

Condensed Consolidated Interim Financial Statements of

TMX GROUP LIMITED

(Formerly Maple Group Acquisition Corporation)

Nine months ended September 30, 2012 and 2011

(In millions of Canadian dollars, unless otherwise stated)

(Unaudited)

TMX GROUP LIMITED

Condensed Consolidated Interim Balance Sheets

(In millions of Canadian dollars)

(Unaudited)

	Note	September 30, 2012	December 31, 2011 (audited)
Assets			
Current assets:			
Cash and cash equivalents		\$ 251.8	\$ 5.0
Marketable securities		126.5	-
Trade and other receivables		87.2	-
Energy contracts receivable	12	444.5	-
Fair value of open energy contracts	12	86.7	-
Balances with Clearing Members and participants	12	3,618.0	-
Prepaid expenses		13.7	-
Current income tax assets		17.1	-
		4,645.5	5.0
Non-current assets:			
Premises and equipment		41.8	-
Investments in equity accounted investees		18.4	-
Goodwill	6	1,315.3	-
Other intangible assets	6	3,639.5	-
Deferred income tax assets		67.9	-
Other non-current assets		9.2	-
Total Assets		\$ 9,737.6	\$ 5.0
Liabilities and Equity			
Current liabilities:			
Trade and other payables		\$ 154.5	\$ 11.6
Due to shareholders		-	20.7
Energy contracts payable	12	444.5	-
Fair value of open energy contracts	12	86.7	-
Balances with Clearing Members and participants	12	3,618.0	-
Deferred revenue		37.4	-
Liquidity facilities drawn	7	12.0	-
Provisions		3.3	-
Current income tax liabilities		0.7	-
		4,357.1	32.3
Non-current liabilities:			
Accrued employee benefits payable		19.3	-
Deferred income tax liabilities		934.9	-
Other non-current liabilities		29.2	-
Fair value of interest rate swaps	8	4.5	-
Loans payable	7	1,508.1	-
Total Liabilities		6,853.1	32.3
Equity:			
Share capital	9	2,832.0	10.0
Deficit		(26.7)	(37.3)
Contributed surplus – share option plan	10	3.8	-
Accumulated other comprehensive loss		(5.0)	-
Total Equity (Deficit) attributable to Shareholders of the Company		2,804.1	(27.3)
Non-controlling interests		80.4	-
Total Equity (Deficit)		2,884.5	(27.3)
Total Liabilities and Equity		\$ 9,737.6	\$ 5.0

See accompanying notes which form an integral part of these condensed consolidated interim financial statements.

TMX GROUP LIMITED

Condensed Consolidated Interim Income Statements

(In millions of Canadian dollars, except per share amounts)

(Unaudited)

	Note	Three months ended September 30,		Nine months ended September 30,	
		2012	2011	2012	2011 (from April 28 to September 30)
Revenue:					
Issuer services		\$ 29.1	\$ -	\$ 29.1	\$ -
Trading, clearing, depository and related		50.0	-	50.0	-
Information services		30.1	-	30.1	-
Technology services and other		4.2	-	4.2	-
REPO interest:					
Interest income		6.3	-	6.3	-
Interest expense		(6.3)	-	(6.3)	-
Net REPO interest		-	-	-	-
Total revenue		113.4	-	113.4	-
Expenses:					
Compensation and benefits		33.3	-	33.3	-
Information and trading systems		13.6	-	13.6	-
General and administration		13.2	-	13.2	-
Depreciation and amortization		13.7	-	13.7	-
Total operating expenses		73.8	-	73.8	-
Income from operations		39.6	-	39.6	-
Share of net income of equity accounted investees		0.2	-	0.2	-
Maple transaction costs	3	(4.0)	(13.3)	(36.8)	(27.1)
Finance income (costs):					
Finance income		1.5	-	1.5	-
Finance costs	7	(10.3)	-	(10.3)	-
Net settlement on interest rate swaps	8	(0.5)	-	(0.5)	-
Net finance costs		(9.3)	-	(9.3)	-
Income (loss) before income taxes		26.5	(13.3)	(6.3)	(27.1)
Income tax expense		7.7	-	7.7	-
Net income (loss)		\$ 18.8	\$ (13.3)	\$ (14.0)	\$ (27.1)
Net income (loss) attributable to:					
Equity holders of the Company		\$ 15.3	\$ (13.3)	\$ (17.5)	\$ (27.1)
Non-controlling interests		3.5	-	3.5	-
		\$ 18.8	\$ (13.3)	\$ (14.0)	\$ (27.1)
Earnings (loss) per share (attributable to equity holders of the Company):					
	5				
Basic		\$ 0.53	\$ (109.79)	\$ (1.74)	\$ (379.55)
Diluted		\$ 0.53	\$ (109.79)	\$ (1.74)	\$ (379.55)

See accompanying notes which form an integral part of these condensed consolidated interim financial statements.

TMX GROUP LIMITED

Condensed Consolidated Interim Statements of Comprehensive Income (Loss)

(In millions of Canadian dollars)

(Unaudited)

	<i>Note</i>	Three months ended September 30,		Nine months ended September 30,	
		2012	2011	2012	2011 (from April 28 to September 30)
Net income (loss)		\$ 18.8	\$ (13.3)	\$ (14.0)	\$ (27.1)
Other comprehensive loss:					
Unrealized loss on translating financial statements of foreign operations (net of tax of \$nil in 2012 and \$nil in 2011)		(3.7)	-	(3.7)	-
Unrealized fair value loss on interest rate swaps designated as cash flow hedges (net of tax of \$1.3 in 2012)	<i>8</i>	(3.7)	-	(3.7)	-
Reclassification to net income of losses on interest rate swaps (net of tax of \$0.1 in 2012)	<i>8</i>	0.4	-	0.4	-
Total comprehensive income (loss)		\$ 11.8	\$ (13.3)	\$ (21.0)	\$ (27.1)
Total comprehensive income (loss) attributable to:					
Equity holders of the Company		\$ 10.3	\$ (13.3)	\$ (22.5)	\$ (27.1)
Non-controlling interests		1.5	-	1.5	-
		\$ 11.8	\$ (13.3)	\$ (21.0)	\$ (27.1)

See accompanying notes which form an integral part of these condensed consolidated interim financial statements.

TMX GROUP LIMITED

Condensed Consolidated Interim Statements of Changes in Equity

(In millions of Canadian dollars)

(Unaudited)

Attributable to equity holders of the Company								
	Note	Share capital	Contributed surplus – share option plan	Accumulated other comprehensive loss	Deficit	Total attributable to equity holders	Non-controlling interests	Total equity (deficit)
Balance at January 1, 2012		\$ 10.0	\$ -	\$ -	\$ (37.3)	\$ (27.3)	\$ -	\$ (27.3)
Net (loss) income		-	-	-	(17.5)	(17.5)	3.5	(14.0)
Other comprehensive loss:								
Foreign currency translation differences, net of taxes		-	-	(1.7)	-	(1.7)	(2.0)	(3.7)
Net change in interest rate swaps designated as cash flow hedges, net of taxes	8	-	-	(3.3)	-	(3.3)	-	(3.3)
Total comprehensive (loss) income		-	-	(5.0)	(17.5)	(22.5)	1.5	(21.0)
Net issuance of common shares	9	2,822.0	-	-	-	2,822.0	-	2,822.0
Non-controlling interests arising on the acquisition of TMX Group Inc.	3	-	-	-	-	-	850.3	850.3
Acquisition of remaining 20% of TMX Group Inc.	3	-	-	-	28.1	28.1	(771.4)	(743.3)
Share options exchanged on acquisition	3	-	3.5	-	-	3.5	-	3.5
Cost of share option plan	10	-	0.3	-	-	0.3	-	0.3
Balance at September 30, 2012		\$ 2,832.0	\$ 3.8	\$ (5.0)	\$ (26.7)	\$ 2,804.1	\$ 80.4	\$ 2,884.5
Balance at April 28, 2011		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net loss and comprehensive loss		-	-	-	(27.1)	(27.1)	-	(27.1)
Issuance of common shares		10.0	-	-	-	10.0	-	10.0
Balance at September 30, 2011		\$ 10.0	\$ -	\$ -	\$ (27.1)	\$ (17.1)	\$ -	\$ (17.1)

See accompanying notes which form an integral part of these condensed consolidated interim financial statements.

TMX GROUP LIMITED

Condensed Consolidated Interim Statements of Cash Flows

(In millions of Canadian dollars)

(Unaudited)

	Note	Three months ended September 30,		Nine months ended September 30, (from April 28 to September 30)	
		2012	2011	2012	2011
Cash flows from (used in) operating activities:					
Income (loss) before income taxes		\$ 26.5	\$ (13.3)	\$ (6.3)	\$ (27.1)
Adjustments to determine net cash flows:					
Depreciation and amortization		13.7	-	13.7	-
Net finance costs		9.3	-	9.3	-
Share of net income of equity accounted investees		(0.2)	-	(0.2)	-
Cost of share option plan	10	0.3	-	0.3	-
Maple transaction costs	3	4.0	13.3	36.8	27.1
Maple transaction cash outlays		(64.1)	(5.0)	(99.3)	(5.0)
Trade and other receivables, and prepaid expenses		6.4	-	6.4	-
Other non-current assets		0.1	-	0.1	-
Trade and other payables		(31.1)	-	(31.1)	-
Provisions		(1.8)	-	(1.8)	-
Deferred revenue		(13.7)	-	(13.7)	-
Long-term accrued and other non-current liabilities		3.0	-	3.0	-
Net settlement on interest rate swaps	8	(0.5)	-	(0.5)	-
Interest paid		(13.7)	-	(13.7)	-
Interest received		1.7	-	1.7	-
Income taxes paid		(10.6)	-	(10.6)	-
		(70.7)	(5.0)	(105.9)	(5.0)
Cash flows from (used in) financing activities:					
Reduction in obligations under finance leases		(0.6)	-	(0.6)	-
Net issuance of common shares	9	2,043.7	10.0	2,078.7	10.0
Dividends paid	3	(29.9)	-	(29.9)	-
Liquidity facility drawn	7	12.0	-	12.0	-
Term loan repayment	3	(430.0)	-	(430.0)	-
Proceeds from Credit Facilities, net of financing costs	7	1,506.9	-	1,506.9	-
		3,102.1	10.0	3,137.1	10.0
Cash flows from (used in) investing activities:					
Additions to premises and equipment		(0.8)	-	(0.8)	-
Additions to intangible assets	6	(3.5)	-	(3.5)	-
Acquisitions, net of cash acquired	3	(2,677.1)	-	(2,677.1)	-
Marketable securities		(102.5)	-	(102.5)	-
		(2,783.9)	-	(2,783.9)	-
Increase in cash and cash equivalents		247.5	5.0	247.3	5.0
Cash and cash equivalents, beginning of the period		4.8	-	5.0	-
Unrealized foreign exchange loss on cash and cash equivalents held in foreign currencies		(0.5)	-	(0.5)	-
Cash and cash equivalents, end of the period		\$ 251.8	\$ 5.0	\$ 251.8	\$ 5.0

See accompanying notes which form an integral part of these condensed consolidated interim financial statements.

TMX GROUP LIMITED

Notes to Condensed Consolidated Interim Financial Statements
(In millions of Canadian dollars, except per share amounts)
Nine Months Ended September 30, 2012 and 2011
(Unaudited)

General information

TMX Group Limited (formerly Maple Group Acquisition Corporation (“Maple”), renamed on August 10, 2012) is a company domiciled in Canada and incorporated under the *Business Corporations Act* (Ontario). The registered office is located at The Exchange Tower, 130 King Street West, Toronto, Ontario, Canada.

TMX Group Limited was formed on April 28, 2011, by a group of unrelated Canadian financial institutions (collectively, the “Investors”) to acquire TMX Group Inc., Alpha Trading Systems Inc. and Alpha Trading Systems Limited Partnership (collectively, “Alpha”) and The Canadian Depository for Securities Limited (“CDS”) and their respective subsidiaries. Up to July 31, 2012, TMX Group Limited had not carried on any material business other than in connection with matters directly related to the acquisitions discussed below. None of the Investors individually controls TMX Group Limited.

On July 31, 2012, TMX Group Limited announced that all of the conditions to its offer to acquire up to 80% of the TMX Group Inc. shares for \$50.00 per share in cash (including the receipt of all regulatory approvals) had been satisfied and TMX Group Limited took up all TMX Group Inc. shares deposited under the offer. The offer was extended for an additional 10 day period until 5:00 pm (Eastern Time) on August 10, 2012. Upon the expiry of this period, TMX Group Limited acquired 80% of the outstanding TMX Group Inc. shares. Following shareholder and court approval, the remaining 20% of the outstanding shares of TMX Group Inc. were exchanged for TMX Group Limited shares, on a one-for-one basis on September 14, 2012, giving TMX Group Limited 100% ownership of TMX Group Inc. (note 3).

On August 1, 2012, TMX Group Limited completed the acquisitions of CDS and Alpha (note 3).

Following the acquisitions discussed above, TMX Group Limited is now an integrated, multi-asset class exchange group which owns a number of companies including TMX Group Inc., CDS and Alpha, along with their respective subsidiaries, and on September 19, 2012, TMX Group Limited shares began trading on Toronto Stock Exchange under the symbol “X”.

TMX Group Inc. controls, directly or indirectly, a number of companies including TSX Inc. (“TSX”), which operates Toronto Stock Exchange, a national stock exchange serving the senior equity market, TSX Venture Exchange Inc. (“TSX Venture Exchange”), which operates TSX Venture Exchange, a national stock exchange serving the public venture equity market, Montréal Exchange Inc. (“MX”), which operates Montréal Exchange, Canada’s national derivatives exchange, Canadian Derivatives Clearing Corporation (“CDCC”), the clearing house for options and futures contracts traded at MX and certain over-the-counter (“OTC”) products and repurchase (“REPO”) agreements, Natural Gas Exchange Inc. (“NGX”), which operates Natural Gas Exchange, an exchange for the trading and clearing of natural gas, electricity, and crude oil contracts in North America and Shorcan Brokers Limited (“Shorcan”), a fixed income inter-dealer broker.

CDS controls a number of companies including CDS Clearing and Depository Services Inc. (“CDS Clearing”), which operates the automated facilities for the clearing and settlement of securities transactions and custody of securities in Canada, CDS Securities Management Solutions Inc. (“CDS Solutions”), the principal business of which is to offer depository-related services to issuers and their agents to facilitate securities issuance and the reporting of registered positions, CDS Inc., which operates the System for Electronic Document Analysis and Retrieval (“SEDAR”), the National Registration Database (“NRD”) and the System for Electronic Disclosure by Insiders (“SEDI”), and CDS Innovations Inc.

TMX GROUP LIMITED

Notes to Condensed Consolidated Interim Financial Statements
(In millions of Canadian dollars, except per share amounts)
Nine Months Ended September 30, 2012 and 2011
(Unaudited)

("CDS Innovations"), the principal business of which is to create and disseminate information products on Canadian securities.

Alpha, through its operating subsidiaries, operates an exchange for the trading of securities and provides ancillary activities such as data dissemination and other related technology-driven activities.

The unaudited condensed consolidated interim financial statements as at and for the nine months ended September 30, 2012 (the "financial statements"), comprise the accounts of TMX Group Limited and its wholly owned subsidiaries, including TMX Group Inc. from July 31, 2012, and CDS and Alpha from August 1, 2012, along with their wholly owned or controlled subsidiaries, collectively referred to as "TMX Group" or the "Company".

