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For immediate release

7 March 2013

LONDON STOCK EXCHANGE GROUP PLC REVISED OFFER TO ACQUIRE MAJORITY STAKE IN LCH.CLEARNET GROUP LIMITED

A LEADING GLOBAL PARTNERSHIP IN MULTI-ASSET, MULTI-VENUE CLEARING AND RISK MANAGEMENT SERVICES

- **LSEG and LCH.Clearnet confirm agreed terms of revised recommended cash offer for a majority stake in LCH.Clearnet's issued share capital**

- **Strongly positions Enlarged Group for long-term, leading role in global market infrastructure**

- **Combines LCH.Clearnet's open, horizontal model with LSEG's proven track record of customer partnerships and reinforces LCH.Clearnet's stakeholder governance model**

- **Reinforces LSEG's diversification strategy and enhances portfolio of leading global brands, products and services to drive growth**

- **Builds on the combined expertise of LCH.Clearnet and LSEG in owning and successfully developing regulated, systemically important businesses across multiple geographies**

- **LSEG to acquire up to a further 55.5% in LCH.Clearnet under the Revised Offer (in addition to the 2.3% stake already held by LSEG), resulting in it holding up to 57.8%; other LCH.Clearnet shareholders to hold at least 42.2% following the Transaction**

- **Accepting LCH.Clearnet shareholders will receive €15 per LCH.Clearnet share acquired, comprising cash consideration of €14 and Deferred Consideration of €1 [1]**

- **Total implied value of 100% of LCH.Clearnet's issued share capital under the terms of the Revised Offer is €633 million (£544 million), prior to the Capital Raise**

[1] Payable in cash by LSEC on 30 September 2017, subject to acceleration or delay in certain limited circumstances and reduction in the event of any relevant claims, as described in the offer document to be sent to LCH.Clearnet shareholders

- **Maximum total investment to be made by LSEG in connection with the Transaction (assuming LSEG acquires 55.5% in addition to the 2.3% stake already held) will be €536 million (£461 million), comprising €328 million (£282 million) maximum cash consideration to be paid at Completion of the Revised Offer; up to a further €23 million (£20 million) to be paid as Deferred Consideration in 2017[2]; and €185 million (£159 million) cash for its pro rata participation in the LCH.Clearnet Capital Raise**

- **Immediately earnings accretive for LSEG shareholders**

- **Return on invested capital is expected to meet LSEG's long-term WACC in year four and exceed it thereafter as the Enlarged Group benefits from full synergies and growth in the Enlarged Group's business**

- **Following Completion, LCH.Clearnet will undertake a €320 million (£275 million) Capital Raise in order to meet increased regulatory capital requirements, in which LSEG will participate pro rata to its post-Completion shareholding in LCH.Clearnet**

- **The Revised Offer is conditional on, amongst other matters, LSEG receiving valid conditional acceptances such that it will own at least 50% plus one share of LCH.Clearnet issued share capital as at Completion and irrevocable binding subscription commitments having been received from continuing shareholders of LCH.Clearnet (and / or, if applicable, other placees agreed by LCH.Clearnet and LSEG) to subscribe for that part of the Capital Raise that will not be funded by LSEG**

- **LSEG and LCH.Clearnet have received non-binding letters of support and indications of intent, subject to certain assumptions and in varying terms, from core LCH.Clearnet shareholders (representing in aggregate 72.9% of the current LCH.Clearnet issued share capital) to support the Transaction and setting out their intentions:**

  (i) to vote LCH.Clearnet shares representing 72.9% in aggregate of the current LCH.Clearnet issued share capital in favour of the Revised Offer and the Capital Raise;

  (ii) to conditionally accept the Revised Offer in respect of shares representing 58.6% in aggregate of the current LCH.Clearnet issued share capital (subject to the scaleback and allocation principles pursuant to the terms of the Revised Offer); and

  (iii) to participate in the Capital Raise (including in a number of cases in excess of their pro rata entitlement under the Capital Raise offer) in an amount of up to €134 million (£115 million)

- **In addition to the indications of intent, NASDAQ OMX has agreed to increase its stake in LCH.Clearnet from 3.7% of the current LCH.Clearnet issued share capital to 5.0% of the LCH.Clearnet share capital as enlarged by the Capital Raise (the "Enlarged Share Capital"), in connection with which it is proposed that Bob Greifeld, CEO of NASDAQ OMX, will join the board of LCH.Clearnet with effect from completion of the Transaction**

