London Stock Exchange Group

A global financial markets infrastructure business

Interim Report

30 June 2019

Welcome to our Interim Report 2019

HIGHLIGHTS

- Strong financial performance in H1 despite challenging market conditions
- Continued good growth in Information Services and Post Trade
- Focus on Group-wide collaboration to drive product innovation and development of growth opportunities
- Continued successful execution of strategy aligned with core principles of Open Access and Customer Partnership

H1 Summary

- Total Revenue up 7% to £1,018 million (H1 2018: £953 million); total income up 8% to £1,140 million (H1 2018: £1,060 million)
- FTSE Russell revenue up 9% to £315 million (H1 2018: £290 million) with growth in subscription and asset-based revenues
- Post Trade revenue at LCH up 12% to £266 million (H1 2018: £237 million), driven by strong growth in OTC volumes notably in the SwapClear service
- Operating expenses, excluding depreciation and amortisation, were flat and 2% down on a constant currency basis, with good cost control while continuing to invest
- Adjusted operating profit[1] up 11% to £533 million (H1 2018: £480 million); operating profit was up 2% at £399 million (H1 2018: £393 million); profit before tax up 1% to £363 million (H1 2018: £360 million); profit after tax of £265 million (H1 2018: £283 million)
- Adjusted EPS[1] up 13% to 100.6 pence (H1 2018: 88.7 pence); basic EPS down 1% at 70.7 pence (H1 2018: 71.1 pence)
- Interim dividend increased 17% to 20.1 pence per share (H1 2018: 17.2 pence per share), in line with stated dividend policy
- Strong balance sheet position with leverage at 1.7 times adjusted net debt: pro forma EBITDA notwithstanding continued investment spend during the period

Organic growth combined with new product development and investment in opportunities continued throughout the period. Highlights include:

Information Services

- Acquisition of Beyond Ratings, a highly regarded provider of Environmental, Social and Governance (ESG) data for fixed income investors
- FTSE Russell launched innovative climate risk government bond index allowing investors to incorporate climate change risk considerations into their fixed income portfolios for the first time
- FTSE Russell successfully commenced inclusion of China A-Share stocks within its global equity benchmarks increasing connectivity between Chinese companies and international investors
- ETF AUM benchmarked to FTSE Russell indices increased 9% in the period to $705bn

Post Trade

- Acquisition of a 4.9% stake in Euroclear with a seat on the Board, which has helped strengthen the existing commercial relationships between the businesses
- SwapClear volumes hit a record €660trn in the period with strong growth in both member and client clearing
- Continued growth at ForexClear, RepoClear and CDSClear with record volumes cleared across all services

Capital Markets

- Newly launched Shanghai-London Stock Connect welcomed its first issuer Huatai Securities raising over $1.5bn on the Shanghai segment of London Stock Exchange
- CurveGlobal trading volumes in H1 increased 211% whilst total open interest increased 156% over the last 12 months with strong market share in SONIA products
- Following acquisition of minority investment in Nivaura, we are working in partnership to make the debt issuance process more efficient and cost-effective

CONTENTS

Unless otherwise stated, all figures below refer to continuing operations for the six months ended 30 June 2019 (H1 or H1 2019). Comparative figures are for continuing operations for the six months ended 30 June 2018 (H1 2018).

[1] *Before amortisation and impairment of purchased intangible assets and goodwill and non-underlying items*

The Group's principal foreign exchange exposure arises from translating and revaluing its foreign currency earnings, assets and liabilities into LSEG's reporting currency of Sterling.

London Stock Exchange Group uses non-GAAP performance measures as key financial indicators as the Board believes these better reflect the underlying performance of the business. As in previous years, adjusted operating expenses, adjusted operating profit, adjusted profit before tax, adjusted earnings before interest, tax, depreciation and amortisation and adjusted earnings per share all exclude amortisation and impairment of purchased intangibles assets and goodwill and non-underlying items.

GROUP CEO STATEMENT

"The Group has delivered another strong performance with an 8% increase in income during the first half of the year. In Post Trade, LCH's OTC clearing services have achieved record volumes during the period and have seen strong growth in member and client clearing. In Information Services, we have acquired Beyond Ratings, a highly regarded provider of ESG data and analytics, which will accelerate our ability to develop differentiated multi-asset solutions in sustainable finance investing. And, in Capital Markets, despite a slower start to the year, we have seen activity improve in Q2 with companies able to benefit from access to the deep liquidity pools available across our listings and trading businesses.

"We have continued to invest across our businesses, working in partnership with customers to deliver innovative products and services, while continuing to control costs. The Group remains well positioned in an evolving regulatory and macroeconomic environment and we expect to make further progress in H2.

"Today, we have announced a proposed transaction to acquire Refinitiv, a leading global provider of data, analytics and financial markets solutions. This transformational acquisition creates a multi-asset class capital markets business and brings world class data content, management and distribution capabilities to LSEG, accelerating our strategy and expanding our global footprint. This positions us in key areas of future growth as a global financial markets infrastructure leader".

David Schwimmer
Group CEO

Overview of H1 results

The Group has produced a strong half-year performance, with good growth in FTSE Russell, record clearing volumes across a number of services at LCH, and a resilient performance in Capital Markets against a challenging market backdrop.

We have maintained good cost control while continuing to invest in organic growth initiatives and efficiency opportunities, as well as make a number of acquisitions, including Beyond Ratings, a provider of specialist data for fixed income investors, and the purchase of a minority share in Euroclear. We have launched new services, such as the Shanghai-London Stock Connect service which welcomed its first issuer, and new products, including an innovative climate risk government bond index allowing climate change considerations to be incorporated in fixed income portfolios. We continue to make good progress towards achievement of our revenue and margin growth targets. Our strategy, based on open access and customer partnership, continues to position us well, providing critical services to clients around the world.

On a reported basis, total income increased 8%, including a £32 million one-off change in estimate for IFRS 15 accounting in Primary Markets. Total operating expenses were 4% higher on a constant currency basis, driven by increased depreciation and amortisation. Excluding depreciation and amortisation, operating expenses were flat, reflecting good cost control and the effect of an IFRS 16 related transfer of lease costs from expenses to depreciation. The Group's EBITDA margin increased in H1 to 54.5% (2018 H1: 51.3%), reflecting the good operational performance and the benefit of the one-off IFRS 15 impact. Adjusted operating profit increased 11% to £533 million, and adjusted EPS rose 13% to 100.6 pence per share.

We remain in a strong financial position. The Group is strongly cash generative, supporting development of the Group, and leverage remained stable at 1.7 times net debt to pro forma EBITDA. In line with the Group's stated progressive dividend policy, we have increased the interim dividend by 17%, to 20.1 pence per share.

Further commentary on the Group's performance from continuing operations in the six month period is provided below.

Operational Performance

Information Services, the Group's largest business segment by revenue, delivered a 7% increase in revenue, to £441 million (up 4% on a constant currency basis). FTSE Russell revenue increased by 9% to £315 million, and was 4% higher on a constant currency basis. Subscription revenue grew 10% to £203 million, while asset-based revenue increased 7% to £112 million. ETF AUM benchmarked to FTSE Russell indexes increased 9% to US$705 billion. Revenue from other Information Services and real time data both grew 3% to £78 million and £48m respectively. Cost of sales rose 5%, with 7% growth in gross profit at £405 million.

Post Trade Services - LCH, the Group's majority-owned global clearing business, produced a 12% increase in total revenue, to £266 million (up 12% at constant currency). OTC clearing revenue increased 14%, reflecting a strong performance at SwapClear, with record clearing activity in terms of notional value cleared and compressed, including a 5% increase in the number of client trades which account for c.50% of SwapClear's clearing revenue. Volumes at CDSClear increased, and ForexClear produced good growth in Deliverable FX Options and client clearing. Membership numbers for all three OTC services increased during the period. Non-OTC products clearing revenue rose 2% (3% at constant currency), reflecting growth in fixed income clearing at RepoClear, offset by lower cash equities and derivatives clearing volumes.

LCH net treasury income (NTI) rose 16% as average cash collateral increased 7% to €92 billion. NTI is expected to be slightly lower in H2, reflecting lower yields. Cost of sales for LCH rose 15% and gross profit rose 13% to £301 million. In Q1 we announced that LCH benefited from an updated SwapClear agreement with partner banks, with effect from the start of the year, estimated to deliver c.£30 million savings to cost of sales in 2019. LCH's EBITDA margin increased to 51.2% (2018 H1: 47.5%), reflecting the good H1 result and the benefit of the updated SwapClear agreement.

Total income for Post Trade Services in Italy, comprising CC&G and Monte Titoli, grew 3% to £75 million (up 4% at constant currency), underpinned by NTI which grew by 14% to £24 million. Clearing revenue was flat at £22 million while settlement and custody revenue declined 3% to £29 million. Cost of sales grew from £3 million to £4 million, with gross profit growing 3% to £71 million.

Capital Markets increased revenue by 5% on a reported and constant currency basis, helped by a one-off change in estimate for IFRS 15 accounting in Primary Markets, with an impact of c.£32 million. In Secondary Markets, equities trading revenue fell 16%, reflecting a challenging trading environment with equity value traded on LSE and Turquoise down 24% and 33% respectively, and the number of trades at Borsa Italiana down 21%. Fixed income, derivatives and other trading revenue fell by 4% in aggregate, with growth in repo offset by weaker derivatives markets. Cost of sales fell from £9 million to £3 million, reflecting the removal of "maker-taker" rebates at Turquoise since Q4 2018. In total, gross profit grew 8% to £223 million.

Technology Services revenue decreased 6% on a reported basis. Lower cost of sales meant overall gross profit for the segment was down 2% at £26m.

Financial Summary

Unless otherwise stated, all figures below refer to continuing operations for the six months ended 30 June 2019 (H1 2019). Comparative figures are for continuing operations for the six months ended 30 June 2018 (H1 2018). Variances are also provided on a constant currency basis. All income is on an organic basis as there has been no inorganic income seen in either period.

Continuing operations	Six months ended 30 June 2019 £m	Six months ended 30 June 2018 £m	Variance %	Constant currency variance %
Revenue				
Information Services	**441**	412	7%	4%
Post Trade Services - LCH	**266**	237	12%	12%
Post Trade Services - CC&G and Monte Titoli	**51**	52	(1%)	-
Capital Markets	**226**	215	5%	5%
Technology Services	**30**	32	(6%)	(7%)
Other revenue	**4**	5	-	-
Total revenue	**1,018**	953	7%	5%
Net treasury income through CCP businesses	**120**	104	16%	14%
Other income	**2**	3	-	-
Total income	**1,140**	1,060	8%	6%
Cost of sales	**(109)**	(106)	3%	2%
Gross profit	**1,031**	954	8%	7%
Operating expenses before depreciation, amortisation and impairment	**(406)**	(407)	-	(2%)
Underlying depreciation, amortisation and impairment	**(88)**	(64)	37%	37%
Total operating expenses	**(494)**	(471)	5%	4%
Share of loss after tax of associate	**(4)**	(3)	20%	20%
Adjusted operating profit [1]	**533**	480	11%	9%
Add back underlying depreciation, amortisation and impairment	**88**	64	37%	37%
Adjusted earnings before interest, tax, depreciation, amortisation and impairment[1]	**621**	544	14%	13%
Amortisation and impairment of purchased intangible assets and goodwill and non-underlying items[2]	**(134)**	(87)	55%	51%
Operating profit	**399**	393	2%	-
Earnings per share				
Basic earnings per share (p)	**70.7**	71.1	(1%)	
Adjusted basic earnings per share (p) [1]	**100.6**	88.7	13%	
Dividend per share (p)	**20.1**	17.2	17%	

[1] *Before amortisation and impairment of purchased intangible assets and goodwill and non-underlying items*
[2] *2019 H1 includes transaction costs and restructuring costs*

Note: Variances in all tables are calculated from underlying numbers

The Group's principal foreign exchange exposure arises from translating and revaluing its foreign currency earnings, assets and liabilities into LSEG's reporting currency of Sterling.

Revenue increased 7% to £1,018 million (H1 2018: £953 million), and up 5% on a constant currency basis. As described in the operational performance section above, many parts of the Group have delivered good results, with strong contributions in particular from LCH and Information Services. Total income rose 8% to £1,140 million (H1 2018: £1,060 million), and up 6% on a constant currency basis. Cost of sales increased 3% to £109 million, (2% on a constant currency basis) primarily as a result of the growth in LCH and FTSE Russell, with gross profit increasing 8% to £1,031 million (H1 2018: £954 million).

Operating expenses excluding depreciation, amortisation and impairment were flat on a reported basis and down 2% on a constant currency basis. Underlying depreciation and amortisation at £88 million was 37% higher than last year, reflecting investments in previous periods and incorporating IFRS 16 accounting changes transferring lease costs from expenses to depreciation. The Group continues to invest in new products and efficiency projects, to increase sales and to develop the Group's infrastructure. Due to the phasing of spend during the year, operating expenses (including depreciation and amortisation) in the second half of the year are likely to be c.£25 million higher than H1.

