2ND QUARTER 2017

REPORT TO SHAREHOLDERS
TMX GROUP LIMITED

LETTER FROM THE CEO

I am extremely pleased to report that we announced record quarterly earnings per share for Q2, reflecting the fundamental strength of our streamlined organization, our diversified portfolio of core assets and the ongoing execution of our business strategy. We set a record with reported earnings per share of $1.19 and adjusted diluted earnings per share of $1.26. Excluding the impacts of the sale of Razor Risk, TMX Atrium and the de-consolidation of BOX, revenue for the quarter was up 3% compared to the prior year. Operating expenses before strategic re-alignment expenses were down significantly with an 8% decrease from last year, reflecting the impact from divesting and de consolidating businesses.

There was significant initial listing activity in the second quarter. In fact, Toronto Stock Exchange had the best first half in the last five years with 25 new corporate issuers, including 8 new graduates from TSX Venture Exchange. Capital raised from corporate IPOs in the first half of the year totalled $3 billion.

Moving from corporates to another high profile product in our portfolio - a product pioneered at Toronto Stock Exchange more than 25 years ago - July marked the listing of the 500th exchange traded fund.

On the Montréal Exchange, higher volumes drove increased revenue from our derivatives business in Q2, including a record setting month of June, in which total volume exceeded 10 million contracts for the first time in history. Through the first half of 2017, MX overall volumes tracked higher than their all-time record highs of 2016, up 6%.

I want to provide an update on our key initiatives. With the rationalization of our portfolio of assets complete, in June we announced that we have selected Tata Consultancy Services to replace the legacy systems for CDS and CDCC, Canada's clearing and settlement businesses, subject to regulatory approval where required. The new system is a single, integrated technology platform called TCS BaNCS for Market Infrastructure, This project will deliver multiple client benefits and increase our operating leverage.

We have also made progress leveraging our cross-business capabilities to boost the strength and value of our existing client offerings. Over the last few months, we have announced a number of innovation initiatives where TMX is partnering with experts in the block chain space to design and build prototypes to provide valuable client solutions in our Trust and Energy businesses.

Change has been good for TMX, and accepting change is choosing progress. The steps we have taken over the last two and a half years to embrace change and foster an adaptive culture at TMX; one in which our employees are empowered to anticipate and respond to client needs across our business areas and across the ever-shifting marketplace, are paying off. It is evident in our results - capacity for change has become an important part of our makeup.

Yesterday, we also announced changes to our leadership group that are designed to continue our evolution and leverage a very talented team.

Jean Desgagné, who has spearheaded a major part of TMX's recent transformation during his time leading our Global Enterprise Services division will now move into the newly created position of

President and CEO, TMX Global Solutions, Insights and Analytics Strategies. His mandate in this new position is to implement and oversee a cohesive TMX enterprise approach to innovative technology and data driven solutions. He assumes oversight of the existing Market Insights business.

John McKenzie, our Chief Financial Officer, has now added to his duties by taking on administrative oversight of TMX Group's equities, fixed income and derivatives clearing businesses, CDS and CDCC. Glenn Goucher continues in his role as the head of CDS and CDCC reporting to the boards of the two clearing houses.

Changes also extend to TMX Group's General Counsel's office, where Cheryl Graden's mandate has been expanded to include oversight of enterprise risk management, as Senior Vice President, Group Head of Legal and Business Affairs, Enterprise Risk Management and Government Relations

Jay Rajarathinam, who joined as Chief Information Officer in July 2016, has been promoted to TMX Group's Executive Committee, and will report directly to me.

In addition to the above changes, Eric Sinclair, President, TMX Market Insights announced that he will be retiring at the end of August. On behalf of The Board and everyone at TMX, I want to thank Eric for his years of service to TMX Group. I think it is important to recognize not only the leadership role Eric played in building our data business and helping to establish our track record of success, but also to salute him for the integrity and commitment he brought to his role every day.

I look forward to updating you on our progress in the fall.

Louis V. Eccleston
Chief Executive Officer
TMX Group Limited

August 10, 2017

TMX Group Limited

MANAGEMENT'S DISCUSSION AND ANALYSIS

August 9, 2017

This management's discussion and analysis (MD&A) of TMX Group Limited's (TMX Group) financial condition and financial performance is provided to enable a reader to assess our financial condition, material changes in our financial condition and our financial performance, including our liquidity and capital resources, for the quarter (Q2/17) and six months ended June 30, 2017 (1H/17), compared with the quarter (Q2/16) and six months ended June 30, 2016 (1H/16) and as at December 31, 2016. This MD&A should be read together with our Q2/17 unaudited condensed consolidated financial statements as at and for the quarter and six months ended June 30, 2017 (financial statements) and the 2016 Annual MD&A.

Our financial statements and this MD&A for the quarter and six months ended June 30, 2017 are filed with Canadian securities regulators and can be accessed at www.tmx.com and www.sedar.com. The financial measures included in this MD&A are based on financial statements prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB), unless otherwise specified. All amounts are in Canadian dollars unless otherwise indicated.

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

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

INITIATIVES AND ACCOMPLISHMENTS[1]

Capital Markets

Capital Formation

Toronto Stock Exchange (TSX) had the best 1H/17 in the last five years for new corporate issuers with 25 new corporate issuers (17 new corporate listings, 8 new graduates from TSX Venture Exchange (TSXV)). The total capital raised in 1H/17 from corporate IPOs represented a diversified range of sectors totaling $3.0 billion.

In February 2017, The Advancing Innovation Roundtable, an independent working group funded by TMX Group, published a report on how to increase access to growth capital for Canadian innovation economy companies as they progress beyond the seed and start-up stages. Announced in October 2016, the 12-member Roundtable is a private sector, investor-led initiative bringing together leaders across Canada's financial services industry, including finance, investment and capital formation. The recommendations of the Advancing Innovation Roundtable focus on solutions, sourced from both the public and private markets, which address the scalability and financing issues across Canada's ecosystem that serves as the foundation for the long-term sustainability of our country's innovation economy.

