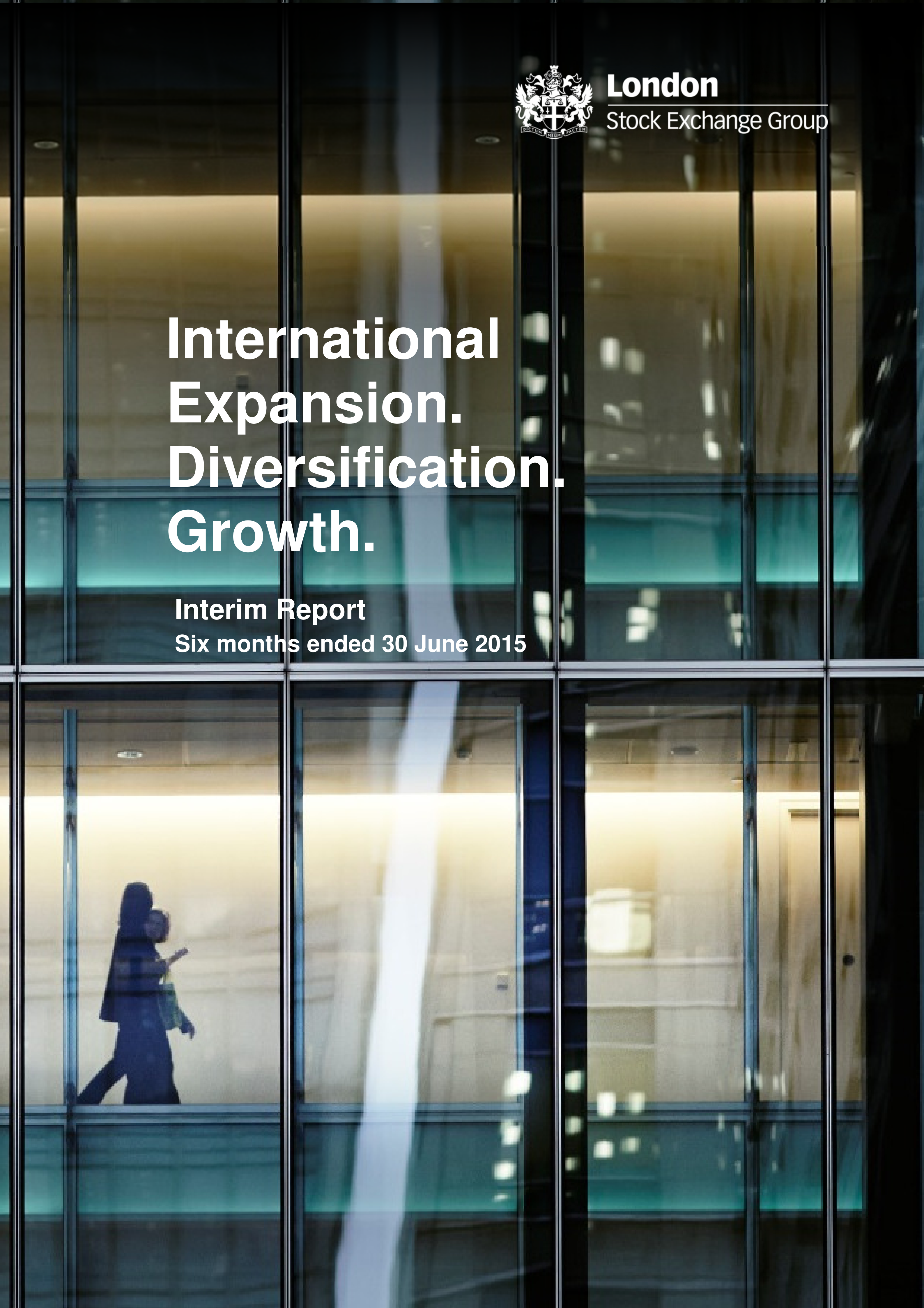
London
Stock Exchange Group



International Expansion. Diversification. Growth.

Interim Report
Six months ended 30 June 2015

Welcome to our Interim Report 2015

HIGHLIGHTS

- Continued delivery of strategy - good financial performance driven by contribution from Russell as well as from underlying growth in Capital Markets, Information Services, OTC clearing at LCH.Clearnet and Italian Post Trade operations

- Revenue[1] up 90% to £1,164.9 million (H1 2014: £611.5 million); on a continuing operations basis[2], revenue up 9% and up 14% after adjusting for the loss of LME business

- Total income[1] up 83% to £1,208.7 million (H1 2014: £661.2 million)

- Operating expenses of £842.5 million, up 4% on an organic and constant currency basis as the Group invests in growth initiatives, and flat after excluding cost of sales

- Adjusted operating profit[3] up 27% at £366.1 million (H1 2014: £ 288.8 million); operating profit of £239.4 million (H1 2014: £205.7 million); profit after tax of £165.1 million (H1 2014 £136.0 million)

- Adjusted EPS[1,3] up 14% at 65.5 pence (H1 2014: 57.3 pence); basic EPS[1] of 43.4 pence (H1 2014: 40.5 pence)

- Interim dividend increased 11% to 10.8 pence per share (6 months to 30 September 2014: 9.7 pence per share), reflecting good performance and confidence in future prospects as investment for growth continues

- Good progress with integration and development of global indexes business, FTSE Russell, and with the sale of Russell Investment Management

- Open access is delivering - agreement with CME to launch US futures contracts on FTSE Russell indexes; Turquoise entered exclusive discussions with Plato Partnership, to collaborate on market structure initiatives in Europe

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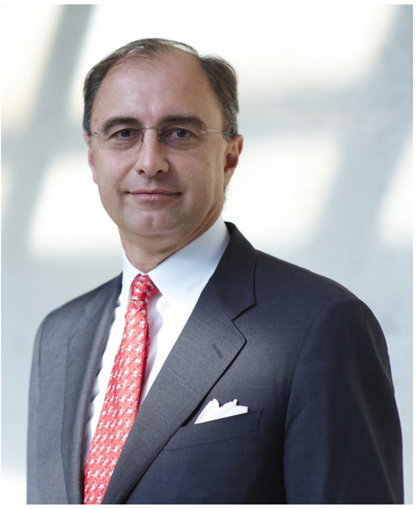
Unless otherwise stated, all figures below refer to the six months ended 30 June 2015. Comparative figures are for the six months ended 30 June 2014 (H1 2014).

[1] revenue, total income and EPS include both continuing and discontinuing operations
[2] continuing operations exclude businesses marked for sale, primarily being Russell Investment Management
[3] before amortisation of purchased intangibles and non-recurring items

Organic growth is calculated in respect of businesses owned for at least 6 months in either period and so excludes Bonds.com, MTS Indices and Frank Russell Company. The Group's principal foreign exchange exposure arises from translating our European based euro and US based USD reporting businesses into sterling.

CHIEF EXECUTIVE'S STATEMENT



"As a leading international, open access market infrastructure business we continue to see attractive opportunities for growth in a changing regulatory and competitive landscape."

Overview

We have made good progress as we continue our strategy to develop as an increasingly international, open access market infrastructure and capital markets business. Despite currency headwinds our continuing operations, including Russell Indexes, delivered a 9% increase in revenue. Our diversified global Group is achieving integration benefits, investing to support further organic growth and remains well placed to benefit from structural and regulatory-driven market opportunities.

The Group's good overall performance reflects underlying growth in Capital Markets, Information Services and our Italian Post Trade businesses, plus the contribution from Russell Indexes and the Investment Management operations. OTC clearing at LCH.Clearnet has also continued to make solid progress. With our continued focus on operational leverage, costs were well controlled during a period of increased expenditure as the Group invests in a range of growth initiatives, and the integration of FTSE and Russell is well underway. Reflecting our good performance and confidence in future prospects, we have increased the interim dividend by 11%.

Some of the key developments over the period are detailed below.

In May, we provided an update on our Post Trade operations, highlighting both cost reduction and revenue opportunities. In summary, we outlined the next phase of cost savings at LCH.Clearnet, amounting to another €40 million in addition to the €60 million already achieved over the past two years. Further efficiencies are also achievable in the longer term as LCH.Clearnet commences work to replace legacy systems. Incremental revenue opportunities of €175-250 million by the end of 2018 were also identified, across LCH.Clearnet and the Group's settlement and custody operations, globeSettle and Monte Titoli. Work is progressing well to achieve these targets.

Developments in other parts of the Group have been announced during the period. FTSE started the transition to include China A shares in its global benchmarks, with the launch of transitional indexes for Emerging Markets. The Group signed an MOU with Haitong Securities to collaborate on trading, ETFs and IPOs, to help facilitate Chinese investor access into London. Regulatory approval for Hong Kong firms to become members of London Stock Exchange has been received and in July, BOCI Securities, a wholly owned subsidiary of Bank of China, became the first member of London Stock Exchange from Hong Kong. In addition, the Group entered a partnership agreement with Borsa Istanbul, to develop trading in Turkish index and equity derivatives, as well as launching an index partnership with FTSE.

In Primary Markets, activity levels remained strong, with record fund listings from a diverse range of international issuers, launch of the first London listed RMB denominated money market ETF and last month saw Bank of China's first euro denominated bond which was admitted to trading in London. At the end of a busy H1, AIM celebrated its 20th anniversary, marking a great achievement as the world's most successful and established market for growth companies.

Underscoring our commitment to our open access model, we announced in early August an agreement with CME, a US exchange, to launch US futures contracts on FTSE Russell indexes. This follows a licensing agreement signed earlier this year with CBOE, to develop new index options in the US based on FTSE and Russell indexes In July, Turquoise entered exclusive discussions with Plato Partnership, a group representing asset managers and broker dealers, to collaborate on market structure initiatives in Europe.

Further commentary on the major factors determining Group performance in this six month period is provided below.

Operational Performance

Revenue for Capital Markets, which includes primary and secondary market activities, increased 4% on an organic and constant currency basis (down 1% at a reported level). In primary markets, revenue was 1% lower, with growth in annual fee income offset by a slight decline in admission fees. There was continued good activity in terms of the number of main market new issues in the UK and Italy, while the amount of money raised, at £23.1 billion, was down on the high levels of last year (H1 2014: £28.1 billion).

In secondary markets, revenue increased 6% on an underlying basis (flat at a reported level). UK cash equities trading revenue increased 8%, reflecting a 12% rise in value traded at London Stock Exchange and 23% growth on Turquoise. In Italy, revenue increased 10% at constant currency as the number of trades increased by 6%.

Fixed income trading revenue increased 1% at organic constant currency (down 8% on a reported basis), reflecting 22% growth in trading volumes on the MTS repo markets, offset by a 6% decline in MTS cash markets and BondVision. Revenue from the Group's derivatives markets rose 4% on a constant currency basis (down 6% on a reported basis), with growth in Italy derivatives offset by declines in the UK.

Revenue for Post Trade Services in Italy, comprising CC&G and Monte Titoli, increased 3% at constant currency (down 8% at a reported level). Clearing revenues rose 8% at constant currency, with a 10% increase in clearing volumes. Settlement revenue rose 1% at constant currency (down 10% as reported), while custody revenues declined 1% at constant currency (down 11 per cent on reported basis) as assets under custody reduced by 2% to €3.32 trillion. Treasury income decreased 11% on a constant currency basis to £13.4 million, as a consequence of the low yield environment in Eurozone government bonds and the short duration of cash margin investments.

Post Trade Services - LCH.Clearnet segment comprises the Group's majority-owned global clearing business. Revenue for the half year declined 11% on a constant currency basis and down 14% on a reported basis, reflecting the loss of LME commodities clearing from September 2014. Adjusting for LME, revenue was flat on a reported basis and up 5% on a constant currency basis. OTC revenue rose 15% on a constant currency basis, with interest rate swap (IRS) revenues up 19%. Although the amount of IRS notional cleared decreased 25%, as a result of a reduction in market-wide activity during the period, revenue rose due to an increase in membership fee income as well as a greater volume of client clearing. Share of client clearing has remained good at 69% during the period. Use of compression tools remained strong; in the first six months of 2015, SwapClear has cleared $261 trillion and compressed $164 trillion through proprietary and third party compression services.

Non-OTC products clearing revenues declined 31% on a constant currency basis and were 8% lower on a reported basis and 2% lower on a constant currency basis after adjusting for loss of LME. Fixed income clearing revenue was flat year on year at constant currency, reflecting an unchanged level of clearing activity. Derivative revenue declined, reflecting a reduction in clearing volumes, while equity clearing revenues increased following 22% growth in clearing activity. Net treasury income was down 6% at constant currency, with pressures on investment returns mostly offset by an increase in average cash collateral, up 25% to €56.2 billion.

Information Services revenue increased 45% to £261.0 million (up 5% on an organic constant currency basis). This growth reflects both the good performance of FTSE, with revenue up 12% (8% at constant currency) to £101.2 million, as well as contribution from Russell Indexes of £70.0 million. In addition, other information services, including UnaVista, continued to grow well with a 6% increase in revenue. Partly offsetting this strong performance was a 6% decline in revenue from real time data, reflecting a reduction in the number of professional users of real time UK and Italian data.

The integration of FTSE and Russell Indexes is progressing well. The two businesses are now unified under a new global brand, FTSE Russell, and the client sales and marketing teams are combined. Further integration plans are well developed and roll out of the next stages will continue in the months ahead. In the meantime, both Index businesses are performing well: ETF AUM benchmarked to FTSE grew 8% to $230 billion and Russell ETF AUM increased 16% to $159 billion.

Technology Services revenue increased 17% to £38.3 million (up 14% at constant currency). MillenniumIT revenue was 18% higher (up 8% at constant currency), mainly due to normal variations in phasing of billable work. Revenue from other technology services increased 15%, with growth from a number of IT products.

Russell Investment Management performed well with income of £498.2 million, the first six month contribution since completion of the acquisition in December 2014. The Group concluded its comprehensive review of the Investment Management business in February 2015 and decided to sell this business in its entirety. As a consequence, this segment of the Group is now treated as a discontinuing business in the principal financial statements and notes to the accounts in this interim report, but the results are included in this summary financial section.

Financial Summary

Unless otherwise stated, all figures below refer to the six months ended 30 June 2015. Comparative figures are for the six months ended 30 June 2014 (H1 2014). Variance is also provided at organic and constant currency. Adjustments have been made to include discontinuing operations in the tables and narratives below. The basis of preparation is set out at the end of this report.

