

Interim Consolidated Financial Statements of

TMX GROUP INC.

Three months ended March 31, 2010 and 2009

(In thousands of Canadian dollars, unless otherwise stated)

(Unaudited)

TMX GROUP INC.

Interim Consolidated Balance Sheets
(In thousands of Canadian dollars)
(Unaudited)

	March 31, 2010	December 31, 2009 (audited)
Assets		
Current assets:		
Cash and cash equivalents	\$ 66,481	\$ 87,978
Marketable securities	159,536	103,169
Restricted cash	879	911
Accounts receivable	99,800	79,427
Energy contracts receivable	794,089	714,545
Fair value of open energy contracts	329,751	202,760
Daily settlements and cash deposits	321,666	565,408
Prepaid expenses	8,641	6,032
Income taxes recoverable	9,435	4,619
Future income tax assets	28,110	26,675
	1,818,388	1,791,524
Premises and equipment	34,501	31,556
Future income tax assets	147,628	144,551
Other assets	28,169	27,745
Investment in affiliate, at equity	13,098	12,845
Intangible assets	927,678	932,443
Goodwill	583,072	583,811
Total Assets	\$ 3,552,534	\$ 3,524,475
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 32,925	\$ 44,883
Energy contracts payable	794,089	714,545
Fair value of open energy contracts	329,751	202,760
Daily settlements and cash deposits	321,666	565,408
Deferred revenue	66,647	15,074
Deferred revenue – initial and additional listing fees	80,463	78,001
Fair value of interest rate swaps	1,312	2,117
Future income tax liabilities	65	118
Obligations under capital leases	3,792	3,413
Income taxes payable	86	3,232
	1,630,796	1,629,551
Accrued employee benefits payable	12,780	12,787
Obligations under capital leases	5,521	5,512
Future income tax liabilities	237,700	234,697
Other liabilities	20,611	21,832
Deferred revenue	957	882
Deferred revenue – initial and additional listing fees	412,353	405,123
Fair value of interest rate swaps	2,792	3,584
Term loan	429,200	429,016
Total Liabilities	2,752,710	2,742,984
Non-controlling Interests	10,165	10,915
Shareholders' Equity:		
Share capital (note 4)	1,102,699	1,102,619
Share option plan (note 5)	9,337	8,708
Deficit	(322,941)	(343,975)
Accumulated other comprehensive income	564	3,224
Total Shareholders' Equity	789,659	770,576
Total Liabilities and Shareholders' Equity	\$ 3,552,534	\$ 3,524,475

See accompanying notes to consolidated financial statements.

TMX GROUP INC.

Interim Consolidated Statements of Income
(In thousands of Canadian dollars, except per share amounts)
(Unaudited)

	Three Months Ended March 31,	
	2010	2009
Revenue:		
Issuer services	\$ 39,703	\$ 35,051
Trading, clearing and related	58,970	58,956
Market data	37,453	38,753
Business services and other	3,580	4,058
Total revenue	139,706	136,818
Expenses:		
Compensation and benefits	32,246	33,711
Information and trading systems	12,107	11,115
General and administration	16,923	18,267
Amortization	8,365	7,729
Total operating expenses	69,641	70,822
Income from operations	70,065	65,996
Income from investment in affiliate	254	71
Investment income	772	1,570
Interest expense	(1,203)	(2,081)
Net mark to market on interest rate swaps	(75)	(916)
Income before income taxes	69,813	64,640
Income taxes	21,123	20,149
Net income before non-controlling interests	48,690	44,491
Non-controlling interests	(392)	1,573
Net income	\$ 49,082	\$ 42,918
Earnings per share (note 6):		
Basic	\$ 0.66	\$ 0.58
Diluted	\$ 0.66	\$ 0.58

See accompanying notes to consolidated financial statements.

TMX GROUP INC.

Interim Consolidated Statements of Comprehensive Income
(In thousands of Canadian dollars)
(Unaudited)

	Three Months Ended March 31,	
	2010	2009
Net income	\$ 49,082	\$ 42,918
Other comprehensive (loss) income:		
Unrealized (loss) gain on translating financial statements of self-sustaining foreign operations (net of tax - \$nil)	(2,660)	5,613
Comprehensive income	\$ 46,422	\$ 48,531

See accompanying notes to consolidated financial statements.

TMX GROUP INC.

Interim Consolidated Statements of Changes in Shareholders' Equity
(In thousands of Canadian dollars)
(Unaudited)

	Three Months Ended March 31,	
	2010	2009
Common shares:		
Balance, beginning of period	\$ 1,102,619	\$ 1,084,399
Proceeds from options exercised	64	31
Cost of exercised options	16	38
Purchased under normal course issuer bid	-	(14,575)
Balance, end of period	1,102,699	1,069,893
Share option plan:		
Balance, beginning of period	8,708	5,969
Cost of exercised options	(16)	(38)
Cost of share option plan	645	887
Balance, end of period	9,337	6,818
Deficit:		
Balance, beginning of period	(343,975)	(319,843)
Net income	49,082	42,918
Dividends on common shares	(28,048)	(28,275)
Shares purchased under normal course issuer bid	-	(15,860)
Balance, end of period	(322,941)	(321,060)
Accumulated other comprehensive income:		
Balance, beginning of period	3,224	24,104
Unrealized (loss) gain on translating financial statements of self-sustaining foreign operations	(2,660)	5,613
Balance, end of period	564	29,717
Shareholders' equity, end of period	\$ 789,659	\$ 785,368

See accompanying notes to consolidated financial statements.

