**	3.7	2.5
		128,497.8	129,782.8	100,066.4
Non-current liabilities				
Borrowings	14	**510.0**	499.0	746.6
Other non-current payables	13	**2.7**	-	3.8
Derivative financial instruments		**-**	5.9	2.1
Deferred tax liabilities		**110.1**	79.2	117.3
Retirement benefit obligations	10	**21.4**	7.7	16.5
Provisions	12	**26.3**	26.6	27.6
		670.5	618.4	913.9
Total liabilities		**129,168.3**	130,401.2	100,980.3
Net assets		**1,458.3**	1,159.3	1,449.7
Equity				
Capital and reserves attributable to the Company's equity holders				
Share capital		**18.8**	18.8	18.8
Retained losses		**(208.9)**	(616.6)	(262.9)
Other reserves		**1,583.3**	1,661.9	1,620.9
		1,393.2	1,064.1	1,376.8
Non-controlling interests		**65.1**	95.2	72.9
Total equity		**1,458.3**	1,159.3	1,449.7

The notes on pages 14 to 28 form an integral part of this Interim Report.

CONSOLIDATED CASH FLOW STATEMENT

	Notes	Six months ended 30 September 2012 Unaudited £m	Six months ended 30 September 2011 Unaudited £m	Year ended 31 March 2012 £m
Cash flow from operating activities				
Cash generated from operations	16	**246.0**	231.4	462.4
Interest received		**1.2**	1.6	3.5
Interest paid		**(22.3)**	(19.8)	(44.0)
Corporation tax paid		**(37.5)**	(34.0)	(73.4)
Withholding tax paid		**(14.9)**	(25.0)	(45.5)
Net cash inflow from operating activities		**172.5**	154.2	303.0
Cash flow from investing activities				
Purchase of property, plant and equipment		**(15.2)**	(7.2)	(17.1)
Purchase of intangible assets		**(11.5)**	(7.6)	(16.3)
Proceeds from disposal of joint venture		**-**	-	1.3
Investment in other acquisition		**-**	-	(15.0)
Investment in subsidiaries		**-**	-	(481.1)
Investment in associates		**(11.2)**	-	-
Proceeds from sale of subsidiary		**-**	28.4	28.4
Dividends received		**0.2**	1.8	1.8
Net cash inflow from acquisitions		**-**	-	7.6
Proceeds from investment by non-controlling interest in subsidiary		**-**	-	4.3
Net cash (outflow)/inflow from investing activities		**(37.7)**	15.4	(486.1)
Cash flow from financing activities				
Dividends paid to shareholders		**(51.2)**	(48.5)	(73.6)
Dividends paid to non-controlling interests		**(4.1)**	(7.6)	(12.8)
Proceeds from own shares on exercise of employee share options		**-**	1.3	2.3
Outflow from share acquisitions		**(13.9)**	-	-
(Repayments)/proceeds from borrowings		**(43.9)**	0.3	224.3
Net cash (outflow)/inflow from financing activities		**(113.1)**	(54.5)	140.2
Increase/(decrease) in cash and cash equivalents		**21.7**	115.1	(42.9)
Cash and cash equivalents at beginning of period		**216.0**	267.0	267.0
Exchange losses on cash and cash equivalents		**(6.2)**	(2.2)	(8.1)
Cash and cash equivalents at end of period		**231.5**	379.9	216.0

The notes on pages 14 to 28 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 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
Total comprehensive income for the financial period	-	399.3	(41.0)	358.3	3.1	361.4
Interim dividend relating to the year ended 31 March 2012	-	(25.1)	-	(25.1)	-	(25.1)
Employee share scheme expenses	-	7.0	-	7.0	-	7.0
Purchase of non-controlling interests	-	(27.5)	-	(27.5)	(25.4)	(52.9)
31 March 2012	18.8	(262.9)	1,620.9	1,376.8	72.9	1,449.7
Total comprehensive income for the financial period	**-**	**112.4**	**(37.6)**	**74.8**	**(4.0)**	**70.8**
Final dividend relating to the year ended 31 March 2012	**-**	**(51.2)**	**-**	**(51.2)**	**-**	**(51.2)**
Employee share scheme expenses	**-**	**(7.2)**	**-**	**(7.2)**	**-**	**(7.2)**
Dividend payments to non-controlling interests	**-**	**-**	**-**	**-**	**(3.8)**	**(3.8)**
30 September 2012	**18.8**	**(208.9)**	**1,583.3**	**1,393.2**	**65.1**	**1,458.3**

The other reserves are set out on page 73 of the Group's Annual Report for the year ended 31 March 2012. The movement in the current period comprises a charge of £53.6m to the foreign exchange reserves and a credit of £16.0m to the hedging reserve, both of which are distributable reserves. The balance held at 30 September 2012 includes £1,372.6m of distributable reserves.