[2] In addition, LSEG may be required to pay up to €0.6 million (£0.5 million) in contingent consideration to the sellers of the 2.3% stake already held by LSEG

- **The Original Offer received the majority of the necessary regulatory, competition and anti-trust approvals. The acquisition is expected to complete in Q2 of calendar year 2013, subject to receipt of the FSA's non-objection, which is in progress, and confirmation that the original regulatory approvals remain effective in respect of the Revised Offer**

Commenting on today's announcement,

Chris Gibson-Smith, Chairman of LSEG said:

> *"This is a compelling transaction and we are delighted to be partnering with LCH.Clearnet as global leaders in market infrastructure. Experience, stability and trust are cornerstones of our industry and together, we have secured the Enlarged Group's long-term role in the operation of international capital markets. I am delighted to be welcoming Jacques Aigrain to the LSEG Board and we look forward to delivering on our diversification strategy and to driving shareholder value."*

Jacques Aigrain, Chairman of LCH.Clearnet added:

> *"We are delighted to partner with LSEG which has a shared philosophy of horizontal architecture and close collaboration with customers. LSEG's capital support demonstrates its commitment to our leading clearing and risk management business and we have complementary experiences of operating systemically important businesses in a highly regulated environment. We look forward to working together to build on our respective strengths to deliver one of the premier global multi-asset, multi-venue clearing and risk management businesses and create a winning combination in the growth markets of the future."*

Xavier Rolet, Chief Executive Officer of LSEG said:

> *"Our partnership with LCH.Clearnet will be transformative. Together with our customers, we will promote greater innovation, choice and competition in the risk management industry, especially in listed derivatives. This new-style open-access clearing model, will build upon the successes we have already had with our existing equity and fixed income trading partnerships, Turquoise and MTS."*

Ian Axe, Chief Executive Officer of LCH.Clearnet added:

> *"Having engineered a successful transformation of LCH.Clearnet into a best in class international, customer focused CCP, we can now move forward with a partner which supports our horizontal business model and growth ambitions, and shares our strategy of innovation and global reach. Together, we see significant revenue opportunities opening up as a result of both customer and regulatory demand for more efficient and more sophisticated tools to manage market risk."*

Key Terms and Structure

LCH.Clearnet Group Limited ("**LCH.Clearnet**") and London Stock Exchange Group plc ("**LSEG**") (together "**Enlarged Group**") today announce that they have reached agreement on the terms of a revised recommended cash offer ("**Revised Offer**") to be made by London Stock Exchange (C) Limited ("**LSEC**"), a wholly-owned subsidiary of LSEG, for the LCH.Clearnet issued share capital. On completion of the acquisition ("**Completion**"), LSEG will become the majority owner of LCH.Clearnet, holding up to 57.8% of LCH.Clearnet's issued share capital[3] ("**Majority Acquisition**").

Since the general meeting on 3 April 2012, at which LSEG and LCH.Clearnet shareholders approved the acquisition on the basis set out in the circulars published by LSEG and LCH.Clearnet on 16 March 2012 ("**Original Offer**"), the regulatory capital framework for CCPs, including LCH.Clearnet, has changed substantially. New technical standards that will govern the regulatory capital requirements for European CCPs, proposed by the European Securities and Markets Authority ("**ESMA**") and the European Banking Authority ("**EBA**") in September 2012 and subsequently adopted by the European Commission in December 2012, were published on 23 February 2013. As a result of the additional capital requirements set out in the new technical standards, LCH.Clearnet and LSEG have reached agreement on the Revised Offer and have agreed that the Original Offer will lapse. Save as to price, the terms of the Revised Offer are substantially the same as those of the Original Offer. Further, LSEG and LCH.Clearnet have also reached agreement on the terms of, and LSEG's participation in, the capital raise to satisfy such additional capital requirements ("**Capital Raise**"), which will take place shortly following Completion (together "**Majority Acquisition**" and "**Capital Raise**" mean the "**Transaction**").