Adjusted operating profit for the period, before amortisation and impairment of purchased intangible assets and goodwill and non-underlying items, increased 11% to £533 million (H1 2018: £480 million). Operating profit was up 2% at £399 million (H1 2018: £393 million) dampened by an increase in amortisation and impairment of intangible assets and goodwill and non-underlying items.

Net finance costs were £36 million (H1 2018: £33 million) reflecting marginally higher debt levels after the purchase of a 4.9% stake in Euroclear within the period. Profit before tax was £363 million (H1 2018: £360 million). The effective underlying tax rate was 22.9%, and 24.1% for H1 with the inclusion of one-off adjustments (year ended 31 December 2018: 21.9%).

Adjusted basic EPS, before amortisation and impairment of purchased intangible assets and goodwill and non-recurring items, increased 13% to 100.6 pence (H1 2018: 88.7 pence) while basic EPS was 70.7 pence (H1 2018: 71.1 pence).

Net cash inflow from operating activities was £400 million (H1 2018: £287 million), the increase year on year reflecting stronger business performance with good cost control. Capital expenditure in the period amounted to £89 million, (H1 2018: £90 million). Looking ahead, we expect capex to run at a slightly higher level in H2 as we continue to invest in further product development and projects to help scale-up our business. Net cash generated after capex, other investing activities and dividends, was £122 million (H1 2018: £28 million). Discretionary free cash flow per share on the same basis was 89.7 pence (30 June 2018: 56.6 pence).

At 30 June 2019, operating net debt had increased to £1,942 million (after setting aside £1,022 million of cash for regulatory and operational support purposes). During the period the Group acquired a 4.92% stake in Euroclear for €278 million (£244 million) and completed some smaller inorganic investments. Cash generated by the business funded the majority of the Group's investment activities referred to above as well as the regular debt servicing and dividend payments, with the balance being sourced from bank facilities. Operating net debt: pro forma EBITDA remained stable at 1.7 times (from 1.8 times at 31 December 2018), reflecting strong earnings growth offsetting the increase in operating net debt.

During the period, Standard & Poor's raised its long term ratings of LSEG to A and of LCH Limited and LCH SA to AA-, with stable outlooks for all three rated entities. Moody's maintained its A3 rating of LSEG, but raised its outlook to positive from stable. The Group had net assets of £3,788 million at 30 June 2019 (31 December 2018: £3,698 million), including £1,450 million in cash and cash equivalents (31 December 2018: £1,510 million).

The Group's principal foreign exchange exposure arises as a result of translating and revaluing its foreign currency earnings, assets and liabilities into LSEG's reporting currency of Sterling. For the 6 months to 30 June 2019, the main translation exposures for the Group were its Euro reporting businesses (accounting for 29% of Group income and 28% of Group expenses) and its US dollar reporting businesses (accounting for 28% of income and 19% of expenses). A 10 cent movement in the average £/€ rate for the six months would have changed the Group's operating profit for the period before amortisation of purchased intangible assets and non-recurring items by approximately £14 million. A 10 cent movement in the average £/US$ rate for the six months would have changed the Group's operating profit by approximately £15 million. The Group continues to manage its translation risk exposure by matching the currency of its debt (including debt effectively issued in one currency and swapped into a different currency) to the currency of its earnings, where possible, to ensure its key financial ratios are protected from material foreign exchange rate volatility.

Interim Dividend

In line with the Group's dividend policy, the interim dividend is calculated as one-third of the prior full year dividend. Accordingly, the Directors have declared an interim dividend of 20.1 pence per share, an increase of 17% (H1 2018: 17.2 pence per share). The interim dividend will be paid on 17 September 2019 to shareholders on the register on 23 August 2019.

Board of Directors

Cressida Hogg CBE joined the LSEG Board as an Independent Non-Executive Director on 8 March 2019. Cressida is Chair of Landsec and brings a strong corporate background in infrastructure and private equity. In July, Dominic Blakemore was announced to be joining the LSEG Board as an Independent Non-Executive Director, with effect from 1 January 2020. Dominic is the Chief Executive of Compass Group PLC and will bring deep financial and commercial expertise to the Group**.** It is expected that Dominic will become Chair of the Board's Audit Committee after the conclusion of the 2020 AGM.

Outlook

The Group has delivered a strong financial performance in H1, with good revenue growth and cost control across our businesses while we invest in new products and support the Group's development. We continue to make good progress towards achievement of our financial targets. The Group remains well positioned in an evolving regulatory and macroeconomic environment and we expect to make further progress in H2.

In addition to strong H1 results, today the Group has announced a transaction to acquire Refinitiv, a leading global provider of data, analytics and financial markets solutions. This transformational acquisition creates a multi-asset class capital markets business and brings world class data content, management and distribution capabilities to LSEG, accelerating our strategy and expanding our global footprint. This positions us in key areas of future growth as a global financial markets infrastructure leader. Completion is expected in H2 2020.

David Schwimmer
Group CEO
1 August 2019

OPERATING PERFORMANCE – KEY STATISTICS

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

INFORMATION SERVICES

The Information Services division consists of global indices products, real time data products and a number of other discrete businesses including trade processing operations, desktop and work flow products. As stated in our Q1 2019 release, we have revised the reporting format for Information Services as per the below:

	Six months ended 30 June			Constant currency
	2019	2018	Variance	variance
Revenue	£m	£m	%	%
Index - Subscription	**203**	185	10%	6%
Index - Asset based	**112**	105	7%	2%
FTSE Russell	**315**	290	9%	4%
Real time data	**48**	47	3%	3%
Other information services	**78**	75	3%	1%
Total revenue	**441**	412	7%	4%
Cost of sales	**(36)**	(34)	5%	1%
Gross profit	**405**	378	7%	4%

Mergent and some other minor items (previously reported in FTSE Russell subscriptions), are now included in Other information services

Previous reporting format:

	Six months ended 30 June			Constant currency
	2019	2018	Variance	variance
Revenue	£m	£m	%	%
FTSE Russell	**336**	309	9%	4%
Real time data	**48**	47	3%	3%
Other information services	**57**	56	2%	2%
Total revenue	**441**	412	7%	4%
Cost of sales	**(36)**	(34)	5%	1%
Gross profit	**405**	378	7%	4%

	As at 30 June		Variance
	2019	2018	%
ETF assets under management benchmarked ($bn)			
FTSE	**421**	387	9%
Russell Indexes	**284**	259	10%
Total	**705**	646	9%
Terminals			
UK	**66,000**	68,000	(3%)
Borsa Italiana Professional Terminals	**100,000**	109,000	(8%)

POST TRADE SERVICES

POST TRADE SERVICES - LCH

This LCH division comprises the Group's majority owned global clearing business.

	Six months ended 30 June			
	2019	2018	Variance	Constant currency variance
Revenue	**£m**	**£m**	**%**	**%**
OTC - SwapClear, ForexClear & CDSClear	**148**	130	14%	12%
Non OTC - Fixed income, Cash equities & Listed derivatives	**69**	67	2%	3%
Other	**49**	40	25%	24%
Total revenue	**266**	237	12%	12%
Net treasury income	**96**	83	16%	14%
Total income	**362**	320	13%	12%
Cost of sales	**(61)**	(53)	15%	16%
Gross profit	**301**	267	13%	12%

	Six months ended 30 June		Variance
	2019	**2018**	**%**
OTC derivatives			
SwapClear			
IRS notional cleared ($tn)	**660**	574	15%
SwapClear members	**120**	109	10%
Client trades ('000)	**807**	771	5%
CDSClear			
Notional cleared (€bn)	**348**	325	7%
CDSClear members	**26**	14	86%
ForexClear			
Notional value cleared ($bn)	**8,767**	8,664	1%
ForexClear members	**34**	32	6%
Non-OTC			
Fixed income - Nominal value (€tn)	**52.7**	48.8	8%
Listed derivatives (contracts m)	**73.0**	76.9	(5%)
Cash equities trades (m)	**349**	414	(16%)
Average cash collateral (€bn)	**91.8**	85.9	7%

POST TRADE SERVICES– CC&G AND MONTE TITOLI

This division comprises the Group's Italian-based clearing, settlement and custody businesses.

Revenue	Six months ended 30 June 2019 £m	2018 £m	Variance %	Constant currency variance %
Clearing	**22**	22	-	1%
Settlement, Custody & other	**29**	30	(3%)	(2%)
Total revenue	**51**	52	(1%)	-
Net treasury income	**24**	21	14%	15%
Total income	**75**	73	3%	4%
Cost of sales	**(4)**	(3)	13%	13%
Gross profit	**71**	70	3%	3%

	Six months ended 30 June 2019	2018	Variance %
CC&G Clearing			
Contracts (m)	**50.1**	62.5	(20%)
Initial margin held (average €bn)	**14.0**	9.7	44%
Monte Titoli			
Settlement instructions (trades m)	**21.5**	23.9	(10%)
Custody assets under management (average €tn)	**3.30**	3.30	-

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.

Revenue	Six months ended 30 June 2019 £m	2018 £m	Variance %	Constant currency variance %
Primary Markets [1]	**90**	62	44%	44%
Secondary Markets - Equities	**74**	89	(16%)	(16%)
Secondary Markets - Fixed income, derivatives and other	**62**	64	(4%)	(3%)
Total revenue	**226**	215	5%	5%
Cost of sales	**(3)**	(9)	(68%)	(68%)
Gross profit	**223**	206	8%	8%

[1] Primary Markets revenue has increased by c.£32 million in H1 2019 due to a change in estimate relating to IFRS 15. This is due to a reduction in the length of time initial admissions and further issue revenues are required to be recognised. Under this new treatment, it is estimated the impact on Primary Markets will be an increase in revenue of £1 million on an annual basis.

Capital Markets - Primary Markets

	Six months ended 30 June 2019	2018	Variance %
New Issues			
UK Main Market, PSM & SFM	**28**	38	(26%)
UK AIM	**15**	36	(58%)
Borsa Italiana	**15**	13	15%
Total	**58**	87	(33%)
Money Raised (£bn)			
UK New	**2.7**	1.9	42%
UK Further	**10.8**	10.8	-
Borsa Italiana new and further	**1.9**	2.5	(24%)
Total (£bn)	**15.4**	15.2	1%

Capital Markets - Secondary Markets

	Six months ended 30 June 2019	2018	Variance %
Equity			
Totals for period			
UK value traded (£bn)	**583**	769	(24%)
Borsa Italiana (no of trades m)	**31.1**	39.4	(21%)
Turquoise value traded (€bn)	**311**	464	(33%)
SETS Yield (basis points)	**0.69**	0.62	11%
Average daily			
UK value traded (£bn)	**4.7**	6.2	(24%)
Borsa Italiana (no of trades '000)	**249**	312	(20%)
Turquoise value traded (€bn)	**2.5**	3.7	(32%)
Derivatives (contracts m)			
LSE Derivatives	**1.6**	4.1	(61%)
IDEM	**16.8**	20.7	(19%)
Total	**18.4**	24.8	(26%)
Fixed Income			
MTS cash and BondVision (€bn)	**1,650**	1,888	(13%)
MTS money markets (€bn term adjusted)	**57,749**	43,964	31%

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.

	Six months ended 30 June			Constant currency
	2019	2018	Variance	variance
Revenue	**£m**	**£m**	**%**	**%**
MillenniumIT & other technology	**30**	32	(6%)	(7%)
Cost of sales	**(4)**	(5)	(28%)	(28%)
Gross profit	**26**	27	(2%)	(3%)

BASIS OF PREPARATION

Results for the European and US businesses 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.