In April 2017, we announced a new Distributed Ledger Technology (DLT) prototype as part of our strategy to maximize efficiencies and solve day-to-day client challenges across our various business areas. We developed the electronic shareholder voting system prototype based on DLT, more commonly known as blockchain technology, in collaboration with Accenture. Designed as a public company solution for TSX Trust, TMX's transfer agency and corporate trust services provider, the E-Proxy Voting System prototype aims to significantly improve the efficiency and accuracy of the voting process during annual shareholder meetings, while also enhancing security through advancements in cryptography. The

[1] The "*Initiatives and Accomplishments*" section above contains certain forward-looking statements. Please refer to "*Caution Regarding* Forward-Looking Information" for a discussion of risks and uncertainties related to such statements.

introduction of a blockchain-based system will also help increase engagement in corporate governance actions by removing the need for shareholders to be physically present during the voting process. Also, in June 2017, TSX Trust scrutineered the first-ever totally virtual annual general and special meeting for Concordia International Corporation.

In June 2017, TSX and TSXV announced the appointment of a Head of Business Development in Israel. This move will allow us to focus on strengthening relationships with the Israeli business community and exploring new opportunities as part of our international growth strategy.

In July 2017, TSX announced that it had reached a significant milestone with 500 exchange traded funds (ETFs) listed. This number has more than doubled in the past five years, bringing the total market capitalization of listed ETFs to approximately $130 billion as of June 30, 2017. In the first six months of 2017, TSX listed 56 ETFs and welcomed five new providers: AGF Investments Inc., Desjardins Global Asset Management Inc., Excel Funds Management Inc., Franklin Templeton Investments and Manulife Investments.

Equities and Fixed Income Trading and Clearing

In June 2017, we announced the launch of a new reporting capability on TSX NAVex that will provide fund manufacturers transparency into the advisors driving the sale of their products. The first of its kind in Canada, the TSX NAVex Information Portal was developed in collaboration with Broadridge Financial Solutions, Inc. to provide valuable intelligence about the distribution of products, while enabling essential functions such as commission processing. We also welcomed two new leading Canadian financial institutions as approved dealers. On the fund side, the first 19 symbols have been reserved and are set to go live later this year.

Derivatives and Energy Markets

Derivatives Trading and Clearing

Montreal Exchange (MX) reported multiple records in Q2/17 including a record month in June 2017 for total volume, exceeding 10 million contracts. In addition, MX achieved record quarterly total volume with over 26 million contracts traded in Q2/17. In June 2017, MX also set a number of individual product volume records including for the Bankers' Acceptance Futures (BAX) and S&P/TSX 60[2] Index Futures (SXF) contracts.

In December 2016, we launched single stock futures (SSFs) on about 20 symbols. The balance of the S&P/TSX 60[2] symbols were added throughout Q1/17. At the end of June 2017, open interest reached approximately 120,000 contracts.

Energy Trading and Clearing

In May 2017, we announced the development of a blockchain-based prototype to power a new service offering from Natural Gas Exchange (NGX). NGX collaborated with Nuco Inc., a digital infrastructure provider, to build a new system using DLT to improve the tracking of natural gas flows at delivery locations in the United States. The prototype is designed to optimize the NGX natural gas settlement process for clients by providing a transparent view of gas movements across locations and enabling participants to more accurately report their positions. The NGX use case for the prototype also has the potential to enhance delivery and payment processing, mitigate the risk of, and expedite remediation of, supply shortfalls, and provide secure transactional data.

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[2] The "S&P/TSX 60" is a product of S&P Dow Jones Indices LLC ("SPDJI") and TSX Inc. ("TSX"). Standard & Poor's® and S&P® are registered trademarks of Standard & Poor's Financial Services. LLC ("S&P"); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"); and TSX® is a registered trademark of TSX. SPDJI, Dow Jones, S&P and TSX do not sponsor, endorse, sell or promote any products based on the S&P/TSX 60 and none of such parties make any representation regarding the advisability of investing in such product(s) nor do they have any liability for any errors, omissions or interruptions of the S&P/TSX 60 or any data related thereto.

Also in May 2017, NGX launched a new Portfolio Margining methodology, providing clients with increased collateral efficiencies and realized benefits for portfolio diversification. The model was comprehensively reviewed with both the Commodity Futures and Trading Commission (CFTC) and the Alberta Securities Commission (ASC) and self-certified with the CFTC. Feedback from clients has been positive both in terms of acknowledging NGX's continued commitment to robust risk management, as well as an appreciation of the capital efficiencies savings for most companies.

Market Insights

In February 2017, we entered into an agreement to sell our wireless and extranet infrastructure services business known as TMX Atrium. In 2016 and the four months ended April 30, 2017, TMX Atrium earned approximately $26.3 million and $8.6 million of revenue, respectively, and incurred approximately $30.3 million and $9.5 million in operating expenses before strategic re-alignment expenses, respectively. The decision to enter into this transaction was made within the scope of TMX Group's ongoing strategic initiative to streamline its organizational structure and position the company to deliver profitable long-term growth. The transaction closed on April 30, 2017.

In May 2017, we announced that we had teamed up with IRESS, a leading supplier of technology for wealth management and financial markets, to develop compatibility between the IRESS products and the TMX Analytics Transaction Cost Analysis (TCA) application. TMX Analytics TCA offers clients protected access to their trade and order history and enables them to review performance, routing and venue quality in intuitive, customizable formats. Other key features include support for Markets in Financial Instruments Directive (MiFID) II and analysis of interlisted trading data for equities also listed on international venues.

Update on Integrated Clearing Platform and Strategic Re-alignment Process[3]

In June 2017, we announced that we had chosen Tata Consultancy Services (TCS), a leading IT services, consulting and business solutions organization, to implement a single, integrated technology platform for Canada's clearing and settlement businesses. The innovative platform, called TCS BaNCS for Market Infrastructure, will replace the legacy systems deployed by CDS and CDCC, subject to regulatory approval where required.