1. Basis of preparation

(a) Statement of compliance:

The financial statements have been prepared by management to comply with the requirements of International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations, as issued by the International Accounting Standards Board ("IASB"), for the preparation of interim financial statements, and they are in compliance with IAS 34, Interim Financial Reporting.

The financial statements do not contain all disclosures required by IFRS for annual financial statements. As such they should be read in conjunction with the Company's most recently prepared audited annual financial statements for the year ended December 31, 2011, which are included in the Maple Group Acquisition Corporation Notice of Change dated July 19, 2012 and filed at www.sedar.com. Given the significant change in the Company's operations since the latest audited annual financial statements, additional disclosures which would normally only be presented in annual financial statements have been included in these condensed consolidated interim financial statements, where considered material.

The financial statements were approved by the Company's Board of Directors on November 8, 2012.

(b) Basis of measurement:

The financial statements have been prepared on the historical cost basis except for the following items which are measured at fair value:

- Derivative financial instruments;
- Financial instruments at fair value through profit or loss;
- Available for sale financial assets;
- Liabilities arising from share-based payment plans;
- Legal obligations associated with the restoration costs on the retirement of premises and equipment

TMX GROUP LIMITED

Notes to Condensed Consolidated Interim Financial Statements
(In millions of Canadian dollars, except per share amounts)
Nine Months Ended September 30, 2012 and 2011
(Unaudited)

(c) Use of estimates and judgements:

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The estimates and associated assumptions are based on historical experience and other factors that management considers to be relevant. Actual results could differ from these estimates and assumptions.

Judgements, estimates and underlying assumptions are reviewed on an ongoing basis, and revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Significant judgements and estimates have been made in the following areas in the preparation of the financial statements:

- Goodwill and other intangible assets – impairment tests are completed using the higher of fair value less costs to sell, where available, and value-in-use calculations, determined using management's best estimates of future cash flows, long-term growth rates and appropriate discount rates. Purchased intangibles are valued on acquisition using appropriate methodologies and amortized over their estimated useful economic lives, except in those cases where intangibles are determined to have indefinite lives, where there is no foreseeable limit over which these intangibles would generate net cash flows. These valuations and lives are based on management's best estimates of future performance and periods over which value from the intangible assets will be derived;
- The accounting for pensions and other post retirement and post employment benefits – the valuations of the defined benefit assets and liabilities are based on actuarial assumptions made by management with advice from TMX Group's external actuary;
- Premises and equipment and intangible assets – useful lives over which assets are depreciated or amortized are based on management's judgement of future use and performance;
- Leases – the classification of leases between operating and finance leases is partly based on management's judgement regarding the substance of the agreement, supported by other indicators within the lease;
- Provisions and contingencies – management judgement is required to assess whether provisions and/or contingencies should be recognized or disclosed, and at what value. Management bases its decisions on past experience and other factors it considers to be relevant on a case by case basis;
- Income taxes – the accounting for income taxes requires estimates and judgements to be made. Where differences arise between estimated income tax provisions and final income tax liabilities, an adjustment is made when the difference is identified;
- Trade and other receivables – judgement is required when providing for doubtful accounts. Management bases its estimates on historical experience and other relevant factors;
- Share-based payments – The liabilities associated with TMX Group's share-based payment plans are measured at fair value using a recognized option pricing model based on management's assumptions.

TMX GROUP LIMITED

Notes to Condensed Consolidated Interim Financial Statements
(In millions of Canadian dollars, except per share amounts)
Nine Months Ended September 30, 2012 and 2011
(Unaudited)

Management's assumptions are based on historical share price movements, dividend policy and past experience based on TMX Group Inc. as well as TMX Group Limited (note 10).

2. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in the financial statements, unless otherwise indicated.

The accounting policies have been applied consistently by TMX Group entities.

(a) Basis of consolidation:

Subsidiaries are entities controlled by TMX Group, and they are consolidated from the date on which control is transferred to TMX Group until the date that control ceases. Balances and transactions between TMX Group's subsidiaries have been eliminated on consolidation.

Equity accounted investees are entities in which TMX Group has determined it has significant influence, but not control, over the financial and operating policies. Investments in these entities are recognized initially at cost and subsequently accounted for using the equity method of accounting.

(b) Revenue recognition:

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognized when the service or supply is provided, when it is probable that the economic benefits will flow to TMX Group, and when the revenue and the costs incurred in respect of the transaction can be reliably measured.

Issuer services

Issuer services revenue includes revenue from initial and additional listing fees, annual sustaining fees and other issuer services. Initial and additional listing fees are recognized when the listing has taken place. Sustaining fees for existing issuers are billed during the first quarter of the year and the amount is recorded as deferred revenue and amortized over the year on a straight-line basis. Sustaining fees for new issuers are billed when the issuers' securities are officially listed and the amount is recorded as deferred revenue and amortized over the remainder of the year on a straight-line basis. Other issuer services revenue is recognized as the services are provided.

TMX GROUP LIMITED

Notes to Condensed Consolidated Interim Financial Statements
(In millions of Canadian dollars, except per share amounts)
Nine Months Ended September 30, 2012 and 2011
(Unaudited)

Trading, clearing, depository and related

Trading and related revenues for cash markets, primarily through TSX, TSX Venture Exchange, Alpha and Shorcan, are recognized in the month in which the trades are executed or when the related services are provided.

Revenues related to cash markets clearing, settlement and depository services through CDS are recognized as follows:

- Clearing services include the reporting and confirmation of all trade types within the multilateral clearing and settlement system referred to as CDSX. Clearing services also include the netting and novation of fixed income trades through FINet and exchange trades through CDS' Continuous Net Settlement ("CNS") service prior to settlement. The related fees are recognized as follows:
 - Reporting fees are recognized when the trades are delivered to CDS,
 - Netting and novation fees are recognized when the trades are netted and novated,
 - Other clearing related fees are recognized when services are performed.
- Settlement revenue is recognized on the settlement date of the related transaction.
- Depository fees are charged for custody of securities, depository related activities and processing of entitlement and corporate actions and are recognized when the services are performed.
- Under the CDS recognition orders granted by the Ontario Securities Commission ("OSC") and the Autorité des marchés financiers ("AMF"), fees for services and products offered by CDS Clearing will be those fees in effect on November 1, 2011 ("2012 base fees"). CDS Clearing cannot adjust fees without the approval of the OSC, AMF and the British Columbia Securities Commission ("BCSC"). In addition, CDS Clearing may only seek approval for fee increases on clearing and other core CDS Clearing services (which services are outlined in the OSC and AMF recognition orders) where there has been a significant change from circumstances existing as at August 1, 2012, the effective date of the recognition orders.

TMX GROUP LIMITED

Notes to Condensed Consolidated Interim Financial Statements
(In millions of Canadian dollars, except per share amounts)
Nine Months Ended September 30, 2012 and 2011
(Unaudited)

- Under the CDS recognition orders granted by the OSC and AMF, starting November 1, 2012, CDS will share any annual revenue increases on clearing and other core CDS Clearing services, as compared to revenues in fiscal year 2012 (the 12 month period ending October 31, 2012), on a 50:50 basis with participants. In addition, CDS will rebate an additional amount to participants in respect of exchange clearing services for trades conducted on an exchange or Alternative Trading System ("ATS") as follows:
 - \$2.75 in the 12 month period ending October 31, 2013
 - \$3.25 in the 12 month period ending October 31, 2014
 - \$3.75 in the 12 month period ending October 31, 2015
 - \$4.0 in the 12 month period ending October 31, 2016
 - \$4.0 annually thereafter.

Rebates are recorded as a reduction of revenue in the condensed consolidated income statement.

- International revenue consists of revenue generated through offering links as channels to participants to effect cross border transactions and custodial relationships with other international organizations. The related fees are recognized as follows:
 - Fees are charged to participants based on participant usage of National Securities Clearing Corporation ("NSCC") and Depository Trust Company ("DTC") services. Participants are sponsored into the NSCC and DTC services via the New York Link and the DTC Direct Link services respectively.
 - Custodial fees and other international services related revenues are recognized when the services are performed.

Trading and related revenues for derivatives markets, through MX and BOX Market, LLC ("BOX"), a subsidiary of MX, are recognized in the month in which the trades are executed or when the related services are provided.

Revenue related to derivatives clearing through CDCC is recognized on the settlement date of the related transaction. Fees earned by CDCC for providing the clearing service for the REPO agreements are included within trading, clearing, depository and related revenue and are recognized on the novation date of the related transaction.

Energy trading, clearing, settlement and related revenues relating to NGX are recognized over the period the services are provided. Unrealized gains and losses on open energy contracts are not recognized in the financial statements.

TMX GROUP LIMITED

Notes to Condensed Consolidated Interim Financial Statements
(In millions of Canadian dollars, except per share amounts)
Nine Months Ended September 30, 2012 and 2011
(Unaudited)

Information services

Real time market data revenue is recognized based on usage as reported by customers and vendors, less a provision for sales adjustments from the same customers. TMX Group conducts periodic audits of the information provided and records adjustments to revenues, if any, at the time that collectability of the revenue is reasonably assured. Fixed income indices revenue is recognized over the period the service is provided. BOX revenue from the Options Price Reporting Authority ("OPRA") is received quarterly based on its pro-rata share of industry trade (not contract) volume. Estimates of OPRA's quarterly revenue are made and accrued each month. Other information services revenue is recorded and recognized as revenue when the services are provided.

Technology services and other

Technology services and other revenue is recorded and recognized as revenue over the period the service is provided. This includes revenues related to the operation of the SEDAR, SEDI and NRD services through CDS, which are based on the recovery of the cost of operating these services and the associated contracted management fee for operating the services. These revenues are recognized when the services are performed.

REPO interest

Interest income and interest expense arising from CDCC REPO agreements are equal. However, as CDCC does not have a legal right to offset interest income earned against interest expense incurred, they are recognized separately on the condensed consolidated income statement. The interest income is earned, and the interest expense incurred, over the lives of the REPO agreements.

(c) Foreign currency:

Items included in the financial statements of each of TMX Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The condensed consolidated financial statements are presented in Canadian dollars, which is TMX Group's functional and presentation currency.

The assets and liabilities of TMX Group's foreign operations for which the Canadian dollar is not the functional currency are translated at the rate of exchange in effect at the balance sheet date. Revenue and expenses are translated at the relevant average monthly exchange rates. The resulting unrealized exchange gain or loss is included in accumulated other comprehensive loss within equity.

Revenues earned, expenses incurred and capital assets purchased in foreign currencies are translated into the functional currency at the prevailing exchange rate on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the period end rate or at the transaction rate when settled.

TMX GROUP LIMITED

Notes to Condensed Consolidated Interim Financial Statements
(In millions of Canadian dollars, except per share amounts)
Nine Months Ended September 30, 2012 and 2011
(Unaudited)

Resulting unrealized and realized foreign exchange gains and losses are recognized within technology services and other revenue in the condensed consolidated income statement for the period.

(d) Premises and equipment:

Items of premises and equipment are recognized at cost less accumulated depreciation and any impairment losses.

Legal obligations associated with the restoration costs on the retirement of premises and equipment are recognized as incurred. The obligations are initially measured at an estimated fair value of the future cost discounted to present value, and a corresponding amount is capitalized with the related assets and depreciated in line with their useful lives.

Assets are depreciated from the date of acquisition. Depreciation is recognized in the condensed consolidated income statement on a straight-line basis over the estimated useful life of the asset, or a major component thereof. The residual values and useful lives of the assets are reviewed annually, and revised as necessary.

Depreciation is provided over the following useful lives of the assets:

Asset	Basis	Rate
Computers and electronic trading equipment	Straight-line	3 - 5 years
Computers and electronic trading equipment under finance leases	Straight-line	Over the terms of the leases
Furniture, fixtures and other equipment	Straight-line	5 years
Leasehold improvements	Straight-line	Over terms of various leases to a maximum of 15 years

(e) Goodwill and other intangible assets:

Goodwill

Goodwill is recognized at cost on acquisition less any subsequent impairment in value.

TMX Group measures goodwill arising on a business combination as the fair value of the consideration transferred less the fair value of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

TMX Group elects on a transaction by transaction basis whether to measure non-controlling interests at fair value or at their proportionate share of the recognized amount of the identifiable net assets acquired, at the acquisition date.

TMX GROUP LIMITED

Notes to Condensed Consolidated Interim Financial Statements
(In millions of Canadian dollars, except per share amounts)
Nine Months Ended September 30, 2012 and 2011
(Unaudited)

Transaction costs, other than those associated with the issue of debt or equity securities as consideration, that TMX Group incurs in connection with a business combination are expensed as incurred.

Other intangible assets

Other intangible assets are recognized at cost less accumulated amortization, where applicable, and any impairment in value. Cost includes any expenditure that is directly attributable to the acquisition of the asset. The cost of internally developed assets includes the cost of materials and direct labour, and any other costs directly attributable to bringing the assets to a working condition for their intended use.

Costs incurred in research activities, undertaken with the prospect of gaining new technical knowledge, are recognized in the condensed consolidated income statement as incurred. Costs incurred in development activities are capitalized when all of the following criteria are met:

- It is technically feasible to complete the work such that the asset will be available for use or sale,
- TMX Group intends to complete the asset for use or sale,
- TMX Group will be able to use the asset once completed,
- The asset will be useful and is expected to generate future economic benefits for TMX Group,
- TMX Group has adequate resources available to complete the development of and to use the asset, and
- TMX Group is able to reliably measure the costs attributable to the asset during development.

Definite life intangible assets are amortized from the date of acquisition or, for internally developed intangible assets, from the time the asset is available for use. Amortization is recognized in the condensed consolidated income statement on a straight-line basis over the estimated useful life of the asset. Residual values and the useful lives of the assets are reviewed at each year end, and revised as necessary.

Assets are considered to have indefinite lives where management believes that there is no foreseeable limit to the period over which the assets are expected to generate net cash flows.

TMX GROUP LIMITED

Notes to Condensed Consolidated Interim Financial Statements
(In millions of Canadian dollars, except per share amounts)
Nine Months Ended September 30, 2012 and 2011
(Unaudited)

Amortization is provided over the following useful lives of intangible assets:

Asset	Basis	Rate
Indefinite life intangibles – not amortized		
Trade names	n/a	n/a
Derivative products	n/a	n/a
Regulatory designations	n/a	n/a
Index license product	n/a	n/a
Structured products	n/a	n/a
Definite life intangibles – amortized		
Customer relationships	Straight-line	17 – 34 years
Technology	Straight-line	5 years
Open interest	Straight-line	0.5 years
CSA contracts	Straight-line	2 years

(f) Impairment:

The carrying amounts of TMX Group's non-financial assets, other than deferred income tax assets and employee future benefit assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, are tested for impairment at least annually even if there is no indication of impairment, and the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs to sell. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU"). For the purposes of goodwill impairment testing, goodwill acquired in a business combination is allocated to the CGU, or the group of CGUs, that is expected to benefit from the synergies of the combination and reflects the lowest level at which that goodwill is monitored for internal reporting purposes.

An impairment loss is recognized if the carrying amount of an asset, or its CGU, exceeds its estimated recoverable amount. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit on a pro rata basis. Impairment losses are recognized in the condensed consolidated income statement.

