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Stock Exchange Group



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Barclays Capital Global Financial Services Conference

New York - September 2011



Agenda

- Strategy - overview and progress
- Developments by business segment
- Recent results overview
- Q&A

Delivering on our strategy



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Getting in shape

- **Driving efficiency**
 - Control operational costs
 - Implement new technology
 - Adjust business model and pricing to align with customer needs

Leveraging our assets Developing opportunities

- **Building scale**
 - Service to international customers
 - Scale drives efficiencies
- **Increasing scope**
 - Increase diversification of products / markets
 - Service customer needs across multiple asset classes
- **Extending reach**
 - Organic and inorganic extension of services as capital markets globalise

Delivering on our strategy



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Getting in shape

- Continued focus on cost reduction –
 - FY 2011 operating expenses down 4% overall, down 8% on organic basis
 - FY 2010 down 8% on organic basis
- Technology systems replacement programme – starting with roll-out of low-cost, high performance Millennium Exchange
- Share of UK cash equities trading broadly stable over 15 months, helped by:
 - Tariffs to reward greater trading
 - Reduced costs of post trade

Strategy - Leveraging our assets



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- Launch of Turquoise Derivatives through integration with EDX
 - Operating on SOLA technology
 - FTSE 100 Index Futures June 2011; FTSE 100 and single stock options to follow
 - On-going programme of product launches
- Launch new markets – Retail Bonds (ORB), MTS Credit and Gilts
- Expansion of Information Services portfolio e.g. UnaVista Confirmation and Swaps portals
- Co-location services – expanding data centre space for clients
- Roll out of new post trade assets – New MIC Interbank collateralised deposit market; clearing services for Turquoise Derivatives
- UK retail strategy using Italian market experience

Strategy - Developing opportunities

- Building scale and diversity through acquisition - Turquoise, MillenniumIT and FSA Transaction Reporting Service (to complete Oct 2011)
- Financial Technology opportunities across asset classes, including services to back offices through technology, post trade functions and information products (e.g. UnaVista)
- MillenniumIT benefiting from Group brand and financial backing
- Technology sales - Johannesburg SE, Oslo Bors and strategic partnership with Mongolia SE - good pipeline
- LSE selected to provide clearing technology services for a new, cross-market Central counterparty (CCP) mechanism for Central and Eastern European (CEE) capital markets.

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Strength in diversification

Attractive and established building blocks for growth

 Main Market 	#1 market globally for international listings
 London Stock Exchange  Borsa Italiana	#1 cash equity trading business in Europe
 ETFplus  MOT	#1 ETF / ETC market in Europe by volume #1 electronic retail bond platform in Europe
 Turquoise	#1 European MTF dark pool for cash and derivatives
 IDEX  IDEM  EDX	#3 derivatives exchange in Europe
 MTS	#1 electronic government fixed income trading market in Europe
 CC&G  Monte Titoli X-TRM	Italian Post-trade - clearing, settlement, custody
 FTSE	Global index provider; #1 provider of Chinese ETFs
 millennium	Core capital markets technology used both internally and by third parties, e.g. LME, ICAP, Tullet Prebon
UnaVista	Secure hosted platform for data validation, matching and reconciliation for over 7500 customers
RNS	Regulatory and financial communications channel with the professional investor
SEDOL	Unique global securities identifiers (over 19m unique identifiers)

Current strategic focus

- **Primary markets:** Expand our global franchise - #1 global listing venue for international companies
- **Equities:** Modernise cash equity franchise - revised tariffs, new technology, lower cost post trade and new services
- **Derivatives:** Integrate derivatives assets to build European and Emerging Market scale
- **Fixed income:** Build upon assets to develop leading integrated Pan-European fixed income platform
- **Turquoise:** Establish as the leading multi-asset pan-European crossing network (including dark pool trading)
- **Commodities:** Harness growth potential by expanding into commodity derivatives
- **Post-trade:** Build upon Italian assets to create efficient, interoperable pan-European post-trade provider; CC&G already has a London ROCH licence

Capital Markets - Pre-eminent international capital raising venue



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- Good start to 2011 - Primary issuance increased
 - Pre-eminent venue - maintaining a competitive position versus other exchanges
 - Pipeline good - more international - though subject to market conditions in near term