	Six months ended 30 June			Organic and constant currency
	2015	2014	Variance	variance[1]
	£m	£m	%	%
Revenue				
Capital Markets [1]	**170.0**	171.2	(1%)	4%
Post Trade Services - CC&G and Monte Titoli	**46.8**	51.0	(8%)	3%
Post Trade Services - LCH.Clearnet	**149.1**	173.8	(14%)	(11%)
Information Services [1]	**261.0**	180.0	45%	5%
Technology Services	**38.3**	32.8	17%	14%
Russell Investment Management [1]	**497.3**	-	-	-
Other revenue	**2.4**	2.7	(11%)	(8%)
Total revenue	**1,164.9**	611.5	90%	1%
Net treasury income through CCP business:				
CC&G	**13.4**	16.8	(20%)	(11%)
LCH.Clearnet	**27.0**	29.3	(8%)	(6%)
Other income	**3.4**	3.6	(6%)	0%
Total income	**1,208.7**	661.2	83%	0%
Operating expenses	**(842.5)**	(372.4)	126%	4%
Share of loss after tax of associates	**(0.1)**	-	-	
Adjusted operating profit [2]	**366.1**	288.8	27%	(5%)
Amortisation of purchased intangibles and non-recurring items	**(126.7)**	(83.1)	52%	(25%)
Operating profit	**239.4**	205.7	16%	4%
Basic earnings per share (p)	**43.4**	40.5	7%	
Adjusted basic earnings per share (p) [2]	**65.5**	57.3	14%	
Dividend per share (p) [3]	**10.8**	9.7	11%	

[1] *Organic growth is calculated in respect of businesses owned for at least 6 months in either period and so excludes Bonds.com, MTS Indices and Frank Russell Company. The Group's principal foreign exchange exposure arises from translating our European based euro and US based USD reporting businesses into sterling.*

[2] *before amortisation and impairment of purchased intangibles and goodwill and non-recurring items*

[3] *change on an equivalent basis to dividend paid for 6 months period ending 30 September 2014*

Unless otherwise stated, all figures refer to the 6 months ended 30 June 2015 and comparisons are against the same corresponding period in the previous year

The Group has delivered good financial results. Revenue increased 90% to £1,164.9 million (H1 2014: £611.5 million), which includes the effects of the acquisition of Frank Russell Company. On a continuing operations basis, revenue increased 9% and rose 14% after adjusting for the loss of LME clearing business at LCH.Clearnet. On an organic and constant currency basis, revenue increased 1% with growth across most business segments, partly offset by the expected reduction at LCH.Clearnet following the loss of LME clearing revenues. Total income rose 83% to £1,207.8 million (H1 2014: £661.2 million), and flat on an organic and constant currency basis.

Operating expenses, before amortisation of purchased intangibles and non-recurring items, rose 126% to £842.5 million (H1 2014: £372.4 million), mostly reflecting inclusion of Russell. On an organic and constant currency basis, costs were 4% higher, mainly reflecting increased cost of sales following growth at FTSE Russell and SwapClear, and as investment in growth initiatives continues in the period. Offsetting these expenses were €30 million savings at LCH.Clearnet from the planned €60 million cost reduction programme, plus control of other expenditure.

Adjusted operating profit for the period, before amortisation of purchased intangibles and non-recurring items, increased 27% to £366.1 million (H1 2014: £288.8 million). Operating profit was £239.4 million (H1 2014: £205.7 million)

Net finance costs were £34.2 million (down from £35.4 million in H1 last year), and profit before tax was £205.2 million (H1 2014: £170.4 million). The underlying effective Group tax rate was 26.0%, an increase from the rate for the year ended 31 December 2014 (25.6%), reflecting inclusion of the Russell Indexes and Investment Management operations, which are predominantly subject to minimum combined US federal and state tax rates of 35%.

Adjusted basic EPS, before amortisation of purchased intangibles and non-recurring items, increased 14% to 65.5 pence (H1 2014: 57.3 pence) while basic EPS was 43.4 pence (H1 2014: 40.5 pence).

Net cash inflow from operating activities was £166.4 million (H1 2014: £199.0 million), reflecting increased tax payments and working capital outflows. Capital expenditure in the period amounted to £48.6 million (H1 2014: £53.6 million). Looking ahead, we expect full year run rate capex to continue at similar levels to H1, as we continue to invest in further integration work and product initiatives. Net cash generated after capex, other investments and dividends, was £52.2 million (H1 2014: £108.0 million). Free cash flow per share (post net interest paid, tax paid and investment activities) was 38.8 pence (30 June 2014: 45.3 pence).

Committed, undrawn credit lines available for Group purposes at 30 June 2015 totalled £462.8 million, extending out to 2016 or beyond.

At 30 June 2015, adjusted net debt was £1,454.1 million (after setting aside £922 million of cash for regulatory and operational support purposes and assuming no surplus cash at LCH.Clearnet) while drawn borrowings of £1,762.0 million were £35.6 million higher than at the start of the current financial year. At 30 June 2015, pro forma net debt:EBITDA reduced to 2.0 times (from 2.1 times at 31 December 2014).

The Group had net assets of £2,903.4 million at 30 June 2015 (31 December 2014: £2,955.3 million), including £1,164.8 million in cash and cash equivalents including assets held for sale.

Russell Investment Management

The Group completed the acquisition of Frank Russell Company on 3 December 2014 and carried out a comprehensive review focused principally on assessing the strategic fit of Russell Investment Management with the Group's long term strategy. After careful consideration, the Group concluded its review on 5 February 2015 and decided to sell the business in its entirety.

The Group received a number of expressions of interest in a potential acquisition of the Investment Management business, and we continue to make good progress with the sale process. More information will be provided in due course. Work continues to ensure the full separation of the Russell Indexes business from the Investment Management operations, and this work is expected to be completed by the conclusion of the sale process. In the meantime, Russell Investment Management will continue its focus on client service, growth and innovation.

Interim Dividend

The Board continues to review ways to maximise shareholder value and maintain an efficient capital structure, and remains committed to a policy of progressive dividends to enhance shareholder returns. Accordingly, the Directors have declared an interim dividend of 10.8 pence per share, an increase of 11.4% (9.7 pence per share for the six months ended 30 September 2014). The interim dividend will be paid on 22 September 2015 to shareholders on the register on 28 August 2015.

The Board intends to provide an update on capital allocation, including its longer term dividend policy, at the time of the Preliminary results for 2015, expected to be in March 2016.

Board changes

There have been a number of changes to the Board since the start of the year. Chris Gibson-Smith stood down as Chairman and left the Board with effect from 1 July 2015, after 12 years in the role. Robert Webb, Senior Independent Director and Chairman of the Remuneration Committee, retired from the Board following 14 years service, and Baroness Joanna Shields also stepped down to take on a UK Government role.

Joining the Board are Donald Brydon, who becomes Chairman, and Mary Schapiro, who is a non-Executive Director. Paul Heiden has become the Senior Independent Director and Sherry Coutu has taken on the role as Chairman of the Remuneration Committee.

The Board is grateful to all the departing directors for their contributions and in particular to Chris Gibson-Smith and Robert Webb for their significant insight, counsel and guidance over a period of significant development and achievement for the Group.

Outlook

The Group has made a good start to the financial year. We remain focused on achieving the cost synergies and revenue benefits from the integration of FTSE and Russell. We will also continue to invest in a wide range of growth initiatives across the Group, including the opportunities highlighted in Post Trade operations, as well as the cost reduction programme at LCH.Clearnet. Looking ahead, we remain well positioned as a leading international, open access market infrastructure business.

Xavier Rolet
Chief Executive
5 August 2015

OPERATING PERFORMANCE – KEY STATISTICS

To assist investors in understanding the underlying performance of the Group, percentage changes are also presented on a constant currency basis.

CAPITAL MARKETS

Capital Markets comprises the Group's primary markets activities, providing access to capital for corporates and others, and the secondary market trading of cash equities, derivatives and fixed income.

	Six months ended 30 June			Organic and constant currency
	2015	2014	Variance	variance[1]
Revenue	**£m**	**£m**	**%**	**%**
Primary Markets				
Annual fees	**22.5**	21.7	4%	8%
Admission fees	**22.9**	24.3	(6%)	(5%)
	45.4	46.0	(1%)	1%
Secondary Markets				
Cash equities UK & Turquoise	**54.9**	50.9	8%	8%
Cash equities Italy	**19.8**	19.9	(1%)	10%
Derivatives	**9.3**	9.9	(6%)	4%
Fixed income	**36.5**	39.6	(8%)	1%
	120.5	120.3	0%	6%
Other	**4.1**	4.9	(16%)	(13%)
Total revenue	**170.0**	171.2	(1%)	4%

[1] Removal of Bonds.com revenue (Capital Markets – Fixed Income) and MTS Indices removed from Capital Markets Fixed Income revenue and included in Information Services FTSE revenue

Capital Markets - Primary Markets

	Six months ended 30 June 2015	2014	Variance %
New Issues			
UK Main Market, PSM & SFM	47	48	(2%)
UK AIM	32	64	(50%)
Borsa Italiana	14	12	17%
Total	**93**	**124**	**(25%)**
Money Raised (£bn)			
UK New	6.3	12.0	(48%)
UK Further	12.8	8.5	51%
Borsa Italiana New and Further	4.0	7.6	(47%)
Total (£bn)	**23.1**	**28.1**	**(18%)**

Capital Markets - Secondary Markets

	Six months ended 30 June 2015	2014	Variance %
Equity			
Totals for period			
UK value traded (£bn)	655	587	12%
Borsa Italiana (no of trades m)	37.1	35.0	6%
Turquoise value traded (€bn)	570	462	23%
SETS Yield (basis points)	0.61	0.63	(3%)
Average daily			
UK value traded (£bn)	5.3	4.7	13%
Borsa Italiana (no of trades '000)	297	280	6%
Turquoise value traded (€bn)	4.5	3.7	22%
Derivatives (contracts m)			
LSE Derivatives	2.3	7.9	(71%)
IDEM	22.0	19.4	13%
Total	**24.3**	**27.3**	**(11%)**
Fixed Income			
MTS cash and BondVision (€bn)	2,135	2,261	(6%)
MTS money markets (€bn term adjusted)	44,856	36,669	22%

Post Trade Services – CC&G and Monte Titoli

This division comprises the Group's Italian-based clearing, settlement and custody businesses.

	Six months ended 30 June			Constant currency
	2015	2014	Variance	variance
	£m	£m	%	%
Revenue				
Clearing	**19.8**	20.7	(4%)	8%
Settlement	**8.4**	9.3	(10%)	1%
Custody & other	**18.6**	21.0	(11%)	(1%)
Total revenue	**46.8**	51.0	(8%)	3%
Net treasury income	**13.4**	16.8	(20%)	(11%)
Total income	**60.2**	67.8	(11%)	(0%)

	Six months ended 30 June		Variance
	2015	**2014**	**%**
CC&G Clearing			
Contracts (m)	61.5	55.9	10%
Initial margin held (average €bn)	12.2	10.7	14%
Monte Titoli			
Settlement instructions (trades m)	35.0	34.8	1%
Custody assets under management (average €tn)	3.32	3.38	(2%)

Post Trade Services - LCH.Clearnet

Revenue	Six months ended 30 June 2015 £m	2014 £m	Variance %	Organic and constant currency variance[1] %
OTC				
SwapClear	**62.4**	52.6	19%	19%
ForexClear / CDSClear	**12.9**	14.7	(12%)	(1%)
	75.3	67.3	12%	15%
Non-OTC				
Fixed income	**20.5**	22.6	(9%)	(0%)
Commodities	**-**	25.4	-	-
Listed derivatives	**19.5**	22.7	(14%)	(11%)
Cash equities	**17.9**	17.4	3%	8%
	57.9	88.1	(34%)	(31%)
Total Clearing fee revenue	**133.2**	155.4	(14%)	(11%)
Other	**15.9**	18.4	(14%)	(9%)
Total revenue	**149.1**	173.8	(14%)	(11%)
Net treasury income	**27.0**	29.3	(8%)	(6%)
Unrealised gain	**0.1**	0.2	-	-
Total income	**176.2**	203.3	(13%)	(10%)

	Six months ended 30 June 2015	2014	Variance %
OTC derivatives			
SwapClear			
IRS notional cleared ($trn)	261	346	(25%)
SwapClear members	111	106	5%
CDSClear			
Notional cleared (€bn)	66.4	38.4	73%
CDSClear members	11	9	22%
ForexClear			
Notional value cleared ($bn)	522	402	30%
ForexClear members	23	20	15%
Non-OTC			
Fixed income - Nominal value (€trn)	36.5	36.6	(0%)
Listed derivatives (contracts m)	72.6	92.0	(21%)
Cash equities trades (m)	271.1	221.7	22%
Average cash collateral (€bn)	56.2	44.8	25%

INFORMATION SERVICES

The Information Services division consists of Global Indices products, real time data products and a number of other discrete businesses including Trade Processing operations, Desktop and Work Flow products.

	Six months ended 30 June			Organic and constant currency
	2015	2014	Variance	variance[1]
	£m	£m	%	%
Revenue				
FTSE	**101.2**	90.3	12%	8%
Russell Indexes	**70.0**	-	-	-
Real time data	**42.0**	44.6	(6%)	(3%)
Other information services	**47.8**	45.1	6%	8%
	261.0	180.0	45%	5%

[1] MTS Indices removed from Capital Markets Fixed Income revenue and included in Information Services FTSE revenue
Other information services includes a small operation which is held for sale

	As at 30 June		Variance
	2015	2014	%
Terminals			
UK	75,000	79,000	(5%)
Borsa Italiana Professional Terminals	128,000	132,000	(3%)
ETFs assets under management benchmarked ($bn)			
FTSE	230	213	8%
Russell Indexes	159	137	16%
Russell Investment Management AuM ($bn) [1]	266	280	(5%)

Technology Services

Technology Services comprises technology connections and data centre services for clients of London Stock Exchange and Borsa Italiana, plus the MillenniumIT software business, based in Sri Lanka, which provides technology for the Group as well as third party sales and enterprise services.

	Six months ended 30 June			Organic and constant currency
	2015	2014	Variance	variance
	£m	£m	%	%
Revenue				
MillenniumIT	**19.4**	16.4	18%	8%
Technology	**18.9**	16.4	15%	20%
Total revenue	**38.3**	32.8	17%	14%

Basis of Preparation

Results for the European and US businesses have been translated into Sterling using the exchange rates set out below. Constant currency growth rates have been calculated by translating prior period results at the average exchange rate for the current period.