Under the Revised Offer, accepting LCH.Clearnet shareholders will receive €15 per LCH.Clearnet share acquired, comprising:

(i) cash consideration of €14 per LCH.Clearnet share payable by LSEC at Completion; and

(ii) deferred consideration of €1 per LCH.Clearnet share ("**Deferred Consideration**") payable in cash by LSEC on 30 September 2017 (subject to acceleration or delay in certain limited circumstances), which will be reduced as a result of any relevant claims that may arise as described in the offer document which will be sent to LCH.Clearnet shareholders later this month.

The total implied value of 100% of LCH.Clearnet's issued share capital under the terms of the Revised Offer is €633 million (£544 million) prior to the Capital Raise. In addition to the Majority Acquisition, LCH.Clearnet will, shortly following Completion, undertake the Capital Raise to raise €320 million (£275 million), in which LSEG will participate pro rata to its post-Completion shareholding in LCH.Clearnet.

The maximum cash consideration to be paid for the Majority Acquisition by LSEC at Completion assuming LSEC acquires 55.5% of the LCH.Clearnet issued share capital (in addition to the 2.3% stake already held by LSEG) will be €328 million (£282 million), with up to a further €23 million (£20

[3] LSEG already holds 2.3% of the LCH.Clearnet issued share capital so will acquire up to 55.5% of the LCH.Clearnet issued share capital pursuant to the Revised Offer which will result in a total shareholding of up to 57.8%. Subsequent to the issue to NASDAQ OMX Group, Inc. of new LCH.Clearnet shares representing 3.7% of the LCH.Clearnet issued share capital pursuant to an agreement dated 14 August 2012, a shareholding of 57.8% of the LCH.Clearnet issued share capital equates to a holding of an equivalent number of LCH.Clearnet shares as would have been acquired to hold the 60% maximum holding under the Original Offer.

million) to be paid as Deferred Consideration[4]. Following the Majority Acquisition (subject to the level of acceptances in the Revised Offer), LSEG will own up to 57.8% of LCH.Clearnet issued share capital. LSEG has committed to participate for its pro rata share of up to €185 million (£159 million) in the Capital Raise.

Therefore, the maximum total investment to be made by LSEG in connection with the Transaction will be €536 million (£461 million). LSEG will finance its initial investment of up to €513 million (£441 million) (comprising €328 million (£282 million) to be paid for the Majority Acquisition at Completion and €185 million (£159 million) for its pro rata share of the Capital Raise) from existing cash resources and bank facilities.

Under the Revised Offer, Ian Axe, the current CEO of LCH.Clearnet, and Jacques Aigrain, the current Chairman of LCH.Clearnet, will remain in their existing roles following Completion. In addition, LSEG has invited Jacques Aigrain to join its board and Ian Axe to join its executive committee, in each case from Completion.

Background to and reasons for the Transaction

Regulatory change and customer demand are creating significant new opportunities for clearing and risk management services globally. LCH.Clearnet enjoys a leading position as a multi-asset, multi-venue provider of clearing and risk management services and, together with LSEG's existing clearing operations, will ensure that the Enlarged Group is well positioned to take advantage of these opportunities.

The continued development of post trade capabilities, especially in clearing, remains a key priority for LSEG. This priority recognises the importance of providing customers with an efficient and attractive service offering across each stage of the value chain in trading, clearing and settlement. The Transaction meets LSEG's strategic objective to continue to build upon its existing assets and to seek new opportunities, particularly in the post trade arena, accelerating diversification and growth for the Enlarged Group.

The financial services industry and, in particular, the capital markets infrastructure sector, continues to evolve rapidly, demonstrating high growth in a number of specific areas. Ongoing regulatory developments and an industry increasingly focused on transparency and risk management are driving important structural changes in the sector, including heightened customer demand for post trade services and the expected new regulatory requirements for central clearing, including in OTC derivatives. These developments are occurring in the context of strong historical growth in volumes in listed and OTC derivatives; specifically, trading volumes in global exchange traded derivatives grew by circa 12% (CAGR) in terms of number of contracts between 2000 and 2012 and trading volumes in global OTC derivatives grew by circa 17% (CAGR) in terms of notional outstanding value between 2000 and 2012. These dynamics present significant potential diversification opportunities for LSEG, in line with its stated strategy.

The Transaction will enable LSEG to develop its current product and service offering, broadening its international clearing capabilities and providing LSEG with exciting new opportunities for innovation, including, for example, the opportunity to seek to develop a new listed fixed income derivatives business.