	Average rate 6 months ended 30 June 2019	Closing rate at 30 June 2019	Average rate 6 months ended 30 June 2018	Closing rate at 30 June 2018
GBP : EUR	1.15	1.12	1.14	1.13
GBP : USD	1.29	1.27	1.38	1.32

CONDENSED CONSOLIDATED INCOME STATEMENT

		Six months ended 30 June 2019 Unaudited			Six months ended 30 June 2018 Unaudited		
		Underlying items £m	Non-underlying items £m	Total £m	Underlying items £m	Non-underlying items £m	Total £m
	Notes		(Note 5)			(Note 5)	
Revenue	3	**1,018**	**-**	**1,018**	953	-	953
Net treasury income from CCP clearing business	3	**120**	**-**	**120**	104	-	104
Other income	3	**2**	**-**	**2**	3	-	3
Total income		**1,140**	**-**	**1,140**	1,060	-	1,060
Cost of sales	3	**(109)**	**-**	**(109)**	(106)	-	(106)
Gross profit		**1,031**	**-**	**1,031**	954	-	954
Expenses							
Operating expenses before depreciation, amortisation and impairment	4	**(406)**	**(48)**	**(454)**	(407)	(10)	(417)
Share of loss after tax of associates		**(4)**	**-**	**(4)**	(3)	-	(3)
Earnings before interest, tax, depreciation, amortisation and impairment		**621**	**(48)**	**573**	544	(10)	534
Depreciation, amortisation and impairment	4	**(88)**	**(86)**	**(174)**	(64)	(77)	(141)
Operating profit/(loss)	3	**533**	**(134)**	**399**	480	(87)	393
Finance income		**7**	**-**	**7**	6	-	6
Finance expense		**(43)**	**-**	**(43)**	(39)	-	(39)
Net finance expense	6	**(36)**	**-**	**(36)**	(33)	-	(33)
Profit/(loss) before tax		**497**	**(134)**	**363**	447	(87)	360
Taxation	7	**(120)**	**22**	**(98)**	(101)	24	(77)
Profit/(loss) for the period		**377**	**(112)**	**265**	346	(63)	283
Profit/(loss) attributable to:							
Equity holders		**350**	**(104)**	**246**	307	(61)	246
Non-controlling interests		**27**	**(8)**	**19**	39	(2)	37
		377	**(112)**	**265**	346	(63)	283
Earnings per share attributable to equity holders							
Basic earnings per share	8			**70.7p**			71.1p
Diluted earnings per share	8			**69.5p**			69.7p
Adjusted basic earnings per share	8			**100.6p**			88.7p
Adjusted diluted earnings per share	8			**98.9p**			87.0p
Dividend per share in respect of the financial period							
Dividend per share paid during the period	9			**43.2p**			37.2p
Dividend per share declared for the period	9			**20.1p**			17.2p

The notes on pages 18 to 40 form an integral part of these interim condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended 30 June 2019 Unaudited £m	2018 Unaudited £m
Profit for the period	**265**	283
Other comprehensive income:		
Items that will not be subsequently reclassified to profit or loss		
Defined benefit pension scheme remeasurement gain	**7**	31
Income tax relating to above items	**(2)**	(8)
	5	23
Items that may be subsequently reclassified to profit or loss		
Net investment hedges	**(1)**	4
Exchange (loss)/gain on translation of foreign operations	**(1)**	38
Debt instruments at fair value through other comprehensive income:		
- Net gains/(losses) from changes in fair value	**11**	(29)
- Net gains reclassified to the consolidated income statement on disposal	**(4)**	-
Income tax relating to above items	**(3)**	9
	2	22
Other comprehensive income, net of tax	**7**	45
Total comprehensive income for the period	**272**	328
Attributable to non-controlling interests	**16**	35
Attributable to equity holders	**256**	293
Total comprehensive income for the period	**272**	328

The notes on pages 18 to 40 form an integral part of these interim condensed consolidated financial statements.

CONDENSED CONSOLIDATED BALANCE SHEET

	Notes	30 June 2019 Unaudited £m	31 December 2018 £m
Assets			
Non-current assets			
Property, plant and equipment		**304**	149
Intangible assets	10	**4,666**	4,687
Investment in associates		**21**	25
Deferred tax assets		**43**	42
Investments in financial assets	11	**297**	31
Retirement benefit assets		**50**	46
Other non-current receivables	11, 12	**42**	30
Contract assets		**3**	3
		5,426	5,013
Current assets			
Trade and other receivables	11, 12	**714**	644
Contract assets		**146**	141
Derivative financial instruments	11	**1**	-
Clearing member financial assets		**842,378**	764,411
Clearing member cash and cash equivalents		**80,429**	70,927
Clearing member assets	11	**922,807**	835,338
Current tax		**146**	147
Investments in financial assets	11	**49**	53
Cash and cash equivalents	11	**1,450**	1,510
		925,313	837,833
Total assets		**930,739**	842,846
Liabilities			
Current liabilities			
Trade and other payables	11, 13	**421**	538
Contract liabilities		**247**	153
Derivative financial instruments	11	**28**	30
Clearing member liabilities	11	**923,033**	835,508
Current tax		**107**	61
Borrowings	11, 14	**686**	561
Provisions		**21**	2
		924,543	836,853
Non-current liabilities			
Borrowings	11, 14	**1,634**	1,642
Derivative financial instruments	11	**23**	17
Contract liabilities		**89**	118
Deferred tax liabilities		**466**	475
Retirement benefit obligations		**18**	22
Other non-current payables	11, 13	**165**	11
Provisions		**13**	10
		2,408	2,295
Total liabilities		**926,951**	839,148
Net assets		**3,788**	3,698
Equity			
Capital and reserves attributable to the Company's equity holders			
Ordinary share capital		**24**	24
Share premium		**967**	965
Retained earnings		**541**	424
Other reserves		**1,929**	1,930
Total shareholders' funds		**3,461**	3,343
Non-controlling interests		**327**	355
Total equity		**3,788**	3,698

The notes on pages 18 to 40 form an integral part of these interim condensed consolidated financial statements.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Notes	Six months ended 30 June 2019 Unaudited £m	2018 Unaudited £m
Cash flow from operating activities			
Cash generated from operations	16	**485**	375
Interest received		**3**	1
Interest paid		**(32)**	(30)
Corporation tax paid		**(54)**	(60)
Withholding tax received		**-**	1
Royalties paid		**(2)**	-
Net cash inflow from operating activities		**400**	287
Cash flow from investing activities			
Purchase of property, plant and equipment		**(15)**	(14)
Purchase of intangible assets		**(74)**	(76)
Net receipt on sale of a disposal group		**-**	27
Deferred consideration received on disposal of subsidiary [1]		**1**	-
Acquisition of business, net of cash acquired		**-**	3
Investment in associates		**-**	(27)
Investment in subsidiary undertaking [2]	17	**(12)**	-
Investment in financial assets classed as FVOCI [3]	11	**(246)**	-
Investment in government bonds		**-**	(3)
Cash disposed on sale of a subsidiary		**-**	(2)
Proceeds from disposal of businesses		**-**	1
Net cash outflow from investing activities		**(346)**	(91)
Cash flow from financing activities			
Dividends paid to shareholders	9	**(151)**	(129)
Dividends paid to non-controlling interests		**(39)**	(39)
Purchase of non-controlling interests [4]	11	**(9)**	(70)
Proceeds from own shares on exercise of employee share options		**3**	3
Purchase of own shares by the employee benefit trust		**(5)**	(4)
Principal element of lease payments (2018: Payments towards lease obligations)		**(20)**	(2)
Issue of convertible debt to external party [3]		**(4)**	-
Proceeds from the issue of commercial paper	14	**-**	176
Additional drawdowns from bank facilities	14	**150**	-
Repayments made to bank facilities	14	**(24)**	(227)
Net cash outflow from financing activities		**(99)**	(292)
Decrease in cash and cash equivalents		**(45)**	(96)
Cash and cash equivalents at beginning of period		**1,510**	1,381
Cash and cash equivalents at beginning of period classified as held for sale		**-**	1
Exchange (loss)/gain on cash and cash equivalents		**(15)**	13
Cash and cash equivalents at end of period		**1,450**	1,299

[1] Deferred consideration of £1m was received by the Group on its prior year disposal of Exactpro Systems Limited and its subsidiaries.

[2] Investment in subsidiary undertaking relates to the Group's investment in Beyond Ratings SAS (Beyond Ratings).

[3] Investment in financial assets classed as FVOCI include investments of £244m in Euroclear Holding SA/NV and £2m in Nivaura Limited, by the Group, during the period. The Group additionally issued £4m convertible debt to the latter.

[4] The Group purchased the remaining interest in EuroTLX SIM S.p.A. for £9m (€10.2m).
Group cash flow does not include cash and cash equivalents held by the Group’s Post Trade operations on behalf of its clearing members for use in its operation as manager of the clearing and guarantee systems. These balances represent margins and default funds held for counterparties for short periods in connection with this operation.

The notes on pages 18 to 40 form an integral part of these interim condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders						
	Ordinary share capital	Share premium	Retained earnings	Other reserves	Total attributable to equity holders	Non-controll--ing interests	Total equity
	£m	£m	£m	£m	£m	£m	£m
31 December 2017 (as previously presented)	24	964	419	1,820	3,227	525	3,752
Adoption of new accounting standards[1]	-	-	(95)	-	(95)	-	(95)
1 January 2018 (restated)	24	964	324	1,820	3,132	525	3,657
Profit for the period	-	-	246	-	246	37	283
Other comprehensive income/(loss) for the financial period	-	-	3	44	47	(2)	45
Final dividend relating to the year ended 31 December 2017 (Note 9)	-	-	(129)	-	(129)	-	(129)
Dividend payments to non-controlling interests	-	-	-	-	-	(42)	(42)
Employee share scheme expenses	-	-	19	-	19	-	19
Tax in relation to employee share scheme expenses	-	-	4	-	4	-	4
Purchase of non-controlling interests	-	-	(10)	-	(10)	(32)	(42)
30 June 2018 (Unaudited)	24	964	457	1,864	3,309	486	3,795
31 December 2018 (as previously presented)	24	965	424	1,930	3,343	355	3,698
Adoption of new accounting standards (Note 2)	-	-	(16)	-	(16)	-	(16)
1 January 2019	24	965	408	1,930	3,327	355	3,682
Profit for the period	**-**	**-**	**246**	**-**	**246**	**19**	**265**
Other comprehensive income/(loss) for the financial period	**-**	**-**	**11**	**(1)**	**10**	**(3)**	**7**
Issue of shares[2]	**-**	**2**	**-**	**-**	**2**	**-**	**2**
Final dividend relating for the year ended 31 December 2018 (Note 9)	**-**	**-**	**(151)**	**-**	**(151)**	**-**	**(151)**
Dividend payments to non-controlling interests	**-**	**-**	**-**	**-**	**-**	**(43)**	**(43)**
Employee share scheme expenses	**-**	**-**	**19**	**-**	**19**	**-**	**19**
Tax in relation to employee share scheme expenses	**-**	**-**	**6**	**-**	**6**	**-**	**6**
Purchase of non-controlling interests	**-**	**-**	**2**	**-**	**2**	**(1)**	**1**
30 June 2019 (Unaudited)	**24**	**967**	**541**	**1,929**	**3,461**	**327**	**3,788**

[1]After issuing the Group's Interim Report on 2 August 2018, the IFRIC published clarification guidance regarding the impact of adopting IFRS 15 on admission and listing service provided by the Group's Primary Markets businesses within the Capital Markets segment. Under the new standard, the Group recognises revenue from initial admissions and further issues over the period the Group provides the listing service. As a result the Group recognised an additional £113m reduction to retained earnings compared to amounts previously recognised at 1 January 2018, comprising a £140m increase in total contract liabilities, representing admission fee revenues previously recognised as revenue prior to transition that are now deferred, and a consequential £27m increase in deferred tax assets. The adjustment brings the total impact on the Group's opening retained earnings in relation to new accounting standards effective 1 January 2018 to £95m. The Group's accounting policy for admission fee revenues under IFRS 15 is presented in Note 1 of the Group's annual consolidated financial statements for the year ended 31 December 2018.

[2] During the period, the Company issued 47,921 new ordinary shares to the Employee Benefit Trust which generated share premium of £2m.

The notes on pages 18 to 40 form an integral part of these interim condensed consolidated financial statements..

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The Interim Report for the London Stock Exchange Group plc (the 'Group' or the 'Company') for the six months ended 30 June 2019 was approved by the Directors on 1 August 2019.

1. Basis of preparation and accounting policies

The interim condensed consolidated financial statements of London Stock Exchange Group plc and its subsidiaries (collectively, the 'Group') for the six months ended 30 June 2019 have been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority and with International Accounting Standard 34 (IAS 34), 'Interim Financial Reporting' as adopted by the European Union (EU).

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2018.

Comparative amounts presented for the condensed consolidated balance sheet relate to the Group's position as at 31 December 2018. All other comparative amounts presented relate to the six months ended 30 June 2018.

All notes to the financial statements include amounts for continuing operations, unless otherwise stated.

The Company is a public company, incorporated and domiciled in England and Wales. The address of its registered office is 10 Paternoster Square, London, EC4M 7LS.

The principal accounting policies adopted in the preparation of these interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2018, except for the following and the adoption of new and amended standards effective as of 1 January 2019.

The Group adopted IFRS 15 prospectively from 1 January 2018. The Group recognised initial admission fees over the period the Group provides the listing services. As at 30 June 2019 the Group revised the recognition period within parts of its Capital Markets segment, resulting in a reduction of the recognition period by 2 years. The Group now has a recognition period estimated to be between 3 and 12 years. The change has resulted in £32 million being released from contract liabilities as at 30 June 2019 and recognised as revenue in the Group's Capital Markets segment.

IFRS 16 'Leases' issued by the International Accounting Standards Board (IASB) and IFRS Interpretations Committee (IFRIC) has been adopted by the Group in these interim condensed consolidated financial statements. The impact of adoption of this standard is explained further in Note 2.

Several other amendments and interpretations apply for the first time in 2019, but these have not had a material impact on the interim condensed consolidated financial statements of the Group.

The Group has not early adopted any other standards, amendments or interpretations that have been issued but are not yet effective.

The preparation of the interim condensed consolidated financial statements 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 condensed consolidated financial statements. Although these estimates and assumptions are based on management's best judgement at the date of the interim condensed consolidated financial statements, actual results may differ from these estimates.

The statutory financial statements of London Stock Exchange Group plc for the year ended 31 December 2018, 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 condensed consolidated financial statements are unaudited but have been reviewed by the auditors and their review opinion is in included in this report.

The interim condensed consolidated financial statements do not constitute statutory financial statements within the meaning of section 434 of the Companies Act 2006.