In September 2016, we provided a detailed update on the progress made in streamlining our organization, and said that we were targeting further cost reductions before strategic re-alignment expenses related largely to compensation and benefits of $8.0 to $10.0 million per year on a run rate basis to be realized by the end of 2016 and $3.0 to $5.0 million per year in additional savings on a run rate basis to be realized by the end of 2017, net of the costs associated with new employees that may be hired as we invest in our strategic priorities. We indicated that the majority of the headcount reductions would be completed by the end of Q1/17. Approximately 95 full-time positions and about 20 consultants and contractors were expected to be impacted.

By the end of 2016, we had realized approximately $12.6 million in savings on a run rate basis, net of the costs associated with new employees. We exceeded our target of $8.0 to $10.0 million in net savings per year on a run rate basis, as we exited 2016, largely by accelerating the process of streamlining the organization. The majority of the headcount reductions were completed by the end of Q4/16. Most planned reductions in headcount for 2017 occurred in 1H/17. While there will be some additional savings in 2017, we expect most of these savings will be offset by the costs associated with new employees that continue to be hired as we invest in our strategy. For the full program, we still expect to achieve the overall target of $11.0 to $15.0 million in net cost savings per year on a run rate basis as we exit 2017.

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[3] The "*Update on Integrated Clearing Platform and Strategic Re-alignment Process*" section above contains certain forward-looking statements. Please refer to "*Caution Regarding Forward-Looking Information*" for a discussion of risks and uncertainties related to such statements.

Corporate

We announced executive changes, including new strategic and expanded responsibilities for members of our senior management team, effective today:

Jean Desgagné assumed the newly created role of President & CEO, TMX Global Solutions, Insights and Analytics Strategies. The mandate for this new leadership position is to implement and oversee a cohesive TMX Group enterprise approach to innovative technology and data driven solutions. The purpose is to enrich the client experience across TMX Group's capital markets community by providing ready access to benchmark data and analytics products. He assumes oversight of the existing Market Insights business.

In addition to his current role as Chief Financial Officer, John McKenzie also takes on administrative oversight of CDS and CDCC. Glenn Goucher continues in his role as the head of CDS and CDCC, reporting to the Boards of the two clearing houses.

Cheryl Graden's mandate has been expanded to include oversight of enterprise risk management, as Senior Vice President, Group Head of Legal and Business Affairs, Enterprise Risk Management and Government Relations

Jay Rajarathinam, who joined TMX Group from NYSE/Intercontinental Exchange in July 2016, as Chief Information Officer, has been promoted to TMX Group's Executive Committee and will now report directly to Lou Eccleston, Chief Executive Officer.

Eric Sinclair, President, TMX Market Insights announced that he is retiring at the end of August 2017. Over the past 14 years, Mr. Sinclair has made significant contributions to TMX Group leading the growth of our data business by establishing a strong client focus, developing new products and services and implementing a professional sales force.

REGULATORY CHANGES[4]

Equity Trading

On January 25, 2017, the Canadian Securities Administrators (CSA) announced approval of further reductions to the cap on active trading fees applicable to ETFs and non-interlisted equities securities executed at $1.00 or greater - These were reduced from $0.0030 to $0.0017 per share/unit traded, effective May 1, 2017. In April 2017, we announced that we reduced our active fee on these securities to $0.0015 per share/unit traded, effective May 1, 2017. The passive credit was reduced to $0.0011, also effective May 1, 2017, maintaining the $0.0004 net spread. We expect that these fee changes could result in a reduction in revenue of approximately $1.3 to $1.5 million on an annual basis. No changes are necessary to the fees for TSX Alpha Exchange (Alpha) as it employs an inverted maker-taker model, which results in an active rebate rather than a fee. The reduced fee cap for non-interlisted securities is directionally aligned with what TMX Group had initiated through its maker taker reduction program that commenced in June 2015.

Market Insights

The CSA's data fees methodology estimates a fee range for top-of-book (Level 1) and depth-of-book (Level 2) market data based on a marketplace's contribution to price discovery and trading activity. Effective October 1, 2016, amendments to National Instrument 23-101 - Trading Rules came into force, which among other things, outlined a transparent methodology to be used by the CSA when reviewing professional market data fees charged by a marketplace. In 2017, the CSA is applying the methodology at least annually to determine whether a marketplace's data fees are higher than the range identified

[4] The "*Regulatory Changes*" section above contains certain forward-looking statements. Please refer to "*Caution Regarding Forward-Looking Information*" for a discussion of risks and uncertainties related to such statements.

using the methodology. While this methodology does recognize the value of TMX Group's exchanges' offerings and market share relative to our domestic competitors, it introduces a stricter regulatory regime for market data fees. In April 2017 we received notice from the Ontario Securities Commission (OSC) that we will need to amend our market data fees for Alpha. We expect that the revised fees could result in a reduction in revenue of approximately $1.0 to $1.2 million on an annual basis, when changes become effective October 1, 2017. We were also advised that we would not need to amend our market data fees for TSX or TSXV.

MARKET CONDITIONS

Overall, Canadian equities trading volumes were up 2% in 1H/17 compared with 1H/16[5] despite a decline in market volatility. The average CBOE Volatility Index (VIX) was 11.6 during 1H/17, down significantly from 18.0 in 1H/16. Trading on TSXV increased substantially with a 24% increase in volumes traded in 1H/17 over 1H/16; however, there was a decline of 14% in the volume traded on TSX over the same period. Derivative trading in Canada was positively impacted by speculation around an increase in interest rates as reflected in a 6% increase in the volume of contracts traded on MX.

Canadian equities indices and the market capitalization of listed issuers increased since 1H/16. For TSXV (including NEX), there was a 14% increase in the total number of financings and a 91% increase in the total amount of financing dollars raised in 1H/17 compared with 1H/16. On TSX, the total number of financings was flat while the total financing dollars raised declined by 14% in 1H/17 compared with 1H/16. Looking specifically at IPOs on TSX, there was a 43% increase in the number of IPOs and a 525% increase in IPO financing dollars raised in 1H/17 compared with the same period last year.