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[4] In addition, LSEG may be required to pay up to €0.6 million (£0.5 million) in contingent consideration to the sellers of the 2.3% stake already held by LSEG

Background to and reasons for LCH.Clearnet's recommendation

During 2011 and 2012, LCH.Clearnet received a significant level of interest from third parties seeking to acquire the whole company or a material stake in it. The independent directors of LCH.Clearnet at the time considered the merits of these proposals and recommended the Original Offer in March 2012.

In September 2012, LCH.Clearnet provided a regulatory capital update following the publication of the advice which ESMA and EBA provided to the European Commission in connection with new technical standards for the regulatory requirements for European CCPs under EMIR. As a result of the adoption of the new technical standards, LCH.Clearnet has confirmed that it will conduct a pre-emptive offering to raise €320 million (£275 million) to satisfy the required increase in its capital base.

The Revised Offer being made by LSEG reflects the renegotiation by LCH.Clearnet and LSEG of certain terms of the Original Offer to take into account LCH.Clearnet's expected new capital requirements.

In deciding to recommend the Transaction, the independent directors of LCH.Clearnet, save for the Chairman (due to the conflict of interest arising from his proposed appointment to the LSEG Board), took into account a number of factors, including, amongst other things:

- LSEG's Revised Offer combines an attractive value proposition to shareholders of LCH.Clearnet with an overall strategy supporting its horizontal model, the ongoing involvement of stakeholders in the governance and operations of LCH.Clearnet and a commitment to participate in the Capital Raise. Taking account of the new regulatory environment and the key terms of the Revised Offer including price, certainty, governance, proportion of shares to be acquired, strategic rationale and commitment to the Capital Raise, the Transaction is considered to be in the best interests of LCH.Clearnet shareholders as a whole and likely to promote the success of the company;

- the LCH.Clearnet shares are not publicly listed and the Revised Offer represents a rare and attractive opportunity for its shareholders to realise, in cash, their investment in LCH.Clearnet, in respect of those shares which they sell under the terms of the Revised Offer;

- LCH.Clearnet and LSEG will form a leading global partnership in multi-asset, multi-venue clearing and risk management services, generating cost savings and revenue synergies, providing a stronger foundation for LCH.Clearnet on which to compete effectively, diversify products and pursue its growth strategy in listed and OTC products as well as in risk and collateral management services;

- as an existing stakeholder of LCH.Clearnet, LSEG will continue to use LCH.Clearnet as one of its clearers of listed products, as well as committing to use LCH.Clearnet as a clearer for its derivatives business. This will assist LCH.Clearnet in stabilising its listed product flow; and

- the terms of the Transaction ensure the ongoing involvement of the various stakeholders in the governance and operations of LCH.Clearnet.

Benefits of the Transaction

Through this Transaction, LSEG will acquire a majority stake in LCH.Clearnet to form a leading global partnership in multi-asset, multi-venue clearing and risk management services, building on both

LCH.Clearnet's and LSEG's existing clearing and risk management services. Together, LCH.Clearnet and LSEG will also be better positioned to respond to the growing demand for multi-asset CCPs and the increased need for post trade services.

Following preliminary analysis undertaken by LSEG and LCH.Clearnet management, a number of opportunities for revenue synergies and cost savings have been identified:

- Expected recurring gross revenue synergies of up to €40 million (£34 million) p.a. These synergies are expected to be generated across a range of areas by:
  - offering new products and services to, and delivering operational efficiencies for, customers of listed products;
  - seeking to develop its listed fixed income and equity derivatives franchise (including equity index and fixed income derivatives); and
  - cross-selling products and services through the Enlarged Group's combined sales and marketing distribution channels and its expanded geographical presence.
- Expected run rate cost savings of approximately €25 million (£21 million) p.a. to arise largely from:
  - efficiencies in IT (including procurement savings, data centre and outsourcing rationalisation and other operating efficiencies); and
  - other potential measures including de-duplication of functions, leveraging Enlarged Group talent, property rationalisation, efficiency and non-IT procurement savings.
- Realisation of the total run rate recurring gross revenue synergies would take place progressively, whereby approximately €20 million (£17 million) p.a. would be realised by the end of the third year after Completion, rising to approximately €40 million (£34 million) p.a. by the end of the fifth year after Completion
- Run rate cost savings are expected to reach €23 million (£20 million) p.a. by the end of the third year after Completion rising to run rate cost savings of €25 million (£21 million) p.a. by the end of the fifth year after Completion
- It is expected that realisation of these synergies and savings would result in non-recurring costs of €28 million (£24 million), to be incurred progressively and completed by the end of the third year after Completion
- Return on invested capital is expected to meet LSEG's long-term WACC in year four and exceed thereafter as the Enlarged Group benefits from full synergies and growth in the Enlarged Group's business.