The notes on pages 14 to 28 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 2012 was approved by the Directors on 16 November 2012.

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 74 to 77 of the Group's Annual Report for the year ended 31 March 2012, 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 have been adopted in these condensed consolidated interim financial statements:

Amendments to IFRS 1, 'First time adoption' – exemption for severe hyperinflation and removal of fixed dates;
Amendment to IFRS 7, 'Financial instruments: Disclosures' – disclosures on transfers of financial assets;
Amendment to IAS 12, 'Income taxes' – deferred tax accounting for investment properties; and
IFRS various Annual improvements 2012.

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 2012 or they are not yet mandatory and the Group has not chosen to early adopt. The impact on the Group's financial statements of the future standards, amendments and interpretations is still under review, but the Group does not expect any of these changes to have a material impact on the results or the net assets of the Group:

International accounting standards and interpretations	**Effective date**
Amendment to IAS 1, 'Presentation of financial statements' – presentation of items of other comprehensive income	1 July 2012
IAS 19 (revised) 'Employee benefits'	1 January 2013
Amendment to IFRS 7, 'Financial instruments: Disclosures'	1 January 2013
IFRS 10, 'Consolidated financial statements'	1 January 2013
IFRS 11, 'Joint arrangements'	1 January 2013
IFRS 12, 'Disclosure of interests in other entities'	1 January 2013
IFRS 13, 'Fair value measurement'	1 January 2013
IAS 32, 'Financial instruments: Presentation'	1 January 2014

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 2012, 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 2012 are as follows:

	Capital Markets	Post Trade Services	Information Services	Technology Services	Other	Eliminations	Group
	£m	£m	£m	£m	£m	£m	£m
Revenue from external customers	129.7	44.6	147.6	25.6	2.3	-	349.8
Inter-segmental revenue	-	-	-	10.9	-	(10.9)	-
Revenue	129.7	44.6	147.6	36.5	2.3	(10.9)	349.8
Net treasury income through CCP business	-	68.1	-	-	-	-	68.1
Other Income	-	-	-	-	5.8	-	5.8
Total Income	129.7	112.7	147.6	36.5	8.1	(10.9)	423.7
Operating profit/(loss) before amortisation of purchased intangible assets and non-recurring items	58.0	86.2	72.6	1.2	(0.2)	(0.6)	217.2
Amortisation of purchased intangible assets							(44.6)
Non-recurring items							14.2
Operating profit							186.8
Net finance expense							(21.4)
Profit before taxation							165.4
Other income statement items							
Depreciation and software amortisation	(11.5)	(2.3)	(5.3)	(0.7)	(0.1)	-	(19.9)

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

	Capital Markets	Post Trade Services	Information Services	Technology Services	Other	Eliminations	Group
	£m	£m	£m	£m	£m	£m	£m
Revenue from external customers	159.8	52.4	89.0	24.8	2.1	-	328.1
Inter-segmental revenue	-	-	-	5.1	-	(5.1)	-
Revenue	159.8	52.4	89.0	29.9	2.1	(5.1)	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	29.9	6.2	(5.1)	386.5
Operating profit before amortisation of purchased intangible assets and non-recurring items	75.1	73.9	56.8	2.6	2.2	3.7	214.3
Amortisation of purchased intangible assets							(20.0)
Non-recurring items							(1.8)
Operating profit							192.5
Profit on disposal of subsidiary							6.4
Net finance expense							(19.2)
Profit before taxation							179.7
Other income statement items							
Depreciation and software amortisation	(11.8)	(2.7)	(3.4)	(0.6)	(0.2)	-	(18.7)
Share of (loss)/profit after tax of joint ventures/associates	(1.1)	-	3.4	-	-	-	2.3

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;
- reflect a change in the allocation of overheads between the segments to better reflect the management and reporting structures; and
- show the underlying profitability of each segment, including the impact of inter-segmental transactions, being the sales of software from MillenniumIT to other segments, which are eliminated from the Group total.

None of these changes are considered material.