Total energy volumes at NGX in 1H/17 were 3% higher than in 1H/16 as supply and demand fundamentals and increased price volatility drove market participants' behavior towards longer-term contracts, which offset the impact of a warmer than normal winter. Natural Gas volumes in 1H/17 increased over 1H/16 as a result of changing fundamentals at certain hubs, especially the Dawn, Ontario hub, which were conducive to the increase of term trading in long-tenor products.

On July 12, 2017, the Bank of Canada raised its target for the overnight rate to 3/4 per cent[6]. Recent data bolstered the Bank's confidence in its outlook for above-potential growth and the absorption of excess capacity in the economy. The Bank acknowledged recent softness in inflation but judges this to be temporary. The Bank estimates real GDP growth will moderate further over the projection horizon, from 2.8 per cent in 2017 to 2.0 per cent in 2018 and 1.6 per cent in 2019.

RESULTS OF OPERATIONS

Non-IFRS Financial Measures

Adjusted earnings per share and adjusted diluted earnings per share are non-IFRS measures and do not have standardized meanings prescribed by IFRS and are, therefore, unlikely to be comparable to similar measures presented by other companies. We present adjusted earnings per share and adjusted diluted earnings per share to indicate ongoing financial performance from period to period, exclusive of a number of adjustments. These adjustments include amortization of intangibles related to acquisitions, non-cash impairment charges, write-off of deferred income tax assets, increase in deferred income tax assets resulting from capital loss carryback and strategic re-alignment expenses. Management uses these measures, and excludes certain items, because it believes doing so results in a more effective analysis of underlying operating and financial performance, including, in some cases, our ability to generate cash. Excluding these items also

[5] Source: IIROC (excluding intentional crosses).

[6] Source: Bank of Canada press release, July 12, 2017

enables comparability across periods. The exclusion of certain items does not imply that they are non-recurring or not useful to investors.

Additional IFRS Measures

Income from operations before strategic re-alignment expenses and income from operations are important indicators of TMX Group's ability to generate liquidity through operating cash flow to fund future working capital needs, service outstanding debts and fund future capital expenditures. The intent of these performance measures is to provide additional useful information to investors and analysts; however, these measures should not be considered in isolation.

BOX (BOX Holdings)

In January 2015, BOX launched a program to incent subscribers to provide liquidity. In exchange for providing this liquidity and a nominal cash payment, subscribers received volume performance rights (VPRs), which are comprised of Class C units of BOX and an order flow commitment. The VPRs vest over 20 quarters of the 5-year order flow commitment period if minimum volume targets are achieved. If a subscriber fails to meet its minimum volume targets, its VPRs are available for reallocation to those subscribers that exceed their minimum volume targets, if any. Those VPRs may vest earlier. In September 2015, the VPR program was granted regulatory approval by the Securities Exchange Commission (SEC). Pursuant to the terms of the VPR program, subscribers became entitled to immediate economic participation in BOX for VPRs held.

As of July 1, 2016, we determined that we did not hold majority voting power on the board of directors as Class C units in certain vested VPRs became entitled to vote at board meetings. As of this date, we no longer consolidated BOX as we ceased to hold the majority of voting power on the board of directors and exercise control. As a result our financial results from July 1, 2016 forward do not include the results of BOX other than our share of BOX's net income (loss), which is reflected in Share of net income (loss) from equity accounted investees. For periods prior to July 1, 2016 our financial results include the results from BOX on a consolidated basis.

Effective July 1, 2016, Derivatives revenue also includes revenue from licensing SOLA technology and providing other services to BOX. This revenue was previously eliminated when BOX's operating results were consolidated in our financial statements.

Three Months Ended June 30, 2017 Compared with Three Months Ended June 30, 2016

The information below reflects the financial statements of TMX Group for the quarter ended June 30, 2017 compared with the quarter ended June 30, 2016.

(in millions of dollars, except per share amounts)	**Q2/17**	Q2/16	**$ increase/ (decrease)**	**% increase/ (decrease)**
Revenue	**$190.3**	$194.6	$(4.3)	(2)%
Operating expenses before strategic re-alignment expenses	**98.7**	106.9	(8.2)	(8)%
Income from operations before strategic re-alignment expenses[7]	**91.6**	87.7	3.9	4%
Strategic re-alignment expenses	**0.0**	2.0	(2.0)	(100)%
Income from operations[8]	**91.6**	85.7	5.9	7%
Net income attributable to TMX Group shareholders	**66.5**	58.3	8.2	14%
Earnings per share[9]				
Basic	**1.20**	1.07	0.13	12%
Diluted	**1.19**	1.07	0.12	11%
Adjusted Earnings per share[10]				
Basic	**1.28**	1.23	0.05	4%
Diluted	**1.26**	1.23	0.03	2%
Cash flows from operating activities	**86.8**	97.8	(11.0)	(11)%

Net income attributable to TMX Group shareholders

Net income attributable to TMX Group shareholders in Q2/17 was $66.5 million, or $1.20 per common share on a basic basis and $1.19 per common share on a diluted basis, compared with a net income of $58.3 million, or $1.07 per common share on a basic and diluted basis, for Q2/16. The increase in net income in Q2/17 reflected significantly lower operating expenses before strategic re-alignment expenses, partially offset by lower revenue, and no strategic re-alignment expenses. There was also a decrease in income tax expense of approximately $2.4 million relating to a capital loss carryback, which increased net income in Q2/17. In addition, we incurred lower net finance costs in Q2/17 compared with Q2/16. The increases in diluted earnings per share were partially offset by the impact from an increase in the number of weighted-average common shares outstanding in Q2/17 compared with Q2/16.

[7] See discussion under the heading *Additional IFRS Financial Measures*.

[8] See discussion under the heading *Additional IFRS Financial Measures*.

[9] Earnings per share information is based on net income attributable to TMX Group shareholders.