2. Adoption of new accounting standards and interpretations

IFRS 16 'Leases' - impact of adoption

The Group adopted IFRS 16 on 1 January 2019 using the modified retrospective transitional arrangements and consequently the comparative amounts have not been restated.

The standard requires the Group to recognise a 'right-of-use' asset where the Group has a long-term arrangement to benefit from an asset which it controls in return for regular consideration (a lease). This definition includes the large majority of the Group's offices around the world, and these form the largest group of assets recognised on 1 January. Other assets include motor vehicles and other equipment.

The Group has recognised right-of-use assets and corresponding liabilities for all leased assets, except for those with only short-term commitment (less than 12 months) or for individual assets of a value less than £5,000. In such cases, the Group recognises the associated lease payments as an expense on a straight-line basis over the lease term.

Right-of-use assets for property or equipment are included within property, plant and equipment on the face of the balance sheet. Assets relating to the right-of-use of an intangible, e.g. software licenses, are included within intangible assets on the face of the balance sheet.

The cost of right-of-use assets was calculated as if the Group had always applied the new standard, but using an incremental borrowing rate calculated as at 31 December 2018. The value recognised for lease liabilities is the present value of the remaining lease payments, discounted to 1 January 2019 using the same rate.

The following practical expedients were applied by the Group:

- The use of hindsight to determine the lease term if the contract included extensions or break clauses
- Application of the short-term lease exemption to leases that expire before 31 December 2019
- Excluding initial direct costs from the measurement of the cost of the asset
- Applying a single discount rate to groups of leases with similar characteristics, e.g. similar period and location

The opening adjustments had the following impact on the opening net assets of the Group:

	As reported at 31 December 2018	**IFRS 16 transitional adjustments**	**After adoption 1 January 2019**
	£m	**£m**	**£m**
Property, plant and equipment	149	170	319
Investment in leases	-	3	3
Assets	**149**	**173**	**322**
Trade and other payables	538	27	565
Non-current payables	11	163	174
Provisions	12	3	15
Deferred tax	475	(4)	471
Liabilities	**1,036**	**189**	**1,225**
Retained earnings	424	(16)	408
Equity	**424**	**(16)**	**408**

A reconciliation of the new liabilities to the amounts disclosed at 31 December 2018 as lease commitments is given below:

	£m
Lease commitments at 31 December 2018	226
Discounted lease commitments at 1 January 2019	185
Less:	
Lease liabilities recognised as short-term leases	(2)
Add:	
Leases not previously recognised	5
Adjustments in respect of change in treatment of extension options	5
Lease liability as at 1 January 2019	**193**
Weighted average incremental borrowing rate as at 1 January 2019	**2.4%**

New accounting policies

The Group has adopted the following accounting policies in respect of leased assets:

Right-of-use assets

The Group recognises a right-of-use asset where the Group has control of an asset for a period of more than 12 months. Assets are recorded initially at cost and depreciated on a straight line basis of the lease term. Cost is defined as the lease liabilities recognised, plus any initial costs and dilapidations provisions less any lease incentives received.

The lease term is the non-cancellable term plus any optional extensions or less any reductions due to break clauses that in the judgement of management are likely to be exercised.

Lease liabilities

Lease liabilities are recognised at the net present value of the payments to be made over the lease term at the commencement of a lease. Where a lease includes a break clause or extension option, management use their best estimate on the likely outcome on a lease by lease basis. Variable lease payments based on an index are estimated at the commencement date.

The present value is determined using the incremental borrowing rate of the leasing entity.

Lease payments due within the next 12 months are recognised within current liabilities; payments due after 12 months are recognised within non-current payables.

Short-term leases and leases of low value assets

Rental costs for leased assets that are for less than 12 months or are for assets with a value of less than £5,000 are recognised directly in the income statement.

Lease movements in the period

There were additions of £1m to right-of-use property assets during the period. Additions to right-of-use intangible assets are included within intangible assets (note 10).

Interest charges recognised in respect of lease liabilities are disclosed within net finance expense (note 6). Depreciation of right-of-use property assets is disclosed within expenses by nature (note 4) and amortisation of right-of-use intangible assets is included within intangible assets (note 10).

Amounts incurred in respect of assets leased for less than 12 months or of a low value are disclosed in expenses by nature (note 4).

3. Segmental information

Segmental disclosures for the six months ended 30 June 2019 are as follows:

Unaudited	Information Services £m	Post Trade Services - LCH £m	Post Trade Services - CC&G and Monte Titoli £m	Capital Markets £m	Technology Services £m	Other £m	Eliminations £m	Group £m
Revenue from external customers	441	266	51	226	30	4	-	1,018
Inter-segmental revenue	-	-	-	-	10	-	(10)	-
Revenue	441	266	51	226	40	4	(10)	1,018
Net treasury income from CCP clearing business	-	96	24	-	-	-	-	120
Other income	-	-	-	-	-	2	-	2
Total income	441	362	75	226	40	6	(10)	1,140
Cost of sales	(36)	(61)	(4)	(3)	(4)	(1)	-	(109)
Gross profit	405	301	71	223	36	5	(10)	1,031
Share of loss after tax of associates	-	-	-	-	-	(4)	-	(4)
Earnings before interest, tax, depreciation, amortisation and impairment	253	185	50	134	9	(5)	(5)	621
Underlying depreciation, amortisation and impairment	(24)	(31)	(4)	(15)	(12)	(4)	2	(88)
Operating profit/(loss) before non-underlying items	229	154	46	119	(3)	(9)	(3)	533
Amortisation and impairment of goodwill and purchased intangible assets								(86)
Other non-underlying items								(48)
Operating profit								399
Net finance expense								(36)
Profit before tax								363

Net treasury income from the CCP businesses of £120m comprises gross interest income of £655m less gross interest expense of £535m.

The Group's revenue from contracts with customers disaggregated by segment, major product and service line, and timing of revenue recognition for the six months ended 30 June 2019 is shown below:

Six months ended 30 June 2019

Unaudited	Information Services £m	Post Trade Services - LCH £m	Post Trade Services - CC&G and Monte Titoli £m	Capital Markets £m	Technology Services £m	Other £m	Group £m
Revenue from external customers							
Major product & service lines							
FTSE Russell Indexes - subscription	203	-	-	-	-	-	203
FTSE Russell Indexes - asset based	112	-	-	-	-	-	112
Real time data	48	-	-	-	-	-	48
Other information services	78	-	-	-	-	-	78
Clearing	-	266	22	-	-	-	288
Settlement, custody and other	-	-	29	-	-	-	29
Primary capital markets	-	-	-	90	-	-	90
Secondary capital markets - equities	-	-	-	74	-	-	74
Secondary capital markets - fixed income, derivatives and other	-	-	-	62	-	-	62
Capital markets software licences	-	-	-	-	30	-	30
Other	-	-	-	-	-	4	4
Total revenue from contracts with customers	441	266	51	226	30	4	1,018
Timing of revenue recognition							
Services satisfied at a point in time	21	263	47	156	1	4	492
Services satisfied over time	420	3	4	70	29	-	526
Total revenue from contracts with customers	441	266	51	226	30	4	1,018

The Group's revenue from contracts with customers disaggregated by geographical location is shown below:

	Six months ended 30 June 2019 Unaudited £m	2018 Unaudited £m
UK	584	550
Italy	160	162
France	68	53
USA	185	165
Other	21	23
Total	1,018	953

Segmental disclosures for the six months ended 30 June 2018 are as follows:

Unaudited	Information Services £m	Post Trade Services - LCH £m	Post Trade Services - CC&G and Monte Titoli £m	Capital Markets £m	Technology Services £m	Other £m	Eliminations £m	Group £m
Revenue from external customers	412	237	52	215	32	5	-	953
Inter-segmental revenue	-	-	-	-	8	-	(8)	-
Revenue	412	237	52	215	40	5	(8)	953
Net treasury income from CCP clearing business	-	83	21	-	-	-	-	104
Other income	-	-	-	-	-	3	-	3
Total income	412	320	73	215	40	8	(8)	1,060
Cost of sales	(34)	(53)	(3)	(9)	(5)	(2)	-	(106)
Gross profit	378	267	70	206	35	6	(8)	954
Share of loss after tax of associates	-	-	-	-	-	(3)	-	(3)
Earnings before interest, tax, depreciation and amortisation	234	149	46	113	1	4	(3)	544
Underlying depreciation and amortisation	(13)	(28)	(4)	(4)	(14)	(2)	1	(64)
Operating profit/(loss) before non-underlying items	221	121	42	109	(13)	2	(2)	480
Amortisation of purchased intangible assets								(77)
Other non-underlying items								(10)
Operating profit								393
Net finance expense								(33)
Profit before tax								360

Net treasury income from the CCP businesses of £104m comprises gross interest income of £457m less gross interest expense of £353m.

The Group's revenue from contracts with customers disaggregated by segment, major product and service line, and timing of revenue recognition for the six months ended 30 June 2018 is shown below:

Six months ended 30 June 2018

Unaudited	Information Services £m	Post Trade Services - LCH £m	Post Trade Services - CC&G and Monte Titoli £m	Capital Markets £m	Technology Services £m	Other £m	Group £m
Total revenue							
Major product & service lines							
FTSE Russell Indexes - subscription [1]	185	-	-	-	-	-	185
FTSE Russell Indexes - asset based	105	-	-	-	-	-	105
Real time data	47	-	-	-	-	-	47
Other information services[1]	75	-	-	-	-	-	75
Clearing	-	237	22	-	-	-	259
Settlement, custody and other	-	-	30	-	-	-	30
Primary capital markets	-	-	-	62	-	-	62
Secondary capital markets - equities	-	-	-	89	-	-	89
Secondary capital markets - fixed income, derivatives and other	-	-	-	64	-	-	64
Capital markets software licences	-	-	-	-	32	-	32
Other	-	-	-	-	-	5	5
Total revenue from contracts with customers	412	237	52	215	32	5	953
Timing of revenue recognition							
Services satisfied at a point in time	21	234	48	149	1	4	457
Services satisfied over time	391	3	4	66	31	1	496
Total revenue from contracts with customers	412	237	52	215	32	5	953

[1]Mergent and some other minor items totalling £19m have been reclassified from FTSE Russell subscriptions to other information services.

4. Expenses by nature

Expenses comprise the following:

	Six months ended 30 June	
	2019	2018
	Unaudited	Unaudited
Underlying items	£m	£m
Employee costs	**270**	255
Short-term lease costs	**1**	-
IT costs	**68**	65
Low value items leasing	**1**	-
Other costs	**66**	87
Operating expenses before depreciation, amortisation and impairment	**406**	407
Depreciation, amortisation and impairment	**88**	64
Total operating expenses	**494**	471

Other costs include foreign exchange gains of £2m (30 June 2018: £5m gain).

Depreciation and impairment in relation to right-of-use property assets of £14m is included with in depreciation, amortisation and impairment.

5. Non-underlying items

	Six months ended 30 June	
	2019	2018
	Unaudited	Unaudited
	£m	£m
Amortisation and impairment of goodwill and purchased intangible assets	**86**	77
Transaction costs	**22**	5
Restructuring costs	**24**	**-**
Integration costs	**2**	5
Total affecting profit before tax	**134**	87
Tax effect on items affecting profit before tax		
Deferred tax on amortisation of purchased intangible assets	**(13)**	(17)
Current tax on amortisation of purchased intangible assets	**(6)**	(5)
Tax effect on other items affecting profit before tax	**(3)**	(2)
Total tax effect on items affecting profit before tax	**(22)**	(24)
Total charge to income statement	**112**	63

Transaction costs comprise charges incurred for services relating to potential mergers and acquisition transactions.

Restructuring costs comprise of one-off implementation costs arising from the cost savings programme announced and provided for in March 2019.

Integration costs principally relate to the activities to integrate the Mergent and Yield Book businesses into the Group.

6. Net finance expense

	Six months ended 30 June	
	2019	**2018**
	Unaudited	**Unaudited**
	£m	**£m**
Finance income		
Bank deposit and other interest income	**5**	3
Expected return on defined benefit pension scheme assets	**1**	1
Other finance income	**1**	2
	7	6
Finance expense		
Interest payable on bank and other borrowings	**(38)**	(35)
Defined benefit pension scheme interest cost	**-**	(1)
Lease interest expense	**(2)**	-
Other finance expenses	**(3)**	(3)
	(43)	(39)
Net finance expense	**(36)**	(33)

Bank deposit and other interest income includes negative interest earned on the Group's borrowings. Interest payable includes amounts where the Group earns negative interest on its cash deposits.

Other finance income includes an immaterial amount of interest on finance leases.

