

TSX Group Inc.

Revised Q1-2005 Management's Discussion and Analysis

On November 16, 2005, TSX Group Inc. ("TSX Group") restated its consolidated financial statements for the three months ended March 31, 2005 and March 31, 2004 to reflect a change in accounting policy related to recognition of revenue from initial and additional listing fees. The information contained in this Management's Discussion and Analysis ("MD&A") has been revised to reflect the restatement and should be read in conjunction with these restated financial statements and related notes.

Restatement of Initial and Additional Listing Fee Revenue

TSX Group has retroactively changed its revenue recognition policy for initial and additional listing fees to comply with the Canadian Institute of Chartered Accountants' Emerging Issues Committee Abstract-141 ("EIC-141"). EIC-141 specifies that certain non-refundable fees be deferred and recognized systematically over future accounting periods. EIC-141 was effective for fiscal years commencing on or after January 1, 2004.

Before the adoption of EIC-141, non-refundable fees were recognized at the time such fees were received. TSX Group, in consultation with its auditors, reviewed its revenue recognition policy for initial and additional listing fees when EIC-141 became effective in January 2004. As a result of that review, TSX Group continued to recognize initial and additional listing fees as they were received. Since that time, the interpretation of EIC-141 has evolved and precedents have been established. As a result, TSX Group again reviewed the application of EIC-141, and in consultation with its auditors, TSX Group has changed its accounting policy for recognizing initial and additional listing fees.

The effect of this change is that TSX Group now recognizes revenue from initial and additional listing fees amortized on a straight-line basis over an estimated service period of ten years. Unamortized balances are recorded as deferred revenue—initial and additional listing fees on the consolidated balance sheet. For Toronto Stock Exchange, revenue from initial and additional listing fees has been recalculated for the ten years preceding the periods presented in the financial statements to which this revised MD&A relates. In the case of TSX Venture Exchange, which was acquired on August 1, 2001, initial and additional listing fee revenue has been recalculated from the date of acquisition. Since Natural Gas Exchange (“NGX”) does not charge listing fees, no restatement of its revenue is required.

The following tables summarize the impact of the accounting change on the financial statements related to this revised MD&A:

Q1 2005

(In millions of dollars, except per share amounts - Unaudited)

	Previously Reported[∇]	Change	Restated
Revenue	\$ 82.1	\$ (12.3)	\$ 69.8
Income taxes	16.7	(5.3)	11.4
Net income	30.1	(7.0)	23.1
Earnings per share:			
Basic	0.89	(0.21)	0.68
Diluted	0.88	(0.21)	0.67
Future Tax Asset	48.3	74.2	122.5
Deferred revenue – initial and additional listing fees	-	232.5	232.5
Shareholders' Equity	300.5	(158.4)	142.1

[∇] These amounts do not give effect to the implementation of EIC-141 and therefore do not have standardized meanings prescribed by Canadian GAAP.

Q1 2004

(In millions of dollars, except per share amounts - Unaudited)

	Previously Reported[∇]	Change	Restated
Revenue	\$ 74.4	\$ (13.6)	\$ 60.8
Income taxes	15.0	(5.9)	9.1
Net income	25.8	(7.7)	18.1
Earnings per share:			
Basic	0.76	(0.22)	0.54
Diluted	0.76	(0.23)	0.53

As at December 31, 2004

(In millions of dollars)

	Previously Reported[∇]	Change	Restated
Future Tax Asset	48.7	68.9	117.6
Deferred revenue – initial and additional listing fees	-	220.2	220.2
Shareholders' Equity	280.8	(151.3)	129.5

The implementation of EIC-141 has not changed TSX Group's business operations, cash flows or cash position.

**Restated Quarter Ended March 31, 2005 compared with
Restated Quarter Ended March 31, 2004**

Restated net income was \$23.1 million, or 68 cents per common share (67 cents on a diluted basis) for the first quarter of 2005, compared with restated net income of \$18.1 million, or 54 cents per common share (53 cents on a diluted basis) for the same period in 2004, representing an increase of 28%. This increase was attributable to higher restated revenue, which was partially offset by an increase in expenses.