An impairment loss in respect of goodwill cannot be reversed. In respect of other non-financial assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the

TMX GROUP LIMITED

Notes to Condensed Consolidated Interim Financial Statements
(In millions of Canadian dollars, except per share amounts)
Nine Months Ended September 30, 2012 and 2011
(Unaudited)

loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(g) Leases:

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases and any lease incentives received are recognized in the condensed consolidated income statement on a straight-line basis over the term of the lease.

TMX Group has entered into leases for equipment where substantially all of the risks and rewards of ownership have transferred to TMX Group, and these are classified as finance leases. The leased assets are capitalized on inception of the lease at the lower of their fair value and the present value of the minimum lease payments, and then amortized over their useful lives. Payments made under finance leases are apportioned between the finance expense and a reduction in the outstanding liability, to achieve a constant periodic rate of interest on the remaining liability.

(h) Employee benefits:

Defined contribution and defined benefit pension plans

The Company has registered pension plans with both a defined benefit tier and a defined contribution tier covering substantially all employees, as well as retirement compensation arrangements ("RCA") for senior management. The costs of these programs are being funded currently, except for MX, where a portion is guaranteed by a letter of guarantee.

TMX Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods, and that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The discount rates used are based on Canadian AA corporate bond yields. The calculation is performed annually by an actuary based on management's best estimates using the projected benefit method pro-rated on service. When the calculation results in a benefit to TMX Group, the recognized asset is limited to the total of any unrecognized past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. An economic benefit is considered available to TMX Group if it is realizable during the life of the plan, or on settlement of the plan liabilities, and consideration is given to any minimum funding requirements that apply to the plan when calculating the present value of these economic benefits. The service cost, which represents the benefits accruing to the employees, along with the interest cost and the expected return on plan assets, is recognized in the condensed consolidated income statement.

TMX GROUP LIMITED

Notes to Condensed Consolidated Interim Financial Statements
(In millions of Canadian dollars, except per share amounts)
Nine Months Ended September 30, 2012 and 2011
(Unaudited)

When the benefits of a plan are amended, the portion of the increased benefit relating to past service by employees is recognized in the condensed consolidated income statement on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognized immediately in the condensed consolidated income statement.

TMX Group recognizes all actuarial gains and losses arising from defined benefit plans immediately in other comprehensive income.

For defined contribution plans, the expense is charged to the condensed consolidated income statement as it is incurred.

Non-pension post retirement and post employment benefit plans

TMX Group also provides other post retirement and post employment benefits, such as supplementary medical and dental coverage and a long-term disability plan, which are funded on a cash basis by TMX Group, and contributions from plan members in some circumstances. TMX Group's net obligation in respect of these plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods, discounted to determine its present value. The discount rates used are based on Canadian AA corporate bond yields. The calculation is performed annually by an actuary based on management's best estimates and it is performed using the projected benefit method pro-rated on service. For post retirement plans, any actuarial gains and losses are recognized immediately in other comprehensive income in the period in which they arise. For the long-term disability plan, actuarial gains and losses are recognized within compensation and benefits expense in the condensed consolidated income statement.

Termination benefits

Termination benefits are recognized as an expense when TMX Group is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before retirement.

Short-term employee benefits

Short-term employee benefit obligations, such as wages, salaries and annual vacation entitlements, are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for TMX Group's annual short-term incentive plan if a present legal or constructive obligation to pay this amount exists as a result of past service provided by the employee, and the obligation can be estimated reliably.

TMX GROUP LIMITED

Notes to Condensed Consolidated Interim Financial Statements
(In millions of Canadian dollars, except per share amounts)
Nine Months Ended September 30, 2012 and 2011
(Unaudited)

Share-based payments

TMX Group has both equity-settled and cash-settled share-based compensation plans.

TMX Group accounts for all share-based plans to eligible employees that call for settlement by the issuance of equity instruments using the fair value based method. Under the fair value based method, compensation cost attributable to options to employees is measured at fair value at the grant date, using a recognized option pricing model, and amortized over the vesting period. The amount recognized as an expense is adjusted to reflect the actual number of options expected to vest.

Compensation cost attributable to employee awards that call for settlement in cash is measured at fair value at each reporting date, using a recognized option pricing model. Changes in fair value between the grant date and the measurement date are recognized in the condensed consolidated income statement over the vesting period, with a corresponding increase in either current or non-current liabilities, depending on the period in which the award is expected to be paid.

(i) Income tax:

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in the condensed consolidated income statement except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

Current income tax is the expected income tax payable or receivable on the taxable income or loss for the period using income tax rates enacted or substantively enacted at the reporting date in the countries where TMX Group has a permanent establishment and generates taxable income, and any adjustments to income tax payable in respect of previous years.

Deferred income tax is recognized in respect of certain temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred income tax is measured at the income tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date.

A deferred income tax asset is recognized only to the extent that it is probable that future taxable income will be available against which it can be utilized. Deferred income tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Uncertain income tax positions are recognized in the financial statements using management's best estimate of the amount expected to be paid.

TMX GROUP LIMITED

Notes to Condensed Consolidated Interim Financial Statements
(In millions of Canadian dollars, except per share amounts)
Nine Months Ended September 30, 2012 and 2011
(Unaudited)

Income tax assets and liabilities are offset in the financial statements if there is a legally enforceable right to offset them and they relate to income taxes levied by the same taxation authority on the same taxable entity, or on different taxable entities but TMX Group intends to settle them on a net basis or where the income tax assets and liabilities will be realized simultaneously.

(j) Provisions:

A provision is recognized if, as a result of a past event, TMX Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as a finance cost. For onerous leases, TMX Group provides for the lower of the cost of meeting surplus property lease commitments, net of any sub-lease income, and the costs or penalties it would incur on breaking its lease commitments.

(k) Earnings per share:

Basic earnings per share is computed by dividing net income attributable to the equity holders of the Company by the weighted average number of common shares outstanding during the reporting period.

Diluted earnings per share is determined by dividing the net income attributable to the equity holders of the Company by the weighted average number of common shares outstanding, adjusted for the effects of all potential dilutive common shares arising from share options granted to employees.

Adjusted basic and diluted earnings per share are presented where considered helpful to enable a comparison of the underlying performance of TMX Group.

(l) Segment reporting:

An operating segment is a component of TMX Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of TMX Group's other components. In addition, there are certain corporate costs and/or balances that are not allocated across the group and these are included within the Corporate segment. All operating segments' results are reviewed regularly by the Executive Management Committee ("Executive Committee") to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

TMX GROUP LIMITED

Notes to Condensed Consolidated Interim Financial Statements
(In millions of Canadian dollars, except per share amounts)
Nine Months Ended September 30, 2012 and 2011
(Unaudited)

(m) Financial instruments:

Non-derivative financial assets

Financial assets are recognized on the trade date at which TMX Group becomes a party to the contractual provisions of the instrument.

Financial assets are generally derecognized when the contractual rights to the cash flows from the assets expire, or when TMX Group transfers the rights to receive the contractual cash flows on the financial assets to another party without retaining substantially all the risks and rewards of ownership of the financial assets.

Financial assets and liabilities are offset and the net amount presented in the condensed consolidated balance sheet only when TMX Group has a current legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

TMX Group classifies its non-derivative financial assets in the following categories, depending on the purpose for which they were acquired:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are assets classified as held for trading or assets designated as fair value through profit or loss by management and TMX Group manages the asset, and makes purchase and sale decisions, based on its fair value in accordance with TMX Group's documented risk management or investment strategy. Financial assets at fair value through profit or loss are measured at fair value, with changes recognized in the condensed consolidated income statement. Transaction costs thereon are expensed as incurred.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any incremental directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses. Short-term receivables with no stated interest rate are measured at the original transaction amounts where the effect of discounting is immaterial.

Available for sale financial assets

Available for sale financial assets are non-derivative financial assets that are designated as available for sale or that are not classified in any of the previous categories. These assets are measured at fair value, both initially and subsequently, with changes in fair value, except for impairment losses and certain foreign exchange gains

TMX GROUP LIMITED

Notes to Condensed Consolidated Interim Financial Statements
(In millions of Canadian dollars, except per share amounts)
Nine Months Ended September 30, 2012 and 2011
(Unaudited)

and losses, recognized in other comprehensive income until the asset is sold. Impairment losses are recognized in the condensed consolidated income statement as incurred, as are foreign exchange gains and losses arising on monetary items. Foreign exchange gains and losses arising on non-monetary items, such as an investment in an equity instrument, are recognized in other comprehensive income. When an investment is derecognized, the cumulative gain or loss in accumulated other comprehensive income is reclassified to the condensed consolidated income statement.

Non-derivative financial liabilities

TMX Group initially recognizes its financial liabilities on the trade date at which TMX Group becomes a party to the contractual provisions of the instrument. TMX Group derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original transaction amounts where the effect of discounting is immaterial.

Derivative financial instruments, including hedge accounting

TMX Group enters into derivative financial instrument contracts, including interest rate swaps to hedge its interest rate exposure. Derivatives are recognized initially at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

Hedge accounting

Where hedge accounting can be applied, a hedge relationship is designated and documented at its inception detailing the relationship between the hedging instrument(s) and hedged item(s), including the risk management objectives and strategy in undertaking the hedge transaction, together with the methods that will be used to assess the effectiveness of the hedging relationship. TMX Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, whether the hedging instruments are expected to be “highly effective” in offsetting changes in the fair value or cash flows of the hedged items over the life of the hedge. Hedge accounting is discontinued prospectively when the hedging instrument is no longer effective as a hedge, the hedging instrument is terminated or sold, or upon the sale or early termination of the hedged item.

Cash flow hedges

For cash flow hedges, the effective portion of the changes in the fair value of the hedging derivative, net of taxes, is recognized in other comprehensive income while any ineffective portion is recognized immediately in the condensed consolidated income statement as net settlement on interest rate swaps within net finance costs. Realized interest arising on the derivative is transferred from accumulated other comprehensive income within

TMX GROUP LIMITED

Notes to Condensed Consolidated Interim Financial Statements
(In millions of Canadian dollars, except per share amounts)
Nine Months Ended September 30, 2012 and 2011
(Unaudited)

equity to net settlement on interest rate swaps within the condensed consolidated income statement as it is incurred.

Similarly, if hedge accounting is discontinued, the cumulative gain or loss previously recognized in other comprehensive income is transferred to the condensed consolidated income statement in the same period as the hedged item affects net income.

(n) Cash and cash equivalents:

Cash and cash equivalents consist of cash and liquid investments having an original maturity of three months or less.

Cash and cash equivalents also include restricted cash. MX operates a separate regulatory division, responsible for the approval of participants and market regulation, which operates on a cost recovery basis. Restricted cash represents the surplus of this regulatory division. An equivalent and off-setting amount is included in trade and other payables.

(o) Marketable securities:

Marketable securities consist of pooled fund investments in Canadian money market funds and short-term bond and mortgage funds in addition to fixed income securities. They are carried at their estimated fair values, with changes in fair value being recorded within finance income in the condensed consolidated income statement in the period in which they occur. Estimated fair values are determined based on quoted market values, and there is no contracted maturity date for the investments.

(p) Trade and other receivables:

Trade receivables generally have terms of 30 days. The recoverability of the trade receivables is assessed at each reporting date and an allowance for doubtful accounts is deducted from the asset's carrying value if the asset is not considered fully recoverable. Any change in the allowance is recognized within general and administration costs in the condensed consolidated income statement.

(q) Finance income and finance costs:

Finance income comprises interest income on funds invested, and changes in the fair value of marketable securities.

Finance costs comprise interest expense on borrowings and finance leases.

Any realized gains or losses on interest rate swaps are also included within net finance costs on the condensed consolidated income statement.

TMX GROUP LIMITED

Notes to Condensed Consolidated Interim Financial Statements
(In millions of Canadian dollars, except per share amounts)
Nine Months Ended September 30, 2012 and 2011
(Unaudited)

(r) Future accounting changes:

The following two amendments to IFRS were effective for the Company from January 1, 2012. There was no impact on the financial statements as a result of their application:

- IFRS 7, Financial instruments – disclosure - Amendments regarding transfers of financial assets
- IAS 12, Income taxes – Amendments regarding deferred income tax - Recovery of underlying assets

A number of other new standards and amendments to standards and interpretations are not yet effective for the year ending December 31, 2012, and have not been applied in preparing the financial statements. In particular, the following new and amended standards and interpretations are required to be implemented for financial years beginning on or after January 1, 2013, unless otherwise noted:

- IFRS 9, Financial instruments (effective for annual periods beginning on or after January 1, 2015)
- IFRS 10, Consolidated financial statements
- IFRS 11, Joint arrangements
- IFRS 12, Disclosure of interests in other entities
- IFRS 13, Fair value measurement
- IAS 27, Separate financial statements
- IAS 28, Investments in associates and joint ventures
- IAS 1, Presentation of financial statements: Presentation of items of other comprehensive income – Amendments requiring the grouping of items within other comprehensive income (effective for annual periods beginning on or after July 1, 2012)
- IAS 19, Employee benefits – Amendments regarding the recognition of gains and losses, the presentation of changes in assets and liabilities, and enhanced disclosure requirements
- IFRS 7, Financial instruments – disclosure - Amendments relating to the offsetting of financial assets and financial liabilities
- IAS 32, Financial Instruments – presentation – Amendments relating to the offsetting of financial assets and financial liabilities (effective for annual periods beginning on or after January 1, 2014)

The Company is reviewing these new standards and amendments to determine the potential impact on the Company's financial statements once they are adopted. No significant impact is expected.

TMX GROUP LIMITED

Notes to Condensed Consolidated Interim Financial Statements
(In millions of Canadian dollars, except per share amounts)
Nine Months Ended September 30, 2012 and 2011
(Unaudited)

3. Business combinations

In July and August 2012, TMX Group Limited acquired TMX Group Inc., Alpha and CDS (the "Maple Transaction"), as further discussed below. The acquisitions of TMX Group Inc., Alpha and CDS create an integrated exchange and clearing group across equity and derivative products.

On July 31, 2012, TMX Group Limited announced that all of the conditions to its offer to acquire up to 80% of the shares of TMX Group Inc. for \$50.00 per share in cash (including the receipt of all regulatory approvals) had been satisfied. Approximately 91% of the outstanding TMX Group Inc. shares were deposited under the offer on the same date, satisfying the minimum tender condition. Immediately following the satisfaction of the minimum tender condition on July 31, 2012, a new Board of Directors was appointed for TMX Group Limited, TMX Group Inc. and its principal operating subsidiaries. Accordingly, the acquisition date of TMX Group Inc. was determined to be July 31, 2012.

TMX Group Limited took up all TMX Group Inc. shares deposited under the offer in accordance with the terms thereof, and further extended the offer for an additional 10-day period until 5:00 p.m. (Eastern time) on August 10, 2012 (the "deposit extension period"). At the expiry of the deposit extension period, approximately 95.4% of the outstanding TMX Group Inc. shares had been deposited under the offer. In accordance with the terms of the offer, TMX Group Limited acquired 80% of the outstanding TMX Group Inc. shares and the remaining TMX Group Inc. shares deposited under the offer but not acquired were returned to TMX Group Inc. shareholders. Total consideration transferred was \$2,991.5, including \$3.5 relating to outstanding TMX Group Inc. share options that were exchanged for TMX Group Limited share options and were attributable to pre-combination services.