This statement regarding earnings enhancement is not intended to be a profit forecast and should not be interpreted to mean that the earnings per LSEG share or LCH.Clearnet share for the current or future financial periods will necessarily be greater than those for the relevant preceding financial period.

Capital Raise

As a result of the new regulatory technical standards, LCH.Clearnet has determined, in discussions with regulators, to increase its regulatory capital base. LCH.Clearnet intends to complete the Capital Raise by the end of the second quarter of calendar year 2013.

In order to satisfy this increase, LCH.Clearnet will conduct a pre-emptive offering of new LCH.Clearnet shares to raise €320 million (£275 million) at a price of €10 per LCH.Clearnet share shortly after Completion (to be reduced to the extent there are placings, including to NASDAQ OMX Group, Inc. ("**NASDAQ OMX**") as referred to below). LCH.Clearnet will seek binding commitments to subscribe for new LCH.Clearnet shares from continuing shareholders prior to Completion (and / or, if applicable, other placees agreed by LCH.Clearnet and LSEG); LSEG will subscribe to the Capital Raise pro rata to its post-Completion shareholding.

It is a condition of the Majority Acquisition that, prior to Completion, LCH.Clearnet secures binding commitments from its continuing shareholders (and / or, if applicable, placees agreed by LCH.Clearnet and LSEG) to subscribe for such percentage of the Capital Raise as is not subscribed for by LSEG. If sufficient undertakings to subscribe for the Capital Raise are not received from LCH.Clearnet continuing shareholders and / or placees prior to Completion, the Revised Offer will lapse.

LCH.Clearnet shareholder support

The Transaction requires a special resolution (75% majority) to be approved by the LCH.Clearnet shareholders. In addition, the Revised Offer is conditional, amongst other things, on:

(i) LSEG receiving valid conditional acceptances in respect of at least 50% plus one LCH.Clearnet share of the current LCH.Clearnet issued share capital; and

(ii) irrevocable binding commitments having been received from continuing LCH.Clearnet shareholders (and / or, if applicable, placees agreed by LCH.Clearnet and LSEG) to subscribe for that part of the Capital Raise that will not be funded by LSEG.

On the basis of a Capital Raise of €320 million (£275 million) and assuming that LSEG's shareholding following completion of the Revised Offer is 57.8%, irrevocable binding commitments in respect of new LCH.Clearnet Shares will be required to the value of €135 million (£116 million), including any placees, in order to satisfy the Capital Raise funding condition to the Revised Offer described above.

The core shareholders of LCH.Clearnet were consulted in respect of the Transaction in January 2013, before the amount to be raised pursuant to the Capital Raise had been finalised. The shareholders were asked to indicate their intentions with respect to the above matters on the basis of a series of assumptions, including an assumed Capital Raise amount of €300 million (£258 million). That shareholder consultation process demonstrated that core LCH.Clearnet shareholders were supportive of the Transaction and the assumed Capital Raise amount of €300 million (£258 million) would have been fully covered, as set out below.

Pursuant to the shareholder consultation process, LSEG and LCH.Clearnet received non-binding letters of support and indications of intent, subject to certain assumptions and in varying terms, from core LCH.Clearnet shareholders (representing in aggregate 72.9% of the current LCH.Clearnet issued share capital) to support the Transaction and setting out their intentions:

(i) to vote LCH.Clearnet shares representing 72.9% in aggregate of the current LCH.Clearnet issued share capital in favour of the Revised Offer and the Capital Raise;

(ii) to conditionally accept the Revised Offer in respect of shares representing 58.6% in aggregate of the current LCH.Clearnet issued share capital (subject to the scaleback and allocation principles pursuant to the terms of the Revised Offer); and

(iii) to participate in the Capital Raise (including in a number of cases in excess of their pro rata entitlement under the Capital Raise offer) in an amount of up to €134 million (£115 million).