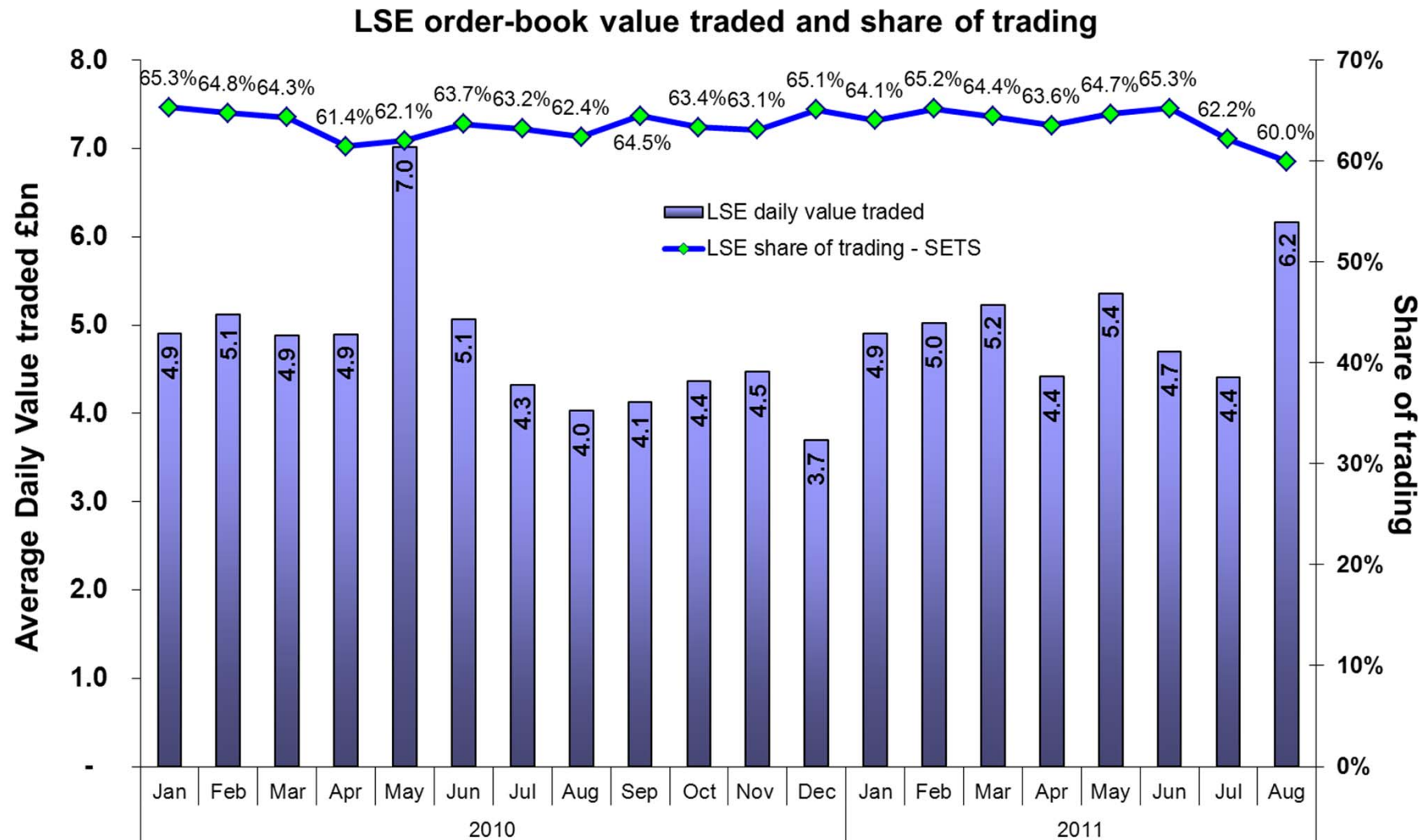


Capital Markets - Share of trading



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- UK and Italy share of trading 63.5% and 83.6% (Jan-Aug 2011, excluding Turquoise)

