



Integrate

Enhance

Innovate

2nd Quarter

2009 Report to Shareholders

CEO's Letter to Shareholders

TMX Group's performance in the second quarter of 2009 was solid despite continued challenges in our business environment, both domestically and globally. Revenue was \$137.6 million, up 6% over the second quarter of 2008, largely as a result of the inclusion of a full quarter of revenue from MX and BOX, compared with two months of revenue from MX following the combination with MX on May 1, 2008. Net income was \$46.9 million, or 63 cents per common share.

Although overall market conditions through the first half of this year were difficult, we were encouraged by the sequential growth in some of the key indicators, particularly increased trading and financing activity on both Toronto Stock Exchange and TSX Venture Exchange and higher activity on NGX.

In the almost seven years since we became a public company, and especially over the past year, we have built a solid track record of executing on initiatives to diversify and grow our business. We continued with that strategy in May by adding crude oil trading to our energy portfolio with the completion of our acquisition of NetThruPut Inc., or NTP, and by taking a 19.9% stake in London Stock Exchange's derivatives business, EDX London.

The acquisition of NTP is an important addition to our energy product offerings, and the consolidation of the former NTP crude oil products with NGX's clearing facility enables us to bring capital efficiencies to NGX customers who trade in multiple energy commodities.

With the investment in EDX London, which currently trades Scandinavian and Russian derivatives, we have added a new geographic element to TMX Group's diversification strategy. This is the type of exciting opportunity that we need to pursue in order to broaden our footprint worldwide. Starting later this year, the EDX London markets will be migrated to the SOLA trading platform.

The second quarter was also marked by the successful launch of the new SOLA Clearing system in our clearing unit, CDCC. The new platform improves our current service offering and gives us the necessary flexibility to satisfy the market's growing need for clearing and settlement of over-the-counter products.

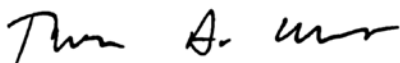
Turning to other parts of our business, as you are all aware, we operate in a highly competitive industry. And although recently, competition is intensifying in domestic cash equities trading, second quarter volumes were up 32% over last year and up 10% sequentially on Toronto Stock Exchange.

As was the case last quarter, despite the volume increase, overall revenue from cash equities trading was down when compared with last year due to a number of factors, including the impact of changes to our fee structure we made earlier this year, increased trading from new electronic liquidity providers and a shift in product mix. Our strategy is to continue to attract new market participants and additional volumes, which we believe benefits all capital market participants.

In our market data business, we were pleased with the CSA's announcement in June that TMX Group will act as an information processor for exchange-traded equity securities for a period of five years. We are confident that our solution best serves the interests of all equity market participants, enabling high-speed access to Canadian marketplace content for domestic and international clients.

In closing, I think it is important that I reiterate that we are dedicated to advancing TMX Group's strategic growth objectives. Our mandate has not changed. We continue to look for efficient ways to bring buyers and sellers together in transparent, liquid, and neutral markets for price discovery.

I look forward to providing you with our progress report in the Fall.



Thomas Kloet,
Chief Executive Officer
TMX Group Inc.

July 29, 2009

Q2-2009 Management's Discussion and Analysis

TMX Group Inc. (TMX Group) is providing this Management's Discussion and Analysis (MD&A) of our financial condition and results of operations to enable a reader to assess our financial condition, material changes in our financial condition and our results of operations, including our liquidity and capital resources, for the quarter and six months ended June 30, 2009, compared with the quarter and six months ended June 30, 2008, or the year ended December 31, 2008. This MD&A is dated July 29, 2009 and should be read carefully together with our Q2/09 unaudited interim consolidated financial statements and related notes for the corresponding period, as well as our 2008 audited annual financial statements, including notes and related MD&A. Each of these documents is filed with Canadian securities regulators and can be accessed through www.sedar.com or our website at www.tsx.com. The financial measures included in this MD&A are based on financial statements prepared in accordance with Canadian generally accepted accounting principles (GAAP), unless otherwise specified. All amounts are in Canadian dollars unless otherwise indicated.

On May 1, 2008, we completed our business combination with Montréal Exchange Inc. (MX or Montréal Exchange) to create TMX Group, a leading, integrated, multi-asset class exchange group. The results of MX and Boston Options Exchange Group, LLC (BOX) are included in TMX Group's Q2/09 results and in our Q2/08 results from May 1, 2008.

On August 29, 2008, MX acquired an additional 21.9% interest in BOX from the Boston Stock Exchange, giving MX a majority ownership interest of 53.3% in, and control of, BOX. Prior to the completion of this transaction, MX's 31.4% investment in BOX was accounted for under the equity method under which MX's 31.4% of the earnings from BOX was reported as income from investment in an affiliate and included in our Q2/08 results from May 1, 2008. From August 29, 2008, the results of BOX have been fully consolidated into TMX Group's consolidated results, with an adjustment made for the non-controlling interests. In October 2008, as a result of a buy back of units by BOX, MX's ownership increased to 53.8%.

Certain comparative figures have been reclassified in order to conform with the financial presentation adopted in the current year.

Additional information about TMX Group, including our most recent Annual Information Form, is available through www.sedar.com and on our website, www.tsx.com. We are not incorporating information contained on the website in this MD&A.

Non-GAAP Financial Measures

Toronto Stock Exchange customers are billed for initial and additional listing fees, and there is a lag between the time when securities are issued or reserved and the time when these listing fees are paid by Toronto Stock Exchange listed issuers. For TSX Venture Exchange issuers, fees are paid either prior to, or at the time of, listing or reserving securities. In order to reflect these activities, we use the terms "issuer services fees billed", "initial listing fees billed" and "additional listing fees billed".

Certain measures used in this MD&A, specifically "initial listing fees billed", "additional listing fees billed" and "issuer services revenue based on initial and additional listing fees billed" do not have standardized meanings prescribed by Canadian GAAP and therefore are unlikely to be comparable to similar measures presented by other issuers. We present these non-GAAP revenue measures as an indication of how initial and additional listing activity and the fees billed or received in connection with the listing or reserving of securities impact the financial performance and cash flows of our business. Management uses these measures to assess the effectiveness of our strategy to serve our listed issuers and to manage the listings portion of our business.

We present "adjusted earnings per share prior to loss on termination of joint venture" as an indication of operating performance exclusive of the payment made on April 1, 2008 to ISE Ventures, LLC (ISE Ventures), a wholly-owned subsidiary of International Securities Exchange Holdings, Inc. (ISE), related to terminating DEX, our proposed derivatives joint venture. This measure does not have a standardized meaning prescribed by Canadian GAAP and therefore is unlikely to be comparable to similar measures presented by other issuers. Management believes this measure allows it to assess operating performance excluding the type of payment made to ISE Ventures.

Market Conditions and Outlook¹

Our revenue is impacted by the levels and nature of market activity, such as customer and product mix, on our exchanges, including: volumes/contracts traded in cash equities and fixed income products, as well as derivatives and energy products; the number and market capitalization of listed issuers; the number and value of new and additional listings; as well as the number of subscribers to market data. Current economic and market conditions affected these revenue drivers in the second quarter and the first half of 2009. While it is not possible to quantify the potential decline in some of these measures, future economic and market conditions may continue to result in a decrease in some or all of these revenue drivers, which would negatively impact future revenue and net income since we have limited ability to substantially alter our cost structure, given its fixed nature.

¹ The "Market Conditions and Outlook" section above contains certain forward-looking statements. Please refer to "Forward-Looking Information" for a discussion of risks and uncertainties related to such statements.

Though we face these challenging economic and market conditions in Canada, the U.S. and internationally in the near term, we believe that over the long term, exchanges and clearing houses will become even more important in providing transparent markets for price discovery, well regulated venues for capital formation and effectively collateralized clearing mechanisms for managing counterparty credit risk.

Strategy Update²

Equities Trading

We are continuing to invest in our trading enterprise infrastructure to ensure it is capable of meeting the increasing customer demands for capacity, throughput, lower latency and new products. In April 2009, we completed the launch of our smart order routing solution for Toronto Stock Exchange and TSX Venture Exchange Participating Organizations. We recently completed the successful migration of TSX Venture Exchange symbols to TSX Quantum and plan to implement an enhanced TSX Quantum gateway in Q3/09.

Derivatives Trading and Clearing

Trading – EDX

In March 2009, MX entered into an agreement with the London Stock Exchange Group plc (LSE) granting LSE a license to use a customized version of SOLA Trading, a leading derivatives trading technology developed by MX, for certain affiliates and partners. In addition, we agreed to acquire a minority position in EDX London Limited (EDX), the equity derivatives business of LSE. On May 7, 2009, we acquired a 19.9 per cent stake in EDX for \$7.7 million.

We believe the acquisition of this equity position in EDX provides an avenue for us to participate in the growth and development of the European derivatives market, which adds a new geographic element to our diversification strategy. EDX markets will be migrated to the SOLA Trading platform later this year.

Trading – BOX

As of July 1, 2009, BOX moved from the make or take pricing structure to standardized pricing on their three most active ETFs: Q's, SPYs and IWM. We expect this pricing model change to encourage greater customer order flow into BOX in these products.

Clearing – SOLA Clearing

On June 3, 2009, MX and the Canadian Derivatives Clearing Corporation (CDCC) successfully launched the new SOLA Clearing platform. This new clearing platform, which leverages the strength of the SOLA technology, provides both better service to clients as well as the flexibility to enhance CDCC's product offering.

With the implementation of SOLA Clearing complete, MX and CDCC now have the necessary flexibility and capacity to even better service the market's growing need for clearing and settlement of over-the-counter (OTC) products. Specifically, CDCC's OTC product strategy includes plans to introduce clearing of fixed income repurchase agreements, which will require regulatory approval.

Energy Trading – NetThruPut Inc. (NTP) and U.S. Expansion (Natural Gas)

NTP (Crude Oil)

Energy trading and clearing are important and growing aspects of our diversified business. On May 1, 2009, we completed the acquisition of NTP from Enbridge Inc. and Circuit Technology Limited. The aggregate estimated purchase price of \$66.4 million was comprised of approximately \$22.6 million in cash and the issuance of 878,059 TMX Group common shares, valued at \$32.1 million, the book value of the option to acquire NTP in the amount of \$9.5 million and estimated direct transaction costs and restructuring costs of \$2.2 million. NTP is a leading Canadian electronic trading platform and clearing facility for crude oil products.

On May 1, 2009, the former NTP crude oil products were consolidated with NGX's clearing facility to provide significant capital efficiencies to customers who trade in multiple commodities. As of July, 2009, NGX lists over 40 crude oil grades at 5 trading hubs in Canada and there are 24 active customers. NGX volumes for Q2/09 averaged over 170,000 barrels per day with a peak day of over 1 million barrels.

² The "Strategy Update" section above contains certain forward-looking statements. Please refer to "Forward-Looking Information" for a discussion of risks and uncertainties related to such statements.

U.S. Expansion (Natural Gas)

On June 10, 2009, NGX announced another important step in its U.S. expansion strategy, opening four new natural gas clearing points, bringing the total to 17 cleared physical gas hubs in the U.S. The new hubs include Social CityGate, NNG Ventura, ANR SE pool and Tennessee 800L.

Market Data – TMX Information Processor

On June 5, 2009, the Canadian Securities Administrators announced that TSX Inc., a wholly-owned subsidiary of TMX Group, will act as an information processor for exchange-traded equity securities for a period of five years commencing July 1, 2009.

The role of an information processor is to provide a central source of consolidated Canadian equity market data that meets standards approved by regulators. We are confident that our solution is best able to serve the interests of all equity market participants, offering high-speed access to Canadian marketplace content for domestic and international clients.

The TMX Information Processor products include the Consolidated Data Feed (CDF), Canadian Best Bid and Offer (CBBO), Consolidated Last Sale (CLS) and a Consolidated Depth of Book (CDB). CDF and CBBO are currently available and provide market participants with low-latency access to consolidated real-time market data from multiple Canadian equity marketplaces. These products use world class third-party technology and are delivered to clients through existing telecommunication links with TSX Inc.

Quarter Ended June 30, 2009 Compared with Quarter Ended June 30, 2008

Net income was \$46.9 million, or \$0.63 per common share for Q2/09 (on both a basic and diluted basis), compared with net income of \$49.2 million, or \$0.65 per common share (on both a basic and diluted basis) for Q2/08, representing a decrease of 5% in net income. Net income in Q2/09 was slightly lower than Q2/08 due to lower cash markets equity trading revenue, lower issuer services revenue, increased expenses partially related to new technology initiatives and lower investment income. The decreases were partially offset by higher energy trading, fixed income trading and market data revenue. In addition, in Q2/09 our financial statements reflected three months of MX's results compared with two months of results in Q2/08. BOX's results were consolidated in our Q2/09 financial statements (with an adjustment made for non-controlling interests) but were not consolidated in our Q2/08 financial statements. In Q2/08, 31.4% of earnings from BOX were included as *Income from investments in affiliates* from May 1, 2008.***

Revenue

Revenue was \$137.6 million for Q2/09, up \$7.5 million, or 6% compared with \$130.1 million for Q2/08, largely due to the inclusion of \$26.2 million of revenue from MX and BOX in Q2/09, compared with \$13.9 million in revenue from MX for the period from May 1, 2008 to June 30, 2008. The increase was also due to increased revenue from market data, energy trading and fixed income trading, which was more than offset by lower revenue from cash markets equity trading and issuer services primarily related to lower sustaining listing fees.

Issuer Services Revenue

The following is a summary of issuer services revenue reported based on initial and additional listing fee revenue reported, and issuer services revenue based on initial and additional listing fees billed* (reconciled below in this section) in Q2/09 and Q2/08.

(in millions of dollars)	Reported				Billed*			
	Q2/09	Q2/08	\$ increase/ (decrease)	% increase/ (decrease)	Q2/09	Q2/08	\$ increase/ (decrease)	% increase/ (decrease)
Initial listing fees	\$ 4.2	\$ 3.9	\$ 0.3	8%	\$ 2.0	\$ 4.7	\$ (2.7)	(57%)
Additional listing fees	\$ 14.1	\$ 12.6	\$ 1.5	12%	\$ 23.1	\$ 24.5	\$ (1.4)	(6%)
Sustaining listing fees**	\$ 13.6	\$ 17.4	\$ (3.8)	(22%)	\$ 13.6	\$ 17.4	\$ (3.8)	(22%)
Other issuer services	\$ 3.9	\$ 4.4	\$ (0.5)	(11%)	\$ 3.9	\$ 4.4	\$ (0.5)	(11%)
Total	\$ 35.8	\$ 38.3	\$ (2.5)	(7%)	\$ 42.6	\$ 51.0	\$ (8.4)	(16%)

*** Based on MX's ownership interest in BOX as of June 30, 2008.

* See discussion under the heading "Non-GAAP Financial Measures".