[10] See discussion under the heading *Non-IFRS Financial Measures*.

Adjusted Earnings per Share[11] Reconciliation for Q2/17 and Q2/16

The following is a reconciliation of earnings per share[12] to adjusted earnings per share[13]:

	Q2/17		Q2/16	
(unaudited)	**Basic**	**Diluted**	Basic	Diluted
Earnings per share[14]	**$1.20**	**$1.19**	$1.07	$1.07
Adjustments related to:				
Amortization of intangibles related to acquisitions	**0.12**	**0.11**	0.13	0.13
Increase in deferred income tax assets resulting from capital loss carryback[15]	**(0.04)**	**(0.04)**	—	—
Strategic re-alignment expenses	**—**	**—**	0.03	0.03
Adjusted earnings per share[16]	**$1.28**	**$1.26**	$1.23	$1.23
Weighted average number of common shares outstanding	**55,305,850**	**55,785,847**	54,417,173	54,425,043

Adjusted diluted earnings per share increased by 2% from $1.23 in Q2/16 to $1.26 in Q2/17. The increase in adjusted diluted earnings per share reflected significantly lower operating expenses before strategic re-alignment expenses, excluding amortization of intangibles related to acquisitions, partially offset by lower revenue. In addition, we incurred lower net finance costs in Q2/17 compared with Q2/16. The increases were partially offset by the impact from an increase in the number of weighted-average common shares outstanding in Q2/17 compared with Q2/16.

[11] See discussion under the heading *Non-IFRS Financial Measures*.

[12] Earnings per share information is based on net income attributable to TMX Group shareholders.

[13] See discussion under the heading *Non-IFRS Financial Measures*.

[14] Earnings per share information is based on net income attributable to TMX Group shareholders.

[15] Related to Razor Risk.

[16] See discussion under the heading *Non-IFRS Financial Measures*.

Revenue

In 2015, we undertook a strategic realignment of our operations and revised our reporting segments information for the year ended December 31, 2015. In Q4/16 we further revised operations and our reporting for our Efficient Markets operating segment. This segment has been separated into Equities and Fixed Income Trading and Clearing and Energy Trading and Clearing. Effective Q4/16, we now report revenue in the following categories:

- Capital Formation
- Equity and Fixed Income Trading and Clearing
- Derivatives Trading and Clearing
- Energy Trading and Clearing
- Market Insights
- Other (includes Market Solutions, which was previously reported with Efficient Markets)

Results for Q2/16 have been restated to conform to this new structure.

(in millions of dollars)	**Q2/17**	Q2/16	**$ increase/ (decrease)**	**% increase/ (decrease)**
Capital Formation	**$51.6**	$51.8	$(0.2)	0%
Equities and Fixed Income Trading and Clearing	**46.7**	44.6	2.1	5%
Derivatives Trading and Clearing	**31.4**	30.4	1.0	3%
Energy Trading and Clearing	**14.9**	14.4	0.5	3%
Market Insights	**46.9**	52.7	(5.8)	(11)%
Other	**(1.2)**	0.7	(1.9)	(271)%
	$190.3	$194.6	$(4.3)	(2)%

Revenue was $190.3 million in Q2/17, down $4.3 million or 2% compared with $194.6 million in Q2/16 largely attributable to a decline in *Market Insights* revenue reflecting both a $2.1 million decrease in revenue from Razor Risk (sold on December 31, 2016), and a $4.4 million decrease in revenue from TMX Atrium (sold on April 30, 2017). Revenue for Q2/17 increased by 3% over Q2/16, excluding the Razor Risk and TMX Atrium businesses and the $3.4 million net impact from de-consolidating BOX (effective July 1, 2016). *Other* revenue also declined primarily due to recognizing higher net foreign exchange losses in Q2/17 on U.S. dollar and other non-Canadian denominated net monetary assets compared with Q2/16. The decreases in revenue were somewhat offset by increases in *Fixed Income Trading and CDS* revenue, *Derivatives Trading and Clearing* revenue from MX and CDCC, as well as *Energy Trading and Clearing* revenue.

Capital Formation

(in millions of dollars)	**Q2/17**	Q2/16	**$ increase/ (decrease)**	**% increase/ (decrease)**
Initial listing fees	**$3.7**	$1.7	$2.0	118%
Additional listing fees	**23.6**	28.3	(4.7)	(17)%
Sustaining listing fees	**17.5**	16.6	0.9	5%
Other issuer services	**6.8**	5.2	1.6	31%
	$51.6	$51.8	$(0.2)	0%

- *Initial listing fees* for Q2/17 were higher than in Q2/16 largely reflecting an increase in the number of new issuers listed and IPO financing dollars raised on TSX. Revenue from *initial listing fees* on TSXV also increased driven by the same factors.
- *Additional listing fees* in Q2/17 decreased from Q2/16 reflecting a 25% decrease in the number of transactions billed on TSX. Partially offsetting this, there was an increase in *additional listing fees* on TSXV reflecting an increase in financing dollars raised in Q2/17 compared with Q2/16.
- Issuers listed on TSX and TSXV pay annual sustaining listing fees primarily based on their market capitalization at the end of the prior calendar year, subject to minimum and maximum fees. There was an increase in *sustaining listing fees* on both TSX and TSXV due to the increase in the market capitalization of issuers at December 31, 2016 compared with December 31, 2015.
- *Other issuer services* revenue in Q2/17 was higher compared to Q2/16 reflecting increased revenue from TSX Trust related to transfer agent and corporate trust services.