In addition to the indications of intent, NASDAQ OMX has agreed to increase its stake in LCH.Clearnet from 3.7% of the current LCH.Clearnet issued share capital to 5.0% of the Enlarged Share Capital, broadening its relationship with LCH.Clearnet, which includes the forthcoming launch of NLX, an interest rate derivatives platform in London. It is proposed that Bob Greifeld, CEO of NASDAQ OMX, will join the board of LCH.Clearnet with effect from completion of the Transaction.

LSEG and LCH.Clearnet expect that some core LCH.Clearnet shareholders will be willing to commit to subscribe for more than they indicated in the shareholder consultation process (and / or, if applicable, placees agreed by LCH.Clearnet and LSEG may subscribe to new LCH.Clearnet shares). On this basis, LSEG and LCH.Clearnet are confident that there will be sufficient LCH.Clearnet shareholder support to proceed with the Transaction.

Timetable

Since the general meeting on 3 April 2012, at which LSEG and LCH.Clearnet shareholders approved the Original Offer on the basis set out in the circulars published by LSEG and LCH.Clearnet on 16 March 2012, the Majority Acquisition has received anti-trust approval from the Office of Fair Trading in the United Kingdom, the Spanish competition authority (Comisión Nacional de la Competencia) and the Portuguese competition authority (Autoridade da Concorrência). Regulatory approvals and letters of non-objection have been received from the French regulators, the ACP (Autorité de Contrôle Prudentiel) and the AMF (Autorité des Marchés Financiers), the Dutch National Bank and the Dutch AFM (Autoriteit Financiële Markten) in respect of the Original Offer. In respect of the Revised Offer, confirmations are being sought that these remain effective. The Transaction is also subject to receipt of confirmation of non-objection from the UK FSA (Financial Services Authority), which is in progress.

LSEG and LCH.Clearnet expect to send out circulars to their respective shareholders later this month setting out further details of the Transaction. The LCH.Clearnet and LSEG shareholder meetings are expected to take place in late March 2013. In addition, LSEG will be sending an offer document to LCH.Clearnet shareholders setting out full details of the Revised Offer and the process for acceptance. The Majority Acquisition is expected to complete in Q2 of calendar year 2013.

LCH.Clearnet will be sending out a circular in respect of the Capital Raise, which will take place shortly following Completion. The Capital Raise is expected to complete in Q2 of calendar year 2013.

Conference call & webcast details

Analyst and investor call is at 09:00 (GMT) Thursday 7th March

Dial-in: UK (free call): 0800 279 7058
UK: 0844 571 8912
International: +44 (0)1452 580111

Participants should ask to join the London Stock Exchange Group plc call (Call ID: 20188452)
Participants will be able to access the webcast / presentation by going to the LSEG website using the following link:
http://www.londonstockexchangegroup.com/investor-relations/investor-relations.htm

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About LSEG

LSEG operates a broad range of international equity, bond and derivatives markets, including the London Stock Exchange; Borsa Italiana; MTS fixed income platform; and Turquoise, offering pan-European and US lit and dark equity trading. Through its markets, LSEG offers international business unrivalled access to Europe's capital markets.

LSEG is a leading developer of high-performance trading platforms and capital markets software and also offers its customers around the world an extensive range of real-time indices and reference data products and market-leading post trade services.

Headquartered in London and with significant operations in Italy and Sri Lanka, LSEG employs approximately 1,900 people. Further information on LSEG can be found at www.londonstockexchangegroup.com.

About LCH.Clearnet

LCH.Clearnet is a leading user-owned and user-governed CCP group, serving major international trading venues and customers, as well as a range of OTC markets.

LCH.Clearnet is a private limited company, registered in the UK. It is a holding company created as part of the merger of London Clearing House and Clearnet S.A. in 2003 and oversees its three wholly owned operating subsidiaries, LCH.Clearnet Limited (incorporated in the UK), LCH.Clearnet S.A. (incorporated in France) and LCH.Clearnet LLC (incorporated in the US state of Delaware). LCH.Clearnet Limited is a Recognised Clearing House regulated by the UK Financial Services Authority. LCH.Clearnet S.A. is a Credit Institution and Clearing House regulated by a regulatory college of central banks and market regulators from France, the Netherlands, Belgium and Portugal. LCH.Clearnet LLC is a Derivatives Clearing Organisation regulated by the US CFTC. Another subsidiary of LCH.Clearnet, LCH.Clearnet (Luxembourg) S.à.r.l., serves as a holding company for the LCH.Clearnet Group's intellectual property.