** Sustaining listing fees billed, as shown in this table, represents the amount recognized for accounting purposes during the quarter. Sustaining listing fees are billed during the first quarter of the year, recorded as deferred revenue and amortized over the year on a straight-line basis.

Initial and additional listing fees are non-refundable fees paid by listed issuers for the listing or reserving of securities. These fees are recorded as “deferred revenue – initial and additional listing fees” and recognized on a straight-line basis over an estimated service period of ten years.

In the case of Toronto Stock Exchange, listed issuers are billed for initial and additional listing fees, and there is a lag between the time when securities are issued or reserved and the time when these listing fees are paid by Toronto Stock Exchange listed issuers. For TSX Venture Exchange issuers, fees are paid either prior to, or at the time of, listing or reserving securities. The following is a reconciliation of initial and additional listing fees billed* to initial and additional listing fees reported:

<i>Initial Listing Fees (in millions of dollars)</i>	Q2/09	Q2/08
Initial listing fees billed*	\$ 2.0	\$ 4.7
Initial listing fees billed* and deferred to future periods	\$ (2.0)	\$ (4.6)
Recognition of initial listing fees billed* and previously included in deferred revenue	\$ 4.2	\$ 3.8
Initial listing fee revenue reported	\$ 4.2	\$ 3.9
<i>Additional Listing Fees (in millions of dollars)</i>	Q2/09	Q2/08
Additional listing fees billed*	\$ 23.1	\$ 24.5
Additional listing fees billed* and deferred to future periods	\$ (22.8)	\$ (24.2)
Recognition of additional listing fees billed* and previously included in deferred revenue	\$ 13.8	\$ 12.3
Additional listing fee revenue reported	\$ 14.1	\$ 12.6

- *Initial and additional listing fees* reported increased in Q2/09 compared with Q2/08, reflecting an increase in capital market activity during the period from July 1, 1999 to June 30, 2009 compared with the period from July 1, 1998 to June 30, 2008. *Initial and additional listing fees billed** decreased in Q2/09, as compared with Q2/08, due to a decrease in initial and additional financings on TSX Venture Exchange, somewhat offset by an increase in initial and additional financings on Toronto Stock Exchange. While there was some increase in the value of initial financings on Toronto Stock Exchange in Q2/09 compared with Q2/08, all issues were ETFs or structured products, which pay a discounted listing fee. While the value of additional financings on Toronto Stock Exchange in Q2/09 increased compared with Q2/08, this was driven by a larger proportion of high value transactions, where issuers paid the maximum additional listing fee in Q2/09 compared with Q2/08.
- Issuers listed on Toronto Stock Exchange and TSX Venture Exchange pay annual sustaining listing fees primarily based on their market capitalization at the end of the prior calendar year, subject to minimum and maximum fees. The decrease in sustaining listing fees was due to the overall lower market capitalization of listed issuers at the end of 2008 compared with the end of 2007, somewhat offset by price changes on Toronto Stock Exchange that were effective January 1, 2009.
- *Other issuer services* includes revenue of \$3.1 million from The Equicom Group Inc. (Equicom) compared with \$3.9 million in Q2/08, reflecting lower demand for investor relations services compared with Q2/08.

Trading, Clearing and Related Revenue³

<i>(in millions of dollars)</i>	Q2/09	Q2/08	\$ increase/ (decrease)	% increase/ (decrease)
<i>Cash markets:</i>				
Toronto Stock Exchange	\$ 19.5	\$ 24.2	\$ (4.7)	(19%)
TSX Venture Exchange	\$ 6.4	\$ 9.2	\$ (2.8)	(30%)
	\$ 25.9	\$ 33.4	\$ (7.5)	(22%)
Shorcan	\$ 4.6	\$ 3.0	\$ 1.6	53%
<i>Cash markets revenue</i>	\$ 30.5	\$ 36.4	\$ (5.9)	(16%)
<i>Derivatives markets revenue</i>	\$ 20.3	\$ 9.0	\$ 11.3	126%
<i>Energy markets revenue</i>	\$ 10.6	\$ 7.3	\$ 3.3	45%
<i>Total</i>	\$ 61.4	\$ 52.7	\$ 8.7	17%

* See discussion under the heading “Non-GAAP Financial Measures”.

3 The “Trading, Clearing and Related Revenue” section above contains certain forward-looking statements. Please refer to “Forward-Looking Information” for a discussion of risks and uncertainties related to such statements.

Cash Markets

- *Cash markets* equity trading revenue from Toronto Stock Exchange decreased due to the impact of changes to our equity trading fee schedule which were effective January 1, 2009. The changes included increased credits to electronic liquidity providers (ELP), a reduction in the spread between active fees and passive credits, and the elimination of a premium fee on ETF transactions. The ongoing impact of these fee changes on actual cash markets equity trading revenue will depend on trading activity, patterns and product mix. This decrease was partially offset by a 32% increase in the volume of securities traded on Toronto Stock Exchange in Q2/09 over Q2/08 (33.0 billion securities in Q2/09 versus 25.0 billion securities in Q2/08).
- *Cash markets* equity trading revenue from TSX Venture Exchange decreased due to a 20% decrease in the volume of securities traded in Q2/09 over Q2/08 (11.0 billion securities in Q2/09 versus 13.8 billion securities in Q2/08). The decrease was also due to fee reductions that were effective in 2009.
- In October 2008, we indicated that based on historical trading activity, patterns and product mix, changes to the equity trading fee structure put into place effective January 1, 2009 could reduce trading revenue by approximately \$11 to \$14 million on an annual basis if offsetting benefits, including increased volumes, were not realized. During Q2/09, there were changes in customer and product mix including a higher proportion of volumes coming from new ELP market participants. These changes, together with the change in fee structure, led to a larger than anticipated reduction in cash markets equity trading revenue.
- The increase in revenue from Shorcan primarily reflects an increase in trading of Government of Canada bonds and swaps in Q2/09 versus Q2/08.

Derivatives Markets

- *Derivatives markets* revenue includes \$20.3 million in trading and clearing revenue from MX and trading revenue from BOX, versus \$9.0 million in trading and clearing revenue from MX from May 1, 2008 to June 30, 2008. Revenue from BOX was not included in our revenue for Q2/08.
- MX volumes decreased by 12% (8.5 million contracts traded in Q2/09 versus 9.7 million contracts traded in Q2/08) reflecting reduced trading in both the BAX and CGB contracts, partially offset by an increase in equity derivatives trading.
- BOX volumes decreased by 11% (39.1 million contracts in Q2/09 versus 44.0 million contracts traded in Q2/08).

Energy Markets

- *Energy markets* revenue increased due to the inclusion of revenue from crude oil trading following the acquisition of NTP on May 1, 2009. We traded 9.6 million barrels of crude oil between May 1, 2009 and June 30, 2009.
- The increase was also due to pricing changes on natural gas contracts that were effective January 1, 2009 and the positive impact of the depreciation of the Canadian dollar against the U.S. dollar in Q2/09 compared with Q2/08.
- The increase was somewhat offset by a 3% decrease in the volumes of natural gas and electricity contracts traded or cleared on NGX over Q2/08 (3.7 million terajoules in Q2/09 versus 3.8 million terajoules in Q2/08). This excludes the Alberta Watt Exchange Limited (Watt-Ex) volumes.

Market Data Revenue

(in millions of dollars)

	Q2/09	Q2/08	\$ increase	% increase
	\$ 36.8	\$ 33.1	\$ 3.7	11%

- *Market data* revenue included \$4.3 million in data revenue from MX and BOX, compared with \$2.0 million in market data revenue related to MX from May 1, 2008 to June 30, 2008. There were over 25,000 MX market data subscriptions at June 30, 2009 compared with over 28,000 at June 30, 2008.
- The increase was also due to the positive impact of the depreciation of the Canadian dollar against the U.S. dollar in Q2/09 compared with Q2/08, higher revenues from data feeds, index licensing and co-location services as well as pricing changes that were effective January 1, 2009.
- The increase was partially offset by a 10% decrease in the number of professional and equivalent real-time market data subscriptions to Toronto Stock Exchange and TSX Venture Exchange products (over 150,000 professional and equivalent real-time market data subscriptions at June 30, 2009 versus over 167,000 at June 30, 2008).

Business Services and Other Revenue

(in millions of dollars)

	Q2/09	Q2/08	\$ (decrease)	% (decrease)
	\$ 3.6	\$ 5.9	\$ (2.3)	(39%)

- Business services revenue in Q2/08 included two months of revenue from BOX for technology and other services provided by MX, which in Q2/09 has been eliminated on consolidation as BOX is now a subsidiary of MX. The decrease was somewhat offset by the inclusion of revenue from the technology licensing arrangement with LSE.
- The decrease was also due to net foreign exchange losses on U.S. dollar accounts receivable.

Operating Expenses⁴

Operating expenses in Q2/09 were \$67.6 million, an increase of \$13.0 million, or 24%, as compared with \$54.6 million in Q2/08. The increase was due primarily to the inclusion of \$18.3 million of expenses related to MX and BOX, versus \$9.7 million related to MX from May 1, 2008 to June 30, 2008. In addition, we incurred higher expenses related to various technology initiatives in Q2/09 compared with Q2/08.

Our combination with MX is anticipated to create value for our shareholders through the realization of cost synergies. By the fourth quarter of 2009, we expect to achieve \$25.0 million of cost synergies on a run rate basis when compared with the business plans of the separate organizations. As part of our integration plan, our offices, data centres and certain corporate support functions are being consolidated, and we will have eliminated 85 corporate support and operational positions, or approximately 10% of our workforce, by the end of 2009. The rationalization of data centres will enable customers to consolidate their connectivity networks and co-locate at one location which should greatly reduce their technology and communication expenditures. While we estimate that cost synergies related to the integration with MX of approximately \$1.0 million per month were realized on a run-rate basis in Q2/09, we also continued to invest in new business and product initiatives including our technology initiatives relating to enhancements to our data centres, the TSX Quantum gateway and the smart order router.

Compensation and Benefits

(in millions of dollars)

	Q2/09	Q2/08	\$ increase	% increase
	\$ 31.2	\$ 25.9	\$ 5.3	20%

- Compensation and benefits costs increased primarily due to the inclusion of \$6.7 million in costs related to MX and BOX, compared with \$4.2 million of costs related to MX from May 1, 2008 to June 30, 2008.
- The increase was also attributable to higher costs associated with technology initiatives, higher overall costs related to certain performance incentives and higher costs associated with salary increases compared with Q2/08.
- There were 861 employees at June 30, 2009, which included 24 BOX employees and 6 NTP employees, versus 817 employees at June 30, 2008.

Information and Trading Systems

(in millions of dollars)

	Q2/09	Q2/08	\$ increase	% increase
	\$ 11.8	\$ 8.7	\$ 3.1	36%

- Information and trading systems costs included \$1.7 million in costs related to MX and BOX, compared with \$0.9 million from MX from May 1, 2008 to June 30, 2008.
- Information and trading systems costs also increased due to costs associated with our technology initiatives including enhancements to our data centres, the TSX Quantum gateway and the smart order router. In addition, there were higher expenses related to NGX's initiative with ICE.

⁴ The "Operating Expenses" section above contains certain forward-looking statements. Please refer to "Forward-Looking Information" for a discussion of risks and uncertainties related to such statements.

General and Administration

(in millions of dollars)

	Q2/09	Q2/08	\$ increase	% increase
	\$ 17.8	\$ 14.0	\$ 3.8	27%

- *General and administration* costs included \$6.5 million in costs related to MX and BOX, compared with \$2.5 million from MX from May 1, 2008 to June 30, 2008.

Amortization

(in millions of dollars)

	Q2/09	Q2/08	\$ increase	% increase
	\$ 6.8	\$ 6.0	\$ 0.8	13%

- *Amortization* costs increased reflecting amortization of \$3.4 million related to MX and BOX, compared with \$2.1 million from MX from May 1, 2008 to June 30, 2008.
- The increase was somewhat offset by reduced amortization relating to assets that were fully depreciated by 2009.

Income from Investments in Affiliates

(in millions of dollars)

	Q2/09	Q2/08	\$ (decrease)
	\$ 0.1	\$ 0.4	\$ (0.3)

- *Income from investments in affiliates* of \$0.1 million represents TSX Inc.'s share of CanDeal.ca Inc.'s (CanDeal) income for Q2/09 based on its 47% interest in CanDeal, which is unchanged from Q2/08. CanDeal is an electronic trading system for the institutional debt market.
- In Q2/08, *Income from investments in affiliates* included \$0.3 million representing MX's share of BOX income, based on its 31.4% interest in BOX from May 1, 2008.

Investment Income

(in millions of dollars)

	Q2/09	Q2/08	\$ (decrease)	% (decrease)
	\$ 1.4	\$ 3.4	\$ (2.0)	(59%)

- *Investment income* decreased due to a reduction in cash available for investment and lower overall returns on investments during Q2/09 compared with Q2/08.
- *Investment income* includes \$0.4 million earned by MX in Q2/09, compared with \$0.8 million from May 1, 2008 to June 30, 2008.

Interest Expense

(in millions of dollars)

	Q2/09	Q2/08	\$ (decrease)	% (decrease)
	\$ 1.3	\$ 2.8	\$ (1.5)	(54%)

- *Interest expense* decreased as a result of lower interest rates in Q2/09 compared with Q2/08. On April 30, 2008, we borrowed \$430.0 million in Canadian funds on a three-year term facility (Term Facility) related to financing the cash consideration of the purchase price for MX (see **Long-term Debt**).

Mark to Market on Interest Rate Swaps – Gain

(in millions of dollars)

	Q2/09	Q2/08	\$ increase	% increase
	\$ 0.1	-	\$ 0.1	-

- We entered into a series of interest rate swap agreements to partially manage our exposure to interest rate fluctuations on the Term Facility, effective August 28, 2008 (see **Long-term Debt**).
- During Q2/09, unrealized gains of \$2.5 million and realized losses of \$2.4 million were reflected in net income, compared with no unrealized or realized gains/losses in Q2/08.