	Average rate 6 months ended 30 June 2015	Closing rate at 30 June 2015	Average rate 6 months ended 30 June 2014	Closing rate at 30 June 2014
GBP : EUR	1.37	1.41	1.22	1.25
GBP : USD	1.52	1.57	1.67	1.70

[1] LSEG and the members of its group accept no responsibility for or liability in respect of information relating to Russell AUM, which has been published by Russell Investments and has not been independently verified by LSEG. No representation or warranty, expressed or implied, is given by or on behalf of LSEG or its group as to its accuracy or completeness and no reliance should be placed on such information

CONDENSED CONSOLIDATED INCOME STATEMENT

	Notes	Six months ended 30 June 2015 Unaudited £m	30 September 2014 Unaudited £m	30 June 2014 Unaudited and not reviewed £m Restated
Continuing operations				
Revenue	3	**663.0**	588.0	606.9
Net treasury income through CCP business	3	**40.4**	47.8	46.1
Other income	3	**2.5**	2.5	3.5
Total income		**705.9**	638.3	656.5
Expenses				
Operating expenses before amortisation of purchased intangible assets and non-recurring items	4	**(400.2)**	(353.4)	(369.2)
Operating profit before amortisation of purchased intangible assets and non-recurring items		**305.7**	284.9	287.3
Amortisation of purchased intangible assets	5	**(76.9)**	(58.1)	(58.8)
Non-recurring items	5	**(18.3)**	(56.1)	(24.3)
Operating profit	3	**210.5**	170.7	204.2
Finance income		**0.3**	2.9	5.1
Finance expense		**(34.6)**	(38.4)	(40.4)
Net finance expense	6	**(34.3)**	(35.5)	(35.3)
Profit before tax from continuing operations		**176.2**	135.2	168.9
Taxation on profit before amortisation of purchased intangible assets and non-recurring items		**(79.2)**	(65.7)	(61.7)
Taxation on amortisation of purchased intangible assets and non-recurring items	5	**33.8**	20.7	27.5
Total taxation	7	**(45.4)**	(45.0)	(34.2)
Profit for the financial period from continuing operations		**130.8**	90.2	134.7
Discontinued operations				
Profit after tax for the period from discontinued operations	8	**34.3**	1.5	1.3
Profit for the financial period		**165.1**	91.7	136.0
Profit attributable to:				
Equity holders				
Profit for the period from continuing operations		**115.5**	71.1	117.5
Profit for the period from discontinued operations	8	**34.8**	1.5	1.3
		150.3	72.6	118.8
Non-controlling interests				
Profit attributable to non-controlling interests from continuing operations		**15.3**	19.1	17.2
Profit attributable to non-controlling interests from discontinued operations	8	**(0.5)**	-	-
		14.8	19.1	17.2
		165.1	91.7	136.0

Earnings per share attributable to equity holders:				
Basic earnings per share	9	**43.4p**	26.6p	40.5p
Diluted earnings per share	9	**42.8p**	26.2p	39.8p
Adjusted basic earnings per share	9	**65.5p**	58.7p	57.3p
Adjusted diluted earnings per share	9	**64.6p**	57.7p	56.4p
Earnings per share for continuing operations attributable to equity holders:				
Basic earnings per share	9	**33.4p**	26.1p	40.1p
Diluted earnings per share	9	**32.9p**	25.7p	39.4p
Adjusted basic earnings per share	9	**49.9p**	58.2p	56.9p
Adjusted diluted earnings per share	9	**49.3p**	57.2p	56.0p
Dividend per share in respect of the financial period:				
Dividend per share paid during the period	10	**22.5p**	20.7p	10.1p
Dividend per share declared for the period	10	**10.8p**	9.7p	N/A

The notes on pages 19 to 45 form an integral part of these interim condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended		
	30 June 2015	30 September 2014	30 June 2014
	Unaudited	Unaudited	Unaudited and not reviewed
	£m	£m	£m
Profit for the financial period	**165.1**	91.7	136.0
Other comprehensive (loss) / income:			
Items that will not be subsequently reclassified to profit or loss			
Defined benefit pension scheme remeasurement loss	**(0.6)**	(8.7)	(4.7)
Items that may be subsequently reclassified to profit or loss			
Cash flow hedge	**-**	46.1	(3.2)
Net investment hedge	**36.2**	18.0	4.1
Change in value of available for sale financial assets	**1.0**	0.5	2.4
Exchange loss on translation of foreign operations	**(191.9)**	(120.8)	(61.0)
Tax related to items not recognised in income statement	**5.5**	(7.3)	2.8
	(149.2)	(63.5)	(54.9)
Other comprehensive loss, net of tax	**(149.8)**	(72.2)	(59.6)
Total comprehensive income for the financial period	**15.3**	19.5	76.4
Attributable to non-controlling interests	**(34.5)**	(6.3)	(13.3)
Attributable to equity holders	**49.8**	25.8	89.7
Total comprehensive income for the financial period	**15.3**	19.5	76.4

The notes on pages 19 to 45 form an integral part of these interim condensed consolidated financial statements.

CONDENSED CONSOLIDATED BALANCE SHEET

	Notes	30 June 2015 Unaudited £m	30 September 2014 Unaudited £m	31 December 2014 £m
Assets				
Non-current assets				
Property, plant and equipment		**87.7**	87.7	115.6
Intangible assets	11	**3,608.5**	2,531.6	4,492.0
Investment in associates		**0.3**	0.3	12.1
Deferred tax assets		**42.5**	31.7	76.5
Derivative financial instruments	14	**64.9**	15.7	22.7
Available for sale investments	14	**4.5**	4.8	4.8
Retirement benefit assets	12	**19.1**	11.7	16.0
Other non-current assets	14	**34.3**	0.2	64.8
		3,861.8	2,683.7	4,804.5
Current assets				
Inventories		**7.6**	2.0	6.6
Trade and other receivables	13	**429.5**	253.3	571.1
Derivative financial instruments	14	**0.2**	7.0	0.4
CCP financial assets		**419,076.3**	450,884.1	429,952.8
CCP cash and cash equivalents (restricted)		**27,728.9**	23,923.7	21,493.0
CCP clearing business assets	14	**446,805.2**	474,807.8	451,445.8
Current tax		**55.1**	10.2	24.3
Assets held at fair value	14	**13.7**	16.8	12.4
Cash and cash equivalents	14	**942.4**	1,711.6	1,127.2
		448,253.7	476,808.7	453,187.8
Assets held for sale	8	**1,186.8**	-	5.3
Total assets		**453,302.3**	479,492.4	457,997.6
Liabilities				
Current liabilities				
Trade and other payables	16	**485.3**	397.5	727.4
Derivative financial instruments	14	**-**	1.0	-
CCP clearing business liabilities	14	**446,835.9**	474,811.4	451,467.5
Current tax		**52.6**	27.4	51.6
Borrowings	17	**837.8**	1.1	789.9
Provisions	14	**1.6**	1.2	0.9
		448,213.2	475,239.6	453,037.3
Liabilities directly associated with assets held for sale	8	**480.6**	-	-
		448,693.8	475,239.6	453,037.3
Non-current liabilities				
Borrowings	17	**924.2**	936.1	936.5
Other non-current payables	16	**32.0**	-	73.3
Deferred income		**3.4**	-	4.9
Deferred tax liabilities		**624.3**	285.1	859.5
Retirement benefit obligations	12	**43.5**	38.7	39.8
Other non-current liabilities	14	**66.4**	50.0	77.5
Provisions	14	**11.3**	12.3	13.5
		1,705.1	1,322.2	2,005.0
Total liabilities		**450,398.9**	476,561.8	455,042.3
Net assets		**2,903.4**	2,930.6	2,955.3
Equity				
Capital and reserves attributable to the Company's equity holders				
Ordinary share capital		**24.0**	23.9	23.9
Share premium		**959.9**	957.7	957.7
Retained earnings / (losses)		**102.8**	(38.9)	20.0
Other reserves		**1,403.7**	1,561.1	1,524.9
Total shareholders' funds		**2,490.4**	2,503.8	2,526.5
Non-controlling interests		**413.0**	426.8	428.8
Total equity		**2,903.4**	2,930.6	2,955.3

The notes on pages 19 to 45 form an integral part of these interim condensed consolidated financial statements.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

		Six months ended		
		30 June 2015	30 September 2014	30 June 2014
		Unaudited	Unaudited	Unaudited and not reviewed
	Notes	£m	£m	£m
Cash flow from operating activities				
Cash generated from operations	19	**299.6**	302.2	316.5
Interest received		**1.2**	1.9	2.0
Interest paid		**(39.1)**	(40.6)	(44.8)
Corporation tax paid		**(95.3)**	(42.4)	(74.7)
Withholding tax paid		**-**	(1.9)	-
Net cash inflow from operating activities		**166.4**	219.2	199.0
Cash flow from investing activities				
Purchase of property, plant and equipment		**(17.1)**	(11.0)	(15.8)
Sale of property, plant and equipment		**5.4**	-	-
Purchase of intangible assets		**(31.5)**	(29.2)	(37.8)
Investment in other acquisition		**(0.9)**	-	-
Investment in subsidiaries		**(2.1)**	(10.0)	(10.0)
Contributions into investment funds		**6.9**	-	-
Dividends received from associates		**7.2**	0.2	0.2
Net cash inflow from acquisitions		**0.2**	1.0	1.0
Net cash outflow from investing activities		**(31.9)**	(49.0)	(62.4)
Cash flow from financing activities				
Capital raise		**-**	955.5	-
Dividends paid to shareholders	10	**(78.0)**	(56.2)	(27.3)
Dividends paid to non-controlling interests		**(4.3)**	(1.1)	(1.3)
Financing cash flow hedge gain		**-**	39.2	-
Proceeds from own shares on exercise of employee share options		**4.8**	1.9	1.4
Purchase of own shares by ESOP Trust		**-**	-	(0.1)
Repayments of finance lease		**(2.5)**	-	-
Repayments of borrowings		**(0.1)**	(266.9)	(45.8)
Proceeds from borrowings		**55.8**	-	-
Net cash (outflow) / inflow from financing activities		**(24.3)**	672.4	(73.1)
Increase in cash and cash equivalents		**110.2**	842.6	63.5
Cash and cash equivalents at beginning of period		**1,127.2**	919.2	955.4
Exchange loss on cash and cash equivalents		**(72.6)**	(50.2)	(33.8)
Cash and cash equivalents at end of period		**1,164.8**	1,711.6	985.1
Cash and cash equivalents at end of period from continuing operations		**942.4**	1,711.6	984.5
Cash and cash equivalents at end of period from discontinued operations	8	**222.4**	-	0.6
Cash and cash equivalents at end of period		**1,164.8**	1,711.6	985.1

The notes on pages 19 to 45 form an integral part of these interim condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders						
	Ordinary share capital	Share premium	Retained earnings / (losses)	Other reserves	Total attributable to equity holders	Non-controll-ing interests	Total equity
	£m	£m	£m	£m	£m	£m	£m
31 December 2013 (Unaudited)	18.8	-	(81.3)	1,592.4	1,529.9	431.2	1,961.1
Profit for the period	-	-	118.8	-	118.8	17.2	136.0
Other comprehensive income / (loss) for the financial period	-	-	0.9	(47.2)	(46.3)	(13.3)	(59.6)
Interim dividend relating to the year ended 31 March 2014	-	-	(27.3)	-	(27.3)	-	(27.3)
Employee share scheme expenses	-	-	5.2	-	5.2	-	5.2
Dividend payments to non-controlling interests	-	-	-	-	-	(1.4)	(1.4)
30 June 2014 (Unaudited and restated)	18.8	-	16.3	1,545.2	1,580.3	433.7	2,014.0
Profit for the period	-	-	64.5	-	64.5	5.4	69.9
Other comprehensive loss for the financial period	-	-	(6.6)	(20.3)	(26.9)	(13.8)	(40.7)
Issue of shares	0.1	-	-	-	0.1	-	0.1
Rights issue	5.0	957.7	-	-	962.7	-	962.7
Final dividend relating to the year ended 31 March 2014	-	-	(56.2)	-	(56.2)	-	(56.2)
Employee share scheme expenses	-	-	2.0	-	2.0	-	2.0
Dividend payments to non-controlling interests	-	-	-	-	-	(4.9)	(4.9)
Purchase of non-controlling interest within acquired subsidiary	-	-	-	-	-	8.4	8.4
31 December 2014	23.9	957.7	20.0	1,524.9	2,526.5	428.8	2,955.3
Profit for the period	**-**	**-**	**150.3**	**-**	**150.3**	**14.8**	**165.1**
Other comprehensive income / (loss) for the financial period	**-**	**-**	**5.9**	**(121.2)**	**(115.3)**	**(34.5)**	**(149.8)**
Issue of shares	**0.1**	**2.2**	**-**	**-**	**2.3**	**-**	**2.3**
Interim dividend relating to the period ended 31 December 2014	**-**	**-**	**(33.6)**	**-**	**(33.6)**	**-**	**(33.6)**
Final dividend relating to the period ended 31 December 2014	**-**	**-**	**(44.4)**	**-**	**(44.4)**	**-**	**(44.4)**
Employee share scheme expenses	**-**	**-**	**4.6**	**-**	**4.6**	**-**	**4.6**
Dividend payments to non-controlling interests	**-**	**-**	**-**	**-**	**-**	**(4.2)**	**(4.2)**
Purchase of non-controlling interest	**-**	**-**	**-**	**-**	**-**	**8.1**	**8.1**
30 June 2015 (Unaudited)	**24.0**	**959.9**	**102.8**	**1,403.7**	**2,490.4**	**413.0**	**2,903.4**

The other reserves are set out on page 121 of the Group's Annual Report for the nine month period ended 31 December 2014. The movement in the current period comprises a charge of £157.4m to the foreign exchange reserves and a credit of £36.2m to the hedging reserve, both of which are distributable reserves.

The Board approved the allotment and issue of 394,954 ordinary shares of par value $6^{79/86}$p at 565p each in the Company to satisfy options granted under the Company's Save-As-You-Earn and International Sharesave Plans.

During the period, the Group also issued 1,000,000 ordinary shares at par value to the Employee Benefit Trust in relation to the Group's employee share option scheme.