Additionally, on August 1, 2012, TMX Group Limited announced the completion of the acquisitions of CDS, for an aggregate consideration of \$167.5, and Alpha, for \$175.0, pending conclusion of arbitration proceedings to be completed in respect of certain Alpha security holders holding approximately 26% of the equity interests in Alpha. The exercise of these arbitration rights may result in TMX Group being required to pay in the future additional consideration for the acquisition of Alpha in excess of the Alpha purchase price to those holders.

On September 12, 2012, TMX Group Inc. held a special meeting where its shareholders passed a special resolution to approve a plan of arrangement under the *Business Corporations Act* (Ontario) involving, among other things, the acquisition by TMX Group Limited of all of the outstanding common shares of TMX Group Inc. (other than the common shares already held by TMX Group Limited) in exchange for common shares of TMX Group Limited on a one-for-one basis (the "Arrangement"). On September 13, 2012, a final order was received from the Ontario Superior Court of Justice approving the Arrangement and the Arrangement was completed on September 14, 2012. On that date, pursuant to the Arrangement, TMX Group Limited acquired 14,939,964 common shares of TMX Group Inc. representing all of the outstanding TMX Group Inc. shares (other than the 59,759,757 TMX Group Inc. shares already held by TMX Group Limited) in exchange for common shares of TMX Group Limited, on a one-for-one basis. As a result, TMX Group Limited owns 100% of the TMX Group Inc. shares.

TMX GROUP LIMITED

Notes to Condensed Consolidated Interim Financial Statements
(In millions of Canadian dollars, except per share amounts)
Nine Months Ended September 30, 2012 and 2011
(Unaudited)

During the three and nine months ended September 30, 2012, costs of \$4.0 and \$36.8 respectively in relation to the Maple transaction are reflected in the condensed consolidated income statement (three and nine months ended September 30, 2011 - \$13.3 and \$27.1).

The aggregate estimated purchase price for the acquisitions of TMX Group Inc., Alpha and CDS consisted of:

	Acquisition of TMX Group Inc.	Acquisition of Alpha	Acquisition of CDS	Total
Cash consideration	\$ 2,988.0	\$ 175.0	\$ 167.5	\$ 3,330.5
Fair value of TMX Group Inc. share options exchanged	3.5	-	-	3.5
	\$ 2,991.5	\$ 175.0	\$ 167.5	\$ 3,334.0

The following table summarizes the estimated fair values of the assets acquired and liabilities assumed as part of the acquisitions of TMX Group Inc., Alpha and CDS as of the respective acquisition dates. The Company will finalize these amounts as it obtains the information necessary to complete the measurement process. Any changes resulting from facts and circumstances that existed as of the acquisition date will result in retrospective adjustments to the provisional amounts recognized at the acquisition dates.

TMX GROUP LIMITED

Notes to Condensed Consolidated Interim Financial Statements
(In millions of Canadian dollars, except per share amounts)
Nine Months Ended September 30, 2012 and 2011
(Unaudited)

	Acquisition of TMX Group Inc.	Acquisition of Alpha	Acquisition of CDS	Total
Cash and cash equivalents	\$ 522.0	\$ 1.9	\$ 105.3	\$ 629.2
Marketable securities	-	8.4	15.9	24.3
Trade and other receivables (a)	80.9	2.9	8.3	92.1
Energy contracts receivable	362.5	-	-	362.5
Fair value of open energy contracts	95.2	-	-	95.2
Balances with Clearing Members and participants	8,611.7	-	440.7	9,052.4
Other current assets	20.1	0.7	2.1	22.9
Premises and equipment	35.9	0.8	7.2	43.9
Deferred income tax assets	66.6	1.3	3.1	71.0
Other non-current assets	232.3	-	4.2	236.5
Intangible assets (b)	3,625.2	10.9	13.9	3,650.0
Trade and other payables	(114.8)	(15.9)	(83.7)	(214.4)
Energy contracts payable	(362.5)	-	-	(362.5)
Fair value of open energy contracts	(95.2)	-	-	(95.2)
Balances with Clearing Members and participants	(8,611.7)	-	(440.7)	(9,052.4)
Dividends payable	(29.9)	-	-	(29.9)
Other current liabilities	(233.8)	-	(3.3)	(237.1)
Term loan payable	(430.0)	-	(6.1)	(436.1)
Deferred income tax liabilities	(930.6)	(2.9)	(4.8)	(938.3)
Other non-current liabilities	(43.6)	-	(1.9)	(45.5)
Identifiable net assets acquired	2,800.3	8.1	60.2	2,868.6
Non-controlling interests (c)	(850.3)	-	-	(850.3)
Goodwill (d)	1,041.5	166.9	107.3	1,315.7
Total net assets acquired	\$ 2,991.5	\$ 175.0	\$ 167.5	\$ 3,334.0

(a) The aggregate trade and other receivables comprise gross contractual amounts due of \$100.6 (TMX Group Inc. – \$89.4; Alpha – \$2.9; CDS – \$8.3), of which \$8.5 (TMX Group Inc. – \$8.5; Alpha – \$nil; CDS – \$nil) was expected to be uncollectible at the acquisition date.

TMX GROUP LIMITED

Notes to Condensed Consolidated Interim Financial Statements
(In millions of Canadian dollars, except per share amounts)
Nine Months Ended September 30, 2012 and 2011
(Unaudited)

(b) TMX Group recognized \$3,650.0 of identifiable intangible assets as part of the acquisitions. The details of these assets are as follows:

	Amortization period	Amount
TMX Group Inc.		
Definite life intangible assets:		
Customer relationships	17-34 years	\$ 1,160.0
Technology	5 years	48.2
Open interest	0.5 years	2.0
Indefinite life intangible assets:		
Trade names	n/a	253.0
Derivative products	n/a	632.0
Regulatory designations	n/a	1,386.0
Index license product	n/a	37.0
Structured products	n/a	107.0
		\$ 3,625.2
Alpha		
Definite life intangible assets:		
Customer relationships	31 years	\$ 8.0
Indefinite life intangible assets:		
Trade names	n/a	1.9
Regulatory designations	n/a	1.0
		\$ 10.9
CDS		
Definite life intangible assets:		
CSA contracts	2 years	\$ 1.9
Indefinite life intangible assets:		
Regulatory designations	n/a	12.0
		\$ 13.9
		\$ 3,650.0

(c) Non-controlling interests have been measured at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets.

TMX GROUP LIMITED

Notes to Condensed Consolidated Interim Financial Statements
(In millions of Canadian dollars, except per share amounts)
Nine Months Ended September 30, 2012 and 2011
(Unaudited)

(d) Goodwill is calculated as the difference between the acquisition date fair value of the consideration transferred and the provisional fair values assigned to the assets acquired and liabilities assumed. None of the goodwill is expected to be deductible for tax purposes. The goodwill recorded on the business combinations represents the following:

- the value of the going-concern elements of the existing businesses (that is, the higher rates of return on the assembled net assets compared to if the net assets had been acquired separately);
- intangible assets that do not qualify for separate recognition (for instance, the assembled workforce); and
- cost savings, operating synergies and other benefits expected to result from combining the operations of TMX Group Inc., Alpha and CDS.

The allocation of goodwill among cash generating units is based on the fair values of the respective cash generating units. As it relates to the acquisitions of CDS and Alpha, the goodwill recognized was allocated to TMX Group Inc.'s cash generating units that are expected to benefit from the expected synergies resulting from the combination with CDS and Alpha.

The amounts of revenue and net income of TMX Group Inc., Alpha and CDS since the acquisition dates included in the condensed consolidated income statement for the three and nine months ended September 30, 2012 are as follows:

	TMX Group Inc.	Alpha	CDS	Total
Revenue	\$ 95.8	\$ 3.2	\$ 14.8	\$ 113.8
Net income (loss)	\$ 28.1	\$ (0.6)	\$ 1.1	\$ 28.6

If the acquisitions had occurred on January 1, 2012, the consolidated revenue would have been \$170.6 and \$556.1, respectively, for the three and nine months ended September 30, 2012 and the consolidated net income would have been \$27.1 and \$104.1, respectively, for the three and nine months ended September 30, 2012. In determining these amounts, TMX Group has assumed that:

- the fair value adjustments, and the associated amortization, determined provisionally, that arose on the acquisition dates would have been the same if the acquisitions had occurred on January 1, 2012;
- 100% of the common shares of TMX Group Inc. were acquired on January 1, 2012;
- borrowing costs incurred on the legacy TMX Group Inc. term loan would not have been incurred but interest costs related to the Credit Facilities (note 7) would have been incurred instead throughout the period;
- Maple transaction costs would not have been incurred during the period;

TMX GROUP LIMITED

Notes to Condensed Consolidated Interim Financial Statements
(In millions of Canadian dollars, except per share amounts)
Nine Months Ended September 30, 2012 and 2011
(Unaudited)

- the gain made by TMX Group Inc. on the sale of its 18% interest in CDS would not have been realized;

On September 14, 2012, TMX Group completed the acquisition of the remaining 20% of TMX Group Inc.'s outstanding shares. The acquisition of the remaining interest has been accounted for as an equity transaction.

4. Segmented information

Following the acquisition of TMX Group Inc. on July 31, 2012, and the acquisitions of CDS and Alpha on August 1, 2012, TMX Group assessed its operations in terms of segment reporting. As a result, TMX Group has determined that it operates in four reportable segments along with a Corporate segment: the Cash Markets ("Cash") segment, the Derivatives Markets ("Derivatives") segment, the Energy Markets ("Energy") segment and the CDS segment.

In the Cash segment, TMX Group owns and operates two of Canada's national stock exchanges, Toronto Stock Exchange and TSX Venture Exchange, Alpha, which also operates an exchange for the trading of securities, Shorcan, a fixed income inter-dealer broker, The Equicom Group Inc., an investor relations and corporate communications services provider, Finexeo S.A. ("Finexeo"), which operates TMX Atrium, and Razor Risk Technologies Limited ("Razor"), a provider of risk management technology solutions.

The Derivatives segment provides markets for trading derivatives and clearing options and futures contracts, certain OTC products and REPO agreements through MX and its subsidiaries, including CDCC and BOX.

The Energy segment provides a marketplace for the trading and clearing of natural gas, electricity and crude oil contracts through NGX, and includes the brokering of crude oil contracts through Shorcan Energy Brokers Inc. ("Shorcan Energy Brokers"), a wholly-owned subsidiary of Shorcan.

The CDS segment contains CDS Clearing, which operates the automated facilities for the clearing and settlement of securities transactions and custody of securities in Canada. CDS Clearing holds an operating subsidiary, CDS Solutions, the principal business of which is to offer depository-related services to issuers and their agents to facilitate securities issuance and the reporting of registered positions. The CDS segment also includes CDS Inc., which operates SEDAR, NRD and SEDI. Finally, this segment includes CDS Innovations, which creates and disseminates information products on Canadian securities.

In addition, TMX Group has certain corporate costs and other balances not allocated across the group. These balances, along with certain consolidation adjustments, are presented in the Corporate segment.

TMX Group's Executive Committee reviews internal management reports on a regular basis and performance is measured based on revenue and net income attributable to equity holders of the Company.

The accounting policies of the reportable segments are consistent with the accounting policies described in note 2.

TMX GROUP LIMITED

Notes to Condensed Consolidated Interim Financial Statements

(In millions of Canadian dollars, except per share amounts)

Nine Months Ended September 30, 2012 and 2011

(Unaudited)

Three months ended September 30, 2012*	Cash	Derivatives	Energy	CDS	Corporate	Total
Revenue:						
Issuer services	\$ 28.7	\$ -	\$ -	\$ 0.4	\$ -	\$ 29.1
Trading, clearing, depository and related	14.3	18.2	6.8	10.7	-	50.0
Information services	26.2	2.9	-	1.0	-	30.1
Technology services and other	2.2	0.6	-	2.7	(1.3)	4.2
REPO interest:						
Interest income	-	6.3	-	-	-	6.3
Interest expense	-	(6.3)	-	-	-	(6.3)
Net REPO interest	-	-	-	-	-	-
Total revenue	\$ 71.4	\$ 21.7	\$ 6.8	\$ 14.8	\$ (1.3)	\$ 113.4
Net income (loss) attributable to equity holders of the Company	\$ 19.8	\$ 5.5	\$ 1.8	\$ 1.1	\$ (12.9)	\$ 15.3
Additions to premises and equipment and intangible assets	\$ 2.7	\$ 1.5	\$ 0.2	\$ 0.1	\$ (0.2)	\$ 4.3
Three months ended September 30, 2011	Cash	Derivatives	Energy	CDS	Corporate	Total
Revenue:						
Issuer services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Trading, clearing, depository and related	-	-	-	-	-	-
Information services	-	-	-	-	-	-
Technology services and other	-	-	-	-	-	-
REPO interest:						
Interest income	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-
Net REPO interest	-	-	-	-	-	-
Total revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net loss attributable to equity holders of the Company	\$ -	\$ -	\$ -	\$ -	\$ (13.3)	\$ (13.3)
Additions to premises and equipment and intangible assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

*Includes results from dates of acquisitions in the period.

TMX GROUP LIMITED

Notes to Condensed Consolidated Interim Financial Statements

(In millions of Canadian dollars, except per share amounts)

Nine Months Ended September 30, 2012 and 2011

(Unaudited)

Nine months ended September 30, 2012*	Cash	Derivatives	Energy	CDS	Corporate	Total
Revenue:						
Issuer services	\$ 28.7	\$ -	\$ -	\$ 0.4	\$ -	\$ 29.1
Trading, clearing, depository and related	14.3	18.2	6.8	10.7	-	50.0
Information services	26.2	2.9	-	1.0	-	30.1
Technology services and other	2.2	0.6	-	2.7	(1.3)	4.2
REPO interest:						
Interest income	-	6.3	-	-	-	6.3
Interest expense	-	(6.3)	-	-	-	(6.3)
Net REPO interest	-	-	-	-	-	-
Total revenue	\$ 71.4	\$ 21.7	\$ 6.8	\$ 14.8	\$ (1.3)	\$ 113.4
Net income (loss) attributable to equity holders of the Company	\$ 19.8	\$ 5.5	\$ 1.8	\$ 1.1	\$ (45.7)	\$ (17.5)
Additions to premises and equipment and intangible assets	\$ 2.7	\$ 1.5	\$ 0.2	\$ 0.1	\$ (0.2)	\$ 4.3
Nine months ended September 30, 2011 (from April 28 to September 30) *	Cash	Derivatives	Energy	CDS	Corporate	Total
Revenue:						
Issuer services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Trading, clearing, depository and related	-	-	-	-	-	-
Information services	-	-	-	-	-	-
Technology services and other	-	-	-	-	-	-
REPO interest:						
Interest income	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-
Net REPO interest	-	-	-	-	-	-
Total revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net loss attributable to equity holders of the Company	\$ -	\$ -	\$ -	\$ -	\$ (27.1)	\$ (27.1)
Additions to premises and equipment and intangible assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

*Includes results from dates of acquisitions in the period.