Other Acquisition Related Expenses

(in millions of dollars)

	Q2/09	Q2/08	\$ (decrease)
	-	\$ 0.7	\$ (0.7)

- When we acquired NGX in 2004, TMX Group entered into an arrangement with MX for \$5.0 million. TMX Group amortized this amount over five years, the remaining term of the 1999 Memorandum of Agreement with MX. As a result of the May 1, 2008 business combination, we expensed the unamortized balance of \$0.7 million in Q2/08.

Income Taxes⁵

(in millions of dollars)

	Q2/09		Q2/08		Effective tax rate (%)	
	\$		\$		Q2/09	Q2/08
	22.7		26.5		33%	35%

- The effective tax rate for Q2/09 was somewhat lower than the effective tax rate of 35% for Q2/08 due to an increase in income attributable to the Province of Quebec in Q2/09, compared with Q2/08. In our case, this income is taxed at a lower effective tax rate in Quebec. In addition, there was a lower federal income tax rate in Q2/09 compared with Q2/08.
- In the 2009 Ontario budget, the government proposed new tax reforms, which, if enacted, would reduce the general corporate tax rate from 14% in 2009 to 12% by July 1, 2010, with further reductions to 10% by July 1, 2013. Since these reforms were not substantively enacted during Q2/09, there was no impact on *Income Taxes*. If the legislation becomes substantively enacted, based on the future income tax asset as at June 30, 2009, we estimate there will be a net reduction in the value of the future income tax asset of approximately \$7.8 million and a corresponding increase in *Income Taxes* of approximately \$7.8 million. While this accounting adjustment will have no immediate impact on cash flow, the decline in tax rates will reduce taxes paid in future periods.

Six Months Ended June 30, 2009 Compared with Six Months Ended June 30, 2008

Net income was \$89.8 million, or \$1.21 per common share for 1H/09 (on both a basic and diluted basis), compared with net income of \$82.0 million, or \$1.15 per common share (on both a basic and diluted basis) for 1H/08, representing an increase of 10% in net income. In 1H/08, net income was reduced by \$15.2 million, or 21 cents per common share (on a basic and diluted basis) due to a payment to ISE Ventures with respect to the termination of our derivatives joint venture. 1H/09 EPS was lower than 1H/08 adjusted EPS prior to loss on termination of joint venture* of \$1.36 per common share (on both a basic and diluted basis) due to lower cash markets equity trading revenue, lower issuer services revenue, increased expenses, partially related to new technology initiatives and lower investment income. The decreases were partially offset by higher energy trading, fixed income trading and market data revenue. In addition, in 1H/09 our financial statements reflected six months of MX's results compared with two months of results in 1H/08. BOX's results were consolidated in our 1H/09 financial statements (with an adjustment made for non-controlling interests) but were not consolidated in our 1H/08 financial statements. In 1H/08, 31.4% of earnings from BOX were included as *Income from investments in affiliates* from May 1, 2008.***

The following is a reconciliation of earnings per share to adjusted earnings per share prior to a loss on termination of joint venture* in 1H/08:

Reconciliation for 1H/09 and 1H/08

	1H/09		1H/08	
	Basic	Diluted	Basic	Diluted
Earnings per share	\$ 1.21	\$ 1.21	\$ 1.15	\$ 1.15
Adjustment related to loss on termination of joint venture	-	-	\$ 0.21	\$ 0.21
Adjusted earnings per share prior to loss on termination of joint venture*	\$ 1.21	\$ 1.21	\$ 1.36	\$ 1.36

⁵ The "Income Taxes" section above contains certain forward-looking statements. Please refer to "Forward-Looking Information" for a discussion of risks and uncertainties related to such statements.

* See discussion under the heading "Non-GAAP Financial Measures".

*** Based on MX's ownership interest in BOX as of June 30, 2008.

Revenue

Revenue was \$273.4 million for 1H/09, up \$31.0 million, or 13% compared with \$242.4 million for 1H/08, reflecting \$53.3 million in revenue related to the business operations of MX and BOX, compared with \$13.9 million from MX for two months in 1H/08 following the combination on May 1, 2008. The increase was also due to increased energy and fixed income trading and market data revenue, which was more than offset by lower cash markets equity trading and issuer services revenue, related to sustaining listing fees and other issuer services.

Issuer Services Revenue

The following is a summary of issuer services revenue reported based on initial and additional listing fee revenue reported, and issuer services revenue based on initial and additional listing fees billed* (reconciled below in this section) in 1H/09 and 1H/08.

(in millions of dollars)	Reported				Billed*			
	1H/09	1H/08	\$ increase/ (decrease)	% increase/ (decrease)	1H/09	1H/08	\$ increase/ (decrease)	% increase/ (decrease)
Initial listing fees	\$ 8.4	\$ 7.8	\$ 0.6	8%	\$ 4.0	\$ 11.1	\$ (7.1)	(64%)
Additional listing fees	\$ 27.8	\$ 24.9	\$ 2.9	12%	\$ 40.1	\$ 44.0	\$ (3.9)	(9%)
Sustaining listing fees**	\$ 27.3	\$ 34.6	\$ (7.3)	(21%)	\$ 27.3	\$ 34.6	\$ (7.3)	(21%)
Other issuer services	\$ 7.2	\$ 8.7	\$ (1.5)	(17%)	\$ 7.2	\$ 8.7	\$ (1.5)	(17%)
Total	\$ 70.7	\$ 76.0	\$ (5.3)	(7%)	\$ 78.6	\$ 98.4	\$ (19.8)	(20%)

Initial and additional listing fees are non-refundable fees paid by listed issuers for the listing or reserving of securities. These fees are recorded as "deferred revenue – initial and additional listing fees" and recognized on a straight-line basis over an estimated service period of ten years.

In the case of Toronto Stock Exchange, listed issuers are billed for initial and additional listing fees and there is a lag between the time when securities are issued or reserved and the time when these listing fees are paid by Toronto Stock Exchange listed issuers. For TSX Venture Exchange issuers, fees are paid either prior to, or at the time of, listing or reserving securities. The following is a reconciliation of initial and additional listing fees billed* to initial and additional listing fees reported:

Initial Listing Fees (in millions of dollars)	1H/09	1H/08
Initial listing fees billed*	\$ 4.0	\$ 11.1
Initial listing fees billed* and deferred to future periods	\$ (3.8)	\$ (10.7)
Recognition of initial listing fees billed* and previously included in deferred revenue	\$ 8.2	\$ 7.4
Initial listing fee revenue reported	\$ 8.4	\$ 7.8
Additional Listing Fees (in millions of dollars)		
Additional listing fees billed*	\$ 40.1	\$ 44.0
Additional listing fees billed* and deferred to future periods	\$ (39.0)	\$ (42.8)
Recognition of additional listing fees billed* and previously included in deferred revenue	\$ 26.7	\$ 23.7
Additional listing fee revenue reported	\$ 27.8	\$ 24.9

- Initial and additional listing fees reported increased in 1H/09 compared with 1H/08, reflecting an increase in capital market activity during the period from April 1, 1999 to June 30, 2009 compared with the period from April 1, 1998 to June 30, 2008. Initial and additional listing fees billed* decreased in 1H/09, as compared with 1H/08, due to a decrease in initial financings on both of our equity exchanges and a decrease in additional financings on TSX Venture Exchange, somewhat offset by an increase in additional financings on Toronto Stock Exchange. While the value of additional financings on Toronto Stock Exchange in 1H/09 increased compared with 1H/08, this was driven by a larger proportion of high value transactions, where issuers paid the maximum additional listing fee in 1H/09 compared with 1H/08.
- Issuers listed on Toronto Stock Exchange and TSX Venture Exchange pay annual sustaining listing fees primarily based on their market capitalization at the end of the prior calendar year, subject to minimum and maximum fees. The decrease in sustaining listing fees was due to the overall lower market capitalization of listed issuers at the end of 2008 compared with the end of 2007, somewhat offset by price changes on Toronto Stock Exchange that were effective January 1, 2009.
- Other issuer services includes revenue of \$6.1 million from Equicom compared with \$7.9 million in 1H/08, reflecting lower demand for investor relations services compared with 1H/08.

* See discussion under the heading "Non-GAAP Financial Measures".

** Sustaining listing fees billed, as shown in this table, represents the amount recognized for accounting purposes during the quarter. Sustaining listing fees are billed during the first quarter of the year, recorded as deferred revenue and amortized over the year on a straight-line basis.

Trading, Clearing and Related Revenue⁶

(in millions of dollars)

	1H/09	1H/08	\$ increase/ (decrease)	% increase/ (decrease)
<i>Cash markets:</i>				
Toronto Stock Exchange	\$ 39.6	\$ 48.4	\$ (8.8)	(18%)
TSX Venture Exchange	\$ 11.0	\$ 17.2	\$ (6.2)	(36%)
	\$ 50.6	\$ 65.6	\$ (15.0)	(23%)
Shorcan	\$ 8.6	\$ 6.3	\$ 2.3	37%
Cash markets revenue	\$ 59.2	\$ 71.9	\$ (12.7)	(18%)
Derivatives markets revenue	\$ 42.1	\$ 9.0	\$ 33.1	368%
Energy markets revenue	\$ 19.0	\$ 13.9	\$ 5.1	37%
Total	\$ 120.3	\$ 94.8	\$ 25.5	27%

Cash Markets

- *Cash markets* equity trading revenue from Toronto Stock Exchange decreased due to the impact of changes to our equity trading fee schedule which were effective January 1, 2009. The changes included increased credits to electronic liquidity providers (ELP), a reduction in the spread between active fees and passive credits, and the elimination of a premium fee on ETF transactions. The ongoing impact of these fee changes on actual cash markets equity trading revenue will depend on trading activity, patterns and product mix. This decrease was partially offset by a 25% increase in the volume of securities traded on Toronto Stock Exchange in 1H/09 over 1H/08 (63.0 billion securities in 1H/09 versus 50.5 billion securities in 1H/08).
- *Cash markets* equity trading revenue from TSX Venture Exchange decreased due to a 25% decrease in the volume of securities traded in 1H/09 over 1H/08 (19.1 billion securities in 1H/09 versus 25.3 billion securities in 1H/08). The decrease was also due to fee reductions that were effective in 2009.
- In October 2008, we indicated that based on historical trading activity, patterns and product mix, changes to the equity trading fee structure put into place effective January 1, 2009 could reduce trading revenue by approximately \$11 to \$14 million on an annual basis if offsetting benefits, including increased volumes, were not realized. During 1H/09, there were changes in customer and product mix including a higher proportion of volumes coming from new ELP market participants. These changes, together with the change in fee structure, led to a larger than anticipated reduction in cash markets equity trading revenue.
- The increase in revenue from Shorcan primarily reflects an increase in trading of Government of Canada bonds and swaps in 1H/09 versus 1H/08.

Derivatives Markets

- *Derivatives markets* revenue includes \$42.1 million in trading and clearing revenue from MX and trading revenue from BOX, compared with \$9.0 million from MX in 1H/08 following the combination on May 1, 2008. Revenue from BOX was not included in our revenue for 1H/08.
- MX volumes decreased by 17% (16.6 million contracts traded in 1H/09 versus 19.9 million contracts traded in 1H/08) reflecting reduced trading in both the BAX and CGB contracts, partially offset by an increase in equity derivatives trading.
- BOX volumes decreased by 1% (84.8 million contracts in 1H/09 versus 85.2 million contracts traded in 1H/08).

Energy Markets

- *Energy markets* revenue increased due to the inclusion of revenue from crude oil trading following the acquisition of NTP on May 1, 2009. We traded 9.6 million barrels of crude oil between May 1, 2009 and June 30, 2009.
- The increase was also due to pricing changes on natural gas contracts that were effective January 1, 2009 and also as a result of NGX having deferred less revenue in 1H/09, on a net basis, than in 1H/08 due to a reduced level of forward contracts.
- The increased revenue was also due to the positive impact of the depreciation of the Canadian dollar against the U.S. dollar in 1H/09 compared with 1H/08.
- The increase was somewhat offset by a 5% decrease in the volumes of natural gas and electricity contracts traded or cleared on NGX over 1H/08 (7.1 million terajoules in 1H/09 versus 7.5 million terajoules in 1H/08). This excludes Watt-Ex volumes.

⁶ The "Trading, Clearing and Related Revenue" section above contains certain forward-looking statements. Please refer to "Forward-Looking Information" for a discussion of risks and uncertainties related to such statements.

Market Data Revenue

(in millions of dollars)

	1H/09	1H/08	\$ increase	% increase
	\$ 74.7	\$ 62.2	\$ 12.5	20%

- Market data revenue included \$8.9 million in revenue related to the business operations of MX and BOX, compared with \$2.0 million from MX in 1H/08 following the combination on May 1, 2008. There were over 25,000 MX market data subscriptions at June 30, 2009 compared with over 28,000 at June 30, 2008.
- The increase was also due to the positive impact of the depreciation of the Canadian dollar against the U.S. dollar in 1H/09 compared with 1H/08, higher revenues from data feeds, usage-based quotes and co-location services as well as pricing changes that were effective January 1, 2009.
- The increase was partially offset by a 10% decrease in the number of professional and equivalent real-time market data subscriptions to Toronto Stock Exchange and TSX Venture Exchange products (over 150,000 professional and equivalent real-time market data subscriptions at June 30, 2009 versus over 167,000 at June 30, 2008).

Business Services and Other Revenue

(in millions of dollars)

	1H/09	1H/08	\$ (decrease)	% (decrease)
	\$ 7.6	\$ 9.5	\$ (1.9)	(20%)

- Business services revenue in 1H/08 included two months of revenue from BOX for technology and other services provided by MX, which in 1H/09 has been eliminated on consolidation as BOX is now a subsidiary of MX. The decrease was somewhat offset by the inclusion of revenue from the technology licensing arrangement with LSE.
- The decrease was also due to net foreign exchange losses on U.S. dollar accounts receivable.

Operating Expenses

Operating expenses in 1H/09 were \$137.4 million, an increase of \$37.8 million, or 38%, as compared with \$99.6 million in 1H/08. The increase was due primarily to the inclusion of \$39.6 million of expenses related to the business operations of MX and BOX, versus \$9.7 million related to MX from May 1, 2008 to June 30, 2008. In addition, we incurred higher expenses related to various technology initiatives in 1H/09 compared with 1H/08.