The notes on pages 19 to 45 form an integral part of these interim condensed consolidated financial statements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The Interim Report for the London Stock Exchange Group plc (the 'Group' or the 'Company') for the six months ended 30 June 2015 was approved by the Directors on 5 August 2015.

1. Basis of preparation and accounting policies

The interim condensed consolidated financial statements of London Stock Exchange Group plc and its subsidiaries (collectively, the 'Group') for the six months ended 30 June 2015 have been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority and with International Accounting Standard 34 (IAS 34), 'Interim Financial Reporting'.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the nine month period ended 31 December 2014.

The accounting policies adopted in the preparation of these interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the nine month period ended 31 December 2014, with the addition of the policy in relation to discontinued operations.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale and:

- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

Additional disclosures are provided in Note 8. All other notes to the financial statements include amounts for continuing operations, unless otherwise stated.

There are no further standards, interpretations and amendments effective as of 1 January 2015 relevant to the Group or that impact the Group's annual consolidated financial statements and interim condensed consolidated financial statements.

The Group has changed its financial year end to 31 December. As a consequence, the interim condensed consolidated financial statements are presented as of 30 June 2015 with comparative statement of income statement, statement of comprehensive income, cash flow statement and statement of changes in equity for the comparable interim 30 June 2014. However, to help readers of the financial statements, the previously published six month 30 September 2014 interim numbers are presented as well.

The following standards and interpretations were issued by the International Accounting Standards Board (IASB) and International Financial Reporting Standards Interpretations Committee (IFRIC) since the last Annual Report, but have not been adopted either because they were not endorsed by the European Union (EU) at 30 June 2015 or they are not yet mandatory and the Group has not chosen to early adopt. The impact on the Group's financial statements of the future standards, amendments and interpretations is still under review, but the Group does not expect any of these changes to have a material impact on the results or the net assets of the Group:

International accounting standards and interpretations	Effective date
Amendments to IFRS 11, 'Joint arrangements' on accounting for acquisitions of interest in a joint operation	1 January 2016
Amendment to IAS 16,'Property,plant and equipment' and IAS 38,'Intangible assets', on Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to IAS 27, 'Separate financial statements' on equity method in separate financial statements	1 January 2016
Amendments to IFRS 10, 'Consolidated financial statements' and IAS 28, 'Associates and joint ventures' on sale and contribution of assets between an investor and its associate or joint venture	1 January 2016
Annual Improvements 2012-2014	1 January 2016
IFRS 14,'Regulatory deferral accounts'	1 January 2016
Amendments to IAS 1, 'Presentation of financial statements' relating to disclosure initiative	1 January 2016
IFRS 15 'Revenue from contracts with customers'	1 January 2017
IFRS 9 'Financial instruments' on classification and measurement and amendments regarding general hedge accounting	1 January 2018

The preparation of the interim condensed consolidated financial statements requires management to make estimates and assumptions that affect the reported income and expense, assets and liabilities and disclosure of contingencies at the date of the interim condensed consolidated financial statements. Although these estimates and assumptions are based on management's best judgement at the date of the interim condensed consolidated financial statements, actual results may differ from these estimates.

For these interim condensed consolidated interim financial statements, the Group is not adopting the columnar format for its consolidated income statement as stated in the Group basis of preparation and accounting policies in the Group's annual consolidated financial statements for the nine month period ended 31 December 2014.

The statutory financial statements of London Stock Exchange Group plc for the nine month period ended 31 December 2014, which carried an unqualified audit report, have been delivered to the Registrar of Companies and did not contain a statement under section 498 of the Companies Act 2006.

The interim condensed consolidated financial statements is unaudited but has been reviewed by the auditors and their review opinion in included in this report.

The interim condensed consolidated financial statements does not constitute statutory financial statements within the meaning of section 434 of the Companies Act 2006.

2. Prior period adjustment

On business combinations, the Group recognises a deferred tax liability against the intangible assets acquired. The deferred tax liability is recognised in respect of the amortisation of the acquired intangibles which have no or partial tax base for the Group. The deferred tax is recognised and released to the income statement over the same period as the amortisation of the acquired intangible assets. The recognition of the deferred tax is an accounting treatment to ensure that the effective tax rate is maintained for the Group and is not impacted by amortisation costs which are not tax deductible. There were no cash or working capital impacts of these movements or to the balance sheet of the parent company.

It was identified for the interim condensed consolidated financial statements for the six months to 30 September 2014 that the deferred tax recognised was insufficient. As a consequence, the release of the liability to the income statement, which results in a reduction in the Group's income statement tax charge, was understated.

The correction of these entries result in an increase in deferred tax liability, goodwill and a resulting credit to the income statement as the deferred tax liability is unwound over the useful economic lives of the associated purchased intangibles. In addition in circumstances where the underlying assets have been recognised in a currency other than Sterling there is an adjustment in relation to the retranslation of these balances.

The effect of these adjustments on the six months to 30 June 2014, which was presented as non-statutory financial information in the Interim Results for the three months ended 30 June 2014, is shown by restating each of the affected financial statement line items shown in this report as follows:

	Six months ended 30 June 2014
	Unaudited and not reviewed
	£m
Effect on the income statement	
Profit for the financial period (as originally stated)	125.0
Taxation charge reduction	11.0
Profit for the financial period (restated)	136.0

	Six months ended 30 June 2014
	Unaudited and not reviewed
Effect on earnings per share	
Basic earnings per share (as originally stated)	40.0p
Prior period adjustment	0.5p
Basic earnings per share (restated)	40.5p
Diluted earnings per share (as originally stated)	39.3p
Prior period adjustment	0.5p
Diluted earnings per share (restated)	39.8p

There was no effect on adjusted basic earnings per share or adjusted diluted earnings per share as the deferred tax adjustment is treated as an adjusting item to the operating profit.

3. Segmental information

Segmental disclosures for the six months ended 30 June 2015 are as follows:

Unaudited	Capital Markets £m	Post Trade Services - CC&G and Monte Titoli £m	Post Trade Services - LCH.Clear--net £m	Information Services £m	Technology Services £m	Other £m	Eliminations £m	Group £m
Revenue from external customers	**170.0**	**46.8**	**149.1**	**256.4**	**38.3**	**2.4**	**-**	**663.0**
Inter-segmental revenue	**-**	**0.5**	**-**	**-**	**4.7**	**-**	**(5.2)**	**-**
Revenue	**170.0**	**47.3**	**149.1**	**256.4**	**43.0**	**2.4**	**(5.2)**	**663.0**
Net treasury income through CCP business	**-**	**13.4**	**27.0**	**-**	**-**	**-**	**-**	**40.4**
Other income	**-**	**-**	**0.1**	**-**	**-**	**2.4**	**-**	**2.5**
Total income	**170.0**	**60.7**	**176.2**	**256.4**	**43.0**	**4.8**	**(5.2)**	**705.9**
Operating profit before amortisation of purchased intangible assets and non-recurring items	**87.3**	**29.4**	**50.6**	**134.1**	**1.7**	**1.9**	**0.7**	**305.7**
Amortisation of purchased intangible assets								**(76.9)**
Non-recurring items								**(18.3)**
Operating profit								**210.5**
Net finance expense								**(34.3)**
Profit before tax from continuing operations								**176.2**
Other income statement items								
Depreciation and software amortisation	**(5.2)**	**(2.9)**	**(13.5)**	**(6.4)**	**(2.8)**	**(0.1)**	**1.7**	**(29.2)**

Net treasury income through CCP business of £40.4m comprises gross interest income of £112.8m less gross interest expense of £72.4m. Interest from investment in securities amounts to £4.2m.

Segmental disclosures for the six months ended 30 September 2014 are as follows:

Unaudited	Capital Markets £m	Post Trade Services - CC&G and Monte Titoli £m	Post Trade Services - LCH.Clear--net £m	Information Services £m	Technology Services £m	Other £m	Eliminations £m	Group £m
Revenue from external customers	164.6	48.0	165.7	176.4	30.8	2.5	-	588.0
Inter-segmental revenue	-	0.5	-	-	3.9	-	(4.4)	-
Revenue	164.6	48.5	165.7	176.4	34.7	2.5	(4.4)	588.0
Net treasury income through CCP business	-	15.5	32.3	-	-	-	-	47.8
Other income	-	-	0.4	-	-	2.1	-	2.5
Total income	164.6	64.0	198.4	176.4	34.7	4.6	(4.4)	638.3
Operating profit before amortisation of purchased intangible assets and non-recurring items	80.7	30.8	70.5	89.4	8.6	4.9	-	284.9
Amortisation of purchased intangible assets								(58.1)
Non-recurring items								(56.1)
Operating profit								170.7
Net finance expense								(35.5)
Profit before tax from continuing operations								135.2

Other income statement items								
Depreciation and software amortisation	(6.1)	(2.7)	(12.5)	(5.1)	(1.1)	(0.1)	0.6	(27.0)

Net treasury income through CCP business of £47.8m comprises gross interest income of £61.6m less gross interest expense of £13.8m. Interest from investment in securities amount to £17.2m.

4. Expenses by nature

Expenses comprise the following:

	Six months ended 30 June 2015 Unaudited £m	Six months ended 30 September 2014 Unaudited £m
Cost of sales	**53.0**	42.2
Employee costs	**198.1**	156.5
Depreciation and non-acquisition software amortisation	**29.2**	27.0
IT costs	**44.3**	59.1
Other costs	**75.6**	68.6
Total expenses	**400.2**	353.4

5. Amortisation of purchased intangible assets and non-recurring items

	Six months ended 30 June 2015 Unaudited £m	Six months ended 30 September 2014 Unaudited £m
Amortisation of purchased intangible assets	**76.9**	58.1
Transaction costs	**-**	53.8
Transaction credit	**-**	(2.4)
Restructuring costs	**11.5**	1.2
Integration costs	**6.8**	3.5
Total affecting operating profit	**95.2**	114.2
Charge for new transaction related revolving credit facility	**-**	1.8
Total affecting profit before tax	**95.2**	116.0
Tax effect on items affecting profit before tax		
Deferred tax on amortisation of purchased intangible assets	**(20.7)**	(16.0)
Current tax on amortisation of purchased intangible assets	**(0.9)**	(1.1)
Tax effect on other items affecting profit before tax	**(12.2)**	(3.6)
Total tax effect on items affecting profit before tax	**(33.8)**	(20.7)
Total charge to income statement	**61.4**	95.3

Restructuring and integration costs in the current period principally relate to the ongoing restructuring and integration of Frank Russell Company. The restructuring and integration costs in the prior period were in relation to LCH.Clearnet Group.

Transaction costs comprise charges incurred for ongoing services related to potential or completed acquisitions.

The transaction credit relates to a reduction in obligations arising from the acquisition of LCH.Clearnet Group.

6. Net finance expense

	Six months ended	
	30 June 2015 Unaudited £m	30 September 2014 Unaudited £m
Finance income		
Bank deposit and other interest income	**0.3**	0.7
Other finance income	**-**	2.0
Investment income	**-**	0.2
	0.3	2.9
Finance expense		
Interest payable on bank and other borrowings	**(32.9)**	(37.0)
Fair value losses on financial instruments	**-**	(0.7)
Other finance expense	**(1.4)**	(0.5)
Defined benefit pension scheme interest cost	**(0.3)**	(0.2)
	(34.6)	(38.4)
Net finance expense	**(34.3)**	(35.5)

7. Taxation

	Six months ended	
Taxation charged to the income statement	30 June 2015 Unaudited £m	30 September 2014 Unaudited £m
Current tax:		
UK corporation tax for the period	**34.7**	34.2
Overseas tax for the period	**42.9**	31.8
Adjustments in respect of previous years	**-**	(1.9)
	77.6	64.1
Deferred tax:		
Deferred tax for the period	**(11.6)**	(1.3)
Adjustments in respect of previous years	**-**	(1.8)
Deferred tax liability on amortisation of purchased intangible assets	**(20.6)**	(16.0)
	(32.2)	(19.1)
Taxation charge	**45.4**	45.0

Taxation on items not credited/(charged) to income statement

	Six months ended 30 June 2015 Unaudited £m	Six months ended 30 September 2014 Unaudited £m
Current tax credit:		
Tax allowance on share options/awards in excess of expense recognised	**0.4**	1.5
Tax on forward contracts	**-**	(9.7)
Deferred tax credit/(loss):		
Tax allowance on defined benefit pension scheme remeasurement loss	**0.4**	2.0
Tax allowance on share options/awards in excess of expense recognised	**4.7**	(0.9)
Movement in value of available for sale financial assets	**-**	(0.2)
	5.5	(7.3)

Factors affecting the tax charge for the period

The income statement tax charge for the period differs from the standard rate of corporation tax in the UK of 20.25% (period ended 30 September 2014: 21%) as explained below:

	Six months ended 30 June 2015 Unaudited £m	Six months ended 30 September 2014 Unaudited £m
Profit before taxation from continuing operations	**176.2**	135.2
Profit before taxation from discontinued operations	**29.0**	1.6
	205.2	136.8
Profit multiplied by standard rate of corporation tax in the UK	**41.6**	28.7
Expenses not deductible	**2.5**	13.3
Deferred tax previously not recognised	**(10.4)**	-
Deferred tax in respect of Italian tax rate change	**-**	(3.4)
Overseas earnings taxed at higher rate	**13.2**	10.6
Adjustments in respect of previous years	**-**	(3.7)
Amortisation of purchased intangibles at overseas rates	**(6.8)**	(0.4)
Taxation charge	**40.1**	45.1
Income tax from continuing operations	**45.4**	45.0
Income tax attributable to discontinued operations	**(5.3)**	0.1
	40.1	45.1

The tax rate applied as at 30 June 2015 is the expected rate for the full financial year.

8. Discontinued operations

During the period, the Group announced the completion of the comprehensive review focused principally on assessing the strategic fit of the Russell Investment Management business with the Group's long term strategy. After careful consideration, the conclusion of the comprehensive review is to explore a sale of this business in its entirety. The disposal of the Russell Investment Management business is expected to complete before the end of the current financial year or early 2016, subject to finalising agreements with potential acquirers and any regulatory reviews.

At 30 June 2015, the Russell Investment Management business was classified as a disposal group held for sale, and as discontinued operations. The business of Russell Investment Management represented the entire Investment Management segment in the Group's annual consolidated financial statements for the nine month period ended 31 December 2014. With the Russell Investment Management business being classified as a disposal group held for sale and discontinued operations, the Investment Management segment is no longer presented in the segment note. Also during the period, a smaller business line within the Group was classified as held for sale, with completion of the sale expected to occur before the end of the current financial year.