7. Taxation

	Six months ended 30 June	
	2019	**2018**
	Unaudited	**Unaudited**
Taxation charged to the income statement	**£m**	**£m**
Current tax:		
UK corporation tax for the period	**53**	41
Overseas tax for the period	**57**	56
Adjustments in respect of previous years	**(2)**	-
	108	97
Deferred tax:		
Deferred tax for the period	**3**	(3)
Deferred tax liability on amortisation of purchased intangible assets	**(13)**	(17)
	(10)	(20)
Taxation charge	**98**	77

Taxation on items not credited/(charged) to income statement	Six months ended 30 June 2019 Unaudited £m	2018 Unaudited £m
Current tax credit:		
Tax allowance on share options/awards in excess of expense recognised	**5**	5
Deferred tax (expense)/credit:		
Tax allowance on defined benefit pension scheme remeasurements	**(2)**	(8)
Tax allowance on share options/awards in excess of expense recognised	**1**	(1)
Tax on movement in value of investments in financial assets	**(3)**	1
	1	(3)

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 19% (30 June 2018: 19%) as explained below:

	Six months ended 30 June 2019 Unaudited £m	2018 Unaudited £m
Profit before taxation	**363**	360
Profit multiplied by standard rate of corporation tax in the UK	**69**	68
Expenses not deductible	**12**	2
Overseas earnings taxed at higher rate	**16**	7
Adjustments in respect of previous years	**(2)**	-
Deferred tax not recognised	**3**	-
Taxation charge	**98**	77

The tax rate applied as at 30 June 2019 is the expected rate for the full financial year.

EU State Aid

The Group continues to monitor developments in relation to EU State Aid investigations. On 25 April 2019, the EU Commission's final decision regarding its investigation into the UK's Controlled Foreign Company (CFC) regime was published. It concludes that the legislation up until December 2018 does partially represent State Aid.

The UK Government has since appealed the decision but has not yet announced how it will identify and recover State Aid, which it is still required to do regardless of the appeal.

The Group has made claims under the CFC legislation and considers that the potential amount of additional tax payable excluding compound interest is between nil and £65 million depending on the basis of calculation.

Following the UK Government's appeal and managements internal view, the Group does not consider any provision is required in relation to this investigation.

The assessment of uncertain tax positions is subjective and significant management judgement is required. This judgement is based on current interpretation of legislation, management experience and professional advice.

8. Earnings per share

Earnings per share attributable to equity holders of the parent company of the Group, London Stock Exchange Group plc (the 'Company') 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 Plans (ESOP). Adjusted basic earnings per share and adjusted diluted earnings per share exclude amortisation of purchased intangible assets and non-underlying items and to enable a better comparison of the underlying earnings of the business with prior periods.

	Six months ended 30 June	
	2019	**2018**
	Unaudited	**Unaudited**
Basic earnings per share	**70.7p**	71.1p
Diluted earnings per share	**69.5p**	69.7p
Adjusted basic earnings per share	**100.6p**	88.7p
Adjusted diluted earnings per share	**98.9p**	87.0p

Profit and adjusted profit for the financial period attributable to the Company's equity holders

	Six months ended 30 June	
	2019	**2018**
	Unaudited	**Unaudited**
	£m	**£m**
Profit for the financial period attributable to the Company's equity holders	**246**	246
Adjustments:		
Amortisation and non-underlying items		
Amortisation and impairment of goodwill and purchase intangibles assets	**86**	77
Transaction costs	**22**	5
Restructuring costs	**24**	-
Integration costs	**2**	5
	134	87
Other adjusting items		
Tax effect of amortisation of purchased intangibles and non-underlying items	**(22)**	(24)
Amortisation of purchased intangible assets, non-underlying items and taxation attributable to non-controlling interests	**(8)**	(2)
Adjusted profit for the financial period attributable to the Company's equity holders	**350**	307
Weighted average number of shares - million	**348**	346
Effect of dilutive share options and awards - million	**6**	7
Diluted weighted average number of shares - million	**354**	353

The weighted average number of shares excludes those held in the employee benefit trust and treasury shares held by the Group.

9. Dividends

	Six months ended 30 June	
	2019	2018
	Unaudited	Unaudited
	£m	£m
Final dividend for 31 December 2017 paid 31 May 2018: 37.2p per Ordinary share	**-**	129
Final dividend for 31 December 2018 paid 29 May 2019: 43.2p per Ordinary share	**151**	-
	151	129

Dividends are only paid out of available distributable reserves.

The Board has proposed an interim dividend in respect of the six-month period ended 30 June 2019 of 20.1p per share, amounting to an estimated £70m, to be paid in September 2019. This is not reflected in these interim condensed consolidated financial statements.

10. Intangible assets

	Goodwill	Customer and supplier relationships	Brands	Software, licenses and intellectual property	Software, contract costs and other	Total
		Purchased intangible assets				
	£m	£m	£m	£m	£m	£m
Cost:						
1 January 2019	2,447	1,892	1,005	582	872	6,798
Additions	**15**	**-**	**-**	**-**	**113**	**128**
Disposals	**-**	**(2)**	**-**	**(1)**	**(2)**	**(5)**
Asset transfer	**-**	**-**	**-**	**-**	**2**	**2**
Foreign exchange	**(6)**	**(3)**	**1**	**(1)**	**(1)**	**(10)**
30 June 2019 (Unaudited)	**2,456**	**1,887**	**1,006**	**580**	**984**	**6,913**
Accumulated amortisation and impairment:						
1 January 2019	528	662	197	304	420	2,111
Impairment	**8**	**1**	**-**	**-**	**-**	**9**
Amortisation charge for the period	**-**	**46**	**20**	**11**	**55**	**132**
Disposals	**-**	**(2)**	**-**	**(1)**	**-**	**(3)**
Asset transfer	**-**	**-**	**-**	**-**	**2**	**2**
Foreign exchange	**(2)**	**(1)**	**-**	**-**	**(1)**	**(4)**
30 June 2019 (Unaudited)	**534**	**706**	**217**	**314**	**476**	**2,247**
Net book values:						
30 June 2019 (Unaudited)	**1,922**	**1,181**	**789**	**266**	**508**	**4,666**
31 December 2018	1,919	1,230	808	278	452	4,687

Goodwill

During the period, the Group acquired Beyond Ratings SAS ("Beyond Ratings"), which resulted in an increase of £15m in goodwill. Further details are provided in Note 17.

Purchased intangible assets

Following a review of purchased intangible assets, Turquoise Global Holdings Ltd disposed of assets no longer in use, comprising £2m of customer relationships and £1m software licences with a nil net book value.

Software, contract costs and other

During the period, additions relating to internally generated software amounted to £92m (30 June 2018: £80m).

The carrying value of licences held by leases at 30 June 2019 amounted to £3m (31 December 2018: £6m).

The Group capitalised £18m right of use assets held under leases at 30 June 2019. All the assets were acquired in the period and recognised a £3m amortisation charge.

During the period, the Group capitalised £3m (June 2018: £5m) of incremental contract costs in respect of revenue generating contracts with customers and recognised a £3m (June 2018: £4m) amortisation charge relating to contract cost assets. No impairment was recognised in period in relation to contract cost assets.

Impairment

An impairment has been recognised in relation to Turquoise Global Holdings Ltd due to uncertainties on the underlying future cash flows. This has arisen due to weaker demand in the 'lit' trading book coupled with increased cost arising out of additional investment in information technology to support the business. This has resulted in an impairment of £8 million in Goodwill and £1 million in Customer and Supplier Relationships.

11. Financial assets and financial liabilities

Financial instruments by category

The financial instruments of the Group at 30 June 2019 are categorised as follows:

30 June 2019 Unaudited	Financial assets at amortised cost £m	Financial assets at fair value through OCI £m	Financial assets at fair value through profit or loss £m	Total £m
Financial assets				
Clearing member financial assets				
– Clearing member trading assets	149,932	-	669,906	819,838
– Other receivables from clearing members	3,958	-	-	3,958
– Other financial assets	-	18,582	-	18,582
– Clearing member cash and cash equivalents	80,429	-	-	80,429
Clearing member financial assets	234,319	18,582	669,906	922,807
Trade and other receivables	678	-	5	683
Cash and cash equivalents	1,450	-	-	1,450
Investments in financial assets - debt	-	94	-	94
Investments in financial assets - equity	-	252	-	252
Derivative financial instruments	-	-	1	1
Total financial assets	236,447	18,928	669,912	925,287

Trade and other receivables excludes prepayments as these are not financial instruments.

30 June 2019 Unaudited	Financial liabilities at amortised cost £m	Financial liabilities at fair value through profit or loss £m	Total £m
Financial liabilities			
Clearing member financial liabilities:			
– Clearing member trading liabilities	149,932	669,906	819,838
– Other payables to clearing members	103,195	-	103,195
Clearing member financial liabilities	253,127	669,906	923,033
Trade and other payables	551	-	551
Borrowings	2,320	-	2,320
Derivative financial instruments	-	51	51
Total financial liabilities	255,998	669,957	925,955

There were no transfers between categories during the period.

Trade and other payables excludes social security and other taxes as these are not financial instruments.

The financial instruments of the Group at 31 December 2018 were categorised as follows:

31 December 2018 (re-presented)	Financial assets at amortised cost	Financial assets at fair value through OCI	Financial instruments at fair value through profit or loss	Total
	£m	£m	£m	£m
Financial assets				
Clearing member financial assets:				
– Clearing member trading assets	138,153	-	604,303	742,456
– Other receivables from clearing members	2,261	-	-	2,261
– Other financial assets	-	19,694	-	19,694
– Cash and cash equivalents of clearing members	70,927	-	-	70,927
Clearing member financial assets	211,341	19,694	604,303	835,338
Trade and other receivables	621	-	-	621
Cash and cash equivalents	1,510	-	-	1,510
Investments in financial assets - debt	-	84	-	84
Total financial assets	213,472	19,778	604,303	837,553

There were no transfers between categories during the prior period. The financial assets have been re-presented excluding contract assets, as they are no longer considered to be a financial asset.

31 December 2018	Financial liabilities at amortised cost	Financial liabilities at fair value through profit or loss	Total
	£m	£m	£m
Financial liabilities			
Clearing member financial liabilities:			
– Clearing member trading liabilities	138,153	604,303	742,456
– Other payables to clearing members	93,052	-	93,052
Clearing member financial liabilities	231,205	604,303	835,508
Trade and other payables	510	10	520
Borrowings	2,203	-	2,203
Derivative financial instruments	-	47	47
Total financial liabilities	233,918	604,360	838,278

There were no transfers between categories during the prior period.

The following table provides the fair value measurement hierarchy of the Group’s financial assets and liabilities as at 30 June 2019:

30 June 2019 **Unaudited**	**Quoted prices in active markets (Level 1)** **£m**	**Significant observable inputs (Level 2)** **£m**	**Significant unobservable inputs (Level 3)** **£m**	**Total fair value** **£m**
Financial assets measured at fair value:				
Clearing member trading assets:				
- Derivative instruments	**7,741**	**171,701**	**-**	**179,442**
- Non-derivative instruments	**20**	**490,444**	**-**	**490,464**
Other financial assets	**18,582**	**-**	**-**	**18,582**
Fair value of clearing member assets	**26,343**	**662,145**	**-**	**688,488**
Investments in financial assets - debt	**94**	**-**	**-**	**94**
Investments in financial assets - equity	**-**	**250**	**2**	**252**
Trade and other receivables - convertible loan notes	**-**	**-**	**5**	**5**
Derivatives not designated as hedges:				
- Foreign exchange forward contracts	**-**	**1**	**-**	**1**
Total financial assets at fair value	**26,437**	**662,396**	**7**	**688,840**

30 June 2019 **Unaudited**	**Quoted prices in active markets (Level 1)** **£m**	**Significant observable inputs (Level 2)** **£m**	**Significant unobservable inputs (Level 3)** **£m**	**Total fair value** **£m**
Financial liabilities measured at fair value:				
Clearing member trading liabilities:				
- Derivative instruments	**7,741**	**171,701**	**-**	**179,442**
- Non-derivative instruments	**20**	**490,444**	**-**	**490,464**
Fair value of clearing member liabilities	**7,761**	**662,145**	**-**	**669,906**
Derivatives not designated as hedges:				
Foreign exchange forward contracts	**-**	**1**	**-**	**1**
Derivatives designated as hedges:				
Cross currency interest rate swaps	**-**	**50**	**-**	**50**
Total financial liabilities at fair value	**7,761**	**662,196**	**-**	**669,957**

The following table provides the fair value measurement hierarchy of the Group's financial assets and liabilities as at 31 December 2018:

31 December 2018	Quoted prices in active markets (Level 1) £m	Significant observable inputs (Level 2) £m	Significant unobservable inputs (Level 3) £m	Total fair value £m
Financial assets measured at fair value:				
Clearing member trading assets:				
- Derivative instruments	4,958	8	-	4,966
- Non-derivative instruments	5	599,332	-	599,337
Other financial assets	19,694	-	-	19,694
Fair value of clearing member assets	24,657	599,340	-	623,997
Investments in financial assets - debt	84	-	-	84
Total financial assets at fair value	24,741	599,340	-	624,081

31 December 2018	Quoted prices in active markets (Level 1) £m	Significant observable inputs (Level 2) £m	Significant unobservable inputs (Level 3) £m	Total fair value £m
Financial liabilities measured at fair value:				
Clearing member trading liabilities:				
- Derivative instruments	4,958	8	-	4,966
- Non-derivative instruments	5	599,332	-	599,337
Fair value of clearing member liabilities	4,963	599,340	-	604,303
Deferred consideration	-	-	10	10
Derivatives used for hedging:				
- Cross currency interest rate swaps	-	47	-	47
Total financial liabilities at fair value	4,963	599,387	10	604,360

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:
- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: other techniques for which all inputs, which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

For assets and liabilities classified as Level 1, the fair value is based on market price quotations at the reporting date.