Compensation and Benefits

(in millions of dollars)

	1H/09	1H/08	\$ increase	% increase
	\$ 64.9	\$ 49.3	\$ 15.6	32%

- Compensation and benefits costs increased primarily due to the inclusion of \$16.2 million in costs related to MX and BOX. There were \$4.2 million in costs related to MX in 1H/08 following the combination on May 1, 2008.
- The increase was also attributable to higher costs associated with technology initiatives, higher overall costs related to certain performance incentives and higher costs associated with salary increases compared with 1H/08.
- There were 861 employees at June 30, 2009, which included 24 BOX employees and 6 NTP employees, versus 817 employees at June 30, 2008.

Information and Trading Systems

(in millions of dollars)

	1H/09	1H/08	\$ increase	% increase
	\$ 22.9	\$ 15.8	\$ 7.1	45%

- Information and trading systems costs included \$3.5 million in costs related to MX and BOX, compared with \$0.9 million in costs related to MX in 1H/08 following the combination on May 1, 2008.
- Information and trading systems costs also increased due to costs associated with our technology initiatives including enhancements to our data centres, the TSX Quantum gateway and the smart order router. In addition, there were higher expenses related to NGX's initiative with ICE.

General and Administration

(in millions of dollars)

	1H/09	1H/08	\$ increase	% increase
	\$ 35.1	\$ 24.2	\$ 10.9	45%

- *General and administration* costs included \$12.2 million in costs related to MX and BOX, compared with \$2.5 million in costs related to MX in 1H/08 following the combination on May 1, 2008.

Amortization

(in millions of dollars)

	1H/09	1H/08	\$ increase	% increase
	\$ 14.6	\$ 10.2	\$ 4.4	43%

- *Amortization costs* increased reflecting amortization of \$7.7 million related to MX and BOX, compared with \$2.1 million related to MX in 1H/08 following the combination on May 1, 2008.
- The increase was somewhat offset by reduced amortization relating to assets that were fully depreciated by 2009.

Income from Investments in Affiliates

(in millions of dollars)

	1H/09	1H/08	\$ (decrease)
	\$ 0.2	\$ 0.5	\$ (0.3)

- *Income from investments in affiliates* of \$0.2 million represents TSX Inc.'s share of CanDeal's income for 1H/09 based on its 47% interest in CanDeal, which is unchanged from 1H/08. CanDeal is an electronic trading system for the institutional debt market.
- In 1H/08, *Income from investments in affiliates* included \$0.3 million representing MX's share of BOX income, based on its 31.4% interest in BOX from May 1, 2008.

Investment Income

(in millions of dollars)

	1H/09	1H/08	\$ (decrease)	% (decrease)
	\$ 3.0	\$ 7.8	\$ (4.8)	(62%)

- *Investment income* decreased due to a reduction in cash available for investment and lower overall returns on investments during 1H/09 compared with 1H/08.
- *Investment income* includes \$1.2 million earned by MX in 1H/09 compared with \$0.8 million in 1H/08.

Interest Expense

(in millions of dollars)

	1H/09	1H/08	\$ increase	% increase
	\$ 3.4	\$ 2.8	\$ 0.6	21%

- *Interest expense* increased as a result of financing a portion of the purchase price of the business combination with MX. On April 30, 2008, we borrowed \$430.0 million in Canadian funds on a three-year term facility (Term Facility) related to financing the cash consideration of the purchase price for MX (see **Long-term Debt**).

Mark to Market on Interest Rate Swaps – (Loss)

(in millions of dollars)

	1H/09	1H/08	\$ increase	% increase
	\$ (0.8)	\$ –	\$ (0.8)	–

- We entered into a series of interest rate swap agreements to partially manage our exposure to interest rate fluctuations on the Term Facility, effective August 28, 2008 (see **Long-term Debt**).
- During 1H/09, unrealized gains of \$3.5 million and realized losses of \$4.3 million were reflected in net income, compared with no unrealized or realized gains/losses in 1H/08.

Other Acquisition Related Expenses

(in millions of dollars)

	1H/09	1H/08	\$ (decrease)
	-	\$ 15.9	\$ (15.9)

- In August 2007, TMX Group and ISE Ventures announced the execution of a shareholders' agreement for CDEX Inc. (CDEX), which was created to operate DEX, a new Canadian derivatives exchange scheduled to begin operations in March 2009. In connection with the agreement to combine with MX, we provided ISE Ventures with a notice of a competing transaction as required under the terms of the CDEX shareholders' agreement, and subsequently paid ISE Ventures \$15.2 million on April 1, 2008, which was accrued in Q1/08.
- When we acquired NGX in 2004, TMX Group entered into an arrangement with MX for \$5.0 million. TMX Group amortized this amount over five years, the remaining term of the 1999 Memorandum of Agreement with MX. As a result of the May 1, 2008 business combination, we expensed the unamortized balance of \$0.7 million in Q2/08.

Income Taxes⁷

(in millions of dollars)

	1H/09	1H/08	Effective tax rate (%)	
			1H/09	1H/08
	\$ 42.8	\$ 50.5	32%	38%

- The effective tax rate in 1H/09 was lower than the effective tax rate of 38% for 1H/08 primarily due to the impact of paying \$15.2 million to ISE Ventures in 2008, which was not deducted for income tax purposes.
- The effective tax rate for 1H/09 was also somewhat lower than that for 1H/08 due to an increase in income attributable to the Province of Quebec in 1H/09, compared with 1H/08. In our case, this income is taxed at a lower effective tax rate in Quebec. In addition, there was a lower federal income tax rate in 1H/09 compared with 1H/08.
- In the 2009 Ontario budget, the government proposed new tax reforms, which, if enacted, would reduce the general corporate tax rate from 14% in 2009 to 12% by July 1, 2010, with further reductions to 10% by July 1, 2013. Since these reforms were not substantively enacted during 1H/09, there was no impact on Income Taxes. If the legislation becomes substantively enacted, based on the future income tax asset as at June 30, 2009, we estimate there will be a net reduction in the value of the future income tax asset of approximately \$7.8 million and a corresponding increase in Income Taxes of approximately \$7.8 million. While this accounting adjustment will have no immediate impact on cash flow, the decline in tax rates will reduce taxes paid in future periods.

Non-controlling Interests⁸

As a result of the acquisition of control of BOX on August 29, 2008, the results of BOX were fully consolidated into our consolidated statements of income. MX now has a 53.8% ownership interest in BOX. The non-controlling interests represent the other BOX unitholders' share of BOX's income before taxes.

Segment Analysis

Cash Markets – Equities and Fixed Income

(in millions of dollars)

	Q2/09	Q2/08	\$ increase/ (decrease)	% increase/ (decrease)
Revenue	\$ 101.0	\$ 108.9	\$ (7.9)	(7%)
Net Income	\$ 38.0	\$ 43.9	\$ (5.9)	(13%)

⁷ The "Income Taxes" section above contains certain forward-looking statements. Please refer to "Forward-Looking Information" for a discussion of risks and uncertainties related to such statements.

⁸ In October 2008, BOX repurchased some of its units thereby increasing MX's ownership interest from 53.3% to 53.8%.

The decrease in revenue primarily reflects lower cash equity trading and issuer services revenue, partially offset by increased market data revenue and fixed income trading revenue. Net income decreased due to the decrease in revenue and an increase in expenses primarily related to various technology initiatives.

	1H/09	1H/08	\$ increase/ (decrease)	% increase/ (decrease)
Revenue	\$ 201.1	\$ 214.6	\$ (13.5)	(6%)
Net Income	\$ 74.3	\$ 74.9	\$ (0.6)	(1%)

The decrease in revenue primarily reflects lower cash equity trading and issuer services revenue, partially offset by increased market data revenue and fixed income trading revenue. Net income decreased due to the decreased revenue and an increase in expenses primarily related to various technology initiatives. However, in 1H/08, net income was reduced by \$15.2 million due to a payment to ISE Ventures with respect to the termination of our derivatives joint venture.

(in millions of dollars)

	June 30, 2009	June 30, 2008	\$ increase/ (decrease)
Goodwill	\$ 115.1	\$ 46.7	\$ 68.4
Total Assets	\$ 498.0	\$ 568.0	\$ (70.0)

The increase in Goodwill was attributable to the allocation of \$67.1 million of goodwill in 2H/08 from the acquisition of MX and additional payments related to the acquisition of Equicom. The decrease in Total Assets at June 30, 2009 primarily reflects decreased cash and marketable securities due to the repurchase of common shares under our normal course issuer bid (NCIB). In 2H/08, we repurchased 4,253,473 common shares under our NCIB at a cash cost of \$151.0 million. In 1H/09, we repurchased 1,000,000 common shares at a cost of \$30.4 million pursuant to private agreements as part of our NCIB.

Derivatives Markets – MX and BOX

(in millions of dollars)

	Q2/09	Q2/08	\$ increase	% increase
Revenue	\$ 26.2	\$ 13.9	\$ 12.3	88%
Net Income	\$ 6.0	\$ 3.9	\$ 2.1	54%

The increase in revenue and net income relates to the inclusion of three months of MX's results in Q2/09 compared with two months of results in Q2/08. BOX's results were consolidated in our Q2/09 financial statements (with an adjustment made for non-controlling interests) but were not consolidated in our Q2/08 financial statements. In Q2/08, 31.4% of earnings from BOX were included as *Income from investments in affiliates* from May 1, 2008.***

	1H/09	1H/08	\$ increase	% increase
Revenue	\$ 53.3	\$ 13.9	\$ 39.4	283%
Net Income	\$ 9.5	\$ 3.9	\$ 5.6	144%

The increase in revenue and net income relates to the inclusion of six months of MX's results in 1H/09 compared with two months of results in 1H/08. BOX's results were consolidated in our 1H/09 financial statements (with an adjustment made for non-controlling interests) but were not consolidated in our 1H/08 financial statements;. In 1H/08, 31.4% of earnings from BOX were included as *Income from investments in affiliates* from May 1, 2008.***

(in millions of dollars)

	June 30, 2009	June 30, 2008	\$ increase
Goodwill	\$ 509.9	\$ 456.2	\$ 53.7
Total Assets	\$ 2,011.6	\$ 1,632.6	\$ 379.0

*** Based on MX's ownership interest in BOX as of June 30, 2008.

The increase in Goodwill included \$116.9 million in goodwill related to the acquisition of BOX (both on May 1, 2008 and the acquisition of control on August 29, 2008), partially offset by \$67.1 million of goodwill from the acquisition of MX which was allocated to the Cash Markets segment in 2H/08.

Total Assets increased primarily due to an increase in Daily Settlements and Cash Deposits of \$386.4 million. MX also carried offsetting liabilities related to daily settlements and cash deposits which were \$386.4 million higher at June 30, 2009 compared with June 30, 2008. In addition, the acquisition of control of BOX resulted in a net increase in assets of approximately \$37.0 million at June 30, 2009 as compared with June 30, 2008. These increases were partially offset by \$67.1 million of goodwill from the acquisition of MX which was allocated to the Cash Markets segment in 2H/08.

Energy Markets

(in millions of dollars)

	Q2/09	Q2/08	\$ increase	% increase
Revenue	\$ 10.4	\$ 7.3	\$ 3.1	42%
Net Income	\$ 2.9	\$ 1.5	\$ 1.4	93%

The increase in revenue and net income was largely due to the inclusion of the operations of NTP, following the acquisition on May 1, 2009 and the positive impact of the depreciation of the Canadian dollar against the U.S. dollar in Q2/09 compared with Q2/08. The increase was also due to pricing changes that were effective January 1, 2009, somewhat offset by a decrease in the volumes of natural gas and electricity contracts traded or cleared on NGX over Q2/08.

	1H/09	1H/08	\$ increase	% increase
Revenue	\$ 19.0	\$ 14.0	\$ 5.0	36%
Net Income	\$ 6.0	\$ 3.2	\$ 2.8	88%

The increase in revenue and net income was due to the inclusion of the operations of NTP, the positive impact of the depreciation of the Canadian dollar against the U.S. dollar in 1H/09 compared with 1H/08 and pricing changes that were effective January 1, 2009, somewhat offset by a decrease in the volumes of natural gas and electricity contracts traded or cleared on NGX over 1H/08.

(in millions of dollars)

	June 30, 2009	June 30, 2008	\$ increase/ (decrease)
Goodwill	\$ 51.3	\$ 21.3	\$ 30.0
Total Assets	\$ 888.6	\$ 1,310.1	\$ (421.5)

Total Assets decreased largely due to a decrease in energy contracts receivable of \$459.3 million and a decrease of \$48.4 million in the fair value of open energy contracts receivable, which was the result of lower natural gas prices at the end of June 2009 compared with the end of June 2008. As the clearing counterparty to every trade, NGX also carries offsetting liabilities in the form of energy contracts payable, which were also \$459.3 million lower at the end of June, 2009 compared with the end of June, 2008. NGX also carried offsetting liabilities related to the fair value of open energy contracts which were \$48.4 million lower at June 30, 2009 compared with June 30, 2008. This decrease was slightly offset by an increase of \$49.6 million in intangible assets and \$30.0 million in goodwill from the acquisition of NTP on May 1, 2009.

Liquidity and Capital Resources

Cash, Cash Equivalents and Marketable Securities

(in millions of dollars)

	June 30, 2009	December 31, 2008	\$ (decrease)
	\$ 172.4	\$ 198.7	\$ (26.3)

- The decrease was due to two dividend payments of \$0.38 per common share, or \$56.5 million in aggregate, as well as to payments totalling \$30.4 million relating to the repurchase of 1,000,000 common shares under our NCIB program in 1H/09.
- In addition, we paid \$23.4 million in relation to the May 1, 2009 acquisition of NTP, net of cash acquired.
- We also paid \$7.7 million for a 19.9% interest in EDX on May 7, 2009.
- The decrease was also due to non-acquisition related additions to intangible assets of \$8.5 million and the payment of \$5.2 million in dividends to non-controlling interests in BOX.
- The decrease was somewhat offset by cash generated from operating activities of \$111.0 million.