TMX GROUP LIMITED

Notes to Condensed Consolidated Interim Financial Statements
(In millions of Canadian dollars, except per share amounts)
Nine Months Ended September 30, 2012 and 2011
(Unaudited)

As at September 30

	Cash	Derivatives	Energy	CDS	Corporate	Total
2012						
Investments in equity accounted investees	\$ 17.7	\$ 0.4	\$ -	\$ -	\$ 0.3	\$ 18.4
Total assets	\$ 2,067.3	\$ 4,710.8	\$ 612.7	\$ 534.8	\$ 1,812.0	\$ 9,737.6
Total liabilities	\$ 1,117.2	\$ 3,675.2	\$ 566.1	\$ 477.6	\$ 1,017.0	\$ 6,853.1
2011						
Investments in equity accounted investees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total assets	\$ -	\$ -	\$ -	\$ -	\$ 5.0	\$ 5.0
Total liabilities	\$ -	\$ -	\$ -	\$ -	\$ 22.1	\$ 22.1

5. Earnings per share

	Three months ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011 (from April 28 to September 30)
Net income attributable to the equity holders of the Company	\$ 15.3	\$ (13.3)	\$ (17.5)	\$ (27.1)
Weighted average number of common shares outstanding - basic	28,757,790	121,126	10,068,669	71,440
Effect of dilutive share options	58,978	-	19,803	-
Weighted average number of common shares outstanding - diluted	28,816,768	121,126	10,088,472	71,440
Basic earnings per share	\$ 0.53	\$ (109.79)	\$ (1.74)	\$ (379.55)
Diluted earnings per share	\$ 0.53	\$ (109.79)	\$ (1.74)	\$ (379.55)

Adjusted earnings per share

	Three months ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011 (from April 28 to September 30)
Net income attributable to the equity holders of the Company	\$ 15.3	\$ (13.3)	\$ (17.5)	\$ (27.1)
Adjustments:				
- Maple transaction costs (note 3), (net of income tax effect of \$nil)	4.0	13.3	36.8	27.1
Adjusted net income attributable to the equity holders of the Company	\$ 19.3	\$ -	\$ 19.3	\$ -
Adjusted basic earnings per share	\$ 0.67	\$ 0.07	\$ 1.92	\$ 0.13
Adjusted diluted earnings per share	\$ 0.67	\$ 0.07	\$ 1.92	\$ 0.13

TMX GROUP LIMITED

Notes to Condensed Consolidated Interim Financial Statements
(In millions of Canadian dollars, except per share amounts)
Nine Months Ended September 30, 2012 and 2011
(Unaudited)

Adjusted earnings per share exclude Maple transaction costs. This measure is presented to enable an assessment of performance exclusive of these costs.

6. Goodwill and intangible assets

(a) Goodwill:

A summary of the goodwill balances acquired during the three and nine months ended September 30, 2012 is as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011 (from April 28 to September 30)
Balance, beginning of the period	\$ -	\$ -	\$ -	\$ -
Additions through business combinations (note 3):				
Acquisition of TMX Group Inc.	1,041.5	-	1,041.5	-
Acquisition of CDS	107.3	-	107.3	-
Acquisition of Alpha	166.9	-	166.9	-
Effect of movements in exchange rates	(0.4)	-	(0.4)	-
Balance, end of the period	\$ 1,315.3	\$ -	\$ 1,315.3	\$ -

(b) Intangible assets – indefinite life:

A summary of TMX Group's indefinite life intangible assets, all acquired during July and August 2012 (note 3), is as follows:

	Trade names	Derivative products	Regulatory designations	Index license product	Structured products	Total
Cost:						
Balance as at January 1, 2012	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Additions through business combinations (note 3):						
Acquisition of TMX Group Inc.	253.0	632.0	1,386.0	37.0	107.0	2,415.0
Acquisition of CDS	-	-	12.0	-	-	12.0
Acquisition of Alpha	1.9	-	1.0	-	-	2.9
Effect of movements in exchange rates	(0.1)	-	-	-	-	(0.1)
Balance as at September 30, 2012	\$ 254.8	\$ 632.0	\$ 1,399.0	\$ 37.0	\$ 107.0	\$ 2,429.8

These assets are considered to have indefinite lives as management believes that there is no foreseeable limit to the period over which the assets are expected to generate net cash flows.

TMX GROUP LIMITED

Notes to Condensed Consolidated Interim Financial Statements
(In millions of Canadian dollars, except per share amounts)
Nine Months Ended September 30, 2012 and 2011
(Unaudited)

(c) Intangible assets – definite life:

A summary of TMX Group's definite life intangible assets is as follows:

	Technology		Customer relationships		CSA contracts		Open interest		Total
Cost:									
Balance as at January 1, 2012	\$	-	\$	-	\$	-	\$	-	-
Additions through business combinations (note 3):									
Acquisition of TMX Group Inc.		48.2		1,160.0		-		2.0	1,210.2
Acquisition of CDS		-		-		1.9		-	1.9
Acquisition of Alpha		-		8.0		-		-	8.0
Additions through general operations		3.5		-		-		-	3.5
Write-offs		(0.5)		-		-		-	(0.5)
Effect of movements in exchange rates		(0.8)		(2.7)		-		-	(3.5)
Balance as at September 30, 2012	\$	50.4	\$	1,165.3	\$	1.9	\$	2.0	\$ 1,219.6
Accumulated amortization:									
Balance as at January 1, 2012	\$	-	\$	-	\$	-	\$	-	-
Charge for the period		2.5		7.1		0.1		0.7	10.4
Write-offs		(0.1)		-		-		-	(0.1)
Effect of movements in exchange rates		(0.3)		(0.1)		-		-	(0.4)
Balance as at September 30, 2012	\$	2.1	\$	7.0	\$	0.1	\$	0.7	\$ 9.9
Net book values:									
At September 30, 2012	\$	48.3	\$	1,158.3	\$	1.8	\$	1.3	\$ 1,209.7
At January 1, 2012	\$	-	\$	-	\$	-	\$	-	-

TMX GROUP LIMITED

Notes to Condensed Consolidated Interim Financial Statements
(In millions of Canadian dollars, except per share amounts)
Nine Months Ended September 30, 2012 and 2011
(Unaudited)

7. Credit and liquidity facilities

TMX Group has the following credit and liquidity facilities in place as at September 30, 2012:

	Interest rate	Year of maturity	Authorized	Amount drawn at September 30, 2012
TMX Group Limited term facilities	30 day B.A. + 225 bps	July 31, 2016	\$ 1,410.0	\$ 1,410.0
TMX Group Limited revolving facility	30 day B.A. + 225 bps	July 31, 2016	150.0	128.0
MX operating line of credit	-	n/a	3.0	-
CDS operating demand loan	-	n/a	11.0	-
CDS Clearing unsecured overdraft facility and demand loans	-	n/a	10.0	-
Total credit facilities				\$ 1,538.0
CDS Clearing unsecured overdraft facility and demand loans	-	n/a	5.0	\$ -
CDS Clearing overnight facility	-	n/a	US \$5.5	-
CDS Clearing secured standby credit liquidity arrangement	-	n/a	US \$200.0	-
CDCC syndicated revolving standby liquidity facility	Bank of Canada rate of 1.25%	n/a	100.0	12.0
CDCC daylight liquidity facilities	-	n/a	700.0	-
CDCC syndicated REPO facility	-	n/a	4,800.0	-
Bank of Canada liquidity facilities	-	n/a	-	-
NGX letter of credit	-	n/a	US \$100.0	-
NGX overdraft facility	-	n/a	20.0	-
NGX EFT daylight liquidity facility	-	n/a	300.0	-
Total liquidity facilities				\$ 12.0
Total credit and liquidity facilities				\$ 1,550.0

TMX Group Limited facilities

In connection with the acquisitions of TMX Group Inc., CDS, and Alpha, the Company established credit facilities with a syndicate of Canadian and global financial institutions comprising term facilities of \$1,410.0 and a revolving facility of \$150.0, all expiring on July 31, 2016 (the "Credit Facilities"). Certain of the Company's material operating subsidiaries have entered into a guarantee agreement with regards to the Credit Facilities whereby they jointly and severally guarantee payment of all present and future indebtedness, liabilities and obligations of the Company under

TMX GROUP LIMITED

Notes to Condensed Consolidated Interim Financial Statements
(In millions of Canadian dollars, except per share amounts)
Nine Months Ended September 30, 2012 and 2011
(Unaudited)

the Credit Facilities and under the related interest rate swap agreements subsequently entered into (note 8). The Company may draw on these facilities in Canadian dollars by way of letters of credit, prime rate loans and/or Bankers' Acceptances ("B.A.") or in United States ("US") dollars by way of LIBOR loans and/or US base rate loans. On August 1, 2012, the Company drew \$1,538.0 under the Credit Facilities and paid \$31.1 of related financing fees which will be amortized over the term of the loan. As of September 30, 2012, the balance of financing fees prepaid was \$29.9, which leaves a net loan payable of \$1,508.1.

The Credit Facilities are unsecured and include certain covenants that the Company must maintain (note 14). The Company was in compliance with these covenants at September 30, 2012.

The Company recognized interest expense on the Credit Facilities of \$10.1 for both the three and nine months ended September 30, 2012 (three and nine months ended September 30, 2011 - \$nil), which included \$1.2 of amortized financing fees.

CDS facilities

CDS maintains unsecured operating demand loans totalling \$11.0 to support short-term operating requirements. To support processing and settlement activities of participants, an unsecured overdraft facility and demand loan of \$15.0 and an overnight facility of US \$5.5 are available. The borrowing rates for these facilities, if drawn, are the Canadian prime or the US base rate, depending on the currency drawn.

CDS also maintains a US \$200.0, or Canadian dollar equivalent, secured standby credit arrangement that can be drawn in either US or Canadian currency. This arrangement is available to support processing and settlement activities in the event of a participant default. Borrowings under the secured facility are obtained by pledging or providing collateral pledged by participants primarily in the form of debt instruments issued or guaranteed by federal, provincial and/or municipal governments in Canada, or US treasury instruments. Depending upon the currency drawn, the borrowing rate for the secured standby credit arrangement is the US base rate or the Canadian prime rate.

In addition, CDS has signed agreements that would allow the Bank of Canada to provide emergency last-resort liquidity to CDS at the discretion of the Bank of Canada. This liquidity facility is intended to provide end of day liquidity for payment obligations arising from CDSX, and only in the event that CDS is unable to access liquidity from its standby liquidity facility or in the event that the liquidity under such facilities is insufficient. Use of this facility would be on a fully collateralized basis.

MX facility

MX has an outstanding letter of guarantee for \$0.7 issued against the MX operating line of credit. This letter of guarantee has been issued as a guarantee to the trustee under the MX supplementary pension plan in respect of accrued future employee benefits.

TMX GROUP LIMITED

Notes to Condensed Consolidated Interim Financial Statements
(In millions of Canadian dollars, except per share amounts)
Nine Months Ended September 30, 2012 and 2011
(Unaudited)

CDCC facilities

In response to the liquidity risk to which CDCC is exposed through its clearing operations, it has arranged various facilities as discussed below.

CDCC maintains daylight liquidity facilities for a total of \$700.0 to provide liquidity on the basis of collateral in the form of securities that have been received by CDCC. The daylight liquidity facilities must be cleared to zero at the end of each day.

CDCC also maintains a \$100.0 syndicated revolving standby liquidity facility to provide end of day liquidity in the event that CDCC is unable to clear the daylight liquidity facilities to zero. Advances under the facility will be secured by collateral in the form of securities that have been received by CDCC. As at September 30, 2012, CDCC had drawn \$12.0 on these facilities to facilitate a failed REPO settlement.

A \$4,800.0 repurchase facility is also maintained with a syndicate of 6 Canadian Schedule 1 chartered banks (the "syndicated REPO facility"). This facility is comprised of \$1,200.0 in committed liquidity and \$3,600.0 in uncommitted liquidity and is in place to provide end of day liquidity in the event that CDCC is unable to clear the daylight liquidity facilities to zero. The facility would provide liquidity in exchange for securities that have been received by CDCC.

In addition, CDCC has signed an agreement that would allow the Bank of Canada to provide emergency last-resort liquidity to CDCC at the discretion of the Bank of Canada. This liquidity facility is intended to provide end of day liquidity only in the event that CDCC is unable to access liquidity from the revolving standby liquidity facility and the syndicated REPO facility or in the event that the liquidity under such facilities is insufficient. Use of this facility would be on a fully collateralized basis.

NGX facilities

NGX maintains a daylight liquidity facility with a Schedule 1 Canadian chartered bank in the amount of \$300.0. This facility may be used on settlement day to effect payments through the settlement accounts and it is intended to cover any intra-day shortfalls due to timing of payments and receipts. In the event that amounts drawn on settlement day do not clear to zero by the end of the day, NGX must repay the deficiency on the following business day.

In addition, a \$20.0 overdraft facility is in place with the same Schedule 1 Canadian chartered bank. This facility is only available to repay the daylight liquidity facility as discussed above on the business day following a settlement day.

NGX has deposited with CIBC Mellon (the Escrow Agent) a letter of credit in the amount of US\$100.0. Contracting parties are entitled to file with the Escrow Agent in the event of a failure by NGX to deliver or take commodities, or a failure by NGX to pay amounts owed. Where the claim by a contracting party is not resolved by NGX and is determined to have met the terms of the Contracting Party's Demand under the Deposit Agreement, the Escrow Agent will present and draw upon these letters of credit to settle the claim.

TMX GROUP LIMITED

Notes to Condensed Consolidated Interim Financial Statements
(In millions of Canadian dollars, except per share amounts)
Nine Months Ended September 30, 2012 and 2011
(Unaudited)

8. Interest rate swaps

On August 2, 2012, TMX Group entered into a series of interest rate swap agreements to partially manage its exposure to interest rate fluctuations associated with the initial amount drawn on the Credit Facilities (note 7). The interest rate swaps in place as of September 30, 2012 are as follows:

Swap	Notional value	Maturity date	Interest rate the Company will receive	Interest rate the Company will pay	Fair value at September 30, 2012	Fair value at September 30, 2011
Series 1	\$ 200.0	September 30, 2013	30 day B.A.	1.232%	\$ 0.1	\$ -
Series 2	200.0	September 30, 2014	30 day B.A.	1.312%	0.4	-
Series 3	300.0	September 30, 2015	30 day B.A.	1.416%	1.0	-
Series 4	700.0	July 31, 2016	30 day B.A.	1.499%	3.0	-
	\$ 1,400.0				\$ 4.5	\$ -

TMX Group has designated these interest rate swaps as cash flow hedges. TMX Group's objective is to eliminate the variability of cash flows from interest rate payments due to be paid by TMX Group on the Credit Facilities that are based on the one month variable BA interest rate through the use of interest rate swaps over the term of the Credit Facilities.

During the three and nine months ended September 30, 2012, TMX Group has determined that the hedges were effective and has recognized within other comprehensive income an unrealized fair value loss on the swaps of \$5.0 (along with the associated tax effect of \$1.3) during the period (three and nine months ended September 30, 2011 - \$nil and \$nil). In addition, TMX Group recognized \$0.5 within net settlement on interest rate swaps in the condensed consolidated income statement, representing the net amount paid on the interest rate swaps for the period (three and nine months ended September 30, 2011 - \$nil and \$nil). This amount was reclassified from other comprehensive income to net income in the period.

9. Share capital

The authorized capital of the Company consists of an unlimited number of common shares and an unlimited number of preference shares, issuable in series. No preference shares have been issued.