For assets and liabilities classified as Level 2, the fair value is calculated using one or more valuation techniques (e.g. the market approach or the income approach) with market observable inputs. The selection of the appropriate valuation techniques may be affected by the availability of the relevant inputs as well as the reliability of the inputs. The inputs may include currency rates, interest rate and forward rate curves and net asset values. The results of the application of the various techniques may not be equally representative of fair value, due to factors such as assumptions made in the valuation.

There have been no transfers between Level 1 and Level 2 during the current and prior period.

When observable market data is not available, the Group uses one or more valuation techniques for which sufficient and reliable data is available. The inputs used in estimating the fair value of Level 3 financial instruments include expected timing and level of future cash flows, timing of settlement, discount rates and net asset values of certain investments.

On 30 January 2019, the Group acquired a 4.92% equity interest in Euroclear Holding SA/NV (Euroclear) for €278m (£244m). As at 30 June 2019, the carrying value of this investment is £250m. The fair value of the investment is classified as a Level 2 investment, as the fair value can be obtained from external observable inputs.

On 25 February 2019, the Group acquired a 7.3% equity interest in Nivaura Limited (Nivaura) for £2m. A further investment of £4m in the form of a convertible loan was also made. The loan is convertible to equity under certain conditions and attracts a discount on the available share price. The fair value of the loan as at 30 June 2019 is £5m, calculated using expected values based on the probability of each possible outcome. A fair value gain of £1m has been recognised during the period in the income statement. The value of the loan is not affected by future cash flows.

The Group has opted to treat the equity investments as fair value through other comprehensive income, given the intended long-term nature of these investments. The convertible loan is treated as fair value through profit or loss, as it contains a derivative option.

The fair value of the Nivaura investment is classified as a Level 3 investment as it is based on a calculated share price using discounted future cash flows.

A 10% increase or decrease in cash flows or a 1% change in the discount rate applied would not have a material effect on the valuation of the investment.

The deferred consideration recognised at December 2018 has been paid during the period.

With the exception of Group borrowings, management has assessed that the fair value of financial assets and financial liabilities recognised at amortised cost approximates to their carrying values. The fair value of the Group's borrowings is disclosed in Note 14.

The Group's financial assets and liabilities held at fair value consist largely of securities restricted in use for the operations of the Group's CCPs as managers of their respective clearing and guarantee systems. The nature and composition of the CCP clearing business assets and liabilities are explained in the accounting policies note in the Group's annual consolidated financial statements for the year ended 31 December 2018.

As at 30 June 2019, there were no provisions for impairment in relation to any of the CCP financial assets (31 December 2018: nil) and none of those assets are past due (31 December 2018: nil).

Hedging activities and derivatives

Current derivative financial liabilities of £27m (31 December 2018: £30m) represent the fair value of the cross currency interest rate swaps comprising 6 contracts totalling €300m notional (31 December 2018: €300m). These instruments effectively exchange the obligations and coupons of the 2019 £250m bond from sterling into euros in order to more closely match the currency of borrowings to the Group's currency of net assets and earnings. It also results in a reduction in balance sheet translation exposure on euro denominated net assets and the protection of sterling cash flows. These swaps have been designated as a hedge of the Group's net investment in the Italian group and qualify for effective hedge accounting.

For the period ended 30 June 2019, the Group recognised a net £3m loss on mark to market of these derivatives in reserves (30 June 2018: £6m gain).

In 2017, the Group issued €1bn of bonds in two €500m tranches that mature in 2024 and 2029. €700m of these bonds were swapped on a coordinated basis into US$836m through a series of nine cross currency interest rate swaps. As at 30 June 2019, non-current derivative financial liabilities of £23m (31 December 2018: £17m) represent the fair value of these cross currency interest rate swaps. These instruments effectively exchange some of the obligations and coupons of the bonds from euros into US dollars in order to more closely match the Group's currency of borrowings to the currency of its net assets and earnings. These swaps have been designated as a hedge of the Group's net investments in its US dollar reporting subsidiaries and qualify for effective hedge accounting.

The remaining €300m of bonds are a hedge of the Group's net investments in euro denominated subsidiaries and qualify for effective hedge accounting.

Through the period the Group drew on its committed bank facilities in euro and US dollars and issued euro Commercial Paper. These drawings and issuances were designated as hedges of the Group's net investment and euro and US dollar denominated subsidiaries. For the period ended 30 June 2019, the Group recognised a net £10m revaluation gain on euro and USD dollar borrowings in reserves (30 June 2018: £2m loss).

Foreign exchange forward contracts were arranged during the period to hedge the fair value of euro and US dollar denominated exposures. These contracts forward buy payables denominated in euro and US dollar, with the mark to market adjustments offsetting the revaluation of the underlying item in the income statement. They also offer more predictable cash flows to the Group at maturity. At 30 June 2019, payables of €157m (31 December 2018: €34m) and US$122m (31 December 2018: US$43m) were bought forward and receivables of US$52m (31 December 2018: US$69m) were sold forward. The market value of foreign exchange forward contracts was £1m of assets and £1m of liabilities (31 December 2018: nil) in aggregate.

12. Trade and other receivables

	30 June 2019 Unaudited £m	31 December 2018 £m
Non-current		
Deferred consideration	**28**	28
Net investment in leases	**3**	-
Convertible loan notes	**5**	-
Other receivables	**6**	2
	42	30
Current		
Trade receivables	**428**	432
Less: Provision for impairment of receivables	**(10)**	(11)
Trade receivables - net	**418**	421
Prepayments	**73**	53
Amounts due from associates	**1**	1
Deferred consideration	**29**	28
Other receivables	**193**	141
	714	644
Total trade and other receivables	**756**	674

13. Trade and other payables

	30 June 2019 Unaudited £m	31 December 2018 Re-presented £m
Non-current		
Lease liabilities [1]	**159**	1
Other payables	**6**	10
	165	11
Current		
Trade payables	**30**	52
Social security and other taxes	**35**	29
Amounts due to joint venture & associates	**1**	-
Accruals	**244**	355
Other payables	**72**	98
Lease liabilities [1]	**39**	4
	421	538
Total trade and other payables	**586**	549

[1] Prior to the adoption of IFRS 16, at 31 December 2018, lease liabilities totalling £5m were reported within other payables. There is no change to the total of trade and other payables.

14. Borrowings

	30 June 2019 Unaudited £m	31 December 2018 £m
Current		
Bank borrowings	**167**	41
Commercial paper	**269**	270
Bonds	**250**	250
	686	561
Non-current		
Bonds	**1,634**	1,642
	1,634	1,642
Total	**2,320**	2,203

The Group has the following committed bank facilities and unsecured notes:

Unaudited Type	**Expiry Date**	**Notes/ Facility** £m	**Carrying value at 30 June 2019** £m	**Interest rate percentage at 30 June 2019** %
Multi-currency revolving credit facility	Nov 2022	600	**18**	LIBOR + 0.45
Multi-currency revolving credit facility	Dec 2024	600	**149**	LIBOR + 0.3
Total committed Bank facilities			**167**	
Commercial paper	July 2019	269	**269**	(0.29)[1]
Bond due October 2019	Oct 2019	250	**250**	9.125
Bond due November 2021	Nov 2021	300	**299**	4.75
Bond due September 2024	Sep 2024	448	**446**	0.875
Bond due December 2027	Dec 2027	448	**444**	1.75
Bond due September 2029	Sep 2029	448	**445**	1.75
Total Bonds			**1,884**	
Total borrowings			**2,320**	

[1] The Commercial paper interest rate reflected is the average interest rate achieved on outstanding borrowings.

The fair value of the Group's borrowings at 30 June 2019 was £2,434m (31 December 2018: £2,475m).

Current borrowings
The Group retained total committed bank facilities of £1,200m during the period. These facilities were partially drawn at 30 June 2019 with carrying value of £167m (31 December 2018: £41m) which includes £2m of deferred arrangement fees (31 December 2018: £2m).

In February 2018, the Group commenced with issuances on the newly arranged £1bn, Euro Commercial Paper facility. Outstanding issuances at 30 June 2019 of €300m (£269m) (31 December 2018: €300m (£270m)) are reissued upon maturity in line with the Group's liquidity requirements.

In June 2009, the Company issued a £250 million bond which is unsecured and is due for repayment in October 2019. Interest is paid semi-annually in arrears in April and October each year. The bond coupon remained at 9.125% per annum throughout the period.

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 the event of a market stress or participant failure. In addition, it has arranged commercial bank back-up credit lines with a number of commercial banks, which had a total of €420m at 30 June 2019 (31 December 2018: €420m), for overnight and longer durations to broaden its liquidity resources consistent with requirements under the European Markets Infrastructure Regulation (EMIR).

LCH SA has a French banking licence and is able to access refinancing at the European Central Bank to support its liquidity position. LCH Limited is deemed to have sufficient fungible liquid assets to maintain an appropriate liquidity position, and has direct access to certain central bank facilities to support its liquidity risk management in accordance with the requirements under the EMIR. In accordance with the Committee on Payments and Market Infrastructures (CPMI), International Organization of Securities Commissions

(IOSCO) and Principles for Financial Market Infrastructures (PFMIs), many Central Banks now provide for CCPs to apply for access to certain Central Bank facilities.

In addition, a number of Group entities have access to uncommitted operational, money market and overdraft facilities which support post trade activities and day to day liquidity requirements across its operations.

Non-current borrowings

In November 2012, the Group issued a £300m bond under its Euro Medium Term Notes Programme (launched at the same time) which is unsecured and is due for repayment in November 2021. Interest is paid semi-annually in arrears in May and November each year. The issue price of the bond was £100 per £100 nominal. The coupon on the bond is fixed at 4.75% per annum.

In September 2017, the Group issued €1bn of bonds in two €500m (£448m) tranches under its updated Euro Medium Term Notes Programme. The bonds are unsecured and the tranches are due for repayment in September 2024 and September 2029 respectively. Interest is paid annually in arrears in September each year. The issue prices of the bonds were €99.602 per €100 nominal for the 2024 tranche and €99.507 per €100 nominal for the 2029 tranche. The coupon on the respective tranches is fixed at 0.875% per annum and 1.75% per annum respectively.

In December 2018, the Group issued a €500m (£448m) bond under its updated Euro Medium Term Notes Programme. The bond is unsecured and due for repayment in December 2027. Interest is paid annually in arrears in December each year. The issue price was €99.457 per €100 nominal. The coupon on the bond is fixed at 1.75% per annum.

15. Analysis of net debt

	30 June 2019 Unaudited £m	31 December 2018 £m
Due within one year		
Cash and cash equivalents	**1,450**	1,510
Bank borrowings	**(167)**	(41)
Commercial paper	**(269)**	(270)
Bonds	**(250)**	(250)
Derivative financial assets	**1**	-
Derivative financial liabilities	**(28)**	(30)
	737	919
Due after one year		
Bonds	**(1,634)**	(1,642)
Derivative financial liabilities	**(23)**	(17)
Total net debt	**(920)**	(740)

Reconciliation of net cash flow to movement in net debt

	30 June 2019 Unaudited £m	31 December 2018 £m
(Decrease)/increase in cash in the period/year	**(45)**	84
Bond issue proceeds	**-**	(445)
Additional drawdowns from bank credit facilities	**(150)**	-
Repayments made towards bank credit facilities	**24**	489
Commercial paper issuance	**-**	(255)
Change in net debt resulting from cash flows	**(171)**	(127)
Foreign exchange movements	**(5)**	4
Movement on derivative financial assets and liabilities	**(3)**	(22)
Bond valuation adjustment	**(1)**	3
Movement in bank credit facility arrangement fees	**-**	(1)
Net debt at the start of the period/year	**(740)**	(597)
Net debt at the end of the period/year	**(920)**	(740)

Note: the Net Debt excludes the non-current derivative asset.

16. Net cash flow generated from operations

	Notes	Six months ended 30 June 2019 Unaudited £m	2018 Unaudited £m
Profit before tax		**363**	360
Adjustments for depreciation, amortisation and impairment of fixed assets:			
Depreciation and amortisation	10	**164**	141
Impairment of intangible assets	10	**9**	-
Impairment of property, plant and equipment		**1**	-
Adjustments for other non-cash items:			
Profit on disposal of fixed assets		**(1)**	-
Share of loss of associates		**4**	3
Net finance expense	6	**36**	33
Royalties		**1**	-
Share scheme expense		**19**	19
Movement in pensions and provisions		**18**	9
Net foreign exchange differences		**(13)**	(13)
Capitalisation of expenses on adoption of new accounting standard		**-**	(12)
Movements in working capital:			
Increase in trade and other receivables		**(77)**	(115)
(Decrease)/increase in trade and other payables		**(80)**	174
Movements in other assets and liabilities related to operations:			
Increase in clearing member financial assets		**(97,650)**	(77,525)
Increase in clearing member financial liabilities		**97,704**	77,301
Movement in derivative assets and liabilities [1]		**(13)**	-
Cash generated from operations		**485**	375
Comprising:			
Ongoing operating activities		**479**	364
Non-underlying items		**6**	11
		485	375

[1] Movement in derivative assets and liabilities includes £10m relating to the Group's exercise of its option to purchase the remaining interest in EuroTLX SIM S.p.A., a subsidiary of the Group.