Total Assets

(in millions of dollars)

	June 30, 2009	December 31, 2008	\$ (decrease)
	\$ 3,398.2	\$ 3,688.6	\$ (290.4)

- *Total assets* decreased due to lower energy contracts receivable of \$566.7 million at June 30, 2009 related to the clearing operations of NGX, compared with \$976.4 million at the end of 2008. The lower level of receivables reflected lower natural gas prices at the end of June 2009 compared with the end of December 2008. As the clearing counterparty to every trade, NGX also carries offsetting liabilities in the form of energy contracts payable, which were \$566.7 million at June 30, 2009 compared with \$976.4 million at the end of 2008.
- The overall decrease was partially offset by higher MX daily settlements and cash deposits of \$539.7 million as at June 30, 2009 related to MX's clearing operations, compared with \$497.3 million at the end of 2008. MX also carried offsetting liabilities related to daily settlements and cash deposits which were \$539.7 million at June 30, 2009 compared with \$497.3 million at the end of 2008. Daily settlements due from/to clearing members consist of amounts due from/to clearing members as a result of marking open futures positions to market and settling options transactions each day that are required to be collected from/paid to clearing members prior to the commencement of the next trading day.
- The decrease was also partially offset by an increase in current assets related to the fair value of open energy contracts (\$176.5 million as at June 30, 2009, compared with \$155.3 million at December 31, 2008). NGX also carried offsetting liabilities related to the fair value of open energy contracts which were \$176.5 million at June 30, 2009 compared with \$155.3 million at December 31, 2008.
- In addition, the overall decrease in *total assets* was partially offset due to recording \$49.6 million in intangible assets and \$30.0 million in goodwill related to the purchase of NTP on May 1, 2009, less cash paid of \$23.4 million related to the acquisition.

Credit Facilities and Guarantee

Long-term Debt

(in millions of dollars)

	June 30, 2009	December 31, 2008	\$ increase
	\$ 428.6	\$ 428.3	\$ 0.3

- In connection with the combination with MX, we established the Term Facility with a syndicate of seven financial institutions. In addition, we also established a revolving three-year unsecured credit facility of \$50.0 million with the same syndicate. We may draw on these facilities in Canadian dollars by way of prime rate loans and/or Bankers' Acceptances or in U.S. dollars by way of LIBOR loans and/or U.S. base rate loans. Currently, TMX Group's acceptance fee or spread on the loan is 0.45%. On April 30, 2008, we borrowed \$430.0 million in Canadian funds on the Term Facility to satisfy the cash consideration of the purchase price for MX.

These credit facilities contain customary covenants, including a requirement that TMX Group maintain:

- a maximum debt to adjusted EBITDA ratio of 3.5:1, where adjusted EBITDA means earnings on a consolidated basis before interest, taxes, depreciation and amortization, all determined in accordance with GAAP but adjusted to include initial and additional listing fees billed and to exclude initial and additional listing fees reported as revenue;
- a minimum consolidated net worth covenant based on a pre-determined formula; and
- a debt incurrence test whereby debt to adjusted EBITDA must not exceed 3.0:1.

At June 30, 2009, all covenants were met.

We entered into a series of interest rate swap agreements which took effect on August 28, 2008 in order to partially manage our exposure to interest rate fluctuations.

Other Credit Facilities and Guarantee

To backstop its clearing operations, NGX currently has a credit agreement in place with a Canadian chartered bank which includes a US\$100.0 million clearing backstop fund. We are NGX's unsecured guarantor for this fund up to a maximum of US\$100.0 million.

CDCC has also arranged a total of \$30.0 million in revolving standby credit facilities with a Canadian Schedule I bank to provide liquidity in the event of default by a clearing member.

These facilities have not been drawn upon at June 30, 2009.

Shareholders' Equity

(in millions of dollars)

	June 30, 2009	December 31, 2008	\$ increase
	\$ 824.0	\$ 794.6	\$ 29.4

- *Shareholders' equity* increased due to an increase of \$32.1 million in share capital following the issuance of 878,059 TMX Group common shares in satisfaction of a portion of the purchase price for NTP on May 1, 2009.
- On August 14, 2008, we received approval from Toronto Stock Exchange to repurchase up to 7,595,585 of our common shares pursuant to an NCIB. *Shareholders' equity* decreased partially due to the repurchase of shares in connection with our NCIB. In 1H/09, we repurchased for cancellation 1,000,000 shares for \$30.4 million pursuant to two private agreements between TMX Group and an arm's length third-party seller. These common shares were cancelled and are included in calculating the number of common shares we may repurchase under our NCIB. As of June 30, 2009, 3,513,525 common shares remain available for repurchase under the NCIB until August 17, 2009.
- We earned \$89.8 million of net income and paid \$56.5 million in dividends during 1H/09.
- At June 30, 2009, there were 74,290,113 common shares issued and outstanding. In 1H/09, 8,477 common shares were issued on the exercise of share options. At June 30, 2009, 4,243,819 common shares were reserved for issuance upon the exercise of options granted under the share option plan. At June 30, 2009, there were 1,454,466 options outstanding.
- At July 28, 2009, there were 74,295,113 common shares issued and outstanding and 1,449,466 options outstanding under the share option plan.

Cash Flows from Operating Activities

(in millions of dollars)

	Q2/09	Q2/08	(Decrease) in cash
<i>Cash Flows from Operating Activities</i>	\$ 50.3	\$ 61.1	\$ (10.8)

Cash Flows from Operating Activities were \$10.8 million lower in Q2/09 compared with Q2/08 due to:

(in millions of dollars)

	Q2/09	Q2/08	Increase/ (decrease) in cash
Net income	\$ 46.9	\$ 49.2	\$ (2.3)
Amortization	\$ 6.8	\$ 6.0	\$ 0.8
Unrealized (gain)/loss on marketable securities	\$ (0.3)	–	\$ (0.3)
Net increase/(decrease) in future income taxes	\$ 0.9	\$ (3.5)	\$ 4.4
Unrealized (gain) on interest rate swaps	\$ (2.5)	–	\$ (2.5)
Decrease in accounts receivable and prepaid expenses	\$ 12.0	\$ 1.1	\$ 10.9
(Increase)/decrease in other assets	\$ (7.2)	\$ 4.6	\$ (11.8)
Net (decrease) in accounts payable and accrued liabilities	\$ (7.0)	\$ (4.2)	\$ (2.8)
Increase (decrease) in deferred revenue	\$ 0.8	\$ (2.1)	\$ 2.9
Net increase/(decrease) in income taxes	\$ (1.5)	\$ 9.6	\$ (11.1)
Net increase in other items	\$ 1.4	\$ 0.4	\$ 1.0
Cash Flows from Operating Activities	\$ 50.3	\$ 61.1	\$ (10.8)

	1H/09	1H/08	(Decrease) in cash
Cash Flows from Operating Activities	\$ 111.0	\$ 128.7	\$ (17.7)

Cash Flows from Operating Activities were \$17.7 million lower in 1H/09 compared with 1H/08 due to:

(in millions of dollars)

	1H/09	1H/08	Increase/ (decrease) in cash
Net income	\$ 89.8	\$ 82.0	\$ 7.8
Amortization	\$ 14.6	\$ 10.2	\$ 4.4
Unrealized (gain)/loss on marketable securities	\$ 0.3	\$ (0.8)	\$ 1.1
Payment to ISE Ventures related to termination of joint venture	–	\$ 15.2	\$ (15.2)
Net (decrease) in future income taxes	–	\$ (3.9)	\$ 3.9
Unrealized (gain) on interest rate swaps	\$ (3.5)	–	\$ (3.5)
(Increase) in accounts receivable and prepaid expenses	\$ (3.8)	\$ (8.6)	\$ 4.8
(Increase)/decrease in other assets	\$ (6.9)	\$ 3.8	\$ (10.7)
Net (decrease) in accounts payable and accrued liabilities	\$ (14.6)	\$ (33.3)	\$ 18.7
Increase in deferred revenue	\$ 47.2	\$ 65.3	\$ (18.1)
Net (decrease) in income taxes	\$ (16.2)	\$ (1.7)	\$ (14.5)
Net increase in other items	\$ 4.1	\$ 0.5	\$ 3.6
Cash Flows from Operating Activities	\$ 111.0	\$ 128.7	\$ (17.7)

Cash Flows from (used in) Financing Activities

(in millions of dollars)

	Q2/09	Q2/08	(Decrease) in cash
Cash Flows from (used in) Financing Activities	\$ (30.0)	\$ 263.1	\$ (293.1)

Cash Flows (used in) Financing Activities were \$293.1 million higher in Q2/09 compared with Q2/08 due to:

(in millions of dollars)

	Q2/09	Q2/08	Increase/ (decrease) in cash
Dividends paid on common shares	\$ (28.2)	\$ (31.0)	\$ 2.8
Repurchase of common shares under NCIB	–	\$ (134.4)	\$ 134.4
Dividend paid to BOX non-controlling interests	\$ (2.0)	–	\$ (2.0)
Proceeds on term loan	–	\$ 428.0	\$ (428.0)
Proceeds from exercised options	\$ 0.1	\$ 0.5	\$ (0.4)
Net increase in other items	\$ 0.1	–	\$ 0.1
Cash Flows from (used in) Financing Activities	\$ (30.0)	\$ 263.1	\$ (293.1)

(in millions of dollars)

	1H/09	1H/08	(Decrease) in cash
Cash Flows from (used in) Financing Activities	\$ (91.6)	\$ 243.7	\$ (335.3)

Cash Flows (used in) Financing Activities were \$335.3 million higher in 1H/09 compared with 1H/08 due to:

(in millions of dollars)

	1H/09	1H/08	Increase/ (decrease) in cash
Dividends paid on common shares	\$ (56.5)	\$ (56.2)	\$ (0.3)
Repurchase of common shares under NCIB	\$ (30.4)	\$ (134.4)	\$ 104.0
Dividends paid to BOX non-controlling interests	\$ (5.2)	–	\$ (5.2)
Proceeds on term loan	–	\$ 428.0	\$ (428.0)
Proceeds from exercised options	\$ 0.1	\$ 6.3	\$ (6.2)
Net increase in other items	\$ 0.4	–	\$ 0.4
Cash Flows from (used in) Financing Activities	\$ (91.6)	\$ 243.7	\$ (335.3)

Cash Flows from (used in) Investing Activities

(in millions of dollars)

	Q2/09	Q2/08	Increase in cash
Cash Flows from (used in) Investing Activities	\$ (13.9)	\$ (269.2)	\$ 255.3

Cash Flows (used in) Investing Activities were \$255.3 million lower in Q2/09 compared with Q2/08 due to:

(in millions of dollars)

	Q2/09	Q2/08	Increase/ (decrease) in cash
Additional payments related to the 2007 acquisition of Equicom and the acquisition of MX, net of cash acquired	\$ (2.1)	\$ (357.1)	\$ 355.0
Acquisition of NTP, net of cash acquired	\$ (23.4)	–	\$ (23.4)
Investment in EDX	\$ (7.7)	–	\$ (7.7)
Payment to ISE Ventures related to termination of joint venture	–	\$ (15.2)	\$ 15.2
Capital expenditures primarily related to technology investments and leasehold improvements	\$ (1.7)	\$ (1.9)	\$ 0.2
Additions to intangible assets including TSX Quantum and SOLA internal development costs	\$ (5.1)	\$ (2.6)	\$ (2.5)
Net sale of marketable securities	\$ 26.1	\$ 107.6	\$ (81.5)
Cash Flows from (used in) Investing Activities	\$ (13.9)	\$ (269.2)	\$ 255.3

(in millions of dollars)

	1H/09	1H/08	Increase in cash
Cash Flows from (used in) Investing Activities	\$ (37.1)	\$ (307.1)	\$ 270.0

Cash Flows (used in) Investing Activities were \$270.0 million lower in 1H/09 compared with 1H/08 due to:

(in millions of dollars)

	Q2/09	Q2/08	Increase/ (decrease) in cash
Additional payments related to the 2007 acquisition of Equicom and the acquisition of MX, net of cash acquired	\$ (2.7)	\$ (357.1)	\$ 354.4
Acquisition of NTP, net of cash acquired	\$ (23.4)	-	\$ (23.4)
Investment in EDX	\$ (7.7)	-	\$ (7.7)
Payment to ISE Ventures related to termination of joint venture	-	\$ (15.2)	\$ 15.2
Capital expenditures primarily related to technology investments and leasehold improvements	\$ (2.1)	\$ (3.3)	\$ 1.2
Additions to intangible assets including TSX Quantum and SOLA internal development costs	\$ (8.5)	\$ (4.0)	\$ (4.5)
Net sale of marketable securities	\$ 7.3	\$ 72.5	\$ (65.2)
Cash Flows from (used in) Investing Activities	\$ (37.1)	\$ (307.1)	\$ 270.0

Summary of Cash Position⁹

We had \$172.4 million of cash and cash equivalents and marketable securities at June 30, 2009 and have a three-year, \$50.0 million revolving credit facility which is undrawn. Based on our current business operations and model, we believe that we have sufficient cash resources to operate our business. During 1H/09, with revenues of \$273.4 million, we incurred operating expenses of \$137.4 million. We had \$430.0 million of debt outstanding under the Term Facility, which is due in April 2011. It is expected that this Term Facility will either be refinanced in whole or in part, or repaid, prior to that date. Based on current levels of cash flow from operations, we believe that this Term Facility could be repaid with a combination of existing cash, future cash flow from operations and refinancing, as required. Cash flow from operations was \$111.0 million in 1H/09. In addition, while there are no plans to reduce the existing dividend paid on common shares, we do have the flexibility to change our dividend policy if market conditions were to deteriorate to the point where we felt it necessary to maintain more cash to support operations. We paid \$56.5 million in dividends on common shares in 1H/09. We repurchased 1.0 million common shares under our current NCIB during 1H/09 at a cost of \$30.4 million.

Future investment opportunities that may require debt financing could be limited by current and future economic conditions, the covenants on TMX Group's existing credit facilities and by our financial viability ratios imposed by securities regulators (see Capital Disclosures in our Annual MD&A for more information on the financial resources requirements imposed by securities regulators).

Defined Benefit Pension Plans¹⁰

Based on the most recent actuarial valuation for funding purposes as at December 31, 2008, we estimate a funding deficit of approximately \$15.5 million on a solvency basis, of which \$6.4 million was funded in 1H/09 and reflected as an increase in *Other assets*.

⁹ The "Summary of Cash Position and Other Matters" section above contains certain forward-looking statements. Please refer to "Forward-Looking Information" for a discussion of risks and uncertainties related to such statements.

¹⁰ The "Defined Benefit Pension Plans" section above contains certain forward-looking statements. Please refer to "Forward-Looking Information" for a discussion of risks and uncertainties related to such statements.