Segmental disclosures for the year ended 31 March 2012 are as follows:

	Capital Markets	Post Trade Services	Information Services	Technology Services	Other	Eliminations	Group
	£m	£m	£m	£m	£m	£m	£m
Revenue from external customers	301.9	101.6	218.9	52.6	4.8	-	679.8
Inter-segmental revenue	-	-	-	12.9	-	(12.9)	-
Revenue	301.9	101.6	218.9	65.5	4.8	(12.9)	679.8
Net treasury income through CCP business	-	126.9	-	-	-	-	126.9
Other Income	-	-	-	-	8.1	-	8.1
Total income	301.9	228.5	218.9	65.5	12.9	(12.9)	814.8
Operating profit before amortisation of purchased intangible assets and non-recurring items	138.9	169.0	125.0	1.8	0.1	7.1	441.9
Amortisation of purchased intangible assets							(54.9)
Non-recurring items							(28.5)
Operating profit							358.5
Profit on disposal/acquisition of shares in subsidiary and joint ventures							323.8
Net finance expense							(42.6)
Profit before taxation							639.7
Other income statement items							
Depreciation and software amortisation	(24.7)	(5.0)	(8.7)	(1.6)	(0.4)	-	(40.4)
Share of (loss)/profit after tax of joint ventures/associates	(1.4)	-	7.3	-	-	-	5.9

3. Expenses by nature

Expenses comprise the following:

	Six months ended 30 September		Year ended 31 March
	2012	2011	2012
	£m	£m	£m
Cost of sales	**29.0**	20.2	45.8
Employee costs	**81.7**	68.1	151.4
Depreciation and non-acquisition software amortisation	**19.9**	18.7	40.4
IT costs	**32.3**	33.7	67.7
Other costs	**43.6**	33.8	73.5
Total expenses	**206.5**	174.5	378.8

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

		Six months ended 30 September		Year ended 31 March
		2012	2011	2012
	Notes	£m	£m	£m
Amortisation of purchased intangible assets	9	**44.6**	20.0	54.9
Transaction costs		**(15.1)**	1.8	23.4
Restructuring costs		**0.2**	-	-
Property costs		**-**	-	2.7
Revaluation on acquisition within joint ventures		**-**	-	2.4
Integration costs		**0.7**	-	-
Total affecting operating profit		**30.4**	21.8	83.4
Profit on disposal/acquisition of shares in subsidiary and joint venture		**-**	(6.4)	(324.3)
Charge for new transaction related revolving credit facility		**-**	-	1.8
Total affecting profit before tax		**30.4**	15.4	(239.1)
Tax effect on items affecting profit before tax				
Deferred tax on amortisation of purchased intangible assets		**(4.0)**	(1.7)	(5.9)
Current tax on amortisation of purchased intangible assets		**(1.1)**	-	(0.7)
Tax effect on other items affecting profit before tax		**(0.4)**	-	(2.0)
Total tax effect on items affecting profit before tax		**(5.5)**	(1.7)	(8.6)
Total charge/(credit) to income statement		**24.9**	13.7	(247.7)

Transaction costs comprise charges incurred for ongoing services related to potential or completed acquisitions net of C$29m (£18.3m) received from TMX Group following the termination of the merger agreement.

5. Net finance expense

	Six months ended 30 September 2012 £m	2011 £m	Year ended 31 March 2012 £m
Finance income			
Bank deposit and other interest income	**1.5**	1.7	3.7
Expected return on defined benefit pension scheme assets	**6.2**	6.5	13.1
	7.7	8.2	16.8
Finance expense			
Interest payable on bank and other borrowings	**(21.5)**	(19.4)	(40.6)
Other finance costs	**(1.0)**	(1.2)	(3.2)
Defined benefit pension scheme interest cost	**(6.6)**	(6.8)	(13.8)
Non-recurring credit facility arrangement fees	**-**	-	(1.8)
	(29.1)	(27.4)	(59.4)
Net finance expense	**(21.4)**	(19.2)	(42.6)

6. Taxation

Taxation charged to the income statement	Six months ended 30 September 2012 £m	2011 £m	Year ended 31 March 2012 £m
Current tax:			
UK corporation tax for the period	**14.9**	16.8	28.6
Overseas tax for the period	**40.1**	41.6	89.1
Adjustments in respect of previous years	**-**	-	1.8
	55.0	58.4	119.5
Deferred tax:			
Deferred tax for the period	**(0.2)**	(1.0)	0.2
Adjustments in respect of previous years	**0.1**	-	(5.5)
Deferred tax liability on amortisation of purchased intangible assets	**(4.0)**	(1.7)	(5.9)
Taxation charge	**50.9**	55.7	108.3