LCH.Clearnet generated profit before tax of €91.3 million (£74.0 million) in 2012. It has net assets of €424.1 million (£346.1 million) and gross assets of €496.1 billion (£404.9 billion) as at 31 December 2012.

Additional Information:

Jacques Aigrain is a director of the following publicly listed companies: Resolution Ltd, Lufthansa AG and LyondellBassell N.V. There is no further information to be disclosed with respect to Jacques Aigrain’s appointment to the LSEG Board in accordance with paragraph 9.6.13 of the Listing Rules of the UK Listing Authority.

Foreign Exchange Rates:

The following GBP-EUR rates are used in announcement:

- 5 March FX rate of 1.1631
- 2012 average FX rate of 1.2334
- 31 December 2012 FX rate of 1.2253

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Morgan Stanley & Co. Limited ("**Morgan Stanley**") is acting exclusively for LSEG and LSEC and for no one else in connection with the Transaction and other matters described herein and will not be responsible to anyone other than LSEG and LSEC for providing the protections afforded to clients of Morgan Stanley, nor for providing advice to any other person in relation to the Transaction, the contents of this announcement or any other matter referred to herein.

J.P. Morgan Limited ("**J.P. Morgan**"), which is authorised and regulated in the United Kingdom by the FSA, is acting exclusively for LCH.Clearnet and for no one else in connection with the Transaction and will not be responsible to anyone other than LCH.Clearnet for providing the protections afforded to clients of J.P. Morgan nor for providing advice in relation to the Transaction or any other matter referred to herein.

Save for the responsibilities and liabilities, if any, of Morgan Stanley and J.P. Morgan under FSMA or the regulatory regime established thereunder, Morgan Stanley and J.P. Morgan assume no responsibility whatsoever and make no representations or warranties, express or implied, in relation to the contents of this announcement, including its accuracy, completeness or verification or for any other statement made or purported to be made by LSEG or on LSEG's behalf or by Morgan Stanley and J.P. Morgan or on Morgan Stanley's and J.P. Morgan's behalf and nothing contained in this announcement is, or shall be relied on as a promise or representation in this respect, whether as to the past or the future, in connection with LSEG or the Offer. Both Morgan Stanley and J.P. Morgan accordingly disclaim to the fullest extent permitted by law all and any responsibility and liability whether arising in tort, contract or otherwise which it might otherwise be found to have in respect of this announcement or any such statement.

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Forward-looking information

This document contains forward-looking statements. These statements are based on the current expectations of the management of LCH.Clearnet and LSEG and are naturally subject to uncertainty and changes in circumstances. The forward-looking statements contained in this announcement include statements relating to the expected effects of the Transaction on the LCH.Clearnet Group and the LSEG Group and other statements other than historical facts.

Forward-looking statements include statements typically containing words such as "will", "may", "should", "believe", "intends", "expects", "anticipates", "targets", "estimates" and words of similar import, or variations or the negatives of such words. Although LCH.Clearnet and LSEG believe that the expectations reflected in such forward-looking statements are reasonable, LCH.Clearnet and LSEG can give no assurance that such expectations will prove to be correct. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. These factors include the satisfaction of the conditions to the Transaction, as well as additional factors such as: local and global political and economic conditions; unforeseen fluctuations in trading and/or clearing volumes; competition from other exchanges, clearing houses or marketplaces; changes in trading and/or clearing systems commonly relied upon by market participants; FX rate fluctuations and interest rate fluctuations (including those from any potential credit rating decline); legal or regulatory developments and changes; the outcome of any current or future litigation; the impact of any acquisitions or similar transactions; competitive products and pricing pressures; loss of existing customers; success of business and operating initiatives; failure to retain and attract qualified personnel; failure to implement strategies; and changes in the level of capital investment. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements.

Given these risks and uncertainties, recipients of this announcement should not place undue reliance on forward-looking statements as a prediction of actual results. Neither LCH.Clearnet nor LSEG nor any of their respective affiliates or representatives undertakes any obligation to update or revise forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required.

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