Without giving effect to the implementation of EIC-141, net income would have been \$30.1 million, or 89 cents per common share (88 cents on a diluted basis) for the first quarter of 2005, compared with net income of \$25.8 million or 76 cents per common

[∇] These amounts do not give effect to the implementation of EIC-141 and therefore do not have standardized meanings prescribed by Canadian GAAP.

share (on both a basic and diluted basis) for the same period in 2004, representing an increase of 17%. The increase was attributable to higher revenue, which was partially offset by an increase in expenses.*

REVENUE

Restated revenue was \$69.7 million for the first quarter of 2005, up 15% as compared with restated revenue of \$60.8 million for the same period in 2004, reflecting increased revenue in the primary revenue streams of listing, trading and market data.

Without giving effect to the implementation of EIC-141, revenue would have been \$82.1 million for the first quarter of 2005, up 10% as compared with \$74.4 million for the same period in 2004, reflecting increased revenue in the primary revenue streams of listing, trading and market data.*

LISTING REVENUE – Restated listing revenue of \$20.8 million in the first quarter of 2005 increased by \$3.1 million, or 18%, compared with restated listing revenue of \$17.7 million in the first quarter of 2004.

Sustaining Listing Fees

Sustaining listing fees of \$11.8 million increased by \$1.4 million, or 13%, in the first quarter of 2005 compared with \$10.4 million in the first quarter of 2004. The increase in revenue from sustaining listing fees in the first quarter of 2005, over the corresponding period in 2004, reflected overall higher market capitalization of issuers at December 31, 2004 compared with December 31, 2003. Sustaining listing fees are billed

* Revenue, net income and earnings per common share (basic and diluted) without giving effect to the implementation of EIC-141 are non-GAAP financial measures. See discussion under the heading Non-GAAP Financial Measures.

during the first quarter of the year, recorded as deferred revenue and amortized over the year on a straight-line basis. The accounting policy relating to the revenue recognition of sustaining listing fees is unchanged.

Initial and Additional Listing Fees

The following is a summary of revenue from initial and additional listing fees in the first quarter of 2005 compared with revenue from initial and additional listing fees for the first quarter of 2004, both as reported under EIC-141 (“Initial and Additional Listing Fees Reported”), and as calculated without giving effect to EIC-141 (“Initial Listing Fees Received”** and “Additional Listing Fees Received”**). The latter measures are consistent with our historical method of reporting revenue from initial and additional financing activities. TSX Group believes that Initial Listing Fees Received and Additional Listing Fees Received are important measures of performance that reflect the cash generated from actual initial and additional listing activity during the quarter.

(In millions of dollars - Unaudited)

	Three Months Ended March 31, 2005		Three Months Ended March 31, 2004	
	Listing Fees Reported (Restated)	Listing Fees Received (Non-GAAP)**	Listing Fees Reported (Restated)	Listing Fees Received (Non-GAAP)**
Initial and Additional	\$9.0	\$21.3	\$7.3	\$20.9

Initial and Additional Listing Fees Reported

Restated Initial and Additional Listing Fees Reported of \$9.0 million increased by \$1.7 million, or 23%, in the first quarter of 2005 compared with \$7.3 million of restated Initial

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

and Additional Listing Fees Reported for the first quarter of 2004. The change reflects increased capital market activity and fee increases during the period from April 1, 1995 to March 31, 2005 when compared with the period from April 1, 1994 to March 31, 2004.

Initial Listing Fees Received**

Initial Listing Fees Received of \$6.1 million increased by \$0.4 million, or 7%, in the first quarter of 2005 compared with \$5.7 million of Initial Listing Fees Received in the first quarter of 2004. In terms of initial offerings, the \$5.2 billion raised on Toronto Stock Exchange and TSX Venture Exchange during the first quarter of 2005 was 33% higher than the \$3.9 billion raised during the same period in 2004. There were 50 new issuers listed on Toronto Stock Exchange and 35 new issuers listed on TSX Venture Exchange in the first quarter of 2005. This compares with 39 and 40 new issuers listed on Toronto Stock Exchange and TSX Venture Exchange, respectively, in the first quarter of 2004.

Additional Listing Fees Received**

Additional Listing Fees Received of \$15.2 million in the first quarter of 2005 remained unchanged from the first quarter of 2004. In terms of additional financing, the \$9.5 billion raised on Toronto Stock Exchange and TSX Venture Exchange during the first quarter of 2005 was 34% higher than the \$7.1 billion raised during the same period of 2004.