Taxation on items not credited/(charged) to income statement	Six months ended 30 September 2012 £m	2011 £m	Year ended 31 March 2012 £m
Current tax credit:			
Tax allowance on share options/awards in excess of expense recognised	**0.9**	0.3	0.3
Deferred tax credit/(loss):			
Defined benefit pension scheme actuarial loss	**1.3**	10.2	12.5
Tax allowance on share options/awards in excess of expense recognised	**(0.5)**	-	0.5
Adjustments relating to change in UK tax rate	**-**	-	(0.6)
	1.7	10.5	12.7

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 24% as explained below:

	Six months ended 30 September 2012 £m	2011 £m	Year ended 31 March 2012 £m
Profit before taxation	**165.4**	179.7	639.7
Profit multiplied by standard rate of corporation tax in the UK	**39.7**	46.7	166.3
Profit on disposal/acquisition of shares in subsidiary	**-**	-	(84.3)
(Income not taxable)/expenses not deductible	**(5.7)**	(3.8)	1.7
Share of joint venture and associates consolidated at profit after tax	**-**	(0.6)	(0.9)
Deferred tax arising on consolidation	**-**	1.2	-
Overseas earnings taxed at higher rate	**11.3**	8.7	21.6
Adjustments in respect of previous years	**0.1**	-	(3.8)
Amortisation of purchased intangibles	**5.5**	3.5	7.7
Taxation charge	**50.9**	55.7	108.3

The tax rate applied as at 30 September 2012 is the expected rate for the full financial year.

The standard UK corporation tax rate was 24% (26% for the periods ended 30 September 2011 and 31 March 2012).

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
	2012	2011	2012
Basic earnings per share	**43.0p**	43.1p	193.6p
Diluted earnings per share	**42.4p**	42.5p	190.9p
Adjusted basic earnings per share	**51.8p**	47.6p	100.6p
Adjusted diluted earnings per share	**51.0p**	46.9p	99.2p
	£m	£m	£m
Profit for the financial period attributable to equity holders	**116.0**	116.1	522.0
Adjustments:			
Amortisation of purchased intangible assets	**44.6**	20.0	54.9
Transaction costs	**(15.1)**	1.8	23.4
Restructuring costs	**0.2**	-	-
Property costs	**-**	-	2.7
Revaluation on acquisition within joint ventures	**-**	-	2.4
Integration costs	**0.7**	-	-
Non-recurring profit on disposal/acquisition of shares in subsidiary	**-**	(6.4)	(324.3)
Charge for new revolving credit facility	**-**	-	1.8
Tax effect of amortisation and non-recurring items	**(5.5)**	(1.7)	(8.6)
Non-recurring items, amortisation and taxation attributable to non-controlling interests	**(1.2)**	(1.7)	(3.0)
Adjusted profit for the financial period attributable to equity holders	**139.7**	128.1	271.3
Weighted average number of shares - million	**269.6**	269.4	269.6
Effect of dilutive share options and awards - million	**4.2**	3.5	3.8
Diluted weighted average number of shares - million	**273.8**	272.9	273.4

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

8. Dividends

	30 September		31 March
	2012	2011	2012
	£m	£m	£m
Final dividend for 2011 paid 22 August 2011: 18.0p per Ordinary share	**-**	48.5	48.5
Interim dividend for 2012 paid 5 January 2012: 9.3p per Ordinary share	**-**	-	25.1
Final dividend for 2012 paid 20 August 2012: 19.0p per Ordinary share	**51.2**	-	-
	51.2	48.5	73.6

An interim dividend relating to the six months ended 30 September 2012 of 9.7p, amounting to an estimated £26.2m, has been declared by the Board.