Financial Instruments

Cash, Cash Equivalents and Marketable Securities

Our financial instruments include cash, cash equivalents and investments in marketable securities. This includes units in a money market fund and a short-term bond and mortgage fund, managed by an external advisor. Marketable securities also include the investment portfolio of MX, which is managed by an external advisor; this portfolio includes federal, provincial and corporate bonds as well as bank-backed asset-backed debt securities.

These investments are recorded at fair value and unrealized gains of \$0.3 million and unrealized losses of \$0.3 million were recorded in investment income in Q2/09 and 1H/09 respectively, compared with unrealized gains of nil and \$0.8 million in Q2/08 and 1H/08 respectively.

CDCC – Daily Settlements and Cash Deposits

Amounts due from and to clearing members as a result of marking to market open futures positions and settling options transactions each day are required to be collected from or paid to clearing members prior to the commencement of trading the next day. The amounts due from and due to clearing members are recognized in the consolidated assets and liabilities as daily settlements and cash deposits. There is no impact on the consolidated statement of income.

Long-term Debt

We established the Term Facility in connection with the combination with MX. In addition, we also established a revolving three-year unsecured credit facility of \$50.0 million with the same syndicate (see **Credit Facilities and Guarantee – Long-term Debt**).

NGX – Fair Value of Open Energy Contracts

As part of its clearing operations, NGX becomes the central counterparty to each transaction. We record NGX's energy contract receivables and offsetting payables for all contracts where physical delivery has occurred or financial settlement amounts have been determined prior to the period end but payments have not been made. The fair value at the balance sheet date of the undelivered physically settled trading contracts and the forward financially settled trading contracts is recognized in the consolidated assets and liabilities as open energy contracts. There is no impact on the consolidated statement of income.

Interest Rate Swaps

Effective August 28, 2008, we entered into a series of interest rate swap agreements to partially manage our exposure to interest rate fluctuations on our Term Facility. We mark to market the value of these interest rate swaps, including a credit valuation adjustment as required under the CICA's Emerging Issues Committee (EIC) Abstract 173, "Credit Risk and the Fair Value of Financial Assets and Financial Liabilities", as an adjustment to income. During Q2/09, unrealized gains of \$2.5 million and realized losses of \$2.4 million were reflected in net income, compared with no unrealized or realized gains/losses in Q2/08. Both amounts have been included within mark to market on interest rate swaps on the income statement. During 1H/09, unrealized gains of \$3.5 million and realized losses of \$4.2 million were reflected in net income, compared with no unrealized or realized gains/losses in 1H/08. Both amounts have been included within mark to market on interest rate swaps on the income statement.

The notes to our December 31, 2008 audited annual financial statements (specifically note 21) and our 2008 Annual MD&A (under the headings "**Financial Instruments**" and "**Derivative Financial Instruments**") contain a discussion of our financial instruments, and derivative financial instruments. Please refer to these documents to review that discussion. The primary risks associated with financial instruments and derivative financial instruments and a description of these risks is contained in our 2008 Annual MD&A under the headings "**Financial Instruments**" and "**Derivative Financial Instruments**" and "**Financial Instruments Disclosure and Presentation**".

Update to Risks and Uncertainties

In addition to the risks and uncertainties outlined in our 2008 MD&A, we face, among others, the following risks and uncertainties with respect to NTP's operations.

We are exposed to credit risk in the event that NTP's contracting parties who entered into transactions prior to TMX Group's acquisition of NTP on May 1, 2009 that clear and settle after May 1, 2009, fail to settle on the contracted settlement date (Legacy Transactions). Legacy Transactions are guaranteed by the previous owners, for which a fee is paid. Crude oil contracts, entered into on or after May 1, 2009, transact through NGX and follow NGX's collateral model, where each contracting party is required to provide sufficient collateral, in the form of cash or letters of credit, exceeding its outstanding credit exposure as determined by NGX in accordance with its margining methodology.

Quarterly Information

(in thousands of dollars, except per share amounts)

	June 30/09	Mar. 31 /09	Dec. 31 /08	Sept. 30 /08	June 30/08	Mar. 31 /08	Dec. 31 /07	Sept. 30 /07
Revenue	\$ 137,582	\$ 135,809	\$ 151,395	\$ 139,364	\$ 130,077	\$ 112,353	\$ 111,191	\$ 105,930 ⁺
Net Income	46,871	42,918	49,035	50,944	49,227	32,746	30,439	42,682
Earnings per share:								
Basic	0.63	0.58	0.65	0.66	0.65	0.49	0.46	0.63
Diluted	0.63	0.58	0.65	0.66	0.65	0.49	0.45	0.62

2007

- Revenue in Q3/07 declined slightly over revenue in Q2/07. Increased revenue from issuer services was more than offset by decreases in other sources of revenue. Net income for Q3/07 increased over Q2/07 primarily due to higher investment income and lower income taxes.
- Revenue in Q4/07 increased over revenue in Q3/07 primarily due to higher issuer services, trading and market data revenue. Net income for Q4/07 decreased over Q3/07 primarily due to increased income taxes and expenses which more than offset the higher revenue.

2008

- Revenue in Q1/08 increased over revenue in Q4/07 primarily due to higher market data and issuer services revenue. Net income for Q1/08 increased over Q4/07 primarily due to a decrease in expenses and higher revenue. Net income for Q1/08 was reduced due to an expense of \$15.2 million to ISE Ventures related to exiting our previously announced joint venture to operate DEX, whereas in Q4/07, net income was reduced due to increased income taxes as a result of a \$13.3 million reduction to the value of the future income tax asset.
- Revenue in Q2/08 improved over revenue in Q1/08 primarily due to revenue associated with the combination with MX on May 1, 2008 and increased issuer services and market data revenue. Net income for Q2/08 increased over Q1/08 primarily due to the increase in revenue, somewhat offset by an increase in expenses, including interest expense, and a decrease in investment income.
- Revenue in Q3/08 improved over revenue in Q2/08 primarily due to a full quarter of revenue from the combination with MX. In addition, 100% of BOX's revenue is consolidated from acquisition of control on August 29, 2008, with an adjustment made for non-controlling interests. Net income for Q3/08 increased over Q2/08 primarily due to the increase in revenue, somewhat offset by an increase in expenses related to MX and BOX, interest expense, and a decrease in investment income.
- Revenue in Q4/08 increased over revenue in Q3/08 primarily due to higher revenue from cash equity trading, derivatives trading and energy trading and higher market data revenue. Net income for Q4/08 decreased over Q3/08 primarily due to higher operating expenses and a \$13.3 million mark to market adjustment on our interest rate swaps, partially offset by higher revenue and investment income.

2009

- Revenue in Q1/09 decreased over revenue in Q4/08 primarily due to lower cash equity trading and issuer services revenue. Net income for Q1/09 decreased over Q4/08 primarily due to the reduced revenue and an increase in compensation and benefits expenses.
- Revenue in Q2/09 increased over revenue in Q1/09 largely due to higher revenue from TSX Venture Exchange cash equities trading and energy trading, including revenue from NTP, effective May 1, 2009. Net income for Q2/09 increased over Q1/09 primarily due to the increased revenue and a decrease in compensation and benefits expenses.

+ Revenue adjusted to reflect reclassification of interest income from Business Services and Other Revenue to investment income.

Adoption of Accounting Policies Change in Accounting Policy Goodwill and Intangible Assets

Effective January 1, 2009, we adopted CICA Handbook Section 3064, “Goodwill and Intangible Assets”, which replaces CICA Handbook Section 3062, “Goodwill and Other Intangible Assets” as well as CICA Handbook Section 3450, “Research and Development”. This new standard provides guidance on the recognition, measurement, presentation and disclosure of goodwill and intangible assets, and has been applied retrospectively. Implementation of this new standard had no significant impact on our financial statements and disclosures.

Future Changes in Accounting Policy

International Financial Reporting Standards (IFRS)

In March 2009, the Canadian Accounting Standards Board reconfirmed in its second omnibus Exposure Draft that Canadian GAAP for publicly accountable enterprises will be replaced by IFRS for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. Companies will be required to provide IFRS comparative information for the previous fiscal year, including for the first quarter of 2011.

We commenced our IFRS conversion project in 2008. Our IFRS project consists of three phases – (i) scoping, (ii) evaluation and design, and (iii) implementation and review.

The scoping phase of the project consists of project initiation and awareness, identification of high-level differences between Canadian GAAP and IFRS and project planning and resourcing. An external advisor has been engaged to assist with the conversion, a project team has been put in place and a detailed project plan has been developed.

We have completed a high level scoping exercise and a business impact study, which, at this stage of the transition project, identified the following IFRS’s as being likely to have the most impact on our financial statements and/or operations: IFRS 1 – First Time Adoption of IFRS, IAS 18 – Revenue Recognition, IAS 19 – Employee Benefits, IFRS 3 – Business Combinations and IAS 12 – Income Taxes. Technical workshops have been scheduled, addressing these priority standards and others expected to impact us, and we will monitor changes in IFRS and will change the project plan accordingly as necessary. Potential impacts identified as part of the workshops and some preliminary accounting policy decisions will be brought forward to the Finance & Audit Committee for their review as each standard is addressed. However, we will not be in a position to make final accounting policy decisions on standards in effect as at the end of 2009, and to estimate potential impacts on the financial statements, until 2010.

The evaluation and design phase of the project has commenced. Some of the workshops discussed above took place during the quarter, and we started to examine each IFRS and its specific impact on us.

A training plan has been developed whereby the core project team will receive detailed training on relevant IFRS during the technical workshops discussed above, and separate training sessions have been scheduled for accounting staff and other relevant employees to attend later in the year. The Finance & Audit Committee of the Board receive updates on the conversion project each quarter, and will receive further training in early 2010.

The financial position and performance as disclosed in our Canadian GAAP financial statements may be significantly different when such financial information is presented in accordance with IFRS.

Business Combinations, Consolidated Financial Statements and Non-Controlling Interests

In January 2009, the CICA issued CICA HB 1582 – Business Combinations, which will replace CICA HB 1581 – Business Combinations. The CICA also issued CICA HB 1601 – Consolidated Financial Statements and CICA HB 1602 – Non-Controlling Interests, which will replace CICA HB 1600 – Consolidated Financial Statements. The new standards are effective for fiscal years beginning on or after January 1, 2011, with early adoption permitted. The objective of the new standards is to harmonize Canadian GAAP for business combinations and consolidated financial statements with the International and U.S. accounting standards. The new standards are to be applied prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011, with earlier application permitted. Assets and liabilities that arose from business combinations whose acquisition dates preceded the application of the new standards will not be adjusted upon application of these new standards. We will determine the impact these changes will have on our consolidated financial statements.

Changes in Internal Control over Financial Reporting

There were no changes to internal control over financial reporting during the quarter ended June 30, 2009 that materially affected, or are reasonably likely to materially affect our internal control over financial reporting.

Forward-Looking Information

This MD&A contains “forward-looking information” (as defined in applicable Canadian securities legislation) that is based on expectations, estimates and projections as of the date of this MD&A. Often, but not always, such forward-looking information can be identified by the use of forward-looking words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “targeted”, “estimates”, “forecasts”, “intends”, “anticipates”, “believes”, or variations or the negatives of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved or not be taken, occur or be achieved. Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of TMX Group to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information in this MD&A.

Examples of such forward-looking information in this MD&A include, but are not limited to factors relating to stock, derivatives, energy exchanges and clearing houses and the business, financial position, operations and prospects of TMX Group, including the creation (through the combination with MX) of opportunities to create cost and revenue synergies, which are subject to significant risks and uncertainties, including competition from other exchanges or marketplaces, including alternative trading systems and new technologies, on a national and international basis; dependence on the economy of Canada; adverse effects on our results caused by global economic uncertainties; failure to retain and attract qualified personnel; geopolitical and other factors which could cause business interruption; dependence on information technology; vulnerability of our networks and third party service providers to security risks; failure to implement our strategies; regulatory constraints; risks of litigation; dependence on adequate numbers of customers; failure to develop or gain acceptance of new products; adverse effect of new business activities; not being able to meet cash requirements because of our holding company structure and restrictions on paying dividends; dependence and restrictions imposed by licenses and other arrangements; dependence of trading operations on a small number of clients; new technologies making it easier to disseminate our information; risks associated with NGX’s (including NTP) and CDCC’s clearing operations; challenges related to international expansion; restrictions on ownership of TMX Group shares; inability to protect our intellectual property; dependence on third party suppliers; adverse effect of a systemic market event on our derivatives business; risks associated with the credit of customers; cost structures being largely fixed; risks associated with integrating the operations, systems, and personnel of MX within TMX Group; dependence on market activity that cannot be controlled; and the risk that the cost savings, anticipated revenues from new product development; growth prospects and any other synergies expected to result from the combination with MX may not be fully realized or may take longer to materialize than expected. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking information contained in this MD&A.

Such forward-looking information is based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions in connection with the ability of TMX Group to successfully compete against global exchanges; the accuracy, timing and ability to realize the projected synergies in respect of expected cash flows, cost savings and profitability, which will be dependent on, but not limited to, such factors as optimizing technology and data centres, reducing corporate costs and rationalizing premises (cost synergies are presented in this MD&A to provide one strategic rationale to support the benefits of the combination with MX and these estimated cost synergies should not be relied on for any other purpose); business and economic conditions generally; exchange rates (including estimates of the U.S. dollar – Canadian dollar exchange rate), the level of trading and activity on markets, and particularly the level of trading in TMX Group’s key products; the continued availability of financing on appropriate terms for future projects; productivity at TMX Group, as well as that of TMX Group’s competitors; market competition; research & development activities; the successful introduction of new derivatives and equity products; tax benefits/changes; the impact on TMX Group and its customers of various regulations; TMX Group’s ongoing relations with its employees; and the extent of any labour, equipment or other disruptions at any of its operations of any significance other than any planned maintenance or similar shutdowns.

While we anticipate that subsequent events and developments may cause our views to change, we have no intention to update this forward-looking information, except as required by applicable securities law. This forward-looking information should not be relied upon as representing our views as of any date subsequent to the date of this MD&A. We have attempted to identify important factors that could cause actual actions, events or results to differ materially from those current expectations described in forward-looking information. However, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended and that could cause actual actions, events or results to differ materially from current expectations. **There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information.** These factors are not intended to represent a complete list of the factors that could affect us. A description of the above-mentioned items is contained in our 2008 Annual MD&A under the heading **Risks and Uncertainties**; which risk factors are specifically incorporated by reference.