17. Business combinations

Acquisitions in the period to 30 June 2019

The Group made one acquisition in the period ended 30 June 2019.

On 31 May 2019, the Group acquired Beyond Ratings SAS (Beyond Ratings) a provider of Environmental, Social and Governance data for fixed income. The consideration comprised £12m cash paid on completion for 87.2 per cent of the share capital and £3m deferred consideration for the remaining shareholdings to be settled before 31 December 2019.

The Group recognised £15m provisional goodwill representing the growth of future expected income streams as a result of the acquisition being highly complementary to the Groups index and data offering and the analytics tools.

The provisional fair value of net assets identified was nil. The fair values attributed to the Beyond Ratings acquisition are preliminary and will be finalised within 12 months of the acquisition date.

The post acquisition revenues and operating profit from continuing operations of Beyond Ratings for the period ended 30 June 2019 were not material to the Group. If the acquisition had occurred on 1 January 2019, the results of the additional period of ownership would have had an immaterial impact on the Group's revenue and operating profit from continuing operations for the period ended 30 June 2019.

The acquisition-related costs incurred in relation to the transaction were not material to the Group.

Acquisitions in the year ended 31 December 2018

There were no business combinations during the year ended 31 December 2018.

18. 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 36 of the Group's annual consolidated financial statements for the year ended 31 December 2018.

19. Commitments and contingencies

The Group had no contracted capital commitments and other contracted commitments not provided for in the interim condensed consolidated financial statements (31 December 2018: nil).

In the normal course of business, the Group receives legal claims in respect of commercial, employment and other matters. Where a claim is more likely than not to result in an economic outflow of benefits from the Group, a provision is made representing the expected cost of settling such claims.

20. Events after the reporting period

On 1 August 2019 the Group announced that it had agreed definitive terms with a consortium including certain investment funds affiliated with Blackstone as well as Thomson Reuters to acquire the Refinitiv business (Refinitiv) in an all share transaction for a total enterprise value of approximately $27 billion. Blackstone's consortium includes an affiliate of Canada Pension Plan Investment Board, an affiliate of GIC and certain co-investors. The transaction would result in the Refinitiv Shareholders holding an approximately 37 per cent stake in the enlarged group and less than 30 per cent of the total voting rights of LSEG. The approval of shareholders is expected to be sought before the end of 2019. Completion of the transaction is expected during the second half of 2020.

On the same day the Group has arranged underwritten bridge financing of approximately $13.5 billion to refinance the Refinitiv notes and term loans in full following completion.

Principal Risks

The management of risk is fundamental to the Group's day-to-day operations and the successful execution of its Strategic Plan.

LSEG's Enterprise-wide Risk Management Framework (ERMF) is designed to allow management and the Board to identify, assess and manage LSEG's risks and to ensure better decision taking in the execution of its strategy. It also enables the Board and executive management to maintain and attest to the effectiveness of the systems of internal control and to manage principal risks as set out in the UK Corporate Governance Code. Additional details can be found in our risk management oversight supplement. Please visit: www.lseg.com/about-london-stock-exchange-group/risk-management-oversight for the year ended 31 December 2018.

The Group does not consider that the principal risks and uncertainties set out on pages 48-57 of its Annual Report for the year ended 31 December 2018 to have changed materially. A summary of the principal risks and uncertainties which may affect the Group in the second half of the financial year include the following:

Strategic Risks

Global Economy
As a diversified markets infrastructure business, we operate in a broad range of equity, fixed income and derivative markets servicing clients who increasingly seek global products and solutions. If the global economy underperforms, lower activity in our markets may lead to lower revenue.

The widening geographical footprint of the Group has had the dual effect of increasing the proportion of the Group's earnings that are in foreign currency, leading to greater foreign exchange risk, but also improving the geographical diversification of the Group's income streams.

Ongoing geopolitical tensions add uncertainty in the markets and may impact investor confidence and activity levels. In particular, the political uncertainty in the UK as well as the trade tensions between the US and its major trading partners continue to unsettle global markets. LSEG monitors the potential impact of macroeconomic and political events on our operating environment and business model and the Group is an active participant in international and domestic regulatory debates.

Regulatory Change
The Group and its exchanges, trading venues, clearing houses (CCPs), benchmark index businesses, central securities depositories, trade repositories and other regulated entities operate in areas that are highly regulated by governmental, competition and other regulatory bodies. New regulations, such as the EU General Data Protection Regulation (GDPR), MiFID II and the EU Benchmarks Regulation, create operational risks as the Group implements processes to established business models to meet the new regulations.

Brexit - The UK vote in 2016 to leave the EU introduced significant uncertainty concerning the political and regulatory environment, the UK's future relationship with the EU, and the overall impact on the UK and European economies both in the short and medium term. Negotiations between the UK and the EU continue, but the UK's final exit terms are unclear. The lack of agreement between the UK and the EU increases the risk of a 'no deal' hard Brexit scenario. The effects of Brexit (including a no deal Brexit or another extension to the Article 50 process) are uncertain, and could affect the Group's businesses, operations, financial condition and cash flows.

In the event of a hard 'no deal' Brexit, LSEG business will not necessarily be able to rely on respective access between the UK and the EU. Accordingly, the Group is executing contingency plans to maintain continuity of service to customers and orderly functioning of its markets. These plans include setting up authorised entities in the EU27 and in the UK for certain Group businesses, as well as receiving temporary equivalence and filing for authorisation for certain clearing operations. However, the complexity and the lack of clarity of the application of a hard Brexit may decrease the effectiveness or applicability of some of these contingency plans. As is the case with all change, these contingency plans introduce some execution risk. In addition, the Group has a structured Brexit programme to engage with UK, EU and US Brexit policy leads to advise on financial market infrastructure considerations. LSEG's key objectives are maintaining London's position as a global financial hub and providing continuity of stable financial market infrastructure services.

Any of these effects of Brexit, and others the Group cannot anticipate, could adversely affect the Group's business, results of operations, financial condition and cash flows.

Competition
The Group operates in a highly competitive industry. Continued consolidation has fuelled competition including between groups in different geographical areas.

- Our **Capital Markets** operations face continuing risk from competitors' commercial and technological offerings. There is strong competition for primary listings and capital raising from other global exchanges and regional centres with the increasing take-up of new funding models such as private equity and direct investment.
- The Group's **Information Services** business faces competition from a variety of sources, such as from index providers which offer indices and other benchmarking tools which compete with those offered by the Group, as well as analytics providers.
- In **Post Trade Services**, we continue to see increased clearing activity across a number of asset classes, in particular OTC derivatives products, reflecting the attractiveness of the Group's current customer offering and open access philosophy.
- In **Technology Services**, there is intense competition across all activities as investment increases across the industry in technological innovation. At present, technology product and service innovation is highly fragmented with many new entrants and start-ups. There are also strong incumbents in some of our growth areas.

The Group's track record of innovation and diversification ensures the Group continues to offer best in class services with a global capability. The Group maintains strong customer relationships by meeting their requirements through organic growth strategies designed in partnership with them. In addition, the Group continues to effectively integrate acquisitions and deliver tangible synergies from them, supported by robust governance and programme management structures.

Compliance
There is a risk that one or more of the Group's entities may fail to comply with the laws and regulatory requirements (incl. GDPR) to which it is, or becomes, subject. In this event, the entity in question may be subject to censures, fines and other regulatory or legal proceedings.

The Group continues to maintain systems and controls to mitigate compliance risk and compliance policies and procedures are regularly reviewed.

Transformation Risk
The Group is exposed to transformation risks (risk of loss or failure resulting from change/transformation).

The Group continues to grow rapidly both organically and inorganically. Acquisitions may, in some cases, be complex and/ or necessitate change to operating models, business models, technology and people. Acquisitions may increase integration risks and expected synergies may not be achieved.

A failure to successfully embed the corporate operating model may lead to an increased cost base without a commensurate increase in revenue, a failure to capture future product and market opportunities, and risks in respect of capital requirements, regulatory relationships and management time.

The additional effort related to M&A and post-transaction alignment activities may adversely impact on the Group's day-to-day performance and/or key strategic initiatives, which could damage the Group's reputation and financial performance.

The size and complexity of acquisitions in the past 5 years have increased the Group's change management and transformation risks. However, they have also increased its opportunities to compete on a global scale and diversified its revenue footprint by industry, geography and customer base.

LSEG's Enterprise-wide Risk Management Framework (ERMF) ensures appropriate risk management across the Group, and the governance of the ever-growing Group is aligned and strengthened as appropriate. The Group performs regular reporting of change performance, including ongoing alignment activity. Each major initiative is overseen by a Steering Committee which monitors the associated risks closely. Regular reports are submitted to the Executive Committee, the Board Risk Committee and the Board.

Reputation/Brand
A number of the Group's businesses have iconic national brands that are well-recognised at international as well as at national levels. The strong reputation of the Group's businesses and their valuable brand names are a key selling point. Any events or actions that damage the reputation or brands of the Group could adversely affect its business, financial condition and operating results.

Failure to protect the Group's Intellectual Property rights adequately could result in costs for the Group, negatively impact the Group's reputation and affect the ability of the Group to compete effectively. Further, defending or enforcing the Group's Intellectual Property rights could result in the expenditure of significant financial and managerial resources, which could adversely affect the Group's business, financial condition and operating results.

LSEG has policies and procedures in place which are designed to ensure the appropriate usage of the Group's brands and to maintain the integrity of the Group's reputation. LSEG actively monitors the usage of its brands and other Intellectual Property in order to prevent or identify and address any infringements. The Group protects its Intellectual Property by relying upon a combination of trade mark laws, copyright laws, patent laws, trade secret protection, confidentiality agreements and other contractual arrangements with its affiliates, clients, customers, suppliers, strategic partners and others.

Financial Risks

Credit Risk

The Group's CCPs manage the credit risk of clearing counterparties by imposing stringent membership requirements, analysing member credit quality by means of an internal rating system and via variation margin, initial margins and additional margins.

Investment Risk

Under the ERMF, CCP investments must be made in compliance with the LSEG Financial Risk Policy (as well as the Policies of the CCPs themselves). These Policies stipulate a number of Risk Management standards including investment limits (secured and unsecured) as well as liquidity coverage ratios. Committees overseeing CCP investment risk meet regularly. CCP counterparty risk including liquidity management balances and counterparty disintermediation risk is consolidated daily at the Group level and reported to the Executive Committee, including limits and status rating. Requirements for investments by other members of the Group are set out in the Group's Board approved Treasury Policy.

Market Risk (non-clearing)

The Group is exposed to foreign exchange risk through its broadening geographical footprint, and interest rate risk through borrowing activities and treasury investments. Non-clearing market risk is monitored and managed closely and is under the oversight of the Group's Treasury Committee.

Latent Market Risk (clearing)

There is a risk that one of the parties to a cleared transaction defaults on their obligation; in this circumstance the CCP is obliged to honour the contract on the defaulter's behalf and thus an unmatched risk position arises. The CCP may suffer a loss in the process of work-out (the 'Default Management Process') if the market moves against the CCP's positions.

All of the Group's CCPs have been EMIR certified and are compliant with the EMIR requirements regarding margin calculations, capital and default rules. Under the ERMF, CCP latent market risk must be managed in compliance with the Group Financial Risk Policy as well as policies of the CCPs themselves.

Liquidity Risk (clearing)

There are two distinct types of risk commonly referred to as liquidity risk. Market liquidity risk is the risk that it may be difficult or expensive to liquidate a large or concentrated position. Funding liquidity risk is the risk that the CCP may not have enough cash to pay for physically settled securities delivered by a non-defaulter that cannot be sold to a defaulter.

The Group's CCPs collect clearing members' margin and/or default fund contributions in cash and/or in highly liquid securities. To maintain sufficient ongoing liquidity and immediate access to funds, the Group's CCPs deposit the cash received in highly liquid and secure investments, such as central bank deposits, sovereign bonds and reverse repos, as mandated under EMIR; securities deposited by clearing members are therefore held in dedicated accounts with Central Securities Depositories (CSDs) and/or International Central Securities Depositories (ICSDs). The Group's CCPs also hold a small proportion of their investments in unsecured bank and money market deposits. The successful operation of these investment activities is contingent on general market conditions and there is no guarantee that such investments will not suffer market losses. Furthermore, there is a risk that a counterparty default could lead to losses to the Group. Such a loss may occur due to the default of an issuer of bonds in which funds may be invested or the default of a bank in which funds are deposited.

The Group's CCPs manage their exposure to credit and concentration risks arising from such investments by maintaining a diversified portfolio of high-quality liquid investments. The Group relies on established policies with minimum counterparty credit criteria, instructions, rules and regulations, as well as procedures specifically designed to actively manage and mitigate credit risks. There is no assurance, however, that these measures will be sufficient to protect the Group's CCPs from a counterparty default.