The results of discontinued operations are presented below:

	Six months ended	
	30 June 2015 Unaudited £m	**30 September 2014 Unaudited £m**
Revenue	**501.9**	4.6
Other income	**0.9**	-
Total income	**502.8**	4.6
Expenses		
Operating expenses before amortisation of purchased intangible assets and non-recurring items	**(442.3)**	(3.0)
Share of loss after tax of associates	**(0.1)**	-
Operating profit before amortisation of purchased intangible assets and non-recurring items	**60.4**	1.6
Amortisation of purchased intangible assets	**(4.8)**	-
Non-recurring items	**(26.7)**	-
Operating profit	**28.9**	1.6
Finance income	**0.4**	-
Finance expense	**(0.3)**	-
Net finance expense	**0.1**	-
Profit before tax from discontinued operations	**29.0**	1.6
Taxation on profit before amortisation of purchased intangible assets and non-recurring items	**(7.2)**	(0.1)
Taxation on amortisation of purchased intangible assets and non-recurring items	**12.5**	-
Total taxation	**5.3**	(0.1)
Profit for the period from discontinued operations	**34.3**	1.5
Attributable to:		
Equity holders	**34.8**	1.5
Non-controlling interests	**(0.5)**	-
	34.3	1.5

The major classes of assets and liabilities of discontinued operations classified as held for sale are as follows:-

Assets	30 June 2015 Unaudited £m
Property, plant and equipment	29.1
Intangible assets	656.8
Investments in associates	5.0
Trade and other receivables	189.1
Cash and cash equivalents	222.4
Deferred tax assets	40.4
Current tax assets	7.8
Other assets	36.2
Assets held for sale	**1,186.8**
Liabilities	
Borrowings	2.3
Trade and other payables	250.5
Current tax	0.3
Deferred tax liabilities	188.5
Provisions	0.9
Other liabilities	38.1
Liabilities directly associated with assets held for sale	**480.6**
Net assets directly associated with disposal group	**706.2**
Amounts included in accumulated Other Comprehensive Income:	
Foreign exchange translation reserves	(3.4)
Reserve of disposal group classified as held for sale	**(3.4)**

The carrying amounts of assets and liabilities are held at the lower of cost or net realisable value less costs to sell. The value of the assets and liabilities held for the Russell Investment Management business was £1,175.7m and £479.1m, respectively.

The net cash flows incurred by discontinued operations during the period are as follows:

	Six months ended	
	30 June 2015 Unaudited £m	30 September 2014 Unaudited £m
Cash flow from operating activities	(11.0)	0.6
Cash flow from investing activities	4.3	(0.4)
Cash flow from financing activities	4.1	-
Net cash (outflow)/inflow	**(2.6)**	0.2

9. Earnings per share

Earnings per share is presented on four bases: basic earnings per share; diluted earnings per share; adjusted basic earnings per share; and adjusted diluted earnings per share. Basic earnings per share is in respect of all activities and diluted earnings per share takes into account the dilution effects which would arise on conversion or vesting of share options and share awards under the Employee Share Ownership Plan (ESOP). Adjusted basic earnings per share and adjusted diluted earnings per share exclude amortisation of purchased intangible assets and adjusted items to enable a better comparison of the underlying earnings of the business with prior periods. The following also reflects the earnings per share for the continuing and discontinuing operations.

	Six months ended					
	30 June 2015 Unaudited			30 September 2014 Unaudited		
	Continuing	Discontinued	Total	Continuing	Discontinued	Total
Basic earnings per share	**33.4p**	**10.0p**	**43.4p**	26.1p	0.5p	26.6p
Diluted earnings per share	**32.9p**	**9.9p**	**42.8p**	25.7p	0.5p	26.2p
Adjusted basic earnings per share	**49.9p**	**15.6p**	**65.5p**	58.2p	0.5p	58.7p
Adjusted diluted earnings per share	**49.3p**	**15.3p**	**64.6p**	57.2p	0.5p	57.7p

Profit and adjusted profit for the financial period attributable to the Company's equity holders

	Six months ended					
	30 June 2015 Unaudited			30 September 2014 Unaudited		
	Continuing	Discontinued	Total	Continuing	Discontinued	Total
	£m	£m	£m	£m	£m	£m
Profit for the financial period attributable to the Company's equity holders	**115.5**	**34.8**	**150.3**	71.1	1.5	72.6
Adjustments:						
Amortisation and non-recurring items						
Amortisation of purchased intangible assets	**76.9**	**4.8**	**81.7**	58.1	-	58.1
Transaction costs	**-**	**-**	**-**	53.8	-	53.8
Transaction credit	**-**	**-**	**-**	(2.4)	-	(2.4)
Restructuring costs	**11.5**	**26.7**	**38.2**	1.2	-	1.2
Integration costs	**6.8**	**-**	**6.8**	3.5	-	3.5
Charge for new revolving credit facility	**-**	**-**	**-**	1.8	-	1.8
Other adjusting items:						
Unrealised net investment gain (included in other income)	**-**	**-**	**-**	(0.4)	-	(0.4)
Tax effect of amortisation and impairment of purchased intangibles and non-recurring items	**(33.8)**	**(12.5)**	**(46.3)**	(20.7)	-	(20.7)
Tax effect of other adjusting items	**-**	**-**	**-**	(0.1)	-	(0.1)
Amortisation, non-recurring and adjusting items, and taxation attributable to non-controlling interests	**(4.0)**	**-**	**(4.0)**	(7.3)	-	(7.3)
Adjusted profit for the financial period attributable to the Company's equity holders	**172.9**	**53.8**	**226.7**	158.6	1.5	160.1
Weighted average number of shares - million			**346.3**			272.9
Effect of dilutive share options and awards - million			**4.6**			4.4
Diluted weighted average number of shares - million			**350.9**			277.3

The weighted average number of shares excludes those held in the ESOP.

10. Dividends

	Six months ended 30 June 2015 Unaudited £m	Six months ended 30 September 2014 Unaudited £m
Final dividend for 31 December 2014 paid 2 June 2015: 12.8p per Ordinary share	**44.4**	-
Interim dividend for 31 December 2014 paid 5 January 2015: 9.7p per Ordinary share	**33.6**	-
Final dividend for 31 March 2014 paid 19 August 2014: 20.7p per Ordinary share	**-**	56.2
	78.0	56.2

The Board has proposed an interim dividend in respect of the period ended 30 June 2015 of 10.8p per share, amounting to an estimated £37.5m, to be paid on 22 September 2015. This is not reflected in this financial information.

11. Intangible Assets

Unaudited	Goodwill £m	Purchased intangible assets: Customer and supplier relationships £m	Purchased intangible assets: Brands £m	Purchased intangible assets: Software, licenses and intellectual property £m	Software £m	Total £m
Cost:						
30 September 2014	1,526.0	1,119.7	252.3	405.2	270.5	3,573.7
Additions	-	0.2	-	-	36.8	37.0
Acquisition of subsidiaries	475.3	799.7	677.6	30.7	5.0	1,988.3
Disposals	-	(0.8)	(0.1)	-	(6.6)	(7.5)
Foreign exchange	8.9	9.7	2.5	5.4	(32.5)	(6.0)
31 December 2014	2,010.2	1,928.5	932.3	441.3	273.2	5,585.5
Additions	**-**	**-**	**-**	**-**	**33.9**	**33.9**
Acquisition of subsidiaries	**0.3**	**4.3**	**0.1**	**-**	**-**	**4.7**
Assets held for sale	**(142.2)**	**(387.6)**	**(111.3)**	**(15.5)**	**(8.9)**	**(665.5)**
Foreign exchange	**(82.9)**	**(78.3)**	**(7.3)**	**(5.1)**	**(14.3)**	**(187.9)**
30 June 2015	**1,785.4**	**1,466.9**	**813.8**	**420.7**	**283.9**	**4,770.7**
Accumulated amortisation and impairment:						
30 September 2014	470.1	256.2	33.1	166.7	116.0	1,042.1
Impairment	0.2	-	-	21.8	-	22.0
Amortisation charge for the period	-	18.0	4.9	11.8	11.1	45.8
Disposals	-	(0.8)	(0.1)	-	(6.3)	(7.2)
Foreign exchange	(3.4)	9.9	(0.1)	(0.3)	(15.3)	(9.2)
31 December 2014	466.9	283.3	37.8	200.0	105.5	1,093.5
Amortisation charge for the period	**-**	**40.3**	**17.4**	**24.0**	**19.8**	**101.5**
Assets held for sale	**-**	**(4.2)**	**(1.1)**	**(1.5)**	**(2.0)**	**(8.8)**
Foreign exchange	**1.3**	**(18.1)**	**(0.4)**	**(3.6)**	**(3.2)**	**(24.0)**
30 June 2015	**468.2**	**301.3**	**53.7**	**218.9**	**120.1**	**1,162.2**
Net book values:						
30 June 2015 (Unaudited)	**1,317.2**	**1,165.6**	**760.1**	**201.8**	**163.8**	**3,608.5**
31 December 2014	1,543.3	1,645.2	894.5	241.3	167.7	4,492.0
30 September 2014 (Unaudited)	1,055.9	863.5	219.2	238.5	154.5	2,531.6

The fair values of the purchased intangible assets were principally valued using discounted cash flow methodologies and are being amortised over their useful economic lives, which do not normally exceed 25 years. The goodwill arising on consolidation represents the growth potential and assembled workforces of the Frank Russell Group, Italian Group, LCH.Clearnet Group, FTSE Group, MillenniumIT, Turquoise and Exactpro.

On 29 May 2015, the Group acquired Exactpro Systems Limited for a consideration of USD$6.8m (£4.3m). This resulted in an increase in goodwill of £2.9m during the period. This value is preliminary and will be finalised during the following year.

The valuation on the acquisition of Bonds.com was finalised during the period resulting in a reduction of goodwill of £2.6m and an increase in purchased intangibles of £4.4m and deferred tax liability of £1.8m.

During the period, additions relating to internally generated software amounted to £30.6m.

The carrying value of licenses held under finance leases at 30 June 2015 amounted to £1.7m.

12. Retirement benefit obligations

The Group operates separate defined benefit and defined contribution schemes. The assets of the defined benefit and defined contribution schemes in the UK are held separately from those of the Group in a separate trustee administered fund and the funds are primarily managed by Schroder Investment Management Limited, Legal & General Investment Management Limited, PIMCO Europe Limited and Aviva Investors during the period.

The 'Other plans' relate to the severance and leaving indemnity scheme Trattamento di Fine Rapporto (TFR) operated by the Italian group in accordance with Italian law, the employee benefit and retirement plan operated by MillenniumIT and the pension commitments of LCH.Clearnet group.

The only schemes operated by FTSE International and Frank Russell Company are a defined contribution schemes.

Defined benefit schemes

The UK defined benefit scheme was a non-contributory scheme and closed to new members in 1999. With effect from 31 March 2012, the scheme also closed to accrual of future benefits for active members and it has been agreed that the benefits for affected members will remain linked to their salary with the Group.

Pension scheme obligations and costs are determined by an independent qualified actuary on a regular basis using the projected unit credit method. The obligations are measured by discounting the best estimate of future cash flows to be paid out by the scheme and are reflected in the Group balance sheet.

The TFR operated by the Italian group is classified as an unfunded defined benefit scheme for funds accumulated prior to 1 July 2007. The service cost, representing deferred salaries accruing to employees, was included as an operating expense and was determined by law at 6.91 per cent of salary payments subject to certain adjustments. The scheme obligation comprises accumulated service costs and is revalued by law at a rate equal to 75 per cent of 'national life price index +1.5 per cent' by an independent qualified actuary. Since 1 July 2007, the Group retains no obligation, as contributions are made directly into Italian state funds in the manner of a defined contribution scheme.

The employee benefit and retirement plan operated by MillenniumIT is classified as a defined benefit plan. The net obligation in respect of this plan is the amount of future benefit that employees have earned in return for their service in the current and prior periods. Once an employee is continuously employed for more than five years, he or she is entitled to a payment equivalent to half a month's gross salary multiplied by the number of years in service at MillenniumIT.

The defined benefit scheme operated by LCH.Clearnet was closed to new members from 30 September 2009. The scheme was closed to further employee contributions from 31 March 2013.

Defined contribution schemes

The Group's defined contribution schemes are now the only schemes open to new employees in the UK, Italy and LCH entities. For the UK pension plan, a core contribution of four to eight per cent of pensionable pay is provided and the Group will match employee contributions up to a maximum of six to ten per cent of pensionable pay. LCH pays fixed contributions to the defined contribution scheme and there is no legal or constructive obligation to pay further contributions.