This interim dividend, which is due to be paid on 7 January 2013, 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 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
Additions	-	16.2	-	-	11.2	27.4
Acquisition of subsidiaries	75.6	309.5	226.5	228.3	5.1	845.0
Disposals	-	-	-	-	(24.8)	(24.8)
Foreign exchange	(42.5)	(25.5)	(0.5)	(5.8)	(2.0)	(76.3)
31 March 2012	1,188.9	959.5	236.8	342.4	219.0	2,946.6
Additions	**-**	**-**	**-**	**-**	**8.1**	**8.1**
Foreign exchange	**(46.2)**	**(27.1)**	**(0.4)**	**(4.6)**	**(1.4)**	**(79.7)**
30 September 2012	**1,142.7**	**932.4**	**236.4**	**337.8**	**225.7**	**2,875.0**
Amortisation and accumulated impairment:						
1 April 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
Amortisation charge for the period	-	20.9	3.2	10.8	12.4	47.3
Disposals	-	-	-	-	(24.8)	(24.8)
Foreign exchange	(15.8)	(5.1)	(0.2)	(3.7)	(1.2)	(26.0)
31 March 2012	437.3	135.8	7.3	76.5	172.3	829.2
Amortisation charge for the period	**-**	**24.6**	**5.0**	**15.0**	**11.7**	**56.3**
Foreign exchange	**(17.4)**	**(5.6)**	**(0.2)**	**(2.7)**	**(1.0)**	**(26.9)**
30 September 2012	**419.9**	**154.8**	**12.1**	**88.8**	**183.0**	**858.6**
Net book values:						
30 September 2012	**722.8**	**777.6**	**224.3**	**249.0**	**42.7**	**2,016.4**
31 March 2012	751.6	823.7	229.5	265.9	46.7	2,117.4
30 September 2011	702.7	539.3	6.5	50.5	43.6	1,342.6

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, FTSE 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
	2012	2011	2012
Defined benefit (obligations)/assets for UK pension scheme	£m	£m	£m
Fair value of assets	**268.0**	247.5	264.4
Present value of funded obligations	**(283.3)**	(249.0)	(274.2)
Deficit	**(15.3)**	(1.5)	(9.8)

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

	Six months ended 30 September		Year ended 31 March
	2012	2011	2012
	£m	£m	£m
At beginning of period	**(9.8)**	37.6	37.6
Current service cost	**-**	(0.4)	(0.6)
Net finance cost	**(0.4)**	(0.3)	(0.4)
Contributions paid	**-**	0.7	1.3
Actuarial loss	**(5.1)**	(39.1)	(47.7)
At end of period	**(15.3)**	(1.5)	(9.8)

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

	Six months ended 30 September		Year ended 31 March
	2012	2011	2012
	£m	£m	£m
At beginning of period	**6.7**	6.4	6.4
Current service cost	**1.0**	0.1	2.0
Interest expense	**-**	-	0.3
Benefits paid	**(1.6)**	(0.3)	(1.6)
Actuarial gain	**-**	-	(0.1)
Exchange differences	**-**	-	(0.3)
At end of period	**6.1**	6.2	6.7

The main actuarial assumptions are set out below:

	Six months ended 30 September 2012		Six months ended 30 September 2011		Year ended 31 March 2012	
	UK Pension	Other plans	UK Pension	Other plans	UK Pension	Other plans
Inflation rate - RPI	2.9%	2.0%	3.2%	2.0%	3.4%	2.0%
Inflation rate - CPI	2.1%	-	2.2%	-	2.4%	-
Rate of increase in salaries	3.9%	3.5%	4.7%	3.5%	4.4%	3.5%
Rate of increase in pensions in payment	3.3%	3.0%	3.5%	3.0%	3.6%	3.0%
Discount rate	4.5%	4.0%	5.3%	4.1%	5.0%	4.0%
Expected return on assets						
- equities	7.3%	-	7.6%	-	7.3%	-
- bonds	3.8%	-	4.8%	-	3.8%	-
- property	6.5%	-	6.8%	-	6.5%	-
- pension buy in policy	5.0%	-	-	-	5.0%	-
Life expectancy from age 60 (Years)						
- Non retired male member	27.9	-	27.8	-	27.9	-
- Non retired female member	30.7	-	30.6	-	30.7	-
- Retired male member	26.3	-	26.2	-	26.3	-
- Retired female member	29.2	-	29.1	-	29.2	-

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 2012 £m	30 September 2011 £m	31 March 2012 £m
Current			
Trade receivables	98.5	67.6	106.9
Other receivables	0.7	1.0	4.1
Prepayments and accrued income	62.9	58.6	67.3
Total trade and other receivables	162.1	127.2	178.3

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. Financial instruments by category

The financial instruments of the Group are categorised as follows:

	30 September		31 March
	2012	2011	2012
	£m	£m	£m
Assets as per balance sheet			
Financial assets of the CCP clearing business			
- CCP trading assets	**3,651.0**	4,255.3	4,167.6
- Receivables for repurchase transactions	**111,376.3**	112,973.3	84,968.2
- Other receivables from clearing members	**5,524.7**	7,523.0	4,410.5
- Financial assets held at fair value	**65.0**	21.8	73.3
- Cash and cash equivalents of clearing members	**7,448.0**	4,794.7	6,137.3
Financial assets of the CCP clearing business	**128,065.0**	129,568.1	99,756.9
Assets held at fair value	**5.9**	12.3	14.6
Total financial assets for CCP clearing	**128,070.9**	129,580.4	99,771.5
Trade and other receivables	**99.2**	68.6	111.0
Cash and cash equivalents	**231.5**	379.9	216.0
Available for sale financial assets	**0.4**	0.4	0.4
Cross currency interest rate swaps	**18.9**	0.3	5.2
Cash flow hedges	**0.2**	-	-
Total	**128,421.1**	130,029.6	100,104.1

	30 September		31 March
	2012	2011	2012
	£m	£m	£m
Liabilities as per balance sheet			
Financial liabilities of the CCP clearing business			
- CCP trading liabilities	**3,651.0**	4,255.3	4,167.7
- Liabilities under repurchase transactions	**111,376.3**	112,973.3	84,968.2
- Other payables to clearing members	**12,949.6**	12,314.1	10,537.9
- Financial liabilities held at fair value	**66.1**	22.1	73.4
Financial liabilities of the CCP clearing business	**128,043.0**	129,564.8	99,747.2
Trade and other payables	**203.8**	164.7	237.5
Provisions	**28.8**	30.3	30.1
Borrowings	**713.2**	499.4	757.1
Cross currency interest rate swaps	**-**	5.9	2.1
Total	**128,988.8**	130,265.1	100,774.0

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.

13. Trade and other payables

	30 September 2012 £m	30 September 2011 £m	31 March 2012 £m
Trade payables	**23.6**	15.9	31.7
Social security and other taxes	**8.6**	10.7	15.3
Other payables	**20.7**	24.9	29.7
Accruals and deferred income	**150.9**	113.2	160.8
Total trade and other payables	**203.8**	164.7	237.5
Current	**201.1**	164.7	233.7
Non-current	**2.7**	-	3.8
Total trade and other payables	**203.8**	164.7	237.5

14. Borrowings

	30 September 2012 £m	30 September 2011 £m	31 March 2012 £m
Current			
Bank borrowings	**203.2**	0.4	10.5
	203.2	0.4	10.5
Non-current			
Bonds	**499.3**	499.4	499.4
Bank borrowings	**10.9**	-	247.5
Deferred arrangement fees	**(0.2)**	(0.4)	(0.3)
	510.0	499.0	746.6

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	203.0	LIBOR + 0.8
Multi-currency revolving credit facility	Dec 2014	350.0	-	LIBOR + 1.25
Multi-currency revolving credit facility	Nov 2015	250.0	10.9	LIBOR + 1.0
Other uncommitted facility		-	0.2	
Capitalised bank facility arrangement fees		-	(0.2)	
Total Bank facilities		**850.0**	**213.9**	
Notes due July 2016	Jul 2016	250.0	251.5	6.125
Notes due October 2019	Oct 2019	250.0	247.8	9.125
Total bonds		**500.0**	**499.3**	
Total debt		**1,350.0**	**713.2**	

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 2012 £m	30 September 2011 £m	31 March 2012 £m
Due within one year			
Cash and cash equivalents	**231.5**	379.9	216.0
Bank borrowings	**(203.2)**	(0.4)	(10.5)
Derivative financial assets	**0.2**	0.3	-
	28.5	379.8	205.5
Due after one year			
(Bank borrowings)/deferred arrangement fees	**(10.7)**	0.4	(247.2)
Bonds	**(499.3)**	(499.4)	(499.4)
Derivative financial assets	**18.9**	-	5.2
Derivative financial liabilities	**-**	(5.9)	(2.1)
Total net debt	**(462.6)**	(125.1)	(538.0)