TRADING AND RELATED REVENUE – Trading and related revenue of \$30.5 million in the first quarter of 2005 increased by \$4.3 million, or 16%, compared with \$26.2 million in the first quarter of 2004. Revenue of \$3.7 million from NGX for the first

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

quarter of 2005 have been included in trading and related revenue compared with \$1.3 million for the one month following the acquisition of NGX on March 1, 2004. In the first quarter of 2005, 2.0 million terajoules in natural gas and electricity contracts were traded on NGX, a 25% increase over 1.6 million terajoules traded in the first quarter of 2004.

In addition, the total value of securities traded on Toronto Stock Exchange and TSX Venture Exchange during the first quarter of 2005 was \$267.5 billion, an 8% increase over the \$247.3 billion in value traded during the first quarter of 2004. The number of transactions increased by 9% to 13.6 million in the first quarter of 2005 from 12.5 million in the first quarter of 2004.

MARKET DATA REVENUE – Market data revenue of \$15.8 million in the first quarter of 2005 increased by \$1.4 million, or 10%, compared with \$14.4 million in the first quarter of 2004. The increase reflects a higher number of professional and equivalent real-time data subscriptions. The 110,422 professional and equivalent real-time data subscriptions at the end of the first quarter of 2005 were higher by approximately 8%, when compared with 102,693 at the end of the first quarter of 2004, partly reflecting increased sales to U.S. customers. The increase in revenue is also attributable to a price increase, which was effective September 1, 2004, as well as revenue from CNX Marketlink^{***}, a joint initiative launched with CNW Group Ltd. (formerly Canada NewsWire Ltd.) during the fourth quarter of 2003.

The revenue growth was somewhat offset by the impact of certain users converting to an alternate fee model under which the fees for usage based quotes are capped. The growth in market data revenue was also somewhat offset by the negative impact of the appreciation of the Canadian dollar versus the U.S. dollar since the first quarter of 2004.

^{***} CNX Marketlink is a trade-mark of CNW Group Ltd. and is used under license.

BUSINESS SERVICES REVENUE – Business services revenue of \$2.1 million in the first quarter of 2005 decreased by \$0.1 million, or 5%, compared with \$2.2 million in the first quarter of 2004. The decrease is primarily related to a change in the pricing structure for technology services provided to Market Regulation Services Inc. (“RS”), reflecting cost savings from migrating to a lower cost technology solution. RS, which is 50% owned by TSX Inc., a wholly-owned subsidiary of TSX Group, paid \$1.8 million in the first quarter of 2005 for technology related services as compared with \$1.9 million in the first quarter of 2004.

EXPENSES

Expenses were \$36.8 million for the first quarter of 2005, an increase of 5% from \$35.2 million in the first quarter of 2004. The increase was due to higher compensation and benefits costs as well as higher information and trading systems costs, which were somewhat offset by lower general and administrative costs.

COMPENSATION AND BENEFITS – Compensation and benefits costs of \$20.8 million for the first quarter of 2005 increased by \$1.8 million, or 9%, from \$19.0 million in the first quarter of 2004. The increase is primarily attributable to the inclusion of costs pertaining to NGX employees for a full quarter in 2005 compared with one month in the first quarter of 2004. There were \$2.1 million in organizational transition costs during the first quarter of 2005, compared with \$1.5 million during the first quarter of 2004. In addition, there were salary increases, which were effective at the beginning of 2005. The number of employees at March 31, 2005 was 530 (including 30 NGX employees) compared with 552 (including 26 NGX employees) at March 31, 2004. The reduction in the number of employees resulted from organizational restructuring designed to increase operational efficiencies.

INFORMATION AND TRADING SYSTEMS – Information and trading system costs of \$4.4 million for the first quarter of 2005 increased by \$0.6 million, or 16%, from \$3.8

million in the first quarter of 2004. The increase is primarily attributable to higher lease and maintenance expenses, which relate in part to expansion of trading system capacity.

GENERAL AND ADMINISTRATIVE – General and administrative costs of \$8.5 million for the first quarter of 2005 decreased by \$1.1 million, or 11%, from \$9.6 million in the first quarter of 2004. The decrease is primarily attributable to decreased spending related to marketing and reduced usage of external contractors, somewhat offset by the inclusion of NGX expenses for a full quarter in 2005, compared with one month in the first quarter of 2004. TSX Group paid RS \$1.0 million for regulation services in the first quarter of 2005 as compared with \$0.9 million in the first quarter of 2004.