Amounts recognised in the income statement are as follows:

		Six months ended 30 June 2015 Unaudited				Six months ended 30 September 2014 Unaudited			
	Note	**LSEG UK £m**	**LCH UK £m**	**Other plans £m**	**Total £m**	LSEG UK £m	LCH UK £m	Other plans £m	Total £m
Defined contribution schemes		**(1.0)**	**(3.5)**	**(8.4)**	**(12.9)**	(1.6)	(4.8)	0.3	(6.1)
Defined benefit scheme - current service cost and expenses		**(0.4)**	**(0.1)**	**(0.8)**	**(1.3)**	(0.3)	0.2	-	(0.1)
Total pension charge included in employee costs		**(1.4)**	**(3.6)**	**(9.2)**	**(14.2)**	(1.9)	(4.6)	0.3	(6.2)
Interest expense	6	**(0.5)**	**0.3**	**(0.1)**	**(0.3)**	(0.5)	0.4	(0.1)	(0.2)
Total recognised in the income statement		**(1.9)**	**(3.3)**	**(9.3)**	**(14.5)**	(2.4)	(4.2)	0.2	(6.4)

Defined benefit assets/(obligations) for pension schemes

	30 June 2015 Unaudited				30 September 2014 Unaudited			
	LSEG UK	LCH UK	Other plans	Total	LSEG UK	LCH UK	Other plans	Total
	£m	£m	£m	£m	£m	£m	£m	£m
Fair value of assets:								
Equities (quoted)	**9.4**	**98.5**	**-**	**107.9**	9.1	80.1	-	89.2
Bonds (quoted)	**128.5**	**103.7**	**0.2**	**232.4**	113.4	90.1	0.1	203.6
Property	**1.3**	**-**	**0.1**	**1.4**	4.7	-	0.1	4.8
Cash	**0.9**	**4.0**	**0.1**	**5.0**	4.7	17.7	-	22.4
Pensioner buy in policy	**165.3**	**-**	**-**	**165.3**	158.0	-	-	158.0
Foreign exchange	**-**	**(5.8)**	**-**	**(5.8)**	-	(6.3)	-	(6.3)
Total fair value of assets	**305.4**	**200.4**	**0.4**	**506.2**	289.9	181.6	0.2	471.7
Present value of funded obligations	**(336.7)**	**(181.3)**	**(12.6)**	**(530.6)**	(316.1)	(169.9)	(12.7)	(498.7)
(Deficit)/surplus	**(31.3)**	**19.1**	**(12.2)**	**(24.4)**	(26.2)	11.7	(12.5)	(27.0)

UK pension plan actuarial assumptions are set out below:

	30 June 2015 Unaudited		30 September 2014 Unaudited	
	LSEG UK	LCH UK	LSEG UK	LCH UK
Inflation rate - RPI	**3.3%**	**3.3%**	3.2%	3.2%
Inflation rate - CPI	**2.3%**	**2.3%**	2.2%	2.2%
Rate of increase in salaries	**3.3%**	**n/a**	3.2%	n/a
Rate of increase in pensions in payment	**3.5%**	**2.2%**	3.5%	2.2%
Discount rate	**3.8%**	**3.9%**	4.1%	4.1%
Life expectancy from age 60 (years)				
- Non-retired male member	**28.7**	**30.4**	28.6	30.4
- Non-retired female member	**30.6**	**32.8**	30.5	32.6
- Retired male member	**27.2**	**28.1**	27.1	29.3
- Retired female member	**29.3**	**30.4**	29.2	31.3

13. Trade and other receivables

	30 June 2015 Unaudited £m	30 September 2014 Unaudited £m
Current		
Trade receivables	**204.7**	125.8
Less: Provision for impairment of receivables	**(6.1)**	(6.8)
Trade receivables - net	**198.6**	119.0
Prepayments and accrued income	**157.1**	81.9
Other receivables	**73.8**	52.4
Total	**429.5**	253.3

The carrying values less impairment provision of trade and other receivables are reasonable approximations of fair values.

Trade receivables that are not past due are not considered to be impaired.

14. Financial assets and financial liabilities

Financial instruments by category

The financial instruments of the Group at 30 June 2015 are categorised as follows:

30 June 2015	**Loans and receivables**	**Held-to-maturity assets**	**Available for sale at fair value through OCI**	**Financial instruments at fair value through profit or loss**	**Total**
Unaudited	**£m**	**£m**	**£m**	**£m**	**£m**
Assets as per balance sheet					
Financial assets of the CCP clearing business:					
– CCP trading assets	-	-	-	264,582.8	**264,582.8**
– Receivables for repurchase transactions	122,357.4	-	-	-	**122,357.4**
– Other receivables from clearing members	7,257.8	-	-	-	**7,257.8**
– Financial assets held at fair value	-	-	11,030.9	13,847.4	**24,878.3**
– Cash and cash equivalents of clearing members	27,728.9	-	-	-	**27,728.9**
Financial assets of the CCP clearing business	157,344.1	-	11,030.9	278,430.2	**446,805.2**
Assets held at fair value	-	-	-	13.7	**13.7**
Total financial assets for CCP clearing	157,344.1	-	11,030.9	278,443.9	**446,818.9**
Other non-current assets	33.9	-	-	0.4	**34.3**
Trade and other receivables	429.5	-	-	-	**429.5**
Cash and cash equivalents	932.8	-	-	9.6	**942.4**
Available for sale financial assets	-	-	4.5	-	**4.5**
Derivatives not designated as hedges:					
- Foreign exchange forward contracts	-	-	-	0.2	**0.2**
Derivatives used for hedging: Fair value hedges:					
- Cross currency interest rate swaps	-	-	-	64.9	**64.9**
Total	158,740.3	-	11,035.4	278,519.0	**448,294.7**

There were no transfers between categories during the period.

30 June 2015 Unaudited	Financial liabilities at amortised cost £m	Financial liabilities at fair value through profit and loss £m	Total £m
Liabilities as per balance sheet			
Financial liabilities of the CCP clearing business:			
– CCP trading liabilities	-	264,582.9	**264,582.9**
– Liabilities under repurchase transactions	123,570.2	-	**123,570.2**
– Other payables to clearing members	58,674.7	-	**58,674.7**
– Financial liabilities held at fair value	-	8.1	**8.1**
Total financial liabilities of the CCP clearing	182,244.9	264,591.0	**446,835.9**
Trade and other payables	485.3	-	**485.3**
Borrowings	1,762.0	-	**1,762.0**
Provisions	12.9	-	**12.9**
Other non-current liabilities	34.3	32.1	**66.4**
Other non-current payables	32.0	-	**32.0**
Total	184,571.4	264,623.1	**449,194.5**

There were no transfers between categories during the period.

The financial instruments of the Group at 30 September 2014 are categorised as follows:

30 September 2014 Unaudited	Loans and receivables £m	Held-to-maturity assets £m	Available for sale at fair value through OCI £m	Financial instruments at fair value through profit or loss £m	Total £m
Assets as per balance sheet					
Financial assets of the CCP clearing business:					
– CCP trading assets	-	-	-	326,346.9	326,346.9
– Receivables for repurchase transactions	100,603.3	-	-	-	100,603.3
– Other receivables from clearing members	4,547.3	-	-	-	4,547.3
– Financial assets held at fair value	-	3,391.3	6,549.2	9,446.1	19,386.6
– Cash and cash equivalents of clearing members	23,923.7	-	-	-	23,923.7
Financial assets of the CCP clearing business	129,074.3	3,391.3	6,549.2	335,793.0	474,807.8
Assets held at fair value	-	-	-	16.8	16.8
Total financial assets for CCP clearing	129,074.3	3,391.3	6,549.2	335,809.8	474,824.6
Other non-current assets	0.2	-	-	-	0.2
Trade and other receivables	253.3	-	-	-	253.3
Cash and cash equivalents	1,711.6	-	-	-	1,711.6
Available for sale financial assets	-	-	4.8	-	4.8
Derivatives not designated as hedges:					
- Foreign exchange forward contracts	-	-	-	7.0	7.0
Derivatives used for hedging:					
Fair value hedges:					
- Cross currency interest rate swaps	-	-	-	15.7	15.7
Total	131,039.4	3,391.3	6,554.0	335,832.5	476,817.2

Balances on certain CCP financial assets at the prior period end were re-categorised in the current period. There were no other transfers between categories during the period.

30 September 2014 Unaudited	Financial liabilities at amortised cost £m	Financial liabilities at fair value through profit and loss £m	Total £m
Liabilities as per balance sheet			
Financial liabilities of the CCP clearing business:			
– CCP trading liabilities	-	326,346.9	326,346.9
– Liabilities under repurchase transactions	100,603.3	-	100,603.3
– Other payables to clearing members	47,829.9	-	47,829.9
– Financial liabilities held at fair value	-	31.3	31.3
Total financial liabilities of the CCP clearing	148,433.2	326,378.2	474,811.4
Trade and other payables	397.5	-	397.5
Borrowings	937.2	-	937.2
Provisions	13.5	-	13.5
Other non-current liabilities	15.8	34.2	50.0
Derivatives not designated as hedges:			
- Interest rate swaps	-	1.0	1.0
Total	149,797.2	326,413.4	476,210.6

Balances on certain CCP financial liabilities at the prior period end were re-categorised in the current period. There were no other transfers between categories during the period.

The following table provides the fair value measurement hierarchy of the Group's financial assets and liabilities as at 30 June 2015:

30 June 2015 **Unaudited**	**Quoted prices in active markets (Level 1)** **£m**	**Significant observable inputs (Level 2)** **£m**	**Significant unobservable inputs (Level 3)** **£m**	**Total fair value** **£m**
Financial assets measured at fair value:				
CCP trading assets:				
Derivative instruments:				
- Futures	5,517.8	-	-	**5,517.8**
- Options	1,608.8	-	-	**1,608.8**
- Commodities derivatives	60.4	-	-	**60.4**
Non-derivative instruments:				
- CCP Transactions	21.2	257,374.7	-	**257,395.9**
Financial assets held at fair value:				
- Equities and bonds	22.8	-	-	**22.8**
- Securities	7,954.1	-	-	**7,954.1**
- Government backed, bank issue certificates of deposits	-	3,747.3	-	**3,747.3**
- Treasury bills	13,167.7	-	-	**13,167.7**
Fair value of transactions with CCP members	28,352.8	261,122.0	-	**289,474.8**
Available for sale financial assets:				
- Investment in unquoted equity - Euroclear	-	4.5	-	**4.5**
Derivatives not used for hedging:				
- Foreign exchange forward contracts	-	0.2	-	**0.2**
Derivatives used for hedging:				
- Cross currency interest rate swaps	-	64.9	-	**64.9**
Other non-current assets:				
- Investments in subordinated trust	-	0.4	-	**0.4**
Cash and cash equivalents:				
- Money market mutual funds	9.6	-	-	**9.6**

30 June 2015 Unaudited	Quoted prices in active markets (Level 1) £m	Significant observable inputs (Level 2) £m	Significant unobservable inputs (Level 3) £m	Total fair value £m
Financial liabilities measured at fair value:				
CCP trading liabilities:				
Derivative instruments:				
- Futures	5,517.8	-	-	**5,517.8**
- Options	1,608.8	-	-	**1,608.8**
- Commodities derivatives	60.4	-	-	**60.4**
Non-derivative instruments:				
- CCP balances	21.2	257,374.7	-	**257,395.9**
Financial liabilities held at fair value:				
- Equities and bonds	8.1	-	-	**8.1**
Fair value of transactions with CCP members	**7,216.3**	**257,374.7**	**-**	**264,591.0**
Other non-current liabilities:				
- Canadian dollar denominated Put Option	-	25.0	-	**25.0**
- Euro denominated Put Option	-	7.1	-	**7.1**

The following table provides the fair value measurement hierarchy of the Group's financial assets and liabilities as a 30 September 2014:

30 September 2014 Unaudited	Quoted prices in active markets (Level 1) £m	Significant observable inputs (Level 2) £m	Significant unobservable inputs (Level 3) £m	Total fair value £m
Financial assets measured at fair value:				
CCP trading assets:				
Derivative instruments:				
- Futures	3,712.4	-	-	3,712.4
- Options	1,379.3	-	-	1,379.3
- Foreign exchange forward contracts	257.9	-	-	257.9
Non-derivative instruments:				
- CCP Transactions	7.4	320,989.9	-	320,997.3
Financial assets held at fair value:				
- Equities and bonds	48.2	-	-	48.2
- Securities	6,549.1	-	-	6,549.1
- Government backed, bank issued certificates of deposit	-	2,280.7	-	2,280.7
- Treasury bills	7,134.1	-	-	7,134.1
Fair value of transactions with CCP members	19,088.4	323,270.6	-	342,359.0
Available for sale financial assets:				
- Investment in unquoted equity - Euroclear	-	4.8	-	4.8
Derivatives not used for hedging:				
- Foreign exchange forward contracts	-	7.0	-	7.0
Derivatives used for hedging:				
- Cross currency interest rate swaps	-	15.7	-	15.7

30 September 2014 Unaudited	Quoted prices in active markets (Level 1) £m	Significant observable inputs (Level 2) £m	Significant unobservable inputs (Level 3) £m	Total fair value £m
Financial liabilities measured at fair value:				
CCP trading liabilities:				
Derivative instruments:				
- Futures	3,712.4	-	-	3,712.4
- Options	1,379.3	-	-	1,379.3
- Commodities derivatives	258.0	-	-	258.0
Non-derivative instruments:				
- CCP balances	7.4	320,989.8	-	320,997.2
Financial liabilities held at fair value:				
- Equities and bonds	31.3	-	-	31.3
Fair value of transactions with CCP members	5,388.4	320,989.8	-	326,378.2
Derivatives not used for hedging:				
- Interest rate swaps	-	1.0	-	1.0
Other non-current liabilities:				
- Canadian dollar denominated Put Option	-	26.6	-	26.6
- Euro denominated Put Option	-	7.6	-	7.6

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:
- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: other techniques for which all inputs, which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

For assets and liabilities classified as Level 1, the fair value is based on market price quotations at the reporting date.

For assets and liabilities classified as Level 2, the fair value is calculated using one or more valuation techniques (e.g. the market approach or the income approach) with market observable inputs. The selection of the appropriate valuation techniques may be affected by the availability of the relevant inputs as well as the reliability of the inputs. The inputs may include currency rates, interest rate and forward rate curves and net asset values. The results of the application of the various techniques may not be equally representative of fair value, due to factors such as assumptions made in the valuation.

There have been no transfers between Level 1 and Level 2 during the period.

When observable market data is not available, the Group uses one or more valuation techniques (e.g. the market approach or the income approach) for which sufficient and reliable data is available. These inputs used in estimating the fair value of Level 3 financial instruments include expected timing and level of future cash flows, timing of settlement, discount rates and net asset values of certain investments. The Group had no Level 3 financial instruments in the current and prior period.

With the exception of Group borrowings, management has assessed that the fair value of financial assets and financial liabilities categorised as ‘Loans and receivables’, ‘Held to Maturity’ and ‘Financial liabilities at amortised cost’ approximate their carrying values. The fair value of the Group’s borrowings is disclosed in Note 17.

The Group’s financial assets and liabilities held at fair value consist largely of securities restricted in use for the operations of the Group’s CCPs as managers of their respective clearing and guarantee systems. The nature and composition of the CCP clearing business assets and liabilities are explained in the accounting policies note in the Group’s annual consolidated financial statements for the nine month period ended 31 December 2014.

Other non-current assets include financial instruments at fair value through profit and loss of £0.4m (30 September 2014: nil), tax receivable of £30.3m (30 September 2014: nil), rental deposits of £0.9m (30 September 2014: £0.1m), finance lease recoverable of £1.6m (30 September 2014: nil) and other financial assets including security deposits and real estate related assets of £1.1m (30 September 2014: £0.1m).

Other non-current liabilities include deferred consideration of £16.5m (30 September 2014: £15.8m), put options of £32.1m (30 September 2014: £34.2m), non-current lease obligations of £1.0m (30 September 2014: nil), and other financial liabilities related to the clearing business of £16.8m (30 September 2014: nil).

Other non-current payables include incentive compensation liabilities of £32.0m (30 September 2014: nil).