Equity and Fixed Income Trading and Clearing

(in millions of dollars)	**Q2/17**	Q2/16	**$ increase**	**% increase**
Equity and fixed income trading	**$26.8**	$26.5	$0.3	1%
Equity and fixed Income - clearing, settlement, depository and other services (CDS)	**19.9**	18.1	1.8	10%
	$46.7	$44.6	$2.1	5%

- There was an increase in E*quity and fixed income trading* revenue in Q2/17 compared with Q2/16 reflecting higher *fixed income trading* revenue due to increased activity in Government of Canada Bonds and swaps.
- This increase from higher *fixed income trading* revenue was largely offset by lower *equity trading* revenue for TSX. There was a decrease in the overall volume of securities traded on our equities marketplaces of 15% (34.8 billion securities in Q2/17 versus 40.8 billion securities in Q2/16). Volumes on TSX and TSXV decreased by 17% and 14%, respectively in Q2/17 compared with Q2/16 and volumes on Alpha increased by 4% over the same period.
- Excluding intentional crosses, in all listed issues in Canada, our combined domestic equities trading market share was 65% in Q2/17, down from 71% in Q2/16. The decline in market share is partially attributable to the increase in trading volume of issues not listed on TSX or TSXV.

- CDS revenue increased by 10% from Q2/16 to Q2/17 largely reflecting revisions to the fee schedule for issuer services implemented on March 1, 2017.

Derivatives Trading and Clearing

(in millions of dollars)	**Q2/17**	Q2/16	**$ increase**	**% increase**
	$31.4	$30.4	$1.0	3%

- The increase in *Derivatives Trading and Clearing* revenue was driven by higher revenue from MX and CDCC due to increased volumes. Volumes increased by 16% on MX (26.1 million contracts traded in Q2/17 versus 22.5 million contracts traded in Q2/16).
- The increase in *Derivatives Trading and Clearing* revenue was reduced by the impact from excluding revenue from BOX effective July 1, 2016 when we ceased to consolidate BOX's results from operations. Partially offsetting this decrease, also effective July 1, 2016, *Derivatives Trading and Clearing* revenue includes revenue from licensing SOLA technology and providing other services to BOX. This revenue was previously eliminated when BOX's operating results were consolidated in our financial statements. The net reduction in revenue related to BOX was $3.3 million.
- Excluding BOX, *Derivatives Trading and Clearing* revenue from MX and CDCC increased by 14% in Q2/17 over Q2/16

Energy Trading and Clearing

(in millions of dollars)	**Q2/17**	Q2/16	**$ increase**	**% increase**
	$14.9	$14.4	$0.5	3%

- E*nergy Trading and Clearing* revenue increased reflecting higher revenue from the Natural Gas Exchange (NGX) attributable to a net reduction in the amount of revenue deferred in Q2/17 compared with Q2/16 as Q2/17 had a higher recapture of previously deferred revenue.
- The increase in revenue was partially offset by lower revenue from Shorcan Energy Brokers Inc. (Shorcan Energy Brokers).
- Total energy volumes were 6% lower compared to Q2/16 at NGX (3.1 million terajoules in Q2/17 compared with 3.3 million terajoules in Q2/16) . Natural Gas volumes in Q2/17 decreased over Q2/16 as price volatility decreased. The muted volumes were largely weather driven, as Q2/17 failed to bring a hot spring and early summer across the southern U.S.

Market Insights

(in millions of dollars)	**Q2/17**	Q2/16	**$ (decrease)**	**% (decrease)**
	$46.9	$52.7	$(5.8)	(11)%

- The decrease in *Market Insights* revenue in Q2/17 compared with Q2/16 reflected a decline of $2.2 million in revenue from Razor Risk (sold on December 31, 2016), and $4.2 million in revenue from TMX Atrium (sold on April 30, 2017). This decrease was somewhat offset by a favorable impact from a weaker Canadian dollar relative to the U.S. dollar in Q2/17 compared with Q2/16 and higher revenue recoveries related to under-reported usage of real time quotes in prior periods.

- Revenue for Q2/17 increased by 2% over Q2/16 in the *Market insights* business, excluding Razor Risk and TMX Atrium.
- The average number of professional market data subscriptions for TSX and TSXV products decreased by 3% from Q2/17 to Q2/16 (102,679 professional market data subscriptions in Q2/17 compared with 105,973 in Q2/16).
- The average number of MX professional market data subscriptions was down 7% from Q2/17 to Q2/16 (17,528 MX professional market data subscriptions in Q2/17 compared with 18,775 in Q2/16).

Other

(in millions of dollars)	**Q2/17**	Q2/16	**$ (decrease)**	**% (decrease)**
	$(1.2)	$0.7	$(1.9)	(271)%

- The decrease in *Other* revenue was largely due to the impact from recognizing higher net foreign exchange losses on U.S. dollar and other non-Canadian denominated net monetary assets in Q2/17 compared with Q2/16. In addition, revenue from BOX's regulatory entity was reclassified from *Other* revenue to *Derivatives Trading and Clearing* revenue effective July 1, 2016.

Operating expenses before strategic re-alignment expenses

(in millions of dollars)	**Q2/17**	Q2/16	**$ (decrease)**	**% (decrease)**
Compensation and benefits	**$47.9**	$49.8	$(1.9)	(4)%
Information and trading systems	**15.0**	18.5	(3.5)	(19)%
Selling, general and administration	**21.3**	23.1	(1.8)	(8)%
Depreciation and amortization	**14.5**	15.5	(1.0)	(6)%
	$98.7	$106.9	$(8.2)	(8)%

Operating expenses before strategic re-alignment expenses in Q2/17 were $98.7 million, down $8.2 million or 8%, from $106.9 million in Q2/16. There were reduced costs related to Razor Risk and TMX Atrium of approximately $3.5 million and approximately $5.5 million respectively, as well as lower compensation and benefits costs (including employee performance incentive plan costs) of approximately $3.1 million related to our strategic re-alignment initiative. Effective July 1, 2016, we excluded operating expenses related to BOX when we ceased to consolidate BOX's results from operations, a net reduction of approximately $3.5 million. The decreases in costs were partially offset by approximately $4.1 million of higher employee performance incentive plan costs and increased severance costs (not included as part of strategic re-alignment expenses). There was also a write-off of $0.8 million related to discontinued products as well as increased *Information and trading systems* project costs in Q2/17.