AMORTIZATION – Amortization of \$3.1 million for the first quarter of 2005 increased by \$0.3 million, or 11%, from the first quarter of 2004, and included \$0.3 million related to the amortization of the tangible and intangible assets associated with the acquisition of NGX compared with \$0.1 million during the first quarter of 2004 following the acquisition of NGX on March 1, 2004.

LOSS FROM INVESTMENT IN AFFILIATE – Loss from Investment in Affiliate of \$0.1 million represents TSX Group's share of CanDeal.ca Inc.'s ("CanDeal") loss for the first quarter of 2005 based on TSX Group's approximate 45% equity interest in CanDeal. The decrease of \$0.3 million in the loss from \$0.4 million in the first quarter of 2004 reflects a combination of increased revenue and a reduction in operating costs.

INVESTMENT INCOME – Investment Income of \$1.6 million for the first quarter of 2005 decreased by \$0.4 million, or 20%, compared with \$2.0 million in the first quarter of 2004. While interest income was earned on investments, there was a reduction in the value of our short-term bond and mortgage investments.

INCOME TAXES – Restated income taxes of \$11.4 million for the first quarter of 2005 increased by \$2.3 million, compared with restated income taxes of \$9.1 million in the

first quarter of 2004. The effective tax rate decreased from approximately 34% as restated in the first quarter of 2004 to approximately 33% as restated in the first quarter of 2005, partially due to receipt of scientific research and experimental development grants during the first quarter of 2005.

LIQUIDITY, CAPITAL RESOURCES AND DEFERRED REVENUE

CASH AND MARKETABLE SECURITIES - Cash and marketable securities were \$194.7 million at March 31, 2005, an increase of \$23.1 million from \$171.6 million at December 31, 2004. Cash generated from operations of \$35.1 million for the first quarter of 2005 was partially offset by a dividend of 40 cents per common share, or \$13.6 million, paid on March 31, 2005. The implementation of EIC-141 had no impact on cash flows from operating activities.

NGX COLLATERAL ARRANGEMENTS AND CLEARING BACKSTOP FUND -

As part of its clearing operations, NGX becomes the counterparty to each transaction, thereby guaranteeing the performance of every contract that is executed on its electronic trading platform. To backstop its clearing operations, NGX has a credit agreement in place with a Canadian chartered bank. TSX Group is NGX's guarantor for this credit agreement up to a maximum of \$30.0 million ("TSX Guarantee"). TSX Group has pledged \$30.0 million of marketable securities related to its obligations as guarantor. In addition, NGX has covenanted under the agreement to maintain a minimum of \$9.0 million of tangible net worth. If NGX suffers a loss on its clearing operations, it could lose its entire tangible net worth. The bank could also realize on the TSX Guarantee, to the extent required to cover the loss.

NGX requires each counterparty (the "Contracting Party") to provide collateral in the form of cash or letters of credit based on the margins required for its unsettled contractual obligations, which may be accessed in the event of a default by such Contracting Party. The collateral provided in the form of cash (the "cash collateral deposits") is segregated in individually designated bank accounts held at the same Canadian chartered bank by

NGX which acts as trustee for these funds. The cash collateral deposits, together with letters of credit provided by all Contracting Parties, exceed all of the outstanding credit exposure, as determined by NGX, for all its unsettled contractual obligations at any point in time.

TOTAL ASSETS – Restated total assets were \$1,027.0 million at March 31, 2005, a decrease of \$9.3 million from restated total assets of \$1,036.3 million at the end of 2004. The decrease is primarily due to lower energy contract receivables of \$558.5 million related to the clearing operations of NGX (\$608.4 million at December 31, 2004), offset by increased cash, marketable securities and accounts receivable at March 31, 2005. As the clearing counterparty to every trade, NGX also carries offsetting liabilities in the form of energy contract payables, which were \$557.3 million at March 31, 2005 (\$607.5 million at December 31, 2004).

DEFERRED REVENUE – INITIAL AND ADDITIONAL LISTING FEES – Deferred revenue – initial and additional listing fees was \$232.5 million at March 31, 2005, an increase of \$12.3 million from \$220.2 million at December 31, 2004. Prior to adopting EIC-141, there was no deferred revenue related to initial listing fees and additional listing fees. This deferred revenue represents non-refundable initial and additional listing fees received from listed issuers, and is recognized on a straight line basis over an estimated service period of ten years.