July 29, 2009

Interim Consolidated Balance Sheets

(In thousands of Canadian dollars) (Unaudited)

	June 30, 2009	December 31, 2008 (audited)
Assets		
Current assets:		
Cash and cash equivalents	\$ 83,775	\$ 102,442
Marketable securities	88,617	96,251
Restricted cash	1,061	1,454
Accounts receivable	67,335	63,722
Energy contracts receivable	566,682	976,431
Fair value of open energy contracts	176,482	155,331
Daily settlements and cash deposits	539,716	497,312
Prepaid expenses	10,066	9,050
Income taxes recoverable	3,212	599
Future income tax assets	28,597	30,529
	1,565,543	1,933,121
Premises and equipment	23,471	27,505
Future income tax assets	154,712	151,960
Other assets	17,702	21,105
Investments in affiliates	20,342	12,424
Intangible assets	940,084	891,976
Goodwill	676,339	650,554
Total Assets	\$ 3,398,193	\$ 3,688,645
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 40,192	\$ 59,528
Energy contracts payable	566,682	976,431
Fair value of open energy contracts	176,482	155,331
Daily settlements and cash deposits	539,716	497,312
Deferred revenue	51,365	12,353
Deferred revenue – initial and additional listing fees	72,991	69,540
Fair value of interest rate swaps (note 6)	511	1,787
Future income tax liabilities	105	66
Income taxes payable	642	14,121
	1,448,686	1,786,469
Accrued employee benefits payable	13,216	12,916
Future income tax liabilities	250,982	236,995
Other liabilities	21,552	17,265
Deferred revenue	1,027	718
Deferred revenue – initial and additional listing fees	387,766	383,315
Fair value of interest rate swaps (note 6)	8,498	10,690
Term loan (note 5)	428,647	428,278
Total Liabilities	2,560,374	2,876,646
Non-controlling Interests	13,835	17,370
Shareholders' Equity:		
Share capital (note 7)	1,102,043	1,084,399
Share option plan (note 8)	7,437	5,969
Deficit	(302,419)	(319,843)
Accumulated other comprehensive income	16,923	24,104
Total Shareholders' Equity	823,984	794,629
Total Liabilities and Shareholders' Equity	\$ 3,398,193	\$ 3,688,645

See accompanying notes to interim consolidated financial statements.

Interim Consolidated Statements of Income

(In thousands of Canadian dollars, except per share amounts) (Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2009	2008	2009	2008
Revenue:				
Issuer services	\$ 35,784	\$ 38,317	\$ 70,721	\$ 75,956
Trading, clearing and related	61,383	52,728	120,316	94,753
Market data	36,771	33,085	74,727	62,205
Business services and other	3,644	5,947	7,627	9,516
Total revenue	137,582	130,077	273,391	242,430
Expenses:				
Compensation and benefits	31,213	25,893	64,864	49,304
Information and trading systems	11,763	8,672	22,918	15,830
General and administration	17,832	13,972	35,110	24,212
Amortization	6,821	6,033	14,550	10,227
Total operating expenses	67,629	54,570	137,442	99,573
Income from operations	69,953	75,507	135,949	142,857
Income from investments in affiliates	135	368	206	499
Investment income	1,382	3,371	2,952	7,817
Interest expense	(1,307)	(2,792)	(3,388)	(2,795)
Mark to market on interest rate swaps (note 6)	141	-	(775)	-
Other acquisition related expenses	-	(750)	-	(15,902)
Income before income taxes	70,304	75,704	134,944	132,476
Income taxes	22,685	26,477	42,834	50,503
Net income before non-controlling interests	47,619	49,227	92,110	81,973
Non-controlling interests	748	-	2,321	-
Net income	\$ 46,871	\$ 49,227	\$ 89,789	\$ 81,973
Earnings per share (note 9):				
Basic	\$ 0.63	\$ 0.65	\$ 1.21	\$ 1.15
Diluted	\$ 0.63	\$ 0.65	\$ 1.21	\$ 1.15

See accompanying notes to interim consolidated financial statements.

Interim Consolidated Statements of Comprehensive Income

(In thousands of Canadian dollars) (Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2009	2008	2009	2008
Net income	\$ 46,871	\$ 49,227	\$ 89,789	\$ 81,973
Other comprehensive income (loss)				
Unrealized (loss) gain on translating financial statements of self-sustaining foreign operations	(12,794)	947	(7,181)	947
Comprehensive income	\$ 34,077	\$ 50,174	\$ 82,608	\$ 82,920

See accompanying notes to interim consolidated financial statements.

Interim Consolidated Statements of Changes in Shareholders' Equity

(In thousands of Canadian dollars) (Unaudited)

	Six months ended June 30,	
	2009	2008
Common shares:		
Balance, beginning of period	\$ 1,084,399	\$ 379,370
Issuance of common shares	32,052	806,573
Proceeds from options exercised	129	6,246
Cost of exercised options	38	1,553
Purchased under normal course issuer bid (note 7)	(14,575)	(47,644)
Balance, end of period	1,102,043	1,146,098
Share option plan:		
Balance, beginning of period	5,969	5,060
Cost of exercised options	(38)	(1,553)
Cost of share option plan	1,506	1,212
Balance, end of period	7,437	4,719
Deficit:		
Balance, beginning of period	(319,843)	(212,520)
Net income	89,789	81,973
Dividends on common shares	(56,505)	(56,158)
Shares purchased under normal course issuer bid (note 7)	(15,860)	(96,087)
Balance, end of period	(302,419)	(282,792)
Accumulated other comprehensive income:		
Balance, beginning of period	24,104	-
Unrealized (loss) gain on translating financial statements of self-sustaining foreign operations	(7,181)	947
Balance, end of period	16,923	947
Shareholders' equity, end of period	\$ 823,984	\$ 868,972

See accompanying notes to interim consolidated financial statements.

Interim Consolidated Statements of Cash Flows

(In thousands of Canadian dollars) (Unaudited)

	Three months ended June 30,		Three months ended June 30,	
	2009	2008	2009	2008
Cash flows from (used in) operating activities:				
Net income	\$ 46,871	\$ 49,227	\$ 89,789	\$ 81,973
Adjustments to determine net cash flows:				
Amortization	6,821	6,033	14,550	10,227
Unrealized (gain) loss on marketable securities	(318)	(40)	312	(842)
(Income) from investments in affiliates	(135)	(368)	(206)	(499)
Cost of share option plan	619	599	1,506	1,045
Payment on termination of joint venture	-	-	-	15,152
Amortized financing fees	185	110	369	110
Non-controlling interests	748	-	2,321	-
Unrealized (gain) on interest rate swaps (note 6)	(2,540)	-	(3,468)	-
Unrealized foreign exchange loss (gain)	34	-	(2)	-
Future income taxes	929	(3,546)	(15)	(3,939)
Accounts receivable and prepaid expenses	12,008	1,113	(3,763)	(8,591)
Other assets	(7,241)	4,572	(6,862)	3,770
Accounts payable and accrued liabilities	(6,936)	(6,384)	(19,223)	(27,396)
Long-term accrued and other liabilities	(105)	2,202	4,579	(5,887)
Deferred revenue	827	(2,077)	47,223	65,261
Income taxes	(1,500)	9,642	(16,158)	(1,688)
	50,267	61,083	110,952	128,696
Cash flows from (used in) financing activities:				
Restricted cash	160	(74)	393	(74)
Proceeds from exercised options	98	517	129	6,246
Dividends on common shares	(28,230)	(30,970)	(56,505)	(56,158)
Shares purchased under normal course issuer bid (note 7)	-	(134,372)	(30,435)	(134,372)
Proceeds from term loan, net	-	428,017	-	428,017
Dividends paid to non-controlling interests	(2,017)	-	(5,210)	-
	(29,989)	263,118	(91,628)	243,659
Cash flows from (used in) investing activities:				
Additions to premises and equipment	(1,739)	(1,905)	(2,125)	(3,264)
Additions to intangible assets	(5,090)	(2,654)	(8,496)	(4,051)
Marketable securities	26,067	107,625	7,322	72,503
Payment on termination of joint venture	-	(15,152)	-	(15,152)
Cost of acquisitions and investments, net of cash acquired	(33,172)	(357,136)	(33,819)	(357,136)
	(13,934)	(269,222)	(37,118)	(307,100)
Unrealized foreign exchange (loss) gain on cash and cash equivalents held in foreign subsidiaries	(1,549)	-	(873)	-
Increase (decrease) in cash and cash equivalents	4,795	54,979	(18,667)	65,255
Cash and cash equivalents, beginning of period	78,980	63,674	102,442	53,398
Cash and cash equivalents, end of period	\$ 83,775	\$ 118,653	\$ 83,775	\$ 118,653
Supplemental cash flow information:				
Interest paid	\$ 662	\$ 5,136	\$ 2,458	\$ 5,139
Interest received	896	3,099	3,065	6,711
Income taxes paid	23,325	20,916	59,503	56,872

See accompanying notes to interim consolidated financial statements.

Notes to Interim Consolidated Financial Statements

Six months ended June 30, 2009 and 2008 (Unaudited) (In thousands of Canadian dollars, except per share amounts)

1. Basis of presentation:

The unaudited interim consolidated financial statements (the “financial statements”) have been prepared by management in accordance with Canadian generally accepted accounting principles (“GAAP”) and the requirements of The Canadian Institute of Chartered Accountants (“CICA”) Handbook Section 1751, “Interim Financial Statements”. The financial statements include the accounts of TMX Group Inc. (“TMX Group”) and its wholly-owned subsidiaries, TSX Inc. (“TSX”), Montréal Exchange Inc. (“MX”) from May 1, 2008, Natural Gas Exchange Inc. (“NGX”), Shorcan Brokers Limited (“Shorcan”), The Equicom Group Inc. (“Equicom”), CDEX Inc. (“CDEX”), NetThruPut Inc. (“NTP”) from May 1, 2009, and the wholly-owned or controlled subsidiaries of TSX, MX, and NGX, collectively referred to as the “Company”. These financial statements do not contain all disclosures required by Canadian GAAP for annual financial statements, and accordingly, the financial statements should be read in conjunction with the most recently prepared audited annual financial statements of the Company for the year ended December 31, 2008, contained in our 2008 Annual Report.

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

2. Changes in accounting policies:

These financial statements follow the same accounting policies and their methods of application as the Company’s audited consolidated financial statements for the year ended December 31, 2008, except as described below.

(a) Goodwill and intangible assets:

Effective January 1, 2009, the Company adopted CICA Handbook Section 3064, “Goodwill and Intangible Assets”, which replaces CICA Handbook Section 3062, “Goodwill and Other Intangible Assets” as well as CICA Handbook Section 3450, “Research and Development”. This new standard provides guidance on the recognition, measurement, presentation and disclosure of goodwill and intangible assets, and has been applied retrospectively. Implementation of this new standard had no significant impact on the Company’s financial statements and disclosures.

(b) Future accounting changes:

(i) International Financial Reporting Standards (“IFRS”):

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

3. Business acquisition:

On May 1, 2009, the Company acquired 100% of the outstanding common shares of NTP. The principal business activity of NTP is to provide an electronic trading platform and clearing facility for physical crude oil products. The aggregate estimated purchase price consisted of:

Common shares of TMX Group (878,059 shares issued)	\$	32,052
Cash		22,570
Book value of the option to acquire NTP		9,500
Estimated direct transaction costs		1,242
Estimated restructuring costs		996
Aggregate estimated purchase price	\$	66,360

The acquisition was accounted for under the purchase method and the results of operations have been included in the consolidated statements of income from the date of acquisition.

Notes to Interim Consolidated Financial Statements

Six months ended June 30, 2009 and 2008 (Unaudited) (In thousands of Canadian dollars, except per share amounts)

The purchase price and the purchase price allocation are estimated at this time and will be finalized in the upcoming months as the estimates for direct transaction costs and restructuring costs become final. The estimated restructuring costs primarily relate to the costs of consolidating NGX and NTP's technology services and offices.

The TMX Group common shares issued as part of the transaction were valued at \$36.50 per share. The \$36.50 per share represents the volume weighted average market price of TMX Group common shares over a reasonable period before and after April 1, 2009, the day the Company exercised its option to acquire NTP. The estimated purchase price has been allocated to the fair values of the assets acquired and liabilities assumed as follows:

	Net assets acquired
Cash and cash equivalents	\$ 643
Energy contracts receivable	363,140
Fair value of open energy contracts	4,297
Other current assets	4,012
Premises and equipment	25
Future income tax asset	807
Intangible assets	49,620
Goodwill	30,066
Net tangible and intangible assets acquired	452,610
Less liabilities assumed:	
Current liabilities	4,301
Energy contracts payable	363,140
Fair value of open energy contracts	4,297
Other liabilities	8
Future income tax liability	14,504
Total net assets acquired	\$ 66,360

The Company recognized \$79,686 of goodwill and intangible assets as part of the acquisition. The details of these assets are as follows:

Description	Amortization Period	Amount
Goodwill	n/a	\$ 30,066
Indefinite life intangible assets:		
Product list	Not amortized	14,863
Index licences	Not amortized	1,854
Definite life intangible assets:		
Customer list	22 years	32,828
Capitalized software	1 year	75
Total goodwill and intangible assets		\$ 79,686

The goodwill acquired is not deductible for tax purposes.

The Company is exposed to credit risk in the event that NTP's contracting parties, who entered into transactions prior to the Company's acquisition of NTP on May 1, 2009 but that clear and settle after May 1, 2009 ("Legacy transactions"), fail to settle on the contracted settlement date. Legacy transactions are guaranteed by the previous owners, for which a fee is paid. Crude oil contracts, entered into on or after May 1, 2009, transact through NGX and follow NGX's collateral model, where each contracting party is required 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.

4. Segmented information:

The Company operates in three reportable segments: the Cash Markets ("Cash") segment, the Derivatives Markets ("Derivatives") segment, and the Energy Markets ("Energy") segment. In the Cash segment, the Company owns and operates Canada's two national stock exchanges, Toronto Stock Exchange and TSX Venture Exchange, Shorcan, a fixed income inter-dealer broker, and Equicom, an investor relations and corporate communications services provider. In the six months ended June 30, 2008, the Cash segment also included a \$15,152 loss on termination of a derivatives joint venture. The Derivatives

segment provides markets for trading derivatives, clearing options and futures contracts and certain over-the-counter (“OTC”) products through MX and its subsidiaries, Canadian Derivatives Clearing Corporation (“CDCC”), Montréal Climate Exchange Inc. (“MCeX”), and Boston Options Exchange Group, LLC (“BOX”). The Energy segment provides a marketplace for the trading and clearing of natural gas, electricity and crude oil contracts through NGX.