Each common share of the Company entitles its holder to one vote at all meetings of shareholders subject to certain restrictions with respect to the voting rights and the transferability of the shares. No person or combination of persons acting jointly or in concert is permitted to beneficially own or exercise control or direction over more than 10% of any class or series of voting shares of the Company without the prior approval of the OSC and the AMF.

TMX GROUP LIMITED

Notes to Condensed Consolidated Interim Financial Statements
(In millions of Canadian dollars, except per share amounts)
Nine Months Ended September 30, 2012 and 2011
(Unaudited)

Each common share of the Company is also entitled to receive dividends if, as and when declared by the Board of Directors of the Company. All dividends that the Board of Directors of the Company may declare and pay will be declared and paid in equal amounts per share on all common shares, subject to the rights of holders of the preference shares. Holders of common shares will participate in any distribution of the net assets of the Company upon liquidation, dissolution or winding-up on an equal basis per share, but subject to the rights of the holders of the preference shares.

There are no pre-emptive, redemption, purchase or conversion rights attaching to the common shares, except for the compulsory sale of shares or redemption provision described in connection with enforcing the restriction on ownership of voting shares of the Company.

Each of CIBC World Markets Inc., National Bank Financial & Co. Inc., Scotia Capital Inc., and TD Securities Inc. has agreed to maintain a specified minimum ownership interest in the Company for a period of five years from September 14, 2012. During the first year, each of these investors must own at least 6.25% and for each of the four following years, at least 5.625%, of the Company's common shares outstanding as at the completion of the Arrangement (note 3) on September 14, 2012.

TMX Group has entered into a nomination agreement with each of Alberta Investment Management Corporation, Caisse de dépôt et placement du Québec, Canada Pension Plan Investment Board, CIBC World Markets Inc., National Bank Financial & Co. Inc., Ontario Teachers' Pension Plan Board, Scotia Capital Inc. and TD Securities Inc. (the "Nominating Investors") under which each Nominating Investor is granted the right to nominate one director for election to the TMX Group board of directors until the earlier of (a) September 14, 2018; and (b) such time as the Nominating Investor ceases to own, directly or indirectly, 5.0% of TMX Group's total issued and outstanding common shares as at the completion of the Arrangement on September 14, 2012.

During the six years following September 14, 2012, should an Investor wish to sell 0.75% or more of the outstanding common shares of the Company, it must be done in accordance with prescribed procedures as agreed to by the Investors.

TMX GROUP LIMITED

Notes to Condensed Consolidated Interim Financial Statements
(In millions of Canadian dollars, except per share amounts)
Nine Months Ended September 30, 2012 and 2011
(Unaudited)

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

	Number of common shares issued and fully paid		Share capital	
	Nine months ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011
		(from April 28 to September 30)		(from April 28 to September 30)
Balance, beginning of the period	185,718	-	\$ 10.0	\$ -
Issued on March 1, 2012	649,984		35.0	
Issued on April 28, 2011	-	16	-	-
Repurchased for cancellation on July 17, 2012	(7,722)	-	(0.4)	-
Issued on August 1, 2012	37,958,026	-	2,044.1	-
Issued on August 2, 2011	-	185,702	-	10.0
Issued on September 14, 2012 (note 3)	14,939,964	-	743.3	-
Balance, end of the period	53,725,970	185,718	\$ 2,832.0	\$ 10.0

Following the completion of the TMX Group Inc. Arrangement, the Company's shares began trading on Toronto Stock Exchange under the symbol "X" on September 19, 2012.

10. Share-based payments

At September 30, 2012, TMX Group had the following share-based payment arrangements:

- (a) Share option plan
- (b) Restricted share unit and deferred share unit plans
- (c) Employee share purchase plan

(a) Share option plan:

As part of the acquisition of TMX Group Inc. (note 3), the Company established a share option plan whereby all employees of TMX Group Limited and those of its designated subsidiaries at or above the director level are eligible to be granted share options under the share option plan.

According to the terms of TMX Group's plan, under no circumstances may any one person's share options and all other share compensation arrangements exceed 5% of the outstanding common shares issued of TMX Group. At September 30, 2012, 2,632,572 common shares of TMX Group remain reserved for issuance upon exercise of share options granted under the plan, representing approximately 5% of the outstanding common shares of TMX Group.

TMX GROUP LIMITED

Notes to Condensed Consolidated Interim Financial Statements
(In millions of Canadian dollars, except per share amounts)
Nine Months Ended September 30, 2012 and 2011
(Unaudited)

The fair value of share options exchanged was estimated on the date of exchange using the Black-Scholes option pricing model with the following assumptions: a share price of \$48.20, and depending on the tranche, dividend yield of between 3.2% and 3.3%; expected life of between 1 and 3 years; an expected volatility of between 14.2% and 18.7%; risk-free interest rate of between 1.1% and 1.2%; and expected forfeiture rates of between 9.3% and 26.2%. The assumptions are based on TMX Group Inc.'s historical share price movements and historical dividend policy and the expected life is based on TMX Group Inc. past experience. The resulting weighted average fair value calculated for share options exchanged in 2012 was \$6.37.

Options outstanding at September 30, 2012 will expire in 2013, 2014, 2015, 2016, 2017, 2018 and 2019.

Movements in the number of share options outstanding are as follows:

	Nine months ended September 30, 2012		Nine months ended September 30, 2011 (from April 28 to September 30)	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
Outstanding, beginning of the period	-	\$ -	-	\$ -
TMX Group Inc. options exchanged	1,103,618	43.38	-	-
Outstanding, end of the period	1,103,618	\$ 43.38	-	\$ -
Vested and exercisable, end of the period	285,976	\$ 48.24	-	\$ -

As part of the Arrangement, each TMX Group Inc. share option that was outstanding immediately prior to the completion of the Arrangement was exchanged for share options of the Company using an exchange ratio of 1.0299. The Company issued 1,103,618 share options in exchange for 1,071,729 TMX Group Inc. share options. None of these options had been exercised as at September 30, 2012.

The range of exercise prices and weighted average remaining contractual life of options outstanding are as follows:

	As at September 30, 2012		As at September 30, 2011	
Exercise price range	Number of share options	Weighted average remaining contractual life	Number of share options	Weighted average remaining contractual life
\$28.67 - \$29.99	151,705	4	-	-
\$30.00 - \$39.99	14,074	4	-	-
\$40.00 - \$49.99	805,511	5	-	-
\$50.00 - \$52.92	132,328	2	-	-
	1,103,618	5	-	-

TMX GROUP LIMITED

Notes to Condensed Consolidated Interim Financial Statements
(In millions of Canadian dollars, except per share amounts)
Nine Months Ended September 30, 2012 and 2011
(Unaudited)

In the nine months ended September 30, 2012, TMX Group recognized compensation and benefits expense of \$0.3 in relation to its share option plan (nine months ended September 30, 2011 – \$nil).

(b) Restricted share unit (“RSUs”) and deferred share unit (“DSUs”) plans:

As part of the TMX Group Inc. acquisition (note 3), TMX Group established a long-term incentive plan (“LTIP”) for certain employees and officers of the Company. The LTIP provides for the granting of RSUs which vest over a maximum of three years and are payable provided the employee is still employed by TMX Group at the end of the second calendar year following the calendar year in which the RSUs were granted. The amount of the award payable at the end of this vesting period will be determined by the total shareholder return over the period. Total shareholder return represents the appreciation in share price of the Company plus dividends paid on a common share of the Company, measured at the time the RSUs vest.

Also as part of the TMX Group Inc. acquisition, the Company established a plan that gives officers who have not met their equity ownership requirements the opportunity to convert all or part of their short-term incentive award into DSUs. In addition, members of the Board of Directors who do not waive their compensation or direct that it be paid to their employer are granted DSUs annually and are also given the opportunity to convert some of their annual remuneration into DSUs. These DSUs vest immediately. The amount of the award payable is based on the number of units outstanding multiplied by the share price of the Company at the date of the payout. The DSUs will only be paid out when the officer or the Board member retires or otherwise ceases to hold any position with TMX Group or such of its subsidiaries as are designated from time to time.

Legacy RSU and DSU plans existed within TMX Group Inc. These plans were amended as part of the TMX Group Inc. acquisition, including to reference shareholder return to the shares of TMX Group Limited (rather than TMX Group Inc.) and to provide for a fixed redemption value on the amended RSUs (“Fixed RSUs”) of \$50.00 per unit upon maturity.

TMX Group records its obligation for the RSUs, if any, over the service period in which the award is earned. The liability is measured at fair value on date of grant and at each subsequent reporting date.

As at September 30, 2012, the total accrual for TMX Group’s RSUs and DSUs is \$29.6 (December 31, 2011 - \$nil), including \$15.0 related to the Fixed RSUs, and this is included in trade and other payables and other non-current liabilities on the condensed consolidated balance sheet. The maximum amount to be paid is not known, except for the Fixed RSUs, until the awards become payable and will be based on total shareholder return from the date of grant to the time of payout. The accrual is based on expected dividend yield, continuation of the most recent quarterly dividend and the closing price of TMX Group’s common shares at the end of the reporting period.

During the nine months ended September 30, 2012, TMX Group recognized compensation and benefits expense and general and administration expense of \$1.9 and \$0.6, respectively, in relation to its RSUs and DSUs (nine months ended September 30, 2011 - \$nil).

TMX GROUP LIMITED

Notes to Condensed Consolidated Interim Financial Statements
(In millions of Canadian dollars, except per share amounts)
Nine Months Ended September 30, 2012 and 2011
(Unaudited)

(c) Employee share purchase plan:

As part of the TMX Group Inc. acquisition, TMX Group established an employee share purchase plan for eligible employees of the Company. Under the employee share purchase plan, contributions by TMX Group and by eligible employees will be used by the plan administrator, CIBC Mellon Trust Company, to make purchases of common shares of the Company on the open market. Each eligible employee may contribute up to 10% of the employee's salary to the employee share purchase plan. TMX Group will contribute to the plan administrator the funds required to purchase one common share of the Company for each two common shares purchased on behalf of the eligible employee, up to a maximum annual contribution. Shareholder approval is not required for this plan or any amendments to the plan.

TMX Group accounts for its contributions as compensation and benefits expense when the amounts are contributed to the plan. Compensation and benefits expense related to this plan was \$0.2 for the nine months ended September 30, 2012 (nine months ended September 30, 2011 - \$nil).

11. Dividends

On November 9, 2012, the Company's Board of Directors declared a dividend of 40 cents per share, of which 11 cents per share is designated as an "eligible dividend" and 29 cents per share is designated as an "ineligible dividend" for Canadian income tax purposes. This dividend is expected to be paid on December 7, 2012 to shareholders of record on November 23, 2012 and is estimated to amount to \$21.5.

TMX GROUP LIMITED

Notes to Condensed Consolidated Interim Financial Statements
(In millions of Canadian dollars, except per share amounts)
Nine Months Ended September 30, 2012 and 2011
(Unaudited)

12. Financial instruments

(a) Financial instruments – carrying values and fair values:

	September 30, 2012		December 31, 2011	
	Carrying amount	Fair value	Carrying amount	Fair value
Assets at fair value through profit or loss				
- Designated				
Marketable securities	\$ 126.5	\$ 126.5	\$ -	\$ -
	\$ 126.5	\$ 126.5	\$ -	\$ -
- Classified				
Fair value of open energy contracts	\$ 86.7	\$ 86.7	\$ -	\$ -
	\$ 86.7	\$ 86.7	\$ -	\$ -
Available for sale financial assets				
Investments in privately-owned companies	\$ 0.8	\$ 0.8	\$ -	\$ -
	\$ 0.8	\$ 0.8	\$ -	\$ -
Loans and receivables				
Cash and cash equivalents	\$ 251.8	\$ 251.8	\$ 5.0	\$ 5.0
Trade and other receivables	87.2	87.2	-	-
Energy contracts receivable	444.5	444.5	-	-
Balances with Clearing Members and participants	3,618.0	3,618.0	-	-
	\$ 4,401.5	\$ 4,401.5	\$ 5.0	\$ 5.0
Liabilities at fair value through profit or loss				
- Classified				
Fair value of open energy contracts	\$ (86.7)	\$ (86.7)	\$ -	\$ -
	\$ (86.7)	\$ (86.7)	\$ -	\$ -
Other financial liabilities				
Trade and other payables	\$ (144.4)	\$ (144.4)	\$ (11.6)	\$ (11.6)
Due to shareholders	-	-	(20.7)	(20.7)
Obligations under finance leases	(2.3)	(2.3)	-	-
Energy contracts payable	(444.5)	(444.5)	-	-
Balances with Clearing Members and participants	(3,618.0)	(3,618.0)	-	-
Non-current data license and other non-current payables	(4.3)	(4.3)	-	-
Liquidity facilities drawn	(12.0)	(12.0)	-	-
Loans payable, net (note 7)	(1,508.1)	(1,508.1)	-	-
	\$ (5,733.6)	\$ (5,733.6)	\$ (32.3)	\$ (32.3)
Relationships designated under hedge accounting				
Interest rate swaps (note 8)	\$ (4.5)	\$ (4.5)	\$ -	\$ -
	\$ (4.5)	\$ (4.5)	\$ -	\$ -

The carrying values for TMX Group's financial instruments approximate their fair values at each reporting date.

TMX GROUP LIMITED

Notes to Condensed Consolidated Interim Financial Statements
(In millions of Canadian dollars, except per share amounts)
Nine Months Ended September 30, 2012 and 2011
(Unaudited)

(b) Fair value measurement:

TMX Group uses a fair value hierarchy to categorize the inputs used in its valuation of assets and liabilities carried at fair value. The extent of TMX Group's use of unadjusted quoted market prices (Level 1), models using observable market information as inputs (Level 2) and models using unobservable market information (Level 3) in its valuation of assets and liabilities carried at fair value is as follows:

					As at September 30, 2012
Asset/(Liability)	Fair value measurements using:			Assets/(liabilities) at fair value	
	Level 1	Level 2	Level 3		
Marketable securities	\$ 126.5	\$ -	\$ -	\$	126.5
Fair value of open energy contracts	-	86.7	-		86.7
Investments in privately-owned companies	-	-	0.8		0.8
Fair value of open energy contracts	-	(86.7)	-		(86.7)
Interest rate swaps (note 8)	-	(4.5)	-		(4.5)

					As at December 31, 2011
Asset/(Liability)	Fair value measurements using:			Assets/(liabilities) at fair value	
	Level 1	Level 2	Level 3		
Marketable securities	\$ -	\$ -	\$ -	\$	-
Fair value of open energy contracts	-	-	-		-
Investments in privately-owned companies	-	-	-		-
Fair value of open energy contracts	-	-	-		-
Interest rate swaps (note 8)	-	-	-		-

There were no transfers during the periods between any of the levels.

(i) NGX, CDCC and CDS clearing and settlement balances:

The NGX, CDCC and CDS clearing and settlement balances include the following:

(a) NGX – Energy contracts receivable and energy contracts payable

These balances represent the amounts receivable and payable where physical delivery of energy trading contracts has occurred and/or settlement amounts have been determined but payments have not yet been made. There is no impact on the condensed consolidated income statement as an equivalent amount is recognized in both the assets and the liabilities.

TMX GROUP LIMITED

Notes to Condensed Consolidated Interim Financial Statements
(In millions of Canadian dollars, except per share amounts)
Nine Months Ended September 30, 2012 and 2011
(Unaudited)

(b) NGX – Fair value of open energy contracts

These balances represent the fair value at the balance sheet date of the undelivered physically settled energy trading contracts and the forward cash settled energy trading contracts. Fair value is determined based on observable market information. There is no impact on the condensed consolidated income statement as an equivalent amount is recognized in both the assets and the liabilities.