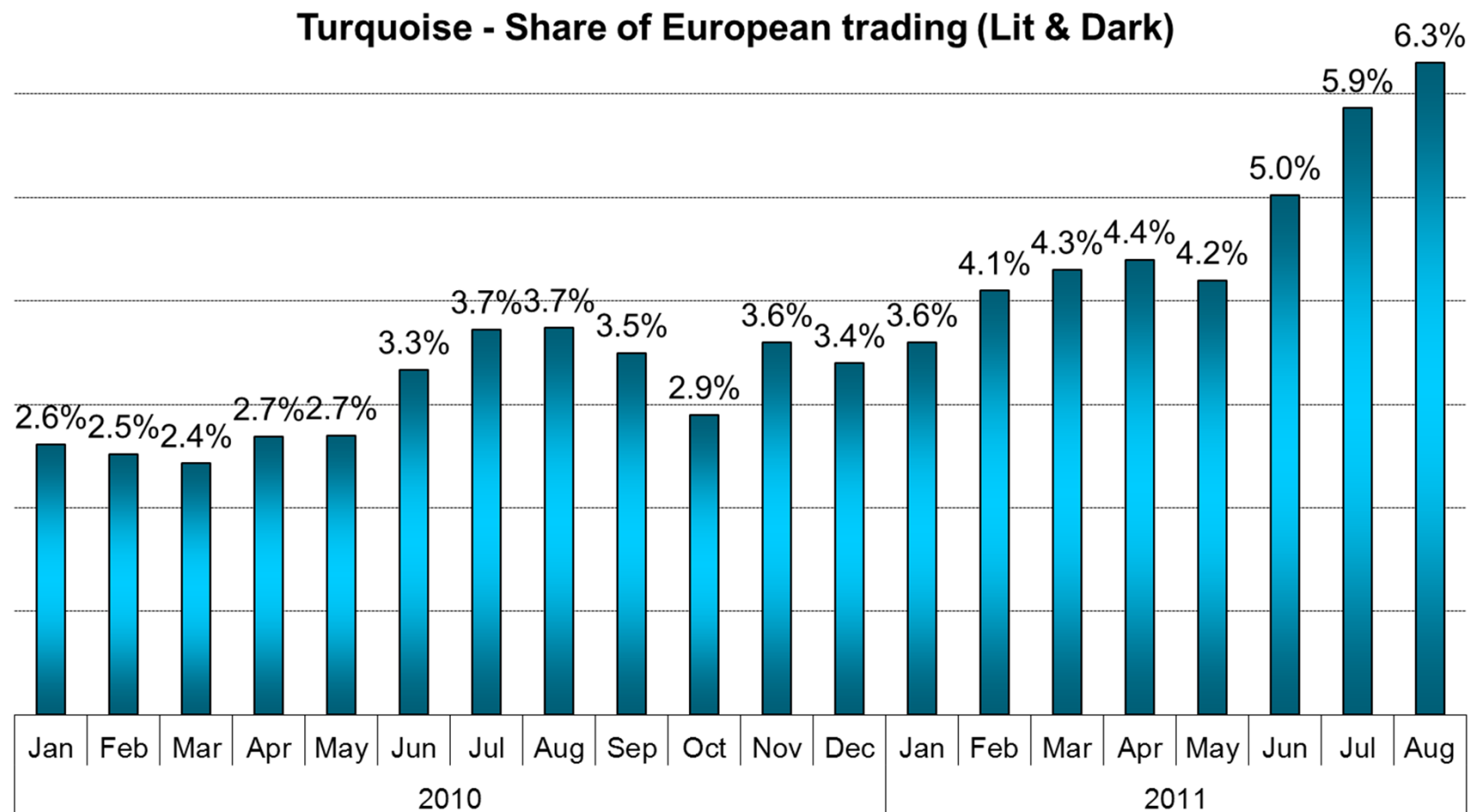


Capital Markets - Turquoise



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- Turquoise growing; now 6% of European cash equities trading - no 2 MTF in Europe
- 28% share of European MTF dark segment; no 2 in Europe
- Launch of Turquoise Derivatives - June 2011