The estimated service period of ten years was determined by conducting an historical review of listing activity. TSX Group determined that the average period of time that an issuer remained listed on Toronto Stock Exchange was approximately ten years. In addition, turnover rates were calculated for a Toronto Stock Exchange listed issuer and for a TSX Venture Exchange listed issuer, and were determined to be in the range of ten to twelve years. Examining historical data allowed TSX Group to consider the impact of economic cycles and other trends in capital markets over time. The service period selected affects the rate at which deferred revenue is recognized, as well as the future tax asset related to these fees.

SHAREHOLDERS' EQUITY – Restated shareholders' equity was \$142.1 million at March 31, 2005, an increase of \$12.6 million from restated shareholders' equity of \$129.5 million at the end of 2004. The increase is primarily attributable to restated net income of \$23.1 million in the first quarter of 2005, offset by the dividend payment of \$13.6 million.

At March 31, 2005 there were 33,997,242 common shares issued and outstanding, and 2,552,849 common shares reserved for issuance under TSX Group's share option plan. During the first quarter of 2005, options to purchase 106,951 common shares were exercised. At March 31, 2005, 672,045 options were outstanding.

At April 25, 2005, there were 33,997,242 common shares issued and outstanding and 672,045 options outstanding under the share option plan.

On January 25, 2005, the Board of Directors proposed a subdivision of TSX Group's shares on a two-for-one basis, subject to regulatory and shareholder approval.

CASH FLOW FROM OPERATING ACTIVITIES - Cash Flows from operating activities were \$35.1 million in the first quarter of 2005, compared with \$44.3 million in the first quarter of 2004, representing a decrease of \$9.2 million. The implementation of EIC-141 had no impact on cash flows from operating activities. A significant contributor to cash flows in the first quarter of 2005 was \$26.2 million of restated net income excluding amortization** (\$20.9 million as restated for the first quarter of 2004). In addition, cash flows were increased by the receipt of listing fees, which is reflected in the increase in restated deferred revenue of \$49.7 million (as compared with an increase in deferred revenue of \$46.0 million as restated for the first quarter of 2004). The increase in accounts receivable and prepaid expenses reduced cash flows from operations by \$14.2 million (\$9.4 million in the first quarter of 2004). Cash flows were further reduced by the

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

decrease in income taxes payable during the first quarter of 2005 of \$16.7 million (zero in the first quarter of 2004).

CASH FLOW USED IN INVESTING ACTIVITIES - Cash Flows used in investing activities were \$26.5 million in the first quarter of 2005 compared with \$30.8 million used in investing activities in the first quarter of 2004, representing a decrease of \$4.3 million. During the first quarter of 2005, \$25.7 million was invested in marketable securities and there were \$0.8 million of capital expenditures primarily related to further technology investments targeted at maintaining best in class systems and leasehold improvements associated with TSX Group's business continuity plan. During the first quarter of 2004, \$27.1 million was used in investing activities related to the purchase of NGX, and \$0.9 million was invested in marketable securities. In addition, in the first quarter of 2004 there was \$2.9 million of capital expenditures related to technology investments and renovation of the TSX Conference Centre.

OUTLOOK

TSX Group remains confident in its goal of long-term annual earnings per share growth in the 10 to 12 percent range although it expects to see variation in growth rates on both a quarterly and annual basis. TSX Group is committed to executing on the opportunities that surround it for enhancing its core business, extending its pre-eminent domestic position through diversification and expanding geographically.

FORWARD-LOOKING STATEMENTS, RISKS AND UNCERTAINTIES

This revised MD&A, in particular the section under the heading "Outlook", includes forward-looking statements, which are not historical facts but are based on certain assumptions and reflect TSX Group's current expectations. The business of TSX Group and 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. Some of the risk factors that could cause actual results or events to differ materially from

current expectations are: levels of market activity that are outside of TSX Group's control; its cost structure being largely fixed; competition from other marketplaces, including alternative trading systems; new technologies; adverse effect of new business activities; failure to implement its strategy; failure to develop or gain acceptance of new products; dependence of the trading and market data operations on a small number of clients; dependence on the economy of Canada; dependence on information technology; dependence on suppliers for a number of important services; risks of litigation; changes in regulation; and the risks associated with NGX's clearing operations. A description of the above mentioned items and certain additional risk factors are discussed in TSX Group's materials filed with the securities regulatory authorities in Canada from time to time, including its Revised 2004 Annual MD&A and Revised 2004 Annual Information Form (when refiled). The risk factors outlined in the previously mentioned documents are specifically incorporated herein by reference. TSX Group's business, financial condition, or operating results could be materially adversely affected if any of these risks and uncertainties were to materialize. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results.