Reconciliation of net cash flow to movement in net debt	Six months ended 30 September 2012 £m	Six months ended 30 September 2011 £m	Year ended 31 March 2012 £m
Increase/(decrease) in cash in the period	**21.7**	115.1	(42.9)
Bank loan repayments less new drawings	**43.8**	(0.3)	(224.3)
Change in net debt resulting from cash flows	**65.5**	114.8	(267.2)
Foreign exchange movements	**(6.2)**	(2.1)	(7.7)
Movement on derivative financial assets and liabilities	**16.0**	6.8	15.6
Bond valuation adjustment	**0.1**	-	0.1
Acquired debt	**-**	-	(34.2)
Net debt at the start of the period	**(538.0)**	(244.6)	(244.6)
Net debt at the end of the period	**(462.6)**	(125.1)	(538.0)

16. Net cash flow generated from operations

	Six months ended 30 September 2012 £m	Six months ended 30 September 2011 £m	Year ended 31 March 2012 £m
Profit before taxation	**165.4**	179.7	639.7
Depreciation and amortisation	**64.5**	38.7	95.3
Property impairment	**-**	-	2.7
Profit on disposal/acquisition of shares in subsidiary and joint venture	**-**	(6.4)	(323.8)
Net finance expense	**21.4**	19.2	42.6
Share of profit after tax of joint venture	**-**	(2.3)	(3.5)
Decrease/(increase) in inventories	**0.2**	(2.4)	(0.9)
Decrease/(increase) in trade and other receivables	**12.2**	(1.5)	13.8
(Decrease)/increase in trade and other payables	**(20.4)**	8.1	2.9
(Increase)/decrease in CCP financial assets	**(32,788.8)**	(17,645.1)	7,702.5
Increase/(decrease) in CCP clearing business liabilities	**32,776.9**	17,644.3	(7,709.8)
Defined benefit pension obligation - contributions in excess of expenses charged	**(0.4)**	(0.4)	0.2
Provisions utilised during the period	**(2.0)**	(1.9)	(3.8)
Decrease/(increase) in assets held at fair value from operating activities	**7.7**	(3.9)	(6.7)
Share scheme expense	**6.3**	6.0	12.1
Foreign exchange gains/(losses) on operating activities	**3.0**	(0.7)	(0.9)
Cash generated from operations	**246.0**	231.4	462.4
Comprising:			
Ongoing operating activities	**239.5**	241.1	483.7
Non-recurring items	**6.5**	(9.7)	(21.3)
	246.0	231.4	462.4

17. Transactions with related parties

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 32 of the Annual Report for the year ended 31 March 2012.

18. Commitments and contingencies

Contracted capital commitments and other contracted commitments not provided for in the Interim Report of the Group were £7.0m (30 September 2011: £21.0m).

19. Post balance sheet events

On 24 October 2012 London Stock Exchange Group plc closed the offer period for its nine year sterling denominated 4.75% bonds. £300m of bonds were issued on 2 November 2012.

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 38 to 43 of its Annual Report for the year ended 31 March 2012.

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 highly dependent upon the level of activity in capital markets, as well as the individual market capitalisations of the issuers listed or admitted to trading on the markets that the Group operates. Many of the factors that influence the levels of secondary market trading, primary market issuance (listings), issuers' market capitalisations and trading and clearing volumes will be beyond the control of the Group, including economic, fiscal, legal, regulatory, political and geopolitical market conditions.

The Group may be subject to risks associated with the Eurozone debt crisis. The Group has a significant proportion of its assets, liabilities and expenses denominated in euro. If one or more countries default and/or leave the euro and re-establish their own national currency or European monetary union collapses, it is likely that there would be significant, extended and generalised market dislocation with unpredictable and materially adverse consequences for all participants in the world's financial markets, including members of the Group.

Redenomination of the euro in a country in which a clearing subsidiary of the Group is located may result in exposures (but not the corresponding rights or collateral) or the rights (but not the corresponding exposures or collateral) or simply just the collateral being redenominated into a currency other than the euro. If a Eurozone country in which a clearing subsidiary of the Group is incorporated or located leaves the euro such a move may be accompanied by exchange control and mandatory payment laws.

The Group and its exchanges, CCP and other regulated entities operate in highly and increasingly regulated industries and are subject to extensive regulation by governmental, competition and regulatory bodies at European and national levels. In particular, as a result of the multi-market environment, difficult global economic conditions, the increasing systemic importance of CCPs and prevailing regulatory changes, the Group may be subject to more intensive regulation of its businesses by regulators in the jurisdictions in which the Group operates and may in future operate.

The Group may be required to adversely change the manner in which its exchanges, CCPs and authorised firms conduct their respective businesses or govern themselves.