TMX GROUP INC.

Interim Consolidated Statements of Cash Flows
(In thousands of Canadian dollars)
(Unaudited)

	Three Months Ended March 31,	
	2010	2009
Cash flows from (used in) operating activities:		
Net income	\$ 49,082	\$ 42,918
Adjustments to determine net cash flows:		
Amortization	8,365	7,729
Unrealized loss on marketable securities	424	630
Income from investment in affiliate	(254)	(71)
Cost of share option plan	645	887
Amortized financing fees	184	184
Non-controlling interests	(392)	1,573
Unrealized (gain) on interest rate swaps	(1,597)	(928)
Unrealized foreign exchange loss (gain)	40	(36)
Future income taxes	(1,562)	(944)
Accounts receivable and prepaid expenses	(23,109)	(15,772)
Other assets	(424)	379
Accounts payable and accrued liabilities	(11,896)	(12,286)
Long-term accrued and other liabilities	(1,228)	4,684
Deferred revenue	61,340	46,396
Income taxes	(7,984)	(14,658)
	71,634	60,685
Cash flows from (used in) financing activities:		
Reduction in obligations under capital leases	(938)	-
Restricted cash	32	233
Proceeds from exercised options	64	31
Dividends on common shares	(28,048)	(28,275)
Shares purchased under normal course issuer bid	-	(30,435)
Dividends paid to non-controlling interests	-	(3,193)
	(28,890)	(61,639)
Cash flows from (used in) investing activities:		
Additions to premises and equipment	(4,877)	(386)
Additions to intangible assets	(2,133)	(3,406)
Marketable securities	(56,791)	(18,745)
Acquisitions, net of cash acquired	-	(647)
	(63,801)	(23,184)
Unrealized foreign exchange (loss) gain on cash and cash equivalents held in foreign subsidiaries	(440)	676
Decrease in cash and cash equivalents	(21,497)	(23,462)
Cash and cash equivalents, beginning of period	87,978	102,442
Cash and cash equivalents, end of period	\$ 66,481	\$ 78,980
Supplemental cash flow information:		
Interest paid	\$ 1,031	\$ 1,795
Interest received	\$ 1,486	\$ 2,169
Income taxes paid	\$ 30,518	\$ 36,178

See accompanying notes to consolidated financial statements.

TMX GROUP INC.

Notes to Interim Consolidated Financial Statements
(In thousands of Canadian dollars, except per share amounts)

Three Months Ended March 31, 2010 and 2009
(Unaudited)

TMX Group Inc. owns and operates two national stock exchanges, Toronto Stock Exchange, serving the senior equity market and TSX Venture Exchange, serving the public venture equity market, Montréal Exchange Inc. ("MX"), Canada's national derivatives exchange, Natural Gas Exchange Inc. ("NGX"), an exchange providing a platform for the trading and clearing of natural gas, electricity, and crude oil contracts in North America, Shorcan Brokers Limited ("Shorcan"), a fixed income inter-dealer broker, and The Equicom Group Inc. ("Equicom"), providing investor relations and related corporate communications services.

1. Basis of presentation:

The unaudited interim consolidated financial statements (the "financial statements") have been prepared by management in accordance with Canadian generally accepted accounting principles ("GAAP") and the requirements of The Canadian Institute of Chartered Accountants ("CICA") Handbook Section 1751, "Interim Financial Statements". The financial statements include the accounts of TMX Group Inc. and its wholly owned subsidiaries, TSX Inc. ("TSX"), MX, NGX, Shorcan, Equicom, and the wholly-owned or controlled subsidiaries of TSX, MX, NGX and Shorcan, collectively referred to as the "Company". These financial statements do not contain all disclosures required by Canadian GAAP for annual financial statements, and accordingly, the financial statements should be read in conjunction with the most recently prepared audited annual financial statements of the Company for the year ended December 31, 2009, contained in our 2009 Annual Report.

The preparation of the financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates and assumptions.

TMX GROUP INC.

Notes to Interim Consolidated Financial Statements
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Three Months Ended March 31, 2010 and 2009
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2. Changes in accounting policies:

These financial statements follow the same accounting policies and their methods of application as the Company's audited consolidated financial statements for the year ended December 31, 2009.