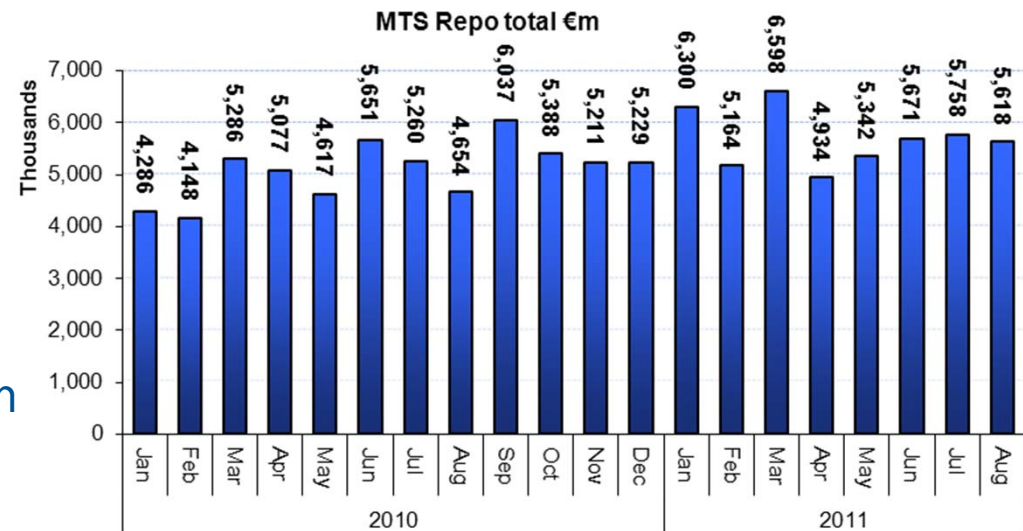
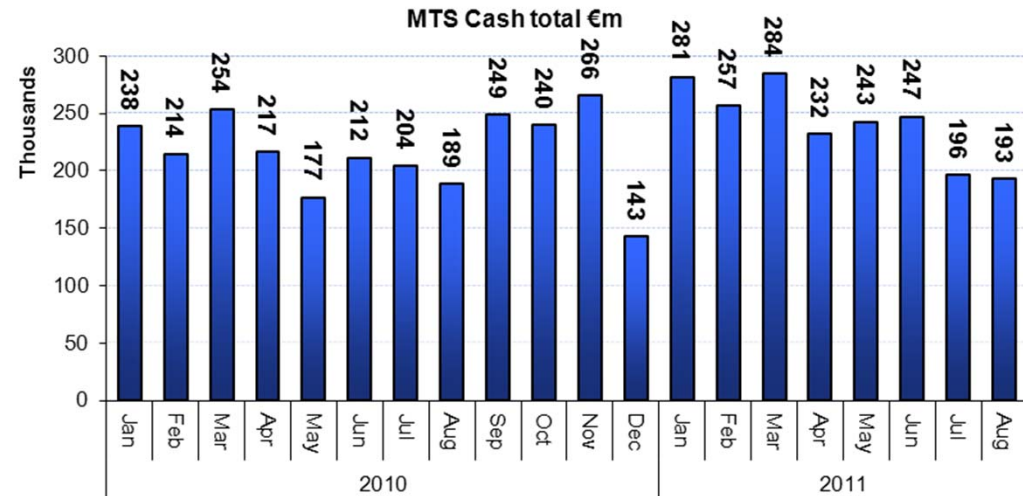
Capital Markets - Fixed Income



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- MTS covers 15 European markets: strong growth seen over last year in France, Netherlands and Spain
- Gilts launched on the interdealer MTS Cash platform and the MTS BondVision multi-dealer-to-client platform
- MTS Credit to launch by end 2011; trading in more than 2,400 corporate bonds
- Continued high level sovereign debt issuance is positive in medium term



Post Trade: Strategy



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- Provide capital markets with the most efficient post trade arrangements
- Build the scale of our offering throughout the post trade process
- Champion greater post trade efficiency and competition in Europe

Clearing

- Providing clearing services for Turquoise derivatives
- New MIC interbank collateralised deposit market
- CCP service for Italian retail bond market
- 22% increase in membership - 171 clients across 10 countries (73 outside Italy)

Settlement

- Multi-purpose routing engine (X-TRM) routes client trades to [14] clearing and CSD entities
- T2S - Monte Titoli the only confirmed major CSD participant in first wave of implementation (expected 2014)
- Aligned to interests of major clients that want simplification and harmonisation of European equity settlement process