Group CCPs have put in place regulatory compliant liquidity plans for day-to-day liquidity management, including contingencies for stressed conditions. Group CCPs have multiple layers of defence against liquidity shortfalls including; minimum cash balances, access to contingent liquidity arrangements, and, for certain CCPs, access to central bank liquidity.

Capital Management

Principal risks to managing the Group's capital are: capital adequacy compliance risk and capital reporting compliance risk (in respect of regulated entities); commercial capital adequacy and quality risk and investment return risk (in respect of regulated and unregulated entities) and availability of debt or equity.

The Group's Capital Management Policy provides a framework to ensure the Group maintains suitable capital levels (both at Group and individual subsidiaries levels), and effectively manages the risks thereof. The Group's Treasury Policy recognises the need to observe regulatory requirements in the management of the Group's resources. The Risk Appetite approved by the Board includes components related to the Group's leverage ratios and capital risks; Key Risk Indicators are monitored regularly, and this risk is mitigated by the fact that the Group is strongly profitable and cash generative. The Group regularly assesses debt and equity markets and seeks to maintain a good, investment grade, credit rating to maintain access to new capital at reasonable cost.

Operational Risks

Technology

Robust, secure and stable technology performing to high levels of availability and throughput is critical for the support of the Group's businesses. Technology failures may impact our clients and the orderly running of our markets, potentially leading to a loss of trading or clearing volumes or impacting our information services activities.

The Group continues to consolidate its technology delivery and operation capabilities through its LSEG Technology and LSEG Business Services companies respectively.

The Group's technology teams mitigate the risk of resource over-stretch by ensuring prioritisation of key development and operations activities, and resource utilisation and allocation are kept under constant review. LSEG Technology's systems are designed to be software and hardware fault tolerant and alternative systems are available in the unlikely event of multiple failures from which the system is unrecoverable.

The Group is reliant on outsourced service providers for key technology services and data provision and actively manages relationships with strategic technology suppliers to avoid a breakdown in service provision. The Group also actively monitors new technological developments and opportunities for innovation.

Change Management

The considerable change agenda exposes the Group to the risk that change is either misaligned with the Group's strategic objectives or not managed effectively within time, cost, risk and quality criteria. The volume of change is driven by both internal and external factors. Internal factors include the diversification strategy of the Group and its drive for technology innovation, consolidation and operational resilience. External factors include the changing regulatory landscape and requirements which necessitate changes to our systems and processes.

Appropriate governance and executive oversight is exercised over individual programmes and projects based on the scale, complexity and impact of the change to confirm compliance with the approved project management policy and to manage budget, resource, escalations, risks, issues and dependencies. For software specific development, software design methodologies, testing regimes and test environments are continuously being enhanced to minimise implementation risk.

Security Threats

The threat of cybercrime has the potential to have an adverse impact on our business. Public and private organisations continue to be targeted by increasingly sophisticated cyber-attacks.

Threats such as ransomware, theft of customer data and distributed denial of service attacks remain increasingly significant to the financial industry. Additionally, new emerging technologies for the Group such as cloud computing could impact our cyber security risk profile. The Group's technology and operational support providers, internal and third-party, could suffer a security breach resulting in the loss or compromise of sensitive information (both internal and external) or loss of services.

The Group continues to invest in and enhance its information security control environment, cyber defences and operational processes, including its recovery capability, as it delivers its Board approved Cyber Security Strategy. Extensive IT measures aligned to the National Institute of Standards and Technology (NIST) control framework are in place to prevent, detect and respond to cyber security threats such as sophisticated malware, system vulnerabilities and access control, as well as enhancing our security event detection and incident response processes. Effective vetting and monitoring and security training and awareness of our third-party service providers and people remain key components of the control framework. Additionally, the Group undertakes regular testing of security controls and incident response processes. Information Security teams monitor intelligence and liaise closely with global Government agencies as well as industry forums and regulators.

Model Risk

The Group manages parts of its operations and risks using sophisticated models. It also provides analytical services to its customers. To that effect the Group is exposed to model risks or fundamental flaws in modelling including model selection, lack of quality in model inputs and assumptions, as well as risk stemming from implementation error, interdependencies, or misuse of models. Decisions based on wrongly designed or misused models may negatively affect the Group. In order to mitigate this risk, LSEG businesses have a robust, formalised model validation processes to ensure the models are fit for purpose and appropriately developed, implemented, maintained and documented. Additionally, LSEG has established a Group Model Risk Management to standardize model governance and validation across the Group. The Model Risk Committee provides oversight for all model activities across the Group and reports to the Board Risk Committee.

Settlement and Custodial Risks

The Group's CCPs are exposed to operational risks associated with clearing transactions and the management of collateral, particularly where there are manual processes and controls. While the Group's CCPs have in place procedures and controls to prevent failures of these processes, and to mitigate the impact of any such failures, any operational error could have a material adverse effect on the Group's reputation, business, financial condition and operating results.

Operational risk is minimised via highly automated processes reducing administrative activities while formalising procedures for all services.

The Group provides routing, netting and settlement and custody services through its CSD to ensure that securities are settled in a timely and secure manner. There are operational risks associated with such services, particularly where processes are not fully automated.

The operations of the settlement service are outsourced to the European Central Bank (TARGET2-Securities).

The CSD mitigates IT risks by providing for redundancy of systems, daily backup of data, fully updated remote recovery sites and SLAs with outsourcers.

Employees

The calibre and performance of our leaders and colleagues is critical to the success of the Group. The Group's ability to attract and retain key talent is dependent on a number of factors. This includes (but not exclusively) organisational culture and reputation, prevailing market conditions, compensation packages offered by competitors, and any regulatory impact thereon.

It is therefore critical that the Group continues to have appropriate variable remuneration and retention arrangements in place. These are necessary to drive strong business performance and alignment to long-term shareholder value and returns, impact the size of the local labour force with relevant experience, and the number of businesses competing for such talent. While the Group focuses very carefully on the attraction and retention of talent, if unsuccessful, it may adversely affect the Group's ability to conduct its business through an inability to execute business operations and strategies effectively.

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 interim condensed consolidated financial statements. The financial risk management objectives and policies of the Group and the exposure of the Group to capital, credit and concentration, country, liquidity and market risk are discussed on pages 133 to 137 of the Annual Report for the Group for the year ended 31 December 2018.

Directors

The Directors of London Stock Exchange Group plc during the period ended 30 June 2019 were as follows:

Don Robert
David Schwimmer
David Warren
Raffaele Jerusalmi
Jacques Aigrain
Marshall Bailey OBE
Professor Kathleen DeRose
Paul Heiden
Cressida Hogg CBE
Stephen O'Connor
Val Rahmani
Andrea Sironi
Dr Ruth Wandhöfer

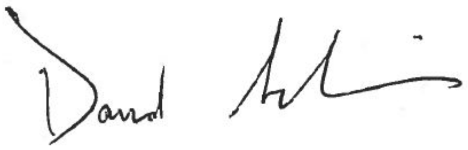
Statement of directors' responsibilities

The directors confirm that, to the best of their knowledge, the interim condensed consolidated financial statements have been prepared in accordance with IAS 34 as adopted by the European Union and that the interim report herein includes a fair review of the information required by the Financial Conduct 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 of the financial year and their impact on the interim condensed consolidated financial statements, 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 of the current financial year and any material changes in the related party transactions described in the last annual report.

By order of the Board



David Schwimmer
Group CEO

David Warren
Group CFO

1 August 2019

INDEPENDENT REVIEW REPORT TO LONDON STOCK EXCHANGE GROUP PLC

Introduction

We have been engaged by London Stock Exchange Group plc (the “Group”, the “Company”) to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2019, which comprises the Condensed Consolidated Income Statement, the Condensed Consolidated Statement of Comprehensive Income, the Condensed Consolidated Balance Sheet, the Condensed Consolidated Cash Flow Statement, the Condensed Consolidated Statement of Changes in Equity and related explanatory notes 1 to 20. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with guidance contained in 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. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial 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 half-yearly financial report based on our review.

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 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 half-yearly financial report for the six months ended 30 June 2019 is not prepared, in all material respects, in accordance with International Accounting Standard 34 ‘Interim Financial Reporting’ as adopted by the European Union and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Ernst & Young LLP

Ernst & Young LLP
London
1 August 2019

Notes:
1. The maintenance and integrity of the London Stock Exchange Group plc website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
2. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

FINANCIAL CALENDAR

Ex-dividend date for interim dividend	22 August 2019
Interim dividend record date	23 August 2019
Interim dividend payment date	17 September 2019
Q3 Trading Statement (revenues only)	October 2019
Financial year end	31 December 2019
Preliminary results	March 2020
Annual General Meeting	April/May 2020

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

INVESTOR RELATIONS CONTACTS

Investor Relations

London Stock Exchange Group plc
10 Paternoster Square
London EC4M 7LS

For enquiries relating to shareholdings in London Stock Exchange Group plc:

Shareholder helpline: +44 (0)20 7797 3322

email: irinfo-r@lseg.com

Visit the investor relations section of our website for up-to-date information including the latest share price, announcements, financial reports and details of analysts and consensus forecasts
http://www.lseg.com/investor-relations

Registered office

London Stock Exchange Group plc
10 Paternoster Square
London EC4M 7LS

Registered company number
London Stock Exchange Group plc: 5369106

Registrar information

Equiniti
Aspect House
Spencer Road
Lancing
West Sussex
BN99 6DA

T +44 (0)371 384 2233 or +44 (0)121 415 7065
Lines open 8.30 to 17.30, Monday to Friday.
www.shareview.co.uk

Independent auditors

Ernst & Young LLP
25 Churchill Place
Canary Wharf
London
E14 5EY

T +44 (0)20 7951 2000

Principal legal adviser

Freshfields Bruckhaus Deringer LLP
65 Fleet Street
London
EC4Y 1HT

T +44 (0)20 7936 4000

Corporate brokers

Barclays
5 The North Colonnade
Canary Wharf
London
E14 4BB

T +44 (0)20 7623 2323
www.barclays.com

RBC Capital Markets
RBC Europe Limited
Thames Court Office
One Queenhithe
London
EC4V 3DQ

T +44 (0)20 7653 4000
www.rbccm.com

AIM, London Stock Exchange, London Stock Exchange Group, LSE, LSEG, the London Stock Exchange Coat of Arms Device, NOMAD, RNS, SEDOL, SEDOL Masterfile, SETS, TradElect, UnaVista, and IOB are registered trade marks of London Stock Exchange plc. Main Market, Specialist Fund Market, SFM, ORB, High Growth Segment, Professional Securities Market and PSM are un-registered trade marks of London Stock Exchange plc.

Curve Global is a registered trade mark of Curve Global Limited.

Borsa Italiana, MTA, MIB, MOT, AGREX, IDEX, SEDEX and BIT EQ MTF are registered trade marks of Borsa Italiana S.p.A.. IDEM is an un-registered trade mark of Borsa Italiana S.p.A..

CC&G is a registered trade mark of Cassa di Compensazione e Garanzia S.p.A..

Monte Titoli and X-TRM are registered trade marks of Monte Titoli S.p.A..

ELITE, E, ELITE Growth, ELITE Connect, and Basket Bond are registered trade marks of Elite S.p.A..

Gatelab is a registered trade mark of Gatelab S.r.L..

EuroMTS, MTS, the MTS logo and BOND VISION are registered trade marks of MTS S.p.A..

EuroTLX is a registered trade mark of EuroTLX SIM S.p.A..

FTSE is a registered trade mark of the London Stock Exchange Group companies and is used by FTSE International Limited under licence.

FTSE Russell is a registered trade mark of London Stock Exchange plc.

Russell, Russell Investments and Mountain Logo, Russell 1000, Russell 2000 and Russell 3000 are registered trade marks of Frank Russell Company.

Mergent is a registered trade mark of Mergent, Inc..

XTF is a registered trade mark of LSEG Information Services (US), Inc.

The Yield Book, Yield Book Q. the Funnel Logo, WGBI and WorldBIG are registered trade marks of The Yield Book Inc..

Beyond Ratings is a trade mark of Beyond Ratings, S.A.S..

Millennium Exchange, Millennium Surveillance, Millennium CSD and Millennium PostTrade are registered trade marks of Millennium IT Software (Private) Limited.

Turquoise and Turquoise Plato are registered trade mark of Turquoise Global Holdings Limited. Turquoise Plato Midpoint Continuous, Turquoise Plato Uncross, Turquoise Plato Block Discovery and Turquoise Plato Dark Lit Sweep un-registered trademarks of Turquoise Global Holdings Limited.

SwapClear, RepoClear, EquityClear, ForexClear and LCH are registered trade marks of LCH Limited.

CDSClear is a registered trade mark of LCH S.A..

Other logos, organisations and company names referred to may be the trade marks of their respective owners.

London Stock Exchange Group plc
10 Paternoster Square
London EC4M 7LS
Telephone +44 (0)20 7797 1000
Registered in England and Wales No. 5369106
www.lseg.com