(c) CDCC – Balances with clearing members of CDCC (“Clearing Members”) and participants, consists of:

Daily settlements due from, and to, Clearing Members

These balances result from marking open futures positions to market and settling option transactions each day. These amounts are required to be collected from and paid to Clearing Members prior to the commencement of trading the next day. There is no impact on the condensed consolidated income statement as an equivalent amount is recognized in both assets and liabilities.

Clearing members’ cash margin deposits

These balances represent the cash deposits of Clearing Members held in the name of CDCC as margins against open positions. The cash held is recognized as an asset and an equivalent and offsetting liability is recognized as these amounts are ultimately owed to the Clearing Members. There is no impact on the condensed consolidated income statement.

Clearing fund cash deposits

These balances represent the cash deposits of Clearing Members held in the name of CDCC as part of the clearing fund. The cash held is recognized as an asset and an equivalent and offsetting liability is recognized as these amounts are ultimately owed to the Clearing Members. There is no impact on the condensed consolidated income statement.

Net amounts receivable/payable on open REPO agreements

In February 2012, CDCC launched the clearing of fixed income REPO agreements. OTC REPO agreements between buying and selling Clearing Members are novated to CDCC whereby the rights and obligations of the Clearing Members under the REPO agreements are cancelled and replaced by new agreements with CDCC. Once novation occurs, CDCC becomes the counterparty to both the buying and selling Clearing Member. As a result, the contractual right to receive and return the principal amount of the REPO as well as the contractual right to receive and pay interest on the REPO is thus transferred to CDCC.

These balances represent outstanding balances on open REPO agreements. Receivable and payable balances outstanding with the same Clearing Member are offset when they are in the same currency and

TMX GROUP LIMITED

Notes to Condensed Consolidated Interim Financial Statements
(In millions of Canadian dollars, except per share amounts)
Nine Months Ended September 30, 2012 and 2011
(Unaudited)

are to be settled on the same day, as CDCC has a legally enforceable right to offset. The balances include both the original principal amount of the REPO and the accrued interest, both of which are carried at amortized cost. As CDCC is the central counterparty, an equivalent amount is recognized in both the Company's assets and liabilities.

	September 30, 2012	December 31, 2011
Daily settlements due from/to Clearing Members	\$ 19.6	\$ -
Clearing Members' cash margin deposits	476.7	-
Clearing fund cash deposits	48.0	-
Net amounts receivable/payable on open REPO agreements	2,692.4	-
Balances with Clearing Members	\$ 3,236.7	\$ -

(d) CDS – Cash deposits

CDS Participant Rules require participants to pledge collateral to CDS in the form of cash or securities in amounts calculated in relation to their activities. Balances with Clearing Members and participants on TMX Group's condensed consolidated balance sheet include the cash collateral pledged and deposited with CDS and cash dividends, interest and other cash distributions awaiting distribution ("Entitlements and other funds") on securities held under custody in the depository. The cash held is recognized as an asset and an equivalent and offsetting liability is recognized as these amounts are ultimately owed to the participants. There is no impact on the condensed consolidated income statement.

	September 30, 2012	December 31, 2011
Entitlements and other funds	\$ 50.4	\$ -
Participants cash collateral	330.9	-
Balances with participants	\$ 381.3	\$ -

Each of NGX, CDCC and CDS also have access to other collateral that is not recognized on the condensed consolidated balance sheet (note 13).

13. Financial risk management

TMX Group is exposed to a number of financial risks as a result of its operations, which are discussed below. It seeks to monitor and minimize adverse effects from these risks through its risk management policies and processes.

(a) Credit risk:

Credit risk is the risk of financial loss to the Company associated with a counterparty's failure to fulfill its financial obligations, and arises principally from TMX Group's cash and cash equivalents and investments in marketable securities, trade receivables, interest rate swaps and the clearing and/or brokerage operations of Shorcan, Shorcan Energy Brokers, NGX, CDCC and CDS.

TMX GROUP LIMITED

Notes to Condensed Consolidated Interim Financial Statements
(In millions of Canadian dollars, except per share amounts)
Nine Months Ended September 30, 2012 and 2011
(Unaudited)

(i) Cash and cash equivalents

TMX Group manages its exposure to credit risk on its cash and cash equivalents by holding the majority of its cash and cash equivalents with Schedule 1 Canadian chartered banks.

(ii) Investments in marketable securities

TMX Group manages its exposure to credit risk arising from investments in marketable securities by holding investment funds that actively manage credit risk or by holding high-grade individual fixed income securities with credit ratings of AA-/R1-Middle or better. In addition, when holding individual fixed income securities, TMX Group will limit its exposure to any non-government security. The investment policy of the Company will only allow excess cash to be invested in money market securities or fixed income securities.

The majority of the portfolio is held within a money market fund and a specific short-term bond and mortgage fund. The money market fund manages credit risk by limiting its investments to government or government-guaranteed treasury bills, and high-grade corporate notes. The short-term bond and mortgage fund manages credit risk by limiting its investments to high-quality Canadian corporate bonds, government bonds and up to 40% of the fund's net assets in conventional first mortgages and mortgages guaranteed under the *National Housing Act* (Canada). Corporate bonds held must have a minimum credit rating of BBB by DBRS Limited at the time of purchase. Mortgages may not comprise more than 40% of the portfolio and must be either multi-residential conventional first mortgages or multi-residential government guaranteed mortgages. TMX Group does not have any investments in non-bank asset-backed commercial paper.

(iii) Trade receivables

TMX Group's exposure to credit risk resulting from uncollectable accounts is influenced by the individual characteristics of its customers, many of whom are banks and financial institutions. TMX Group invoices its customers on a regular basis and maintains a collections team to monitor customer accounts and minimize the amount of overdue receivables. There is no concentration of credit risk arising from trade receivables from a single customer. In addition, customers that fail to maintain their account in good standing risk loss of listing, trading, clearing and data privileges.

(iv) Interest rate swaps

The Company limits its exposure to credit risk on its interest rate swaps by contracting with Schedule 1 Canadian chartered banks.

TMX GROUP LIMITED

Notes to Condensed Consolidated Interim Financial Statements
(In millions of Canadian dollars, except per share amounts)
Nine Months Ended September 30, 2012 and 2011
(Unaudited)

(v) Clearing and/or brokerage operations

TMX Group is exposed to credit risk in the event that customers, in the case of Shorcan and Shorcan Energy Brokers, contracting parties, in the case of NGX, Clearing Members, in the case of CDCC, or participants, in the case of CDS, fail to settle on the contracted settlement date.

Shorcan and Shorcan Energy Brokers' risk is limited by their status as agents, in that they do not purchase or sell securities for their own account. As agents, in the event of a failed trade, Shorcan or Shorcan Energy Brokers has the right to withdraw its normal policy of anonymity and advise the two counterparties to settle directly.

NGX requires each contracting party to provide sufficient collateral, in the form of cash or letters of credit, to exceed its outstanding credit exposure as determined by NGX in accordance with its margining methodology. The cash collateral deposits and letters of credit are held by a Schedule I Canadian chartered bank. This collateral may be accessed by NGX in the event of default by a contracting party. NGX measures total potential exposure for both credit and market risk for each contracting party on a real-time basis as the aggregate of:

- (a) "Initial Margin", an amount that estimates the worst expected loss that a contract might incur under normal market conditions during a liquidation period;
- (b) "Variation Margin", comprised of the aggregate "mark-to-market" exposure for all forward purchase and sale contracts with an adverse value from the perspective of the customer; and
- (c) Outstanding energy contracts receivable.

As a result of these calculations of contracting party exposure at September 30, 2012, NGX had access to cash collateral deposits of \$502.5 and letters of credit of \$1,253.0. These amounts are not included in TMX Group's condensed consolidated balance sheet.

CDCC is exposed to the risk of default of its Clearing Members. CDCC is the central counterparty of all transactions carried out on MX's markets and on the OTC market when the transaction is cleared through CDCC. It primarily supports the risk of one or more counterparties, meeting strict financial and regulatory criteria, defaulting on their obligations, in which case the obligations of that counterparty would become the obligations of CDCC. This risk is greater if market conditions are unfavourable at the time of the default.

CDCC's principal risk management practice is the collection of risk-based margin deposits in the form of cash, equities and liquid government securities. Should a Clearing Member fail to meet a margin call or otherwise not honour its obligations under open futures and options contracts, margin deposits would be seized and would then be available to apply against the costs incurred to liquidate the Clearing Member's positions.

CDCC's margining system is complemented by a Daily Capital Margin Monitoring ("DCMM") process that evaluates the financial strength of a Clearing Member against its margin requirements. CDCC monitors the margin

TMX GROUP LIMITED

Notes to Condensed Consolidated Interim Financial Statements
(In millions of Canadian dollars, except per share amounts)
Nine Months Ended September 30, 2012 and 2011
(Unaudited)

requirements of a Clearing Member as a percentage of its capital (net allowable assets). CDCC will make additional margin calls when the ratio of margin requirement/net allowable assets exceeds 100%. The additional margin requirement is equal to the excess of the ratio over 100%.

CDCC also maintains a clearing fund of deposits of cash and securities from all Clearing Members. The aggregate level of clearing funds required from all Clearing Members must cover the worst loss that CDCC could face if one counterparty is failing under various extreme but plausible market conditions. Each Clearing Member contributes to the clearing fund in proportion to its margin requirements. If, by a Clearing Member's default, further funding is necessary to complete a liquidation, CDCC has the right to require other Clearing Members to contribute additional amounts equal to their previous contribution to the clearing fund.

CDCC's cash margin deposits and cash clearing fund deposits are held at the Bank of Canada. CDCC's non-cash margin deposits and non-cash clearing fund deposits are pledged to CDCC under irrevocable agreements and are held by approved depositories. This collateral may be seized by CDCC in the event of default by a Clearing Member. As a result of these calculations of Clearing Member exposure at September 30, 2012, non-cash margin deposits of \$3,684.1 and non-cash clearing fund deposits of \$161.4 had been pledged to CDCC, held in government and equity securities. These amounts are not included in the Company's condensed consolidated balance sheet.

Similar to the above, CDS is exposed to the risk of default of its participants through its clearing and settlement services. During the course of each business day, transaction settlements can result in a net payment obligation of a participant to CDS Clearing or the obligation of CDS Clearing to pay a participant. The potential failure of the participant to meet its payment obligation to CDS Clearing results in payment risk, which is mitigated by delivery payment finality in CDSX as set out in the *CDS Participant Rules*.

In the settlement services offered by CDS Clearing, payment risk is transferred entirely from CDS Clearing to participants who accept this risk pursuant to the contractual rules for the settlement services. This transfer of payment risk occurs primarily by means of participants acting as extenders of credit to other participants through lines of credit managed within the settlement system or, alternatively, by means of risk-sharing arrangements whereby groups of participants cross-guarantee the payment obligations of other members of the group. Should a participant be unable to meet its payment obligations to CDS Clearing, these surviving participants are required to make the payment. Payment risk is mitigated on behalf of participants through the enforcement of limits on the magnitude of payment obligations of each participant and the requirement of each participant to collateralize their payment obligation. Both of these mitigants are enforced in real time in the settlement system.

Through New York Link ("NYL") and DTC Direct Link ("DDL"), credit risk exposures at CDS are created. During the course of each business day, settlement transactions by the National Securities Clearing Corporation ("NSCC")/Depository Trust Company ("DTC") can result in a net payment obligation from NSCC/DTC to CDS Clearing or the obligation of CDS Clearing to make a payment to NSCC/DTC. As a corollary result, CDS has a legal right to receive the funds from sponsored participants in a debit position or has an obligation to pay the funds to sponsored participants in a credit position. The potential failure of the participant to meet its payment obligation to CDS Clearing in the NYL or DDL services results in a payment risk. To mitigate the risk of default, CDS Clearing has

TMX GROUP LIMITED

Notes to Condensed Consolidated Interim Financial Statements
(In millions of Canadian dollars, except per share amounts)
Nine Months Ended September 30, 2012 and 2011
(Unaudited)

in place default risk mitigation mechanisms to minimize losses to the surviving participants as set out in the *CDS Participant Rules*. The process includes participants posting collateral with CDS Clearing and NSCC/DTC.

CDS Clearing's principal risk management mechanism is the collection of collateral in the form of cash and liquid government securities. CDS Clearing Rules require participants to pledge collateral to CDS Clearing in the form of cash and securities in amounts calculated in relation to their activities. The collateral pledged by participants is available to CDS Clearing in order to fulfill its payment obligations to NSCC/DTC and any liabilities of CDS Clearing in the case of a participant default. The risk exposure of CDS Clearing in these central counterparty services is mitigated through a daily mark-to-market of each participant's obligations as well as risk-based collateral requirements calculated daily. These mitigants are intended to cover the vast majority of market changes and are tested against actual price changes on a regular basis. This testing is supplemented with analysis of the effects of extreme market conditions on a collateral valuation and market risk measurements. Should the collateral of a defaulter in a central counterparty service be insufficient, either because the value of the collateral has declined or the loss to be covered by the collateral exceeded the collateral requirement, the surviving participants in the service are required to cover any residual losses. Cash collateral is held by CDS Clearing at the Bank of Canada and NSCC/DTC and non-cash collateral pledged by participants under Participant Rules is held by CDS. Non-cash collateral is not included in TMX Group's condensed consolidated balance sheet. As a result of the calculations of participants' exposure at September 30, 2012, the total amount of collateral required by CDS Clearing was \$3,036.9. The actual collateral pledged to CDS Clearing at September 30, 2012 is summarized below.

		As at September 30, 2012
Cash (included within Balances with Clearing Members and participants on the condensed consolidated balance sheet)	\$	330.9
Treasury bills and fixed income securities		3,459.6
Total collateral pledged	\$	3,790.5

(b) Market risk:

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates, commodity prices and equity prices will affect TMX Group's income or the value of its holdings of financial instruments.

(i) Foreign currency risk

TMX Group is exposed to foreign currency risk on cash and cash equivalents, trade receivables and trade payables denominated in foreign currencies, principally US dollars. It is also exposed to foreign currency risk on revenue and expenses where it invoices or procures in a foreign currency, again principally US dollars. At September 30, 2012, cash and cash equivalents and trade receivables, net of current liabilities, excluding BOX, include US \$30.2 (September 30, 2011 - US \$2.3), which are exposed to changes in the US-Canadian dollar exchange rate. In addition, net assets related to BOX, Finexo and Razor are denominated in US dollars, Euros ("EUR") and

TMX GROUP LIMITED

Notes to Condensed Consolidated Interim Financial Statements
(In millions of Canadian dollars, except per share amounts)
Nine Months Ended September 30, 2012 and 2011
(Unaudited)

Australian dollars ("AUD"), respectively, and the effect of exchange rate movements on TMX Group's share of these net assets is included in other comprehensive income.

NGX offers contracts denominated in both Canadian and US dollars and accepts collateral in either currency. Settlement always occurs in the contracted currency. Foreign exchange risk could be created if there is a default and the currency of the required payment obligation is different from the currency of the collateral supporting that payment obligation. This risk is mitigated by converting the foreign denominated collateral at current foreign exchange rates and then adjusting collateral positions to mitigate any foreign exchange risk present.