Custody

- Develop and extend assets serviced

Post Trade Services

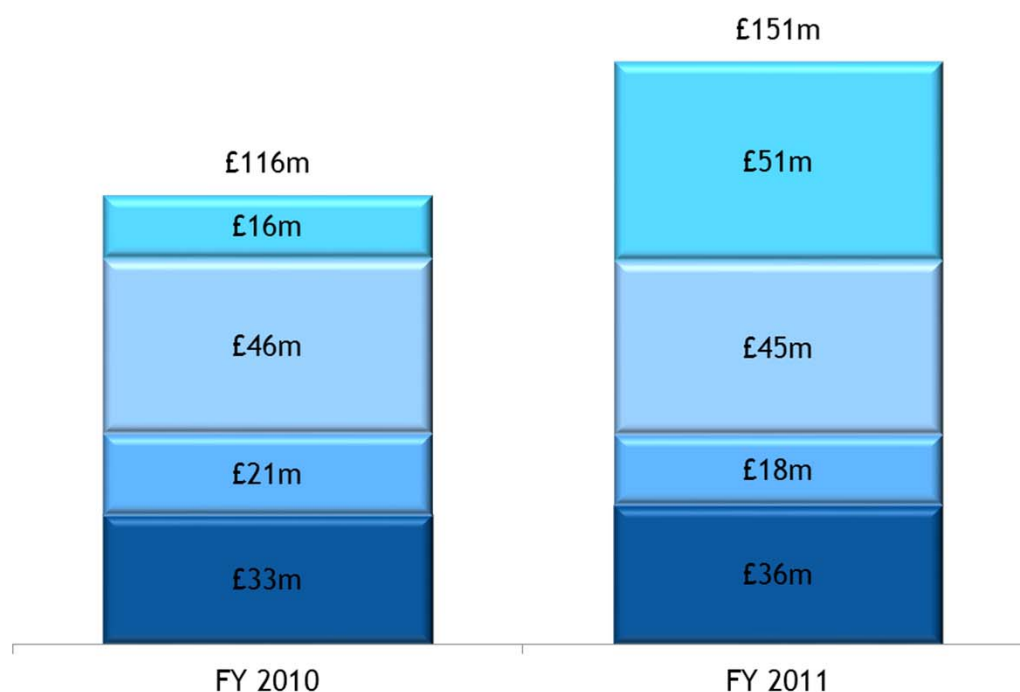


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Growth in underlying volumes and good treasury management

Total income



Highlights

- Clearing revenues higher on increased Italian derivatives and strong MTS fixed income volumes
- Settlement revenues lower following increased netting efficiency
- Custody Assets under management increased 5% to over €3.0 trillion
- Servizio Titoli disposal completed for €32m, revenue FY2011 £7.9m

■ Clearing ■ Settlement ■ Custody & other ■ Net treasury income through CCP business

Note: Minor rounding differences, figures may not cast down

Post Trade: Delivering on our strategy

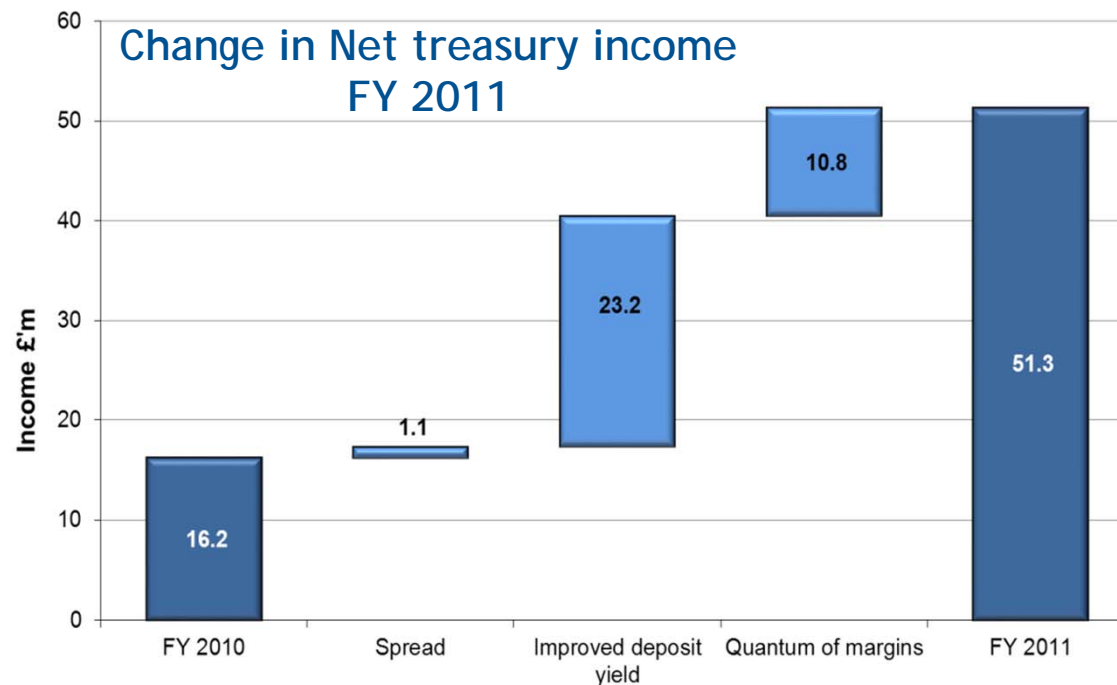


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Clearing

Net treasury income benefiting from:

- Management changes - greater use of broader range of banks
- Investment made in risk and treasury management
- Increased margin collected from higher volumes, new markets and increased direct participation from non-Italian banks
- Relative low liquidity in Italian inter-bank loan market



Information Services



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- Real time data - terminals stable,
- New initiatives:
 - Non-displayed data fees implemented January 2011
 - Direct reporting service live 2011



- Other Information Services
 - FTSE - FY 2011 total revenues up 18%, FTSE/Xinhua index now 100% owned (renamed FTSE China) - largest Chinese ETF benchmark:
 - UnaVista - post trade solutions, strong growth, FSA TRS acquisition to close Oct 2011
 - SEDOL - global numbering system, FY 2011 revenues up 13%
 - ProQuote - RSP network, FY 2011 revenues up 5%
 - RNS - regulatory news service for company announcements

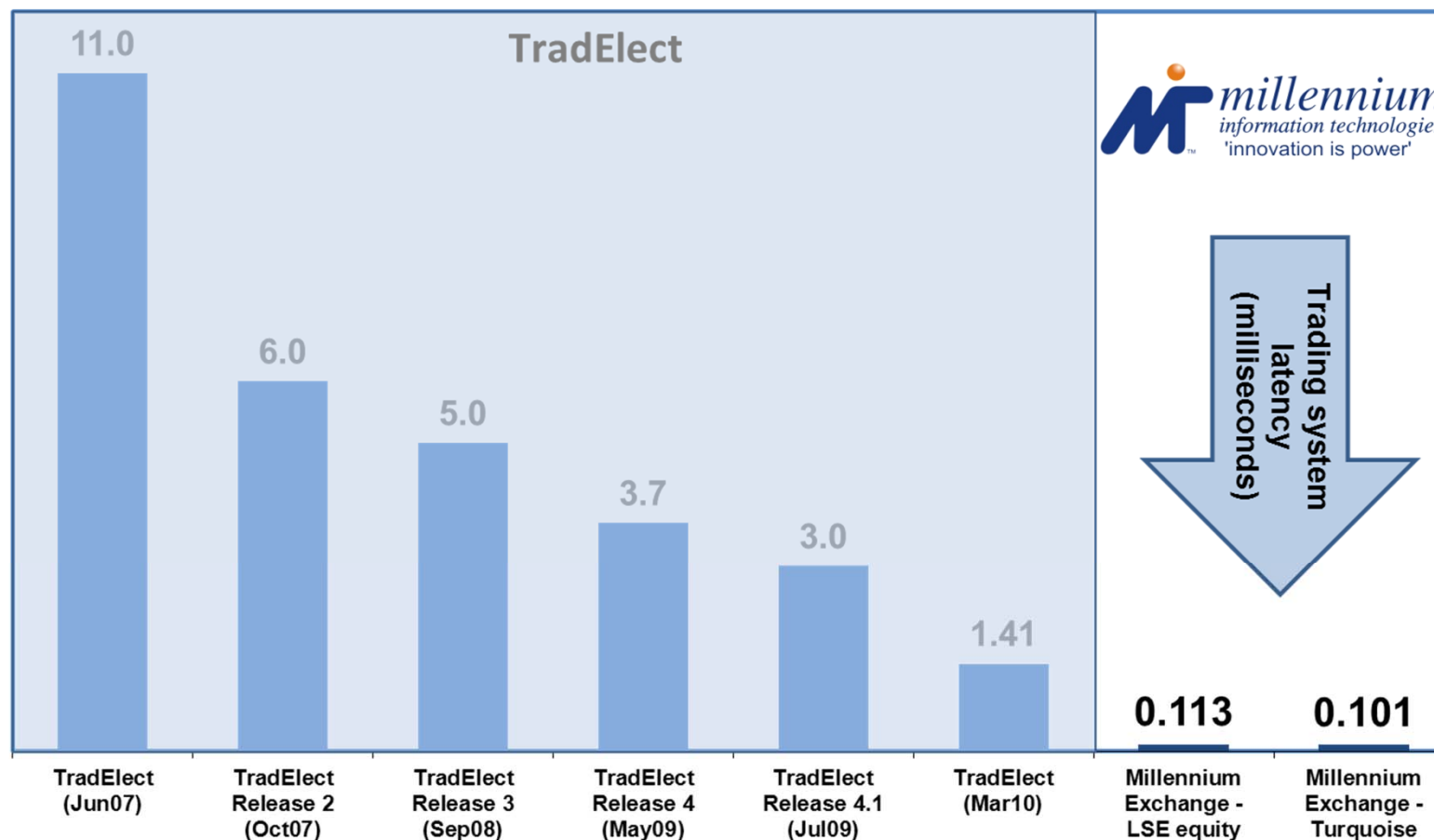
Technology Services



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- Millennium Exchange successfully rolled out on Turquoise and LSE - and will be used by Johannesburg SE and Oslo Bors
- World leading consistent low latency performance
- IDEM roll out on SOLA and upgrade for Turquoise Derivatives



FY 2012 Q1

- Interim Management Statement 20 July 2011



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- Strong increase in total income, up 14% on Q1 last year (up 12% at constant currency) to £190.2 million
 - Primary markets revenues up 22%, with growth in number of new issues and money raised
 - Share of cash equities trading was stable:
 - 64.6% in UK cash equities,
 - 85.3% in Italy;
 - Turquoise progressing well - the no.2 MTF for pan-European lit and dark trading
 - Post Trade Services total income up 58%; revenues up 7% on like-for-like basis
- New initiatives:
 - Turquoise Derivatives launched - FTSE 100 Index Futures
 - MTS market for UK Government bonds and European corporate bonds
 - Contract for clearing technology services for Central and Eastern European Capital Markets (OeKB)