QUARTERLY INFORMATION

The following is a summary of quarterly unaudited results. In this section, revenue, net income and earnings per common share (basic and diluted) have been restated due to the implementation of EIC-141:

(in thousands of dollars except per share amounts)

	Mar 31 /05 (Restated)	Dec 31 /04 (Restated)	Sept 30 /04 (Restated)	June 30 /04 (Restated)	Mar 31 /04 (Restated)	Dec 31 /03 (Restated)	Sept 30 /03 (Restated)	June 30 /03 (Restated)
Revenue	\$69,746	\$63,786	\$59,472	\$59,342	\$60,830	\$53,518	\$48,820	\$46,827
Net Income	23,075	18,600	15,587	16,187	18,116	23,532	13,077	12,780
Earnings per share:								
Basic	0.68	0.55	0.46	0.48	0.54	0.70	0.39	0.38
Diluted	0.67	0.54	0.46	0.47	0.53	0.70	0.39	0.38

In the second quarter of 2003, trading revenue was impacted by geopolitical events, which created market uncertainty. Revenue improved in the third and fourth quarters of 2003 primarily due to increased trading activity. Expenses were higher in the fourth quarter of 2004 compared with the second and third quarters of 2003 primarily due to additional share-based compensation expense. In the fourth quarter of 2003, the Ontario government enacted legislation to increase the provincial corporate income tax rate from 12.5% to 14.0% effective January 1, 2004. As a result of this change in the provincial corporate tax rate, the value of the restated future tax asset was increased and restated income tax expense decreased by \$11.6 million. Net income for the fourth quarter of 2003 increased compared with the second and third quarters of 2003 due to the increased revenue and reduction in restated income tax expense, somewhat offset by higher expenses.

Trading activity was strong in the first quarter of 2004, which resulted in improved revenue compared with revenue in the fourth quarter of 2003. In the second quarter of 2004, revenue and net income were lower compared with revenue and net income in the first quarter of 2004 due to reduced trading activity. Net income for the third quarter of 2004 declined when compared with net income for both the first and second quarters of 2004 primarily due to higher general and administrative costs. Trading activity increased in September, 2004 and continued into the fourth quarter, resulting in significantly increased trading revenue. Net income for the fourth quarter of 2004 increased compared with net income for each of the first three quarters of 2004 primarily due to the increased revenue. Expenses in the fourth quarter of 2004 were significantly lower than the third quarter of 2004 due to substantially lower general and administrative costs, which also contributed to the increase in net income for the fourth quarter of 2004 compared with net income for the third quarter of 2004.

Revenue in the first quarter of 2005 improved over revenue in the fourth quarter of 2004 due to higher trading, market data and restated listing revenue. This increased revenue

was the primary driver of the increase in net income for the first quarter of 2005 compared with net income for the fourth quarter of 2004.

NON-GAAP FINANCIAL MEASURES

Certain measures used in this revised MD&A, specifically Initial Listing Fees Received and Additional Listing Fees Received, revenue, net income and earnings per common share (basic and diluted) without giving effect to the implementation of EIC-141, do not have standardized meanings prescribed by Canadian GAAP. These other measures are intended to provide an alternative view as to how fees received from initial and additional listings activity in the current period would impact the financial results of the business. In addition, net income excluding amortization does not have a standardized meaning prescribed by Canadian GAAP. These measures are unlikely to be comparable to similar measures presented by other issuers.

TSX Group's interim financial statements have been prepared in accordance with Canadian GAAP and are reported in Canadian dollars. TSX Group Inc.'s first quarter, 2005 unaudited restated consolidated financial statements along with this revised MD&A may be accessed through www.sedar.com or on the TSX Group website at www.tsx.com. Additional information about TSX Group, including its Revised 2004 Annual Information Form (when refiled), is available through www.sedar.com.

November 16, 2005 (as revised)