Future accounting changes - International Financial Reporting Standards ("IFRS"):

In March 2009, the Canadian Accounting Standards Board reconfirmed in its second omnibus Exposure Draft that Canadian GAAP for publicly accountable enterprises will be replaced by IFRS for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. Accordingly, the conversion from Canadian GAAP to IFRS will be applicable to the Company's reporting for the first quarter of 2011, for which current and comparative information will be prepared under IFRS. The Company commenced its IFRS conversion project in 2008, and a project management structure has been put in place to ensure a timely transition.

3. Segmented information:

The Company operates in three reportable segments: the Cash Markets ("Cash") segment, the Derivatives Markets ("Derivatives") segment, and the Energy Markets ("Energy") segment. In the Cash segment, the Company owns and operates Canada's two national stock exchanges, Toronto Stock Exchange and TSX Venture Exchange, Shorcan, a fixed income inter-dealer broker, and Equicom, an investor relations and corporate communications services provider. The Derivatives segment provides markets for trading derivatives, clearing options and futures contracts and certain over-the-counter ("OTC") products through MX and its subsidiaries, Canadian Derivatives Clearing Corporation, Montréal Climate Exchange Inc., and Boston Options Exchange Group, LLC. The Energy segment provides a platform for the trading and clearing of natural gas, electricity and crude oil contracts through NGX, and includes the brokering of crude oil through Shorcan Energy Brokers Inc.

TMX GROUP INC.

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Three Months Ended March 31, 2010 and 2009
(Unaudited)

Three months ended March 31

	Cash	Derivatives	Energy	Total
2010				
Issuer services	\$ 39,703	\$ -	\$ -	\$ 39,703
Trading, clearing and related	31,274	18,365	9,331	58,970
Market data	33,708	3,578	167	37,453
Business services and other	2,772	872	(64)	3,580
Total revenue	107,457	22,815	9,434	139,706
Net income	41,525	5,477	2,080	49,082
Goodwill	116,912	414,301	51,859	583,072
Total assets	585,751	1,700,650	1,266,133	3,552,534
2009				
Issuer services	\$ 35,051	\$ -	\$ -	\$ 35,051
Trading, clearing and related	28,691	21,790	8,475	58,956
Market data	34,171	4,582	-	38,753
Business services and other	3,197	746	115	4,058
Total revenue	101,110	27,118	8,590	136,818
Net income	36,322	3,514	3,082	42,918
Goodwill	113,846	519,781	21,279	654,906
Total assets	527,984	1,841,699	899,085	3,268,768

4. Share capital:

The following transactions occurred with respect to the Company's common shares:

Three months ended March 31, 2010			
	Number of shares		\$
Balance, beginning of the period	74,307,041	\$	1,102,619
Options exercised	6,000		80
Balance, end of the period	74,313,041	\$	1,102,699

TMX GROUP INC.

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5. Share option plan:

The Company established a share option plan in 2002, the year of its initial public offering. All employees of the Company and those of its designated subsidiaries at or above the director level are eligible to be granted share options under the share option plan.

4,127,110 common shares of the Company remain reserved for issuance upon exercise of share options granted under the plan, representing approximately 6% of the outstanding common shares of the Company.

The fair value of each share option grant is estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions used for grants in 2010: dividend yield of 4.1% (2009 – 3.5%); expected volatility of 32.8% (2009 – 26.8%); risk-free interest rate of 3.5% (2009 – 4.0%) and expected life of 7 years (2009 – 7 years).

Options granted will expire in 2011, 2012, 2013, 2014, 2015, 2016, and 2017.

Share options:

	Three months ended March 31, 2010		Three months ended March 31, 2009	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
Outstanding, beginning of period	1,382,569	\$ 35.53	1,021,819	\$ 39.14
Granted	457,782	29.52	610,717	31.59
Forfeited	(59,833)	39.45	(21,281)	48.82
Exercised	(6,000)	10.53	(4,835)	6.51
Outstanding, end of period	1,774,518	\$ 33.93	1,606,420	\$ 36.24

At March 31, 2010, 780,973 options were fully vested and exercisable at strike prices in the range of \$10.53 to \$54.50. During the three months ended March 31, 2010, the Company recognized compensation costs of \$645 in relation to its share option plan (three months ended March 31, 2009 - \$887).

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6. Earnings per share:

	Three months ended March 31,	
	2010	2009
Net income	\$ 49,082	\$ 42,918
Weighted average number of common shares outstanding	74,310,141	73,922,505
Basic earnings per share	\$ 0.66	\$ 0.58
Diluted weighted average number of common shares outstanding	74,400,694	74,089,541
Diluted earnings per share	\$ 0.66	\$ 0.58

7. Employee future benefits:

Total defined benefit cost recognized for the three months ended March 31, 2010 was \$575 (three months ended March 31, 2009 - \$571).

8. Comparative figures:

Certain comparative figures have been reclassified to conform to the financial presentation adopted in the current period. In particular, commencing in 2010, provisions for doubtful accounts receivable are included in General and administration expenses whereas, in 2009, these provisions were reflected as a reduction in various sources of revenue. The comparative figures for both revenue and expenses in 2009 have been reclassified to conform with the financial presentation adopted in 2010.