Diversified Group income

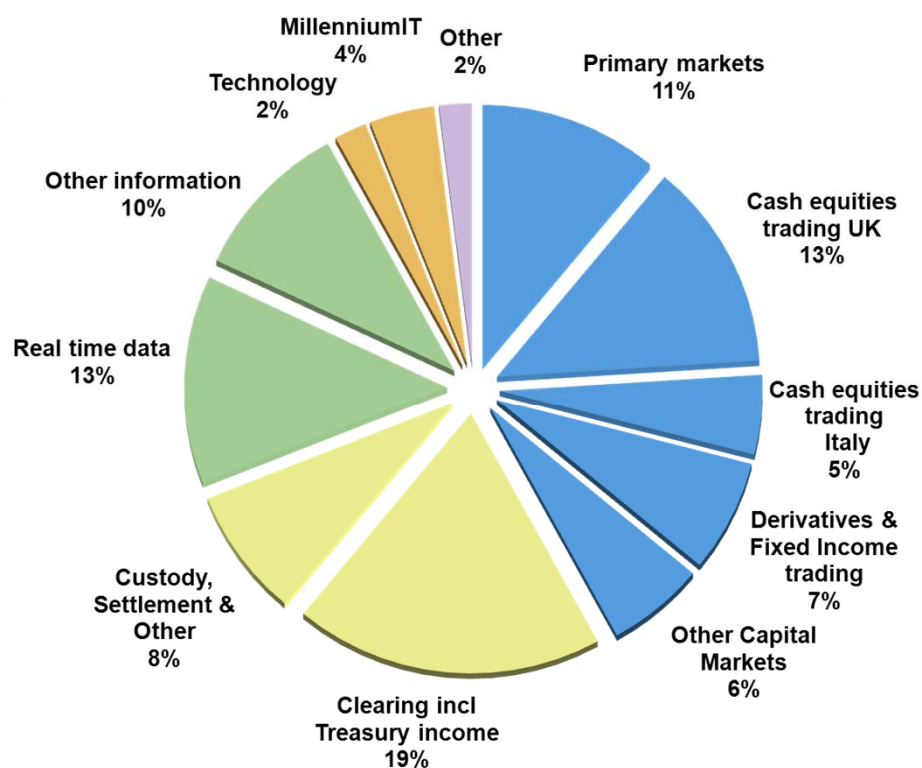
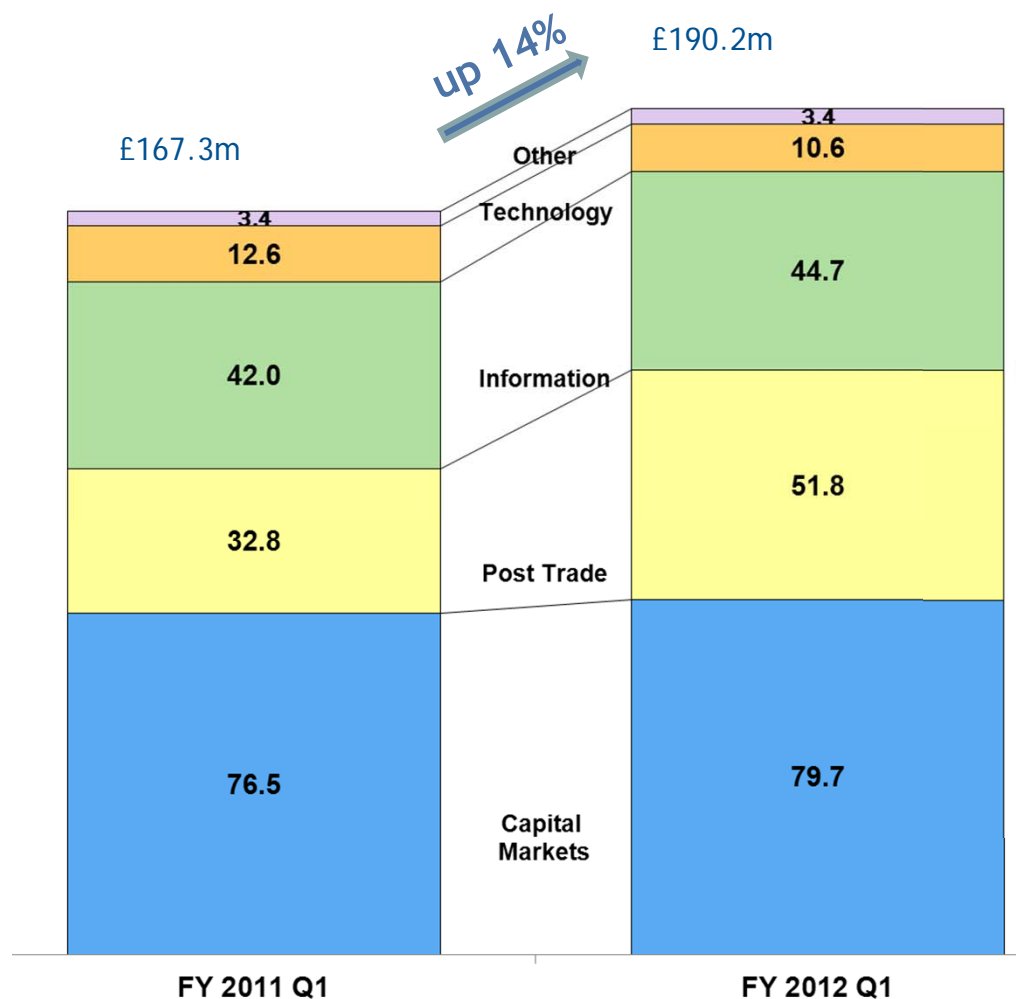
FY 2012 Q1: £190.2m



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Total income £m

Total income %
FY 2012 Q1



Capital Markets	Post Trade	Information	Technology	Other
42%	27%	23%	6%	2%

Summary



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Financial Performance

- Solid FY 2011 financial results – total income up 7%, 4% reduction in operating expense and AEPS up 23%
- Q1 FY 2012 income up 14% to £190m
- Benefits of diversified business delivering growth across number of business activities

Delivering on Strategy

- Getting in shape – key steps taken include:
 - Millennium Exchange roll out for Turquoise and SETS UK trading platform, SOLA for IDEM and Turquoise Derivatives
 - On-going focus on cost control, improving client service and increasing competitiveness
- Leveraging our assets and developing opportunities
 - Turquoise derivatives FTSE 100 Index Futures launched in June
 - Launch of new Information, Technology and Post Trade products
- Growth opportunities
 - Many organic / inorganic development opportunities – disciplined approach to deliver shareholder value

Contacts and Information



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Information on the full range of products and services can be found at:
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