Compensation and benefits

(in millions of dollars)	**Q2/17**	Q2/16	**$ (decrease)**	**% (decrease)**
	$47.9	$49.8	$(1.9)	(4)%

- *Compensation and benefits* costs decreased in Q2/17 reflecting reduced costs related to Razor Risk and TMX Atrium of approximately $3.0 million and approximately $0.8 million respectively, and the exclusion of BOX costs effective

July 1, 2016 when we ceased to consolidate BOX's results from operations. In addition, there were lower compensation and benefits costs (including employee performance incentive plan costs) of approximately $3.1 million related to our strategic re-alignment initiative.

- These decreases were largely offset by an increase of approximately $2.9 million in employee performance incentive plan costs relating to current employees in Q2/17 compared with Q2/16, including approximately $1.7 million driven by the increase in our share price, and increased severance costs (not included as part of strategic re-alignment expenses) of approximately $1.2 million. In addition, there was a lower capitalization of labour costs in Q2/17 compared with Q2/16 as well as higher costs associated with employee compensation including merit increases.
- There were 1,041 TMX Group employees at June 30, 2017 versus 1,173 employees at June 30, 2016 reflecting a reduction in headcount due to our strategic realignment initiative, the sale of Razor Risk on December 31, 2016 which employed approximately 30 people, and the sale of TMX Atrium on April 30, 2017 which employed approximately 20 people.

Information and trading systems

(in millions of dollars)	**Q2/17**	Q2/16	**$ (decrease)**	**% (decrease)**
	$15.0	$18.5	$(3.5)	(19)%

- *Information and trading systems* expenses decreased in Q2/17 compared with Q2/16 reflecting reduced costs related to Razor Risk and TMX Atrium, and the exclusion of BOX costs effective July 1, 2016 when we ceased to consolidate BOX's results from operations.
- These decreases were partially offset by the write-off of $0.8 million in costs related to discontinued products as well as increased *Information and trading systems* project costs.

Selling, general and administration

(in millions of dollars)	**Q2/17**	Q2/16	**$ (decrease)**	**% (decrease)**
	$21.3	$23.1	$(1.8)	(8)%

- *Selling, general and administration* expenses decreased in Q2/17 compared with Q2/16 primarily due to reduced costs related to Razor Risk and TMX Atrium, and the exclusion of BOX costs effective July 1, 2016 when we ceased to consolidate BOX's results from operations.
- These decreases were partially offset by higher consulting and legal fees in Q2/17 compared with Q2/16.

Depreciation and amortization

(in millions of dollars)	**Q2/17**	Q2/16	**$ (decrease)**	**% (decrease)**
	$14.5	$15.5	$(1.0)	(6)%

- Lower *Depreciation and amortization* costs reflect a reduction in amortization related to BOX effective July 1, 2016 when we ceased to consolidate BOX's results from operations. There was also a decrease in *Depreciation and amortization* costs related to TMX Atrium.
- The *Depreciation and amortization* costs of $14.5 million included $8.5 million related to amortization of intangibles related to acquisitions (12 cents per basic and 11 cents per diluted share). The *Depreciation and amortization* costs in Q2/16 of $15.5 million included $8.7 million ($8.6 million, net of non-controlling interests (NCI)) related to amortization of intangibles related to acquisitions (13 cents per basic and diluted share).

Strategic re-alignment expenses

	Q2/17		Q2/16	
(in millions of dollars, except per share amounts) (unaudited)	**Pre-tax Amount**	**Basic and Diluted Earnings per Share Impact**	Pre-tax Amount	Basic and Diluted Earnings per Share Impact
Severance and related costs	**$—**	**$—**	$0.9	$0.01
Professional and consulting fees and other charges	**—**	**—**	1.1	0.02
Strategic re-alignment expenses	**$—**	**$—**	$2.0	$0.03

The decrease in strategic re-alignment expenses from Q2/16 to Q2/17 reflected a decrease in severance costs and amounts paid to consultants. The initiative to transform the organization was largely completed by the end of 2016. (See **INITIATIVES AND ACCOMPLISHMENTS - Update on Integrated Clearing Platform and Strategic Re-alignment Process**).

Additional Information

Share of net income from equity accounted investees

(in millions of dollars)	**Q2/17**	Q2/16	**$ increase**	**% increase**
	$1.1	$0.9	$0.2	22%

- In Q2/17 share of net income from equity accounted investees increased by $0.2 million primarily attributable to including our share of income from FTSE TMX Global Debt Capital Markets Limited somewhat offset by our share of loss from our investment in BOX.

Net finance costs

(in millions of dollars)	**Q2/17**	Q2/16	**$ (decrease)**	**% (decrease)**
	$6.4	$8.8	$(2.4)	(27)%

- The decrease in net finance costs from Q2/16 to Q2/17 is primarily attributable to $0.5 million in mark-to-market gain on interest rate swaps in Q2/17 compared with $1.2 million loss in Q2/16. There were also lower interest rates and reduced levels of debt in Q2/17 compared with Q2/16.

Income tax expense and effective tax rate

Income Tax Expense (in millions of dollars)		**Effective Tax Rate** (%)	
Q2/17	Q2/16	**Q2/17**	Q2/16
$19.8	$20.6	**23%**	26%

- In Q2/17, we carried back capital losses related to the sale of Razor Risk (sold December 31, 2016) against capital gains from the sale of PC Bond in 2013. As a result, there was a decrease in income tax expense of approximately $2.4 million for Q2/17, which reduced our effective tax rate.

- Excluding the impact from the above, the effective tax rate would have been approximately 26% for Q2/17 in line with Q2/16.

Net loss attributable to non-controlling interests

(in millions of dollars)	**Q2/17**	Q2/16	**$ (decrease)**
	$—	$0.1	$(0.1)

- As of July 1, 2016, we no longer consolidated BOX Holdings as we ceased to hold the majority of voting power on the board of directors and exercise control. As a result our financial results from July 1, 2016 forward do not include the results of BOX and our share of BOX's net income (loss), is reflected in **Share of net income (loss) from equity accounted investees** in our financial statements**.** For periods prior to July 1, 2016 our financial results include the results from BOX on a consolidated basis and we reported the net income (loss) attributable to non-controlling interests.