Three months ended June 30*

	Cash	Derivatives	Energy	Total
2009				
Issuer services	\$ 35,784	\$ -	\$ -	\$ 35,784
Trading, clearing and related	30,513	20,316	10,554	61,383
Market data	32,379	4,350	42	36,771
Business services and other	2,278	1,525	(159)	3,644
Total revenue	100,954	26,191	10,437	137,582
Net income	37,982	5,983	2,906	46,871
Goodwill	115,095	509,899	51,345	676,339
Total assets	498,013	2,011,593	888,587	3,398,193

2008

Issuer services	\$ 38,317	\$ -	\$ -	\$ 38,317
Trading, clearing and related	36,447	9,005	7,276	52,728
Market data	31,130	1,955	-	33,085
Business services and other	2,954	2,927	66	5,947
Total revenue	108,848	13,887	7,342	130,077
Net income	43,871	3,867	1,489	49,227
Goodwill	46,747	456,241	21,279	524,267
Total assets	568,024	1,632,579	1,310,060	3,510,663

* Includes results from dates of acquisitions in the year

Six months ended June 30*

	Cash	Derivatives	Energy	Total
2009				
Issuer services	\$ 70,721	\$ -	\$ -	\$ 70,721
Trading, clearing and related	59,151	42,136	19,029	120,316
Market data	65,753	8,932	42	74,727
Business services and other	5,430	2,241	(44)	7,627
Total revenue	201,055	53,309	19,027	273,391
Net income	74,304	9,497	5,988	89,789
Goodwill	115,095	509,899	51,345	676,339
Total assets	498,013	2,011,593	888,587	3,398,193

2008

Issuer services	\$ 75,956	\$ -	\$ -	\$ 75,956
Trading, clearing and related	71,883	9,005	13,865	94,753
Market data	60,180	1,955	70	62,205
Business services and other	6,535	2,927	54	9,516
Total revenue	214,554	13,887	13,989	242,430
Net income	74,942	3,867	3,164	81,973
Goodwill	46,747	456,241	21,279	524,267
Total assets	568,024	1,632,579	1,310,060	3,510,663

* Includes results from dates of acquisitions in the year

Notes to Interim Consolidated Financial Statements

Six months ended June 30, 2009 and 2008 (Unaudited) (In thousands of Canadian dollars, except per share amounts)

5. Credit facilities

The Company has the following credit facilities:

	Interest rate	Year of maturity	Authorized	Amount drawn at June 30, 2009
TMX Group non-revolving three year term facility	30 day B.A. + 45 bps	2011	\$ 430,000	\$ 430,000
TMX Group revolving three year term facility	-	2011	50,000	-
MX operating line of credit	-	N/A	3,000	-
CDCC revolving standby credit facility	-	N/A	30,000	-
NGX overdraft facility	-	N/A	20,000	-
NGX EFT Daylight facility	-	N/A	300,000	-
NGX letter of credit	-	N/A	US\$ 100,000	-
Total credit facilities				\$ 430,000

In connection with the acquisition of MX in 2008, the Company established, and drew on, a non-revolving three-year term credit facility of \$430,000 on April 30, 2008. As at June 30, 2009, the Company has prepaid \$1,353 of financing fees in relation to this loan, which leaves a net credit facility liability of \$428,647. These financing fees are being amortized over the remaining term of the loan.

6. Interest rate swaps:

Effective August 28, 2008, the Company entered into a series of interest rate swap agreements to partially manage its exposure to interest rate fluctuations on its \$430,000 non-revolving three year term facility. The interest rate swaps in place as of the balance sheet date are as follows:

Swap number	Notional value	Maturity date	Interest rate the Company will receive	Interest rate the Company will pay	Fair value unrealized gain/(loss) at June 30, 2009	Fair value unrealized gain/(loss) at June 30, 2008
#1	\$ 100,000	August 31, 2009	30 day B.A.	3.496%	\$ (511)	\$ -
#2	100,000	August 31, 2010	30 day B.A.	3.749%	(3,617)	-
#3	100,000	April 18, 2011	30 day B.A.	3.829%	(4,881)	-
Total	\$ 300,000				\$ (9,009)	\$ -

The Company marks to market the value of these interest rate swaps, including a credit valuation adjustment as required under the CICA's Emerging Issues Committee ("EIC") Abstract 173, "Credit Risk and the Fair Value of Financial Assets and Financial Liabilities", as an adjustment to income. During the three months ended June 30, 2009, unrealized gains of \$2,540 and realized losses of \$2,399 have been reflected in net income (three months ended June 30, 2008 - \$nil and \$nil). During the six months ended June 30, 2009, unrealized gains of \$3,468 and realized losses of \$4,243 have been reflected in net income (six months ended June 30, 2008 - \$nil and \$nil). Both amounts have been included within mark to market on interest rate swaps on the income statement.

7. Share capital:

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

	Three months ended June 30, 2009		Six months ended June 30, 2009	
	Number of common shares	\$	Number of common shares	\$
Beginning of the period	73,408,412	\$ 1,069,893	74,403,577	\$ 1,084,399
Repurchased and cancelled	-	-	(1,000,000)	(14,575)
Issued (note 3)	878,059	32,052	878,059	32,052
Options exercised	3,642	98	8,477	167
End of the period	74,290,113	\$ 1,102,043	74,290,113	\$ 1,102,043

On August 14, 2008, the Company received approval from Toronto Stock Exchange to repurchase up to 7,595,585 of its common shares pursuant to a normal course issuer bid (“NCIB”). Common shares purchased under the NCIB are cancelled, and purchases may be made over a one year period ending August 17, 2009, or such earlier date as the Company completes its purchases. In connection with this NCIB, the Company entered into two private agreements with a shareholder in February to repurchase a pre-defined number of shares. Under these agreements, the Company repurchased 1,000,000 common shares at an aggregate cost of \$30,435 of which \$14,575 was charged to share capital and the excess of the cost of the NCIB over the stated value of the common shares of \$15,860 was charged to deficit. As of June 30, 2009, 3,513,525 common shares remain available for repurchase under the NCIB.

8. Share option plan:

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

According to the terms of the Company’s plan, under no circumstances may any one person’s share options and all other share compensation arrangements exceed 5% of the issued and outstanding common shares of the Company. 4,243,819 common shares of the Company remain reserved for issuance upon exercise of share options granted under the plan, representing approximately 6% of the outstanding common shares of the Company.

The fair value of each share option grant is estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions used for grants in 2009: dividend yield of 3.5% (2008 – 2.9%); expected volatility of 26.8% (2008 – 23.6%); risk-free interest rate of 4.0% (2008 – 4.1%) and expected life of 7 years (2008 – 7 years).

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

Share options:

	Three months ended June 30, 2009		Three months ended June 30, 2008	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding, beginning of the period	1,606,420	\$ 36.24	808,978	\$ 36.34
Granted	15,000	31.71	209,535	52.72
Forfeited	(163,312)	39.27	(3,984)	47.12
Exercised	(3,642)	26.86	(31,606)	16.36
Outstanding, end of the period	1,454,466	\$ 35.88	982,923	\$ 40.43

	Six months ended June 30, 2009		Six months ended June 30, 2008	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding, beginning of the period	1,021,819	\$ 39.14	973,522	\$ 31.64
Granted	625,717	31.59	376,228	49.40
Forfeited	(184,593)	40.37	(66,425)	51.17
Exercised	(8,477)	15.25	(300,402)	20.79
Outstanding, end of the period	1,454,466	\$ 35.88	982,923	\$ 40.43

At June 30, 2009, 584,053 options were fully vested and exercisable at strike prices in the range of \$10.53 to \$54.50. During the three months ended June 30, 2009, the Company recognized compensation costs of \$619 in relation to its share option plan (three months ended June 30, 2008 – \$457). During the six months ended June 30, 2009, the Company recognized compensation cost of \$1,506 (six months ended June 30, 2008 – \$903) in respect of its share option plan.

Notes to Interim Consolidated Financial Statements

Six months ended June 30, 2009 and 2008 (Unaudited) (In thousands of Canadian dollars, except per share amounts)

9. Earnings per share:

	Three months ended June 30,		Six months ended June 30,	
	2009	2008	2009	2008
Net income	\$ 46,871	\$ 49,227	\$ 89,789	\$ 81,973
Weighted average number of common shares outstanding	73,997,648	75,948,133	73,964,917	71,133,890
Basic earnings per share	\$ 0.63	\$ 0.65	\$ 1.21	\$ 1.15
Diluted weighted average number of common shares outstanding	74,151,093	76,122,180	74,111,319	71,375,618
Diluted earnings per share	\$ 0.63	\$ 0.65	\$ 1.21	\$ 1.15

10. Employee future benefits:

Total defined benefit cost recognized for the three months ended June 30, 2009 was \$561 (three months ended June 30, 2008 – \$579) and for the six months ended June 30, 2009 was \$1,132 (six months ended June 30, 2008 – \$1,164).

11. Comparative figures:

Certain comparative figures have been reclassified to conform to the financial presentation adopted in the current period.

Market Statistics*

(Unaudited)

	Three months ended June 30		Six months ended June 30	
	2009	2008	2009	2008
Toronto Stock Exchange:				
Volume (millions)	32,995.9	24,980.9	63,028.1	50,507.7
Value (\$ billions)	370.9	483.0	716.8	956.2
Transactions (000s)	51,722.3	38,887.6	103,647.1	80,167.5
Issuers Listed	1,503	1,615	1,503	1,615
New Issuers Listed:				
Number of Initial Public Offerings	20	18	28	39
Number of graduates from TSX Venture/NEX	2	10	6	27
New Equity Financing ² : (\$ millions)	13,767.7	9,510.7	25,619.7	18,386.0
Initial Public Offering Financings (\$ millions)	1,086.7	1,028.4	1,367.7	1,526.3
Secondary Offering Financings ¹ (\$ millions)	9,475.5	5,144.1	16,250.0	11,793.7
Supplementary Financings (\$ millions)	3,205.5	3,338.2	8,002.0	5,066.0
Market Cap of Issuers Listed (\$ billions)	1,504.1	2,156.6	1,504.1	2,156.6
S&P/TSX Composite Index ² Close	10,374.9	14,467.0	10,374.9	14,467.0
TSX Venture Exchange:³				
Volume (millions)	11,049.6	13,844.6	19,119.0	25,332.6
Value (\$ millions)	3,062.8	9,978.3	4,837.0	17,758.9
Transactions (000s)	1,113.2	2,073.1	1,912.7	3,806.1
Issuers Listed	2,429	2,396	2,429	2,396
New Issuers Listed				
Number of Initial Public Offerings	20	64	44	137
New Equity Financing: (\$ millions)	743.5	1,866.5	1,274.9	3,376.9
Initial Public Offering Financings (\$ millions)	16.2	58.7	23.6	126.7
Secondary Offering Financings ¹ (\$ millions)	727.3	1,807.8	1,251.3	3,250.2
Market Cap of Issuers Listed: (\$ billions)	25.0	55.9	25.0	55.9
S&P/TSX Venture Composite Index ² Close	1,092.0	2,635.8	1,092.0	2,635.8
Toronto Stock Exchange and TSX Venture Exchange:				
Professional and Equivalent Real-time Data Subscriptions	150,515	167,756	150,515	167,756
NGX:				
Total Volume (TJs) ⁴	3,656,237.6	3,763,627.5	7,142,819.7	7,467,615.2
Montreal Exchange:				
Volume (Contracts) (000s)	8,534.5	9,660.6	16,594.2	19,871.1
Open Interest (Contracts) (000s) as at June 30	2,420.5	2,395.1	2,420.5	2,395.1
Data Subscriptions	25,524	28,197	25,524	28,197
Boston Options Exchange:				
Volume (Contracts) (000s)	39,107.7	44,027.6	84,807.9	85,236.1

1 Secondary Offering Financings includes prospectus offerings on both a treasury and secondary basis.

2 S&P is a trade-mark owned by The McGraw-Hill Companies, Inc. and is used under license.

3 TSX Venture Exchange market statistics do not include data for debt securities. 'New Issuers Listed' and 'S&P/TSX Venture Composite Index Close' statistics exclude data for issuers on NEX. All other TSX Venture Exchange market statistics include data for issuers on NEX, which is a board that was established on August 18, 2003 for issuers that have fallen below TSX Venture's listing standards (162 issuers at June 30, 2008 and 179 issuers at June 30, 2009).

4 Natural gas volumes only.

* Market statistics revised from TSX market statistics issued July 3, 2009.

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Le rapport du deuxième trimestre est également disponible en français.

DIVIDEND INFORMATION

The Board of Directors of TMX Group Inc. declared a dividend of \$0.38 on each common share outstanding, payable on August 28, 2009 to shareholders of record at the close of business on August 14, 2009. TMX Group hereby advises that this dividend is an “eligible dividend” in accordance with the Canada Revenue Agency release dated December 20, 2006. For more information regarding the designation of dividends, please refer to their release. Shareholders with questions regarding the tax treatment of dividends should consult with their own tax advisors or contact their local office of the Canada Revenue Agency and where applicable, the provincial taxation authorities.

TRADE-MARKS

TMX, TMX Group, TSX, Toronto Stock Exchange, TSX Venture Exchange, TSX Quantum, NGX, CBBO, CDF, CLS, CDB, CDEX, DEX, Equicom and Shorcan, are trade-marks of TSX Inc. MX, SOLA, BAX and CGB are trade-marks of Bourse de Montréal, Inc. CDCC is a trade-mark of Canadian Derivatives Clearing Corporation.

FORWARD-LOOKING INFORMATION

This quarterly report contains forward-looking statements, which are not historical facts but are based on certain assumptions and reflect TMX Group's current expectations. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations. We have no intention to update this forward looking information, except as required by applicable securities law.

This forward looking information should not be relied upon as representing our views as of any date subsequent to the date of this quarterly report. Please see “Forward-Looking Information” in the Q2-2009 Management's Discussion and Analysis for some of the risk factors that could cause actual events or results to differ materially from current expectations.

TMX