The draft technical standards recently published by the European Securities and Markets Authority and European Banking Authority will, if endorsed by the European Commission and finalised in their current form, (i) require CCP entities within the Group to hold more liquid financial resources and such requirements will restrict the range of investments which such entities can hold as collateral or in which it can invest, which will in turn limit the extent to which additional investment income can be earned on collateral held by (and/or investments of) the CCPs in the Group; and (ii) increase the capital requirements of CCP entities within the Group.

Other regulatory changes may increase the capital requirements of one or more entities within the Group.

Increased capital requirements for market participants may adversely affect the level of market activity in the Group trading and clearing venues.

Other regulatory developments bring further risk of changes to the regulatory environment in which the Group will operate, including as a result of the creation of three new European supervisory authorities, the revision of the UK regulatory structure, developments in relation to recovery and resolution regimes for financial market infrastructures (including CCPs) and proposals for a UK resolution regime for non-banks, including exchanges, CCPs, investment firms and parent undertakings of investment firms.

The risk of conflict between regulatory regimes in the various countries in which the Group operates.

The Group is exposed to the risk of competition in relation to other exchange groups, venues and alternative platforms, post-trade, information services and technology sales. Competitors may respond more quickly to competitive pressures or develop similar products to those the Group offers and/or alternative competitive products that are preferred by customers.

The Group may be unsuccessful in the implementation of future business initiatives, mergers, acquisitions, partnerships and joint ventures with third parties.

The Group and its brand and reputation are highly dependent on the development and successful and secure operation of sophisticated technology and advanced information systems.

The calibre and performance of the Group's senior management and other key employees, as a whole, is critical to the success of the Group, and there can be no assurance that the Group will be successful in attracting and retaining the personnel it requires.

The Group's clearing activities expose it to counterparty investment risk, pricing and model risk, market and liquidity risk and legal risk, including in particular the risk of a default by an issuer of bonds, a deposit-taking custodian bank, a clearing member or a third party central counterparty and any change in policy of the ECB on Eurozone clearing.

Completion of the proposed acquisition by the Group of certain of the issued share capital of LCH.Clearnet Group Limited (LCH) is subject to the satisfaction (or waiver, where applicable) of a number of conditions, including regulatory approvals and merger control clearances. If these (or other) conditions are not satisfied (or waived if applicable) or the transaction is otherwise terminated in accordance with its terms the LCH acquisition will not be completed. On completion of the LCH acquisition, the Group will be exposed to the following additional key risks:

The Issuer may become a financial holding company (compagnie financière) as defined in Article 517-1 of the French code monétaire et financier or in the laws, rules or regulations of any other EU Member State transposing Article 4 of Directive 2006/48/EC or Article 3 of Directive 2006/49/EC which could result in significantly increased regulatory capital requirements for the Group.

LCH.Clearnet Group currently has greater risk in relation to its OTC businesses. The markets for certain OTC products tend to be less liquid and more volatile than is the case for exchange traded products, making it harder to close out a defaulting member's position and making it harder to assess the risk inherent in the product and accordingly the appropriate level of initial and variation margin to be provided by clearing members. In addition, the over-the-counter (OTC) initiatives of LCH Clearnet and its current subsidiaries as at the date of this document (the LCH.Clearnet Group) may not be successful. In particular any changes to the regulatory environment for the trading and clearing of OTC derivatives may affect demand for the Group's services and change the competitive environment.

The governance structure of the LCH.Clearnet Group post-completion of the LCH acquisition will restrict the control exercisable by the Group over the LCH.Clearnet Group's activities and the Group may need to take corrective action to ensure that it continues to control the majority of the Group assets.

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 77 to 81 of the Annual Report for the Group for the year ended 31 March 2012.

Directors

The directors of London Stock Exchange Group plc are listed in its Annual Report for the year ended 31 March 2012.

David Warren was appointed to the board as Chief Financial Officer on 2 July 2012. Doug Webb resigned as a director on 2 July 2012.

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

David Warren
Chief Financial Officer

16 November 2012

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 2012, 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 has 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 2012 is 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 2012
London

FINANCIAL CALENDAR

Ex-dividend date for interim dividend	5 December 2012
Interim dividend record date	7 December 2012
Interim dividend payment date	7 January 2013
Q3 Interim Management Statement (revenues only)	January 2013
Financial year end	31 March 2013
Preliminary results	May 2013
Annual General Meeting	July 2013

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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