Hedging activities and derivatives

Derivative financial assets of £64.9m represents the fair value of the cross currency interest rate swaps (amounting to 10 contracts totalling €500.0m notional). These effectively exchange some of the obligations and coupons of the 2016 and the 2019 £250m bonds from Sterling into Euros in order to more closely match the currency of borrowings to the Group's currency of net assets and earnings. This results in a reduction in translation exposure on Euro denominated net assets and the protection of Sterling cash flows. These swaps have been designated as a hedge of the Group's net investment in the Italian group and qualify for effective hedge accounting. For the period ended 30 June 2015, the Group recognised a £42.2m mark to market value increase on these derivatives in reserves (30 September 2014: £15.8m). The Group also designated the Canadian dollar denominated put option as a hedge of its net investment in its Canadian joint venture. A £6m reduction in the value of the Canadian dollar denominated put option was recognised in the period due to movements in foreign exchange rates (30 September 2014: £1.4m).

Foreign exchange forward contracts were arranged during the period to hedge the fair value of EUR and USD denominated exposures. These hedges forward buy and sell payables and receivables denominated in EUR and USD, with the mark to market adjustments offsetting the hedged item revaluation in the income statement. This also offers more predictable cash flows to the Group at maturity. At 30 June 2015, receivables of EUR7.0m and payables of USD19.4m were hedged forward. The net market value of the hedges was £0.2m in aggregate.

15. Offsetting financial assets and financial liabilities

The Group reports financial assets and financial liabilities on a net basis on the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liabilities simultaneously.

The following table shows the impact of netting arrangements on all financial assets and liabilities that are reported net on the balance sheet as at 30 June 2015.

30 June 2015	**Gross amounts**	**Amount offset**	**Net amount as reported**
Unaudited	**£m**	**£m**	**£m**
Derivative financial assets	**13,642,043**	**(13,640,247)**	**1,796**
Reverse repurchase agreements	**464,755**	**(209,154)**	**255,601**
Total assets	**14,106,798**	**(13,849,401)**	**257,397**
Derivative financial liabilities	**(13,642,043)**	**13,640,247**	**(1,796)**
Reverse repurchase agreements	**(464,755)**	**209,154**	**(255,601)**
Total liabilities	**(14,106,798)**	**13,849,401**	**(257,397)**

The impact of netting arrangements on all financial assets and liabilities that were reported net on the balance sheet as at 30 September 2014 is as follows:

30 September 2014	**Gross amounts**	**Amount offset**	**Net amount as reported**
Unaudited	**£m**	**£m**	**£m**
Derivative financial assets	17,554,839	(17,545,150)	9,689
Reverse repurchase agreements	504,225	(193,074)	311,151
Other	30,042	(29,885)	157
Total assets	18,089,106	(17,768,109)	320,997
Derivative financial liabilities	(17,554,839)	17,545,150	(9,689)
Reverse repurchase agreements	(504,225)	193,074	(311,151)
Other	(30,042)	29,885	(157)
Total liabilities	(18,089,106)	17,768,109	(320,997)

All offset amounts are held in the CCP trading assets and CCP trading liabilities within the Group's financial instruments.

As CCPs, the Group's operating companies sit in the middle of members' transactions and hold default funds and margin amounts as a contingency against the default of a member. As such, further amounts are available to offset in the event of a default reducing the asset and liability of £257,397m (30 September 2014: £320,997m) to nil. Default funds for derivatives of £4,302m (30 September 2014: £5,132m), repos of £1,505m (30 September 2014: £1,587m) and other transactions of £196m (30 September 2014: £292m) are held by the Group. In addition, the Group holds margin for derivatives, repos and other transactions, as well as additional variation margin amounts which are not allocated by business line.

16. Trade and other payables

	30 June 2015 Unaudited £m	30 September 2014 Unaudited £m
Trade payables	**126.2**	21.7
Social security and other taxes	**25.7**	21.4
Other payables	**110.0**	97.5
Accruals and deferred income	**255.4**	256.9
Total trade and other payables	**517.3**	397.5
Current	**485.3**	397.5
Non-current	**32.0**	-
Total trade and other payables	**517.3**	397.5

17. Borrowings

	30 June 2015 Unaudited £m	30 September 2014 Unaudited £m
Current		
Bank borrowings	**837.8**	1.1
	837.8	1.1
Non-current		
Bonds	**796.8**	796.6
Preferred securities	**127.4**	139.5
	924.2	936.1

The Group has the following committed bank facilities and unsecured notes:

Unaudited Type	Expiry Date	Notes/ Facility £m	Carrying value at 30 June 2015 £m	Interest rate percentage at 30 June 2015 %
Drawn value of Facilities				
Multi-currency revolving credit facility	Jul 2016	250.0	**156.8**	LIBOR + 0.8
Multi-currency revolving credit facility	Jun 2017	600.0	**546.8**	LIBOR + 0.6
Multi-currency revolving credit facility	Jul 2018	450.0	**133.6**	LIBOR + 0.95
Total Bank Facilities		1,300.0	**837.2**	
Notes due July 2016	Jul 2016	250.0	**250.5**	6.125
Notes due October 2019	Oct 2019	250.0	**248.5**	9.125
Notes due November 2021	Nov 2021	300.0	**297.8**	4.75
LCH.Clearnet Preferred Securities	May 2017	142.3	**127.4**	6.576
Total Bonds		942.3	**924.2**	
Total Committed Facilities		2,242.3	**1,761.4**	

The fair value of the Group's borrowing at 31 June 2015 was £1,874.2m.

Current borrowings

Group facilities include committed bank lines of £1,300m. These facilities were partially utilised at 30 June 2015 with £837.2m drawn (30 September 2014: £nil).

In addition, a number of Group entities have access to uncommitted operational, money market and overdraft facilities which support post trade activities and day to day liquidity requirements across its operations. As at 30 June 2015, £0.6m (31 December 2014: £0.8m) was the aggregate drawing against these facilities.

Cassa di Compensazione e Garanzia S.p.A (CC&G) has direct intra-day access to refinancing with the Bank of Italy to cover its operational liquidity requirements in the event of a market stress or participant failure. In addition, it has arranged commercial bank back-up credit lines with a number of commercial banks, which totalled €420m at 30 June 2015, for overnight and longer durations to broaden its liquidity resources consistent with requirements under the European Markets Infrastructure Regulation (EMIR).

LCH.Clearnet SA has a French banking licence and is able to access refinancing at the European Central Bank to support its liquidity position. LCH.Clearnet Limited is deemed to have sufficient fungible liquid assets to maintain an appropriate liquidity position.

Non-current borrowings

In July 2006, London Stock Exchange Group plc (the "Company") issued a £250m bond which is unsecured and is due for repayment in July 2016. Interest is paid semi-annually in arrears in January and July each year. The issue price of the bond was £99.679 per £100 nominal. The coupon on the bond is dependent on movements in the Company's credit rating with Moody's which was unchanged throughout the financial period. The bond coupon remained at 6.125 per cent per annum throughout this period.

In June 2009, the Company issued another £250m bond which is unsecured and is due for repayment in October 2019. Interest is paid semi-annually in arrears in April and October each year. The issue price of the bond was £99.548 per £100 nominal. The coupon on the bond is dependent on the Company's credit ratings with Moody's and Standard & Poor's which were unchanged throughout the financial period. The bond coupon remained at 9.125 per cent per annum throughout this period.

In November 2012, the Company issued a further £300m bond under its euro medium term notes programme (launched at the same time) which is unsecured and is due for repayment in November 2021. Interest is paid semi-annually in arrears in May and November each year. The issue price of the bond was £100 per £100 nominal. The coupon on the bond is fixed at 4.75 per cent per annum.

In May 2007, LCH.Clearnet Group Limited issued through Freshwater Finance plc €200m of Perpetual Preferred Securities to underpin its capital structure. €20m of these Securities were subsequently repurchased in the market by LCH.Clearnet Group Limited. The coupon on these Securities is currently a fixed rate of 6.576 per cent per annum and interest is paid annually. In May 2017, this coupon will be replaced by a rate of 3 month Euribor plus 2.1 per cent per annum, and is the trigger point for a first call of the Securities.

18. Analysis of net (debt)/cash

	30 June 2015 Unaudited £m	30 September 2014 Unaudited £m
Due within one year		
Cash and cash equivalents	**942.4**	1,711.6
Bank borrowings	**(837.8)**	(1.1)
Derivative financial assets	**0.2**	7.0
Derivative financial liabilities	**-**	(1.0)
	104.8	1,716.5
Due after one year		
Bonds	**(796.8)**	(796.6)
Preferred securities	**(127.4)**	(139.5)
Derivative financial assets	**64.9**	15.7
Total net (debt)/cash	**(754.5)**	796.1

Reconciliation of net cash flow to movement in net (debt)/cash

	Six months ended	
	30 June 2015 Unaudited £m	30 September 2014 Unaudited £m
Increase in cash in the period	**110.2**	842.6
Cash attributable to discontinued operations	**(222.4)**	-
Bank loan net (drawings) / repayments	**(55.7)**	266.9
Change in net cash resulting from cash flows	**(167.9)**	1,109.5
Foreign exchange movements	**(52.4)**	(30.6)
Movement on derivative financial assets and liabilities	**42.0**	22.4
Bond valuation adjustment	**(0.1)**	-
Net debt at the start of the period	**(576.1)**	(305.2)
Net (debt)/cash at the end of the period	**(754.5)**	796.1

19. Net cash flow generated from operations

	Six months ended		
	30 June 2015 Unaudited £m	30 September 2014 Unaudited £m	30 June 2014 Unaudited and not reviewed £m
Profit before tax from continuing operations	**176.2**	135.2	168.9
Profit before tax from discontinued operations	**29.0**	1.6	1.6
Profit before tax	**205.2**	136.8	170.5
Depreciation and amortisation	**112.2**	85.2	86.6
(Loss)/ gain on disposal of property, plant and equipment	**(0.4)**	-	0.2
Net finance expense	**34.3**	35.5	35.4
(Increase)/decrease in inventories	**(1.1)**	(1.5)	1.8
(Increase)/ decrease in trade and other receivables	**(84.5)**	34.2	(102.3)
Increase/(decrease) in trade and other payables	**12.2**	(13.5)	54.6
(Increase)/decrease in CCP financial assets	**(39,425.6)**	(5,622.3)	11,962.4
Increase/(decrease) in CCP clearing business liabilities	**39,438.9**	5,654.8	(11,906.0)
Defined benefit pension obligation - contributions in excess of expenses charged	**0.3**	(3.8)	(0.2)
Provisions utilised during the period	**14.4**	(10.1)	6.2
(Increase)/ decrease in assets held at fair value from operating activities	**(1.4)**	0.2	(2.0)
Share scheme expense	**11.1**	5.7	5.1
Reduction in obligation arising from acquisitions	**2.0**	-	-
Purchase of investment fund	**(8.5)**	-	-
Foreign exchange (gains)/losses on operating activities	**(9.5)**	1.0	4.2
Cash generated from operations	**299.6**	302.2	316.5
Comprising:			
Ongoing operating activities	**273.6**	335.5	327.5
Non-recurring items	**26.0**	(33.3)	(11.0)
	299.6	302.2	316.5

20. Transactions with related parties

The nature and contractual terms of key management compensation and inter-company transactions with subsidiary undertakings during the period are consistent with the disclosures in Note 34 of the Group's annual consolidated financial statements for the nine month period ended 31 December 2014.

21. Commitments and contingencies

Contracted capital commitments and other contracted commitments not provided for in the Group's interim condensed consolidated financial statements were nil (30 September 2014: nil) and £2.5m (30 September 2014: nil), respectively.

In the normal course of business, the Group receives legal claims in respect of commercial, employment and other matters. Where a claim is more likely than not to result in an economic outflow of benefits from the Group, a provision is made representing the expected cost of settling such claims. At 30 June 2015, there were currently no provisions recognised for such legal claims (30 September 2014: nil).

22. Events after the reporting period

On 8 July 2015, the Company issued 509 ordinary shares of $6^{79/86}$p each in the Company to satisfy options granted under the Company's Save-As-You-Earn and International Sharesave Plans.

Principal Risks

The management of risk is fundamental to the successful execution of our Strategic Plan. As our Group has grown we have enhanced our risk management capabilities to maintain our trajectory while protecting the value of our business.

The LSEG Enterprise-wide Risk Management Framework (ERMF) is designed to allow management and the Board to identify and assess LSEG's risks and to ensure better decision taking in the execution of its strategy. It also enables the Board and executive management to maintain, and attest to the effectiveness of, the systems of internal control and risk management as set out in the UK Corporate Governance Code. Additional details regarding the Group's risk management oversight - components, objectives, and risk assessment process and control structure - are set out on pages 50 to 53 of its Annual Report for the nine month period ended 31 December 2014.

The principal risks and uncertainties which may affect the Group in the second half of the financial year include the following:

Strategic Risks

Global Economy

As a diversified international exchange group we operate in a broad range of global equity, bond and derivative markets. If the global economy underperforms, lower activity in our markets may lead to lower fee revenue.

The widening geographical footprint of the Group, including the recently acquired Frank Russell Company, has increased the proportion of the Group's earnings that are in foreign currency, leading to greater foreign exchange risk. However, the widening geographical footprint of the Group has improved the geographical diversification of the Group's income streams.

The outlook for the Eurozone declined sharply in the second half of 2014, and there has been a significant level of uncertainty in the Eurozone in the first half of 2015. This is expected to continue through the second half of the year and may precipitate a return to the conditions that prevailed during the financial crisis of 2008-12.

The Group is monitoring continuing market volatility in China.

Following the General Election in May, the UK Government has begun renegotiating the UK's relationship with the EU in the anticipation of an in/out referendum to be scheduled before 2017. The Group is mindful of the impact that these negotiations may have on our industry and on the UK economy and is monitoring the risks. An 'out' vote would have significant implications for the Group's operations.

Competition

We operate in a highly competitive industry. Continued consolidation has fuelled competition including between groups in different geographical areas.

In Post Trade Services the consolidation of clients has led to a concentration of revenues; in Information Services consolidation within the industry is expected over the next three to five years; in our Capital Markets operations there is a risk that competitors will improve their products, pricing and technology in a way that erodes our businesses; in Technology Services there is intense competition across all activities and there are strong incumbents in some of our growth areas.

The Group's track record of innovation and diversification ensures the Group offers best in class services with a global capability. The Group is focused on integrating acquisitions and delivering tangible synergies from them, supported by robust governance and programme management structures.