Settlements in the clearing and settlement services offered by CDS occur in both Canadian and US dollars. Foreign exchange risk could be created if there is a default and the currency of the payment obligation is different from the currency of the collateral supporting that payment obligation. This risk is mitigated by discounting the collateral value of securities where these mismatches occur.

(ii) Interest rate risk

TMX Group is exposed to interest rate risk on its marketable securities and the Credit Facilities payable.

External investment fund managers have been engaged by TMX Group to manage the asset mix and the risks associated with its marketable securities. At September 30, 2012, TMX Group held \$126.5 (September 30, 2011 - \$nil) in marketable securities of which 43% (September 30, 2011 - nil%) were held in a short-term bond and mortgage fund.

TMX Group has Credit Facilities payable of \$1,538.0 (note 7). TMX Group has entered into a series of interest rate swap agreements to partially manage its exposure to interest rate fluctuations on these Credit Facilities (note 8).

(iii) Equity price risk

TMX Group is exposed to equity price risk arising from its RSUs and DSUs, as TMX Group's obligation under these arrangements are partly based on the price of the Company's shares.

(iv) Other market price risk

TMX Group is exposed to other market price risk from the activities of Shorcan, Shorcan Energy Brokers, NGX, CDCC and CDS, if a customer, contracting party, Clearing Member or participant, as the case may be, fails to take or deliver either securities, energy products or derivative products on the contracted settlement date where the contracted price is less favourable than the current market price.

Shorcan and Shorcan Energy Brokers' risk is limited by their status as an agent, in that they do not purchase or sell securities or commodities for their own account, the short period of time between trade date and settlement date,

TMX GROUP LIMITED

Notes to Condensed Consolidated Interim Financial Statements
(In millions of Canadian dollars, except per share amounts)
Nine Months Ended September 30, 2012 and 2011
(Unaudited)

and the defaulting customer's liability for any difference between the amounts received upon sale of, and the amount paid to acquire, the securities or commodities.

NGX's, CDCC and CDS's measure of total potential exposure, as described previously, includes measures of market risk which are factored into the collateral required from each contracting party, Clearing Member or participant.

TMX Group is also exposed to other market price risk on a portion of its sustaining fees revenue, which is based on quoted market values of listed issuers as at December 31 of the previous year.

(v) Market risk sensitivity summary

	Change in underlying factor	Impact on income before income taxes	Impact on other comprehensive income
Foreign currency			
USD, AUD, and EUR currency	+10%	\$ 3.0	\$ 14.1
USD, AUD, and EUR currency	-10%	(3.0)	(14.1)
Interest rates			
Marketable securities	+1%	\$ (1.1)	n/a
Marketable securities	-1%	1.1	n/a
Interest rate swaps	+1%	14.0*	29.0
Interest rate swaps	-1%	(14.0)*	(29.0)
Loans payable	+1%	(15.4)*	n/a
Loans payable	-1%	15.4*	n/a
Equity price			
RSUs and DSUs	+25%	\$ (3.9)	n/a
RSUs and DSUs	-25%	2.7	n/a

* These figures reflect annualized impacts.

TMX GROUP LIMITED

Notes to Condensed Consolidated Interim Financial Statements
(In millions of Canadian dollars, except per share amounts)
Nine Months Ended September 30, 2012 and 2011
(Unaudited)

(c) Liquidity risk:

Liquidity risk is the risk that TMX Group will not be able to meet its financial obligations as they fall due. TMX Group manages liquidity risk through the management of its cash and cash equivalents and marketable securities, all of which are held in short-term instruments, and its credit and liquidity facilities (note 7) and capital (note 14). The contractual maturities of TMX Group's financial liabilities are as follows:

	At September 30, 2012		
	Less than 1 year	Between 1 and 5 years	Greater than 5 years
Trade and other payables	\$ 144.4	\$ -	\$ -
Due to shareholders	-	-	-
Obligation under finance leases	1.5	0.8	-
Energy contracts payable	444.5	-	-
Fair value of open energy contracts	86.7	-	-
Balances with Clearing Members and participants	3,618.0	-	-
Liquidity facilities drawn	12.0	-	-
Non-current data license and other non-current payables	-	4.3	-
Interest rate swaps	-	4.5	-
Loans payable	-	1,508.1	-

	At December 31, 2011		
	Less than 1 year	Between 1 and 5 years	Greater than 5 years
Trade and other payables	\$ 11.6	\$ -	\$ -
Due to shareholders	20.7	-	-
Obligation under finance leases	-	-	-
Energy contracts payable	-	-	-
Fair value of open energy contracts	-	-	-
Balances with Clearing Members and participants	-	-	-
Liquidity facilities drawn	-	-	-
Non-current data license and other non-current payables	-	-	-
Interest rate swaps	-	-	-
Loans payable	-	-	-

TMX GROUP LIMITED

Notes to Condensed Consolidated Interim Financial Statements
(In millions of Canadian dollars, except per share amounts)
Nine Months Ended September 30, 2012 and 2011
(Unaudited)

(i) Balances with Clearing Members and participants

The margin deposits of CDCC and CDS and clearing fund margins of CDCC are held in liquid instruments. Cash margin deposits and cash clearing fund deposits from Clearing Members, which are recognized on the condensed consolidated balance sheet, are held by CDCC with the Bank of Canada. Non-cash margin deposits and non-cash clearing fund deposits pledged to CDCC under irrevocable agreements are in government securities and other securities and are held with approved depositories. Cash collateral from participants, which are recognized on the condensed consolidated balance sheet, is held by CDS at the Bank of Canada and NSCC/DTC. Non-cash collateral pledged by participants under Participant Rules is held by CDS in liquid government and fixed income securities.

(ii) Fair value of open energy contracts and Energy contracts payable

NGX requires each contracting party to provide sufficient collateral, in the form of cash or letters of credit, to exceed its outstanding credit exposure as determined by NGX in accordance with its margining methodology. The cash collateral deposits and letters of credit are held by a Schedule I Canadian chartered bank.

(iii) Credit and liquidity facilities

In response to the liquidity risk that CDCC is exposed to through its clearing operations, it has arranged various liquidity facilities as disclosed in note 7. The Daylight liquidity facilities are in place to provide liquidity on the basis of collateral in the form of securities that have been received by CDCC. The daylight liquidity facilities must be cleared to zero at the end of each day. The revolving standby credit facility is in place to provide end of day liquidity in the event that CDCC is unable to clear the daylight liquidity facilities to zero. Advances under the facility will be secured by collateral in the form of securities that have been received by CDCC. The syndicated REPO facility is also in place to provide end of day liquidity in the event that CDCC is unable to clear the daylight liquidity facilities to zero. The facility will provide liquidity in exchange for securities that have been received by CDCC. Finally, the Bank of Canada liquidity facility is intended to provide end of day liquidity only in the event that CDCC is unable to access liquidity from the revolving standby liquidity facility and the syndicated REPO facility or in the event that the liquidity under such facilities is insufficient. Use of this facility would be on a fully collateralized basis.

Similarly, in response to the liquidity risk that NGX is exposed to through its clearing and settlement operations, it maintains an unsecured clearing backstop fund of US \$100.0, an EFT daylight facility and an overdraft facility.

CDS has also arranged various credit and liquidity facilities (note 7). CDS maintains unsecured operating demand loans to support short-term operating requirements, and to support the processing and settlement activities of participants, an unsecured overdraft facility and demand loan and an overnight facility are available. In addition, a secured standby credit arrangement can be drawn in either US or Canadian currencies to support the processing or settlement activities in the event of a participant default. Borrowings under the secured facility are obtained by pledging or providing collateral pledged by participants primarily in the form of debt instruments issued or guaranteed by federal, provincial and/or municipal governments in Canada, or US treasury instruments. In addition, CDS has signed agreements that would allow the Bank of Canada to provide emergency last-resort liquidity to CDS at the discretion of the Bank of Canada. This liquidity facility is intended to provide end of day liquidity for payment

TMX GROUP LIMITED

Notes to Condensed Consolidated Interim Financial Statements
(In millions of Canadian dollars, except per share amounts)
Nine Months Ended September 30, 2012 and 2011
(Unaudited)

obligations arising from CDSX, and only in the event that CDS is unable to access liquidity from its standby liquidity facility or in the event that the liquidity under such facilities is insufficient. Use of this facility would be on a fully collateralized basis.

(iv) Cash and cash equivalents

Cash and cash equivalents consist of cash and highly liquid investments.

(v) Marketable securities

The investment policy of the Company will only allow excess cash to be invested within money market securities or fixed income securities. The majority of the portfolio is held within a money market fund and a specific short-term bond and mortgage fund. The money market fund limits its investments to government or government-guaranteed treasury bills, and high-grade corporate notes. The short-term bond and mortgage fund limits its investments to high-quality Canadian corporate bonds, government bonds and up to 40% of the fund's net assets in conventional first mortgages and mortgages guaranteed under the National Housing Act (Canada). Fund units can be redeemed on any day that Canadian banks are open for business. Funds will be received the day following the redemption.

Individual fixed income securities held will have credit ratings of AA-/R1-Middle or better and are highly liquid.

14. Capital maintenance

TMX Group's primary objectives in managing capital, which it defines as including its share capital and various credit facilities, include:

- (i) Maintaining sufficient capital for operations to ensure market confidence and to meet regulatory requirements. Currently, we target to retain a minimum of \$250.0 in cash, cash equivalents and marketable securities. This amount is subject to change.
- (ii) Maintaining sufficient capital to meet capital maintenance requirements imposed on its subsidiaries:
 - (a) In respect of TSX, as required by the OSC to maintain certain financial ratios on both a consolidated and non-consolidated basis, as defined in the OSC recognition order, as follows:
 - i) a current ratio of greater than or equal to 1.1:1;
 - ii) a debt to cash flow ratio of less than or equal to 4:1; and
 - iii) a financial leverage ratio of less than or equal to 4:1.

TMX GROUP LIMITED

Notes to Condensed Consolidated Interim Financial Statements
(In millions of Canadian dollars, except per share amounts)
Nine Months Ended September 30, 2012 and 2011
(Unaudited)

- (b) In respect of TSX Venture Exchange, as required by various provincial securities commissions, to maintain adequate financial resources.
- (c) In respect of NGX to:
 - i) maintain adequate financial resources as required by the Alberta Securities Commission;
 - ii) maintain a current ratio of not less than 1:1 and a tangible net worth of not less than \$9.0 as required by a major Canadian chartered bank;
 - iii) maintain sufficient financial resources to cover 12 months of operating expenses as required by the U.S. Commodity Futures Trading Commission ("CFTC"); and
 - iv) maintain sufficient financial resources to cover the failure of its single largest contracting party under extreme but plausible market conditions as required by the CFTC.
- (d) In respect of MX, as required by the AMF, to maintain certain financial ratios as defined in the AMF recognition order, as follows:
 - i) a working capital ratio of more than 1.5:1;
 - ii) a cash flow to total debt outstanding ratio of more than 20%; and
 - iii) a financial leverage ratio of less than 4.0.
- (e) In respect of CDCC, to maintain certain cash amounts, as follows:
 - i) \$5.0 as part of the Clearing Member default recovery process plus an additional \$5.0 in the event that the initial \$5.0 is fully utilized during a default; and
 - ii) sufficient cash, cash equivalents and marketable securities to cover 12 months of operating expenses, excluding amortization and depreciation.
- (f) In respect of Shorcan:
 - i) by IIROC which requires Shorcan to maintain a minimum level of shareholders' equity of \$0.5;
 - ii) by the OSC which requires Shorcan to maintain a minimum level of excess working capital.
- (g) In respect of TMX Select by IIROC which requires TMX Select to maintain adequate risk adjusted capital.

TMX GROUP LIMITED

Notes to Condensed Consolidated Interim Financial Statements
(In millions of Canadian dollars, except per share amounts)
Nine Months Ended September 30, 2012 and 2011
(Unaudited)

(h) In respect of CDS and CDS Clearing, as required by the OSC and the AMF to maintain certain financial ratios as defined in the OSC recognition order, as follows:

- i) a debt to cash flow ratio of less than or equal to 4.0; and
- ii) a financial leverage ratio of less than or equal to 4.0.

In addition, the OSC requires CDS and CDS Clearing to maintain working capital to cover 6 months of operating expenses (excluding, in the case of CDS, the amount of shared services fees charged to CDS Clearing).

(i) In respect of Alpha Exchange Inc., a subsidiary of Alpha, as required by the OSC to maintain certain financial ratios on both a consolidated and non-consolidated basis as defined in the OSC recognition order, as follows:

- i) a current ratio of greater than or equal to 1.1:1;
- ii) a debt to cash flow ratio of less than or equal to 4.0:1; and
- iii) a financial leverage ratio of less than or equal to 4.0:1.

As at September 30, 2012, TMX Group complied with each of these externally imposed capital requirements;

(iii) Providing sufficient capital to meet the covenants imposed in connection with the Credit Facilities (note 7) that require TMX Group to maintain:

(a) an interest coverage ratio of more than 4.0:1;

(b) a total leverage ratio of less than or equal to

- 4.25:1 until March 30, 2013,
- 4.0:1 from March 31, 2013 until June 29, 2013,
- 3.90:1 from June 30, 2013 until September 29, 2013,
- 3.75:1 from September 30, 2013 until December 30, 2013,
- 3.65:1 from December 31, 2013 until March 30, 2014,
- 3.50:1 from March 31, 2014 until June 29, 2014,
- 3.25:1 thereafter.

As at September 30, 2012, TMX Group complied with these externally imposed capital requirements.

TMX GROUP LIMITED

Notes to Condensed Consolidated Interim Financial Statements
(In millions of Canadian dollars, except per share amounts)
Nine Months Ended September 30, 2012 and 2011
(Unaudited)

- (iv) Retaining sufficient capital to invest in and continue to grow our business; and
- (v) Returning capital to shareholders through methods such as dividends paid to shareholders and purchasing shares for cancellation pursuant to normal course issuer bids.

15. Related party relationships and transactions

Parent:

The ultimate controlling party of TMX Group is TMX Group Limited.

Other related party transactions:

The Investors collectively continue to own a significant holding in TMX Group. The Company and its subsidiaries transact with a number of the Investors on a regular basis through their normal operations. Transactions are conducted at prevailing market prices and on general market terms and conditions.

16. Contingent liabilities

From time to time in connection with its operations, TMX Group or its subsidiaries are named as a defendant in actions for damages and costs sustained by plaintiffs, or as a respondent in court proceedings challenging TMX Group's or its subsidiaries' regulatory actions, decisions or jurisdiction.

17. Subsequent events

As part of the Company's integration of the TMX Group Inc., Alpha and CDS businesses, the Company plans to combine certain functions across the organization. In addition, Alpha's trading technology will be migrated onto the TMX Quantum trading enterprise, which is already used by all participants of Toronto Stock Exchange, TSX Venture Exchange and TMX Select. The Company expects this migration to be completed by the end of the second quarter of 2013. The Company will also move Alpha into existing TMX Group Inc. data centres, and has decided not to pursue a listings strategy for Alpha.

In October 2012, the Company announced that, as a result of these integration plans, it will eliminate approximately one hundred positions across the Company over the course of the next twelve months, some of which are currently vacant. Affected employees have been notified and expenses related to severance are expected to amount to approximately \$8.7.