Regulatory Change

The Group and its exchanges, other trading venues, clearing houses, central securities depositories, trade repository and other regulated entities operate in areas that are highly regulated by governmental, competition and regulatory bodies at European and national levels.

Changes in the regulatory environment form a key input into our strategic planning, including the impact on our growth strategies, both organic and inorganic. We monitor regulatory developments continually and engage directly with regulatory and governmental authorities at national, EU and international levels.

We continue to develop our relationships with key policymakers, particularly at EU and national level. Potential impacts from regulatory change are assessed and, depending on the impact, opportunities are developed and mitigating strategies and actions are planned.

Compliance

There is a risk that one or more of the Group's entities may fail to comply with the laws and regulatory requirements to which it is, or becomes, subject. In this event, the entity in question may be subject to censures, fines and other regulatory or legal proceedings. The Group continues to maintain systems and controls to mitigate compliance risk.

Transformation Risk

A failure to successfully align the businesses of the Group may lead to an increased cost base without a commensurate increase in revenue; a failure to capture future product and market opportunities; and risks in respect of capital requirements, regulatory relationships and management time. The additional work related to M&A and alignment activities could have an adverse impact on the Group's day-to-day performance and/or key strategic initiatives which could damage the Group's reputation.

The ERMF ensures appropriate risk management across the Group, and the governance of the enlarged Group is aligned and strengthened as appropriate.

See 'Investment Management Business' below for details regarding the risks associated with the Group's US-based investment management business.

Financial Risks

Liquidity Risk (clearing)

The Group's CCPs hold a significant amount of cash and securities deposited by clearing members as margin or default funds. To ensure optimum ongoing liquidity and access to funds, the CCPs deposit the cash received in highly liquid and secure investments, as mandated by the EMIR regulations.

Potential liquidity risks faced by the Group CCPs include: Margin payments; collateral switches; market disruptions and failed settlements.

Under the ERMF, CCP investments must be made in compliance with the Group CCP Financial Risk Policy (as well as the Policies of the CCPs themselves). These policies stipulate a number of risk management standards including investment limits (secured and unsecured) and liquidity coverage ratios. Committees overseeing CCP investment risk meet regularly. CCP counterparty risk including liquidity management balances and counterparty disintermediation risk is consolidated daily at Group level and reported to the Executive Committee, including limits and status rating.

Latent Market Risk (clearing)

There is a risk that one of the parties to a cleared transaction defaults on their obligation; in this circumstance the CCP is obliged to honour the contract on the defaulter's behalf and thus an unmatched risk position arises. The CCP may suffer a loss in the process of work-out (the 'Default Management Process') if the market moves against the CCP's positions.

All our CCPs have been EMIR certified, and are compliant with the EMIR requirements regarding margin calculations, capital and default rules. Under the ERMF, CCP latent market risk must be managed in compliance with the Group CCP Financial Risk Policy as well as policies of the CCPs themselves.

Settlement and Custodial Risks

The Group offers post trade services and centralised administration of financial instruments through its Italian CSD subsidiary which offers pre-settlement, settlement and custody services. Settlement activities performed in the cross-border context carry counterparty risk. The CSD does not provide intra-day settlement financing to its members.

Capital Management

Principal risks to managing the Group's capital are: capital adequacy compliance risk and capital reporting compliance risk (in respect of regulated entities); commercial capital adequacy and quality risk and investment return risk (in respect of regulated and unregulated entities) and availability of debt or equity.

The Group's Capital Management Policy provides a framework to ensure the Group maintains suitable capital levels (both at Group and individual subsidiaries levels), and effectively manages the risks thereof. The Group's Treasury Policy recognises the need to observe regulatory requirements in the management of the Group's resources. The Risk Appetite approved by the Board includes components related to the Group's leverage ratios and capital risks; Key Risk Indicators are monitored regularly. The Group regularly assesses debt and equity markets to maintain access to new capital at reasonable cost.

Operational Risks

Technology

The Group continues to consolidate its IT development and operations in the Millennium IT infrastructure to provide greater control and efficiency. This focus of activity means there is a risk of resource over-stretch to meet both the requirements of the Group and those of third parties. Continued innovation and investment in new trading/ information systems can lead to further resource stretch in coping with increased volumes and new product development. The Group also has dependencies on a number of third parties for the provision of hardware, software, communication and networks for elements of its trading, clearing, settlement, data and other systems.

The performance and availability of the Group systems are constantly reviewed and monitored to prevent problems arising where possible and ensure a prompt response to any potential service interruption issues.

Change Management

The considerable change agenda is driven by both internal and external factors. Internal factors include the diversification strategy of the Group and its drive for technology innovation and consolidation. External factors include the changing regulatory landscape and requirements which necessitate changes to our systems and processes. Each major project is managed via a dedicated Programme Board or Steering Committee overseen by members of the Executive Committee.

Investment Management Business

The US Investment Management (IM) business operates in a heavily regulated segment of the financial services industry.

Risks associated with the sale of the business include: retention of key clients and employees; risks from the process of separating the Russell Index and IM businesses and the ability of the Group to effectively oversee the Investment Management operations under the Russell pre-acquisition strategic plan.

Rising global demand for multi-managers/single sub-advisor products has resulted in increasing competitive pressures for our Investment Management business. The generally increasing use of ETFs and other passive investment products also drives competition, which could impact the growth of assets under management and fees thereof.

The IM business model is reliant on data and services provided by third-party suppliers in custody, and certain money managers and distributors. In North America, the IM business has established strong relationships with advisors at independent broker-dealers who distribute to individual retail clients and is reliant upon these third-party advisors to ensure that its products are being marketed properly and are well matched to the needs of the individual clients.

In certain asset classes or investment strategies there exist investment manager concentrations or situations where mandates represent a substantial portion of a manager's AUM. While the IM business faces little direct financial exposure to difficulties that a third-party supplier might experience, problems experienced by a supplier might expose the Group to reputational risk, regulatory risk, and potential litigation risk.

The IM business includes a consulting business, the clients of which are generally very large and sophisticated institutional pension funds or Sovereign Wealth Funds, and also a business offering financial services directly to retail investors in the UK. Adverse investment experience for clients of either of these businesses could expose the Group to reputational risk or litigation risk.

Security Threats

The Group is reliant upon secure premises to protect its employees and physical assets as well as appropriate safeguards to ensure uninterrupted operation of its IT systems and infrastructure. The threat of cyber crime requires a high level of scrutiny as it may have an adverse impact on our business. Terrorist attacks and similar activities directed against our offices, operations, computer systems or networks could disrupt our markets, harm staff, tenants and visitors, and severely disrupt our business operations. Civil or political unrest could impact on companies within the Group.

Long-term unavailability of key premises or trading and information outages and corruption of data could lead to the loss of client confidence and reputational damage. Security risks have escalated in recent years due to the increasing sophistication of cyber crime.

The Group has robust physical security arrangements, and extensive IT measures to mitigate technical security risks. The Group is a member of the Centre for the Protection of National Infrastructure (CPNI), with both physical and IT security teams monitoring intelligence and liaising closely with police and global Government agencies. The Group has well established and regularly tested business continuity and crisis management procedures.

Employees

The calibre, quality and retention of employees are critical to the success of the Group. We continue to enhance our talent management approach and maintain a rigorous recruitment and selection process.

Going concern

After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. The financial risk management objectives and policies of the Group and the exposure of the Group to capital risk, market risk, credit risk and liquidity risk are discussed on pages 127 to 131 of the Annual Report for the Group for the nine month period ended 31 December 2014.

Directors

The Directors of London Stock Exchange Group plc during the period ended 30 June 2015 were as follows:

Donald Brydon CBE	(appointed 19 June 2015)
Xavier Rolet	
David Warren	
Raffaele Jerusalmi	
Jacques Aigrain	
Sharon Bowles	
Sherry Coutu CBE	
Paul Heiden	
Stuart Lewis	
Stephen O’Connor	
Andrea Munari	
Massimo Tononi	
Robert Webb	(resigned 29 April 2015)
Baroness Joanna Shields	(resigned 19 May 2015)
Chris Gibson-Smith	(resigned 1 July 2015)

On 1 July 2015, Mary Schapiro was appointed to the Board.

Statement of directors' responsibilities

The directors confirm that, to the best of their knowledge, this interim condensed consolidated financial statements has been prepared in accordance with IAS 34 as adopted by the European Union and that the interim report herein includes a fair review of the information required by the Financial Conduct Authority's Disclosure and Transparency Rules 4.2.7 and 4.2.8, namely:

- an indication of important events that have occurred during the first six months and their impact on the Interim Report, and a description of the principal risks and uncertainties for the remaining six months of the financial period; and

- material related party transactions in the first six months and any material changes in the related party transactions described in the last annual report.

By order of the Board

Xavier Rolet
Chief Executive

David Warren
Chief Financial Officer

5 August 2015

INDEPENDENT REVIEW REPORT TO LONDON STOCK EXCHANGE GROUP PLC (the 'Company')

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the interim report for the six months ended 30 June 2015, which comprises the Condensed Consolidated Income Statement, the Condensed Consolidated Statement of Comprehensive Income, the Condensed Consolidated Balance Sheet, the Condensed Consolidated Cash Flow Statement, the Condensed Consolidated Statement of Changes in Equity and related notes 1 to 22. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The interim report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the European Union. The condensed set of financial statements included in this interim report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the interim report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the interim report for the six months ended 30 June 2015 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Other matter

The comparatives shown in the condensed set of financial statements, contained within the interim report, for the six months ended 30 June 2014 are unaudited and not reviewed.

Ernst & Young LLP

Ernst & Young LLP
London
5 August 2015

Notes:

1. The maintenance and integrity of the London Stock Exchange Group plc website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

2. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

FINANCIAL CALENDAR

Ex-dividend date for interim dividend	27 August 2015
Interim dividend record date	28 August 2015
Interim dividend payment date	22 September 2015
Financial year end	31 December 2015
Preliminary results	March 2016
Annual General Meeting	April 2016

The financial calendar is updated on a regular basis throughout the year.
Please refer to our website http://www.lseg.com/investor-relations.com and click on the shareholder services section for up-to-date details.

INVESTOR RELATIONS CONTACTS

Investor Relations

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For enquiries relating to shareholdings in London Stock Exchange Group plc:

Shareholder helpline: +44 (0)20 7797 3322

email: irinfo-r@lseg.com

Visit the investor relations section of our website for up-to-date information including the latest share price, announcements, financial reports and details of analysts and consensus forecasts
www.lseg.com/investor-relations/investor-relations.htm

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Registered company number
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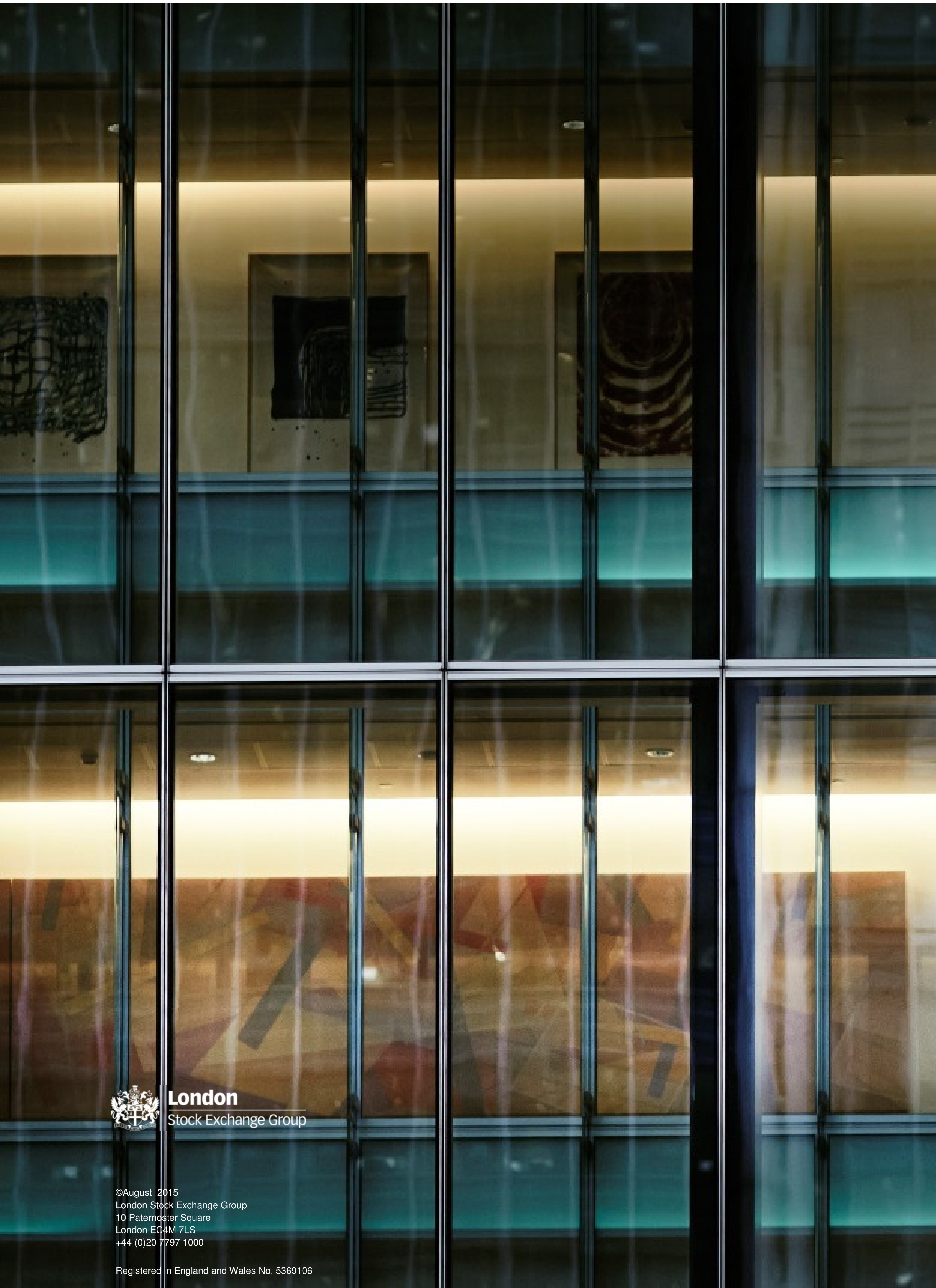

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Stock Exchange Group

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