Six Months ended June 30, 2017 Compared with Six Months ended June 30, 2016

The information below reflects the financial statements of TMX Group for the six months ended June 30, 2017 compared with the six months ended June 30, 2016.

(in millions of dollars, except per share amounts)	**Six Months ended June 30, 2017**	Six Months ended June 30, 2016	**$ increase/ (decrease)**	**% increase/ (decrease)**
Revenue	**$376.4**	$372.3	$4.1	1%
Operating expenses before strategic re-alignment expenses	**203.4**	213.6	(10.2)	(5)%
Income from operations before strategic re-alignment expenses[17]	**173.0**	158.7	14.3	9%
Strategic re-alignment expenses	**0.0**	3.3	(3.3)	(100)%
Income from operations[18]	**173.0**	155.4	17.6	11%
Net income attributable to TMX Group shareholders	**113.8**	104.6	9.2	9%
Earnings per share[19]				
Basic	**2.06**	1.92	0.14	7%
Diluted	**2.04**	1.92	0.12	6%
Adjusted Earnings per share[20]				
Basic	**2.40**	2.22	0.18	8%
Diluted	**2.38**	2.22	0.16	7%
Cash flows from operating activities	**153.8**	153.8	0.0	0%

[17] See discussion under the heading "*Additional IFRS Financial Measures*".

[18] See discussion under the heading "*Additional IFRS Financial Measures*".

[19] Earnings per share information is based on net income attributable to TMX Group shareholders.

[20] See discussion under the heading "Non-IFRS Financial Measures".

Net income attributable to TMX Group shareholders

Net income attributable to TMX Group shareholders in 1H/17 was $113.8 million, or $2.06 per common share on a basic basis and $2.04 per common share on a diluted basis, compared with a net income of $104.6 million, or $1.92 per common share on a basic and diluted basis, for 1H/16. The increase in net income in 1H/17 reflected higher revenue, significantly lower operating expenses before strategic re-alignment expenses and no strategic re-alignment expenses. There was also a decrease in income tax expense of approximately $2.4 million relating to a capital loss carryback, which increased net income in 1H/17. In addition, we incurred lower net finance costs in 1H/17 compared with 1H/16. The increases were partially offset by a non-cash income tax adjustment of $2.9 million relating to the write off of deferred income tax assets and a non-cash impairment charge of $4.8 million, both amounts related to TMX Atrium. There was also an unfavorable impact on basic and diluted earnings per share from an increase in the number of weighted-average common shares outstanding in 1H/17 compared with 1H/16.

Adjusted Earnings per Share Reconciliation for Six Months ended June 30, 2017 and Six Months ended June 30, 2016 [21]

The following is a reconciliation of earnings per share to adjusted earnings per share:

	Six Months ended June 30, 2017		Six Months ended June 30, 2016	
(unaudited)	**Basic**	**Diluted**	Basic	Diluted
Earnings per share	**$2.06**	**$2.04**	$1.92	$1.92
Adjustments related to:				
Amortization of intangibles related to acquisitions	**0.24**	**0.24**	0.26	0.26
Strategic re-alignment expenses	**—**	**—**	0.04	0.04
Increase in deferred income tax assets resulting from capital loss carryback[22]	**(0.04)**	**(0.04)**	—	—
Non-cash impairment charges[23]	**0.09**	**0.09**	—	—
Write-off of deferred income tax assets[24]	**0.05**	**0.05**	—	—
Adjusted earnings per share	**$2.40**	**$2.38**	$2.22	$2.22
Weighted average number of common shares outstanding	**55,214,060**	**55,701,940**	54,404,783	54,420,522

Adjusted diluted earnings per share increased by 7% from $2.22 in 1H/16 to $2.38 in 1H/17. The increase in adjusted diluted earnings per share reflected higher revenue and significantly lower operating expenses, before strategic re-

[21] Adjusted earnings per shares is a non-IFRS measure. See discussion under the heading "Non-IFRS Financial Measures". Earnings per share information is based on net income attributable to TMX Group shareholders.

[22] Related to Razor Risk.

[23] Related to TMX Atrium.

[24] Related to TMX Atrium Wireless.

alignment expenses, excluding amortization of intangibles related to acquisitions. In addition, we incurred lower net finance costs in 1H/17 compared with 1H/16. The increase in basic and diluted earnings per share were partially offset by the impact from an increase in the number of weighted-average common shares outstanding in 1H/17 compared with 1H/16.

Revenue

Results for the six months ended June 30, 2016 have been restated to conform to this new structure as discussed above.

(in millions of dollars)	**Six Months ended June 30, 2017**	Six Months ended June 30, 2016	**$ increase/ (decrease)**	**% increase/ (decrease)**
Capital Formation	$96.4	$90.4	$6.0	7%
Equities and Fixed Income Trading and Clearing	94.9	87.7	7.2	8%
Derivatives Trading and Clearing	59.5	61.9	(2.4)	(4)%
Energy Trading and Clearing	29.1	28.8	0.3	1%
Market Insights	97.9	104.4	(6.5)	(6)%
Other	(1.4)	(0.9)	(0.5)	(56)%
	$376.4	$372.3	$4.1	1%

Revenue was $376.4 million in 1H/17, up $4.1 million or 1% compared with $372.3 million in 1H/16. There were increases in *Capital Formation, Equities and Fixed Income Trading and Clearing,* and *Energy Trading and Clearing* revenue, which were offset by a decline in *Derivatives Trading and Clearing* from de-consolidating BOX, and a decline in *Market Insights* revenue reflecting both a $2.7 million decrease in revenue from Razor Risk (sold on December 31, 2016) and a $4.6 million decrease in revenue from TMX Atrium (sold on April 30, 2017). Revenue for 1H/17 increased by 5% over 1H/16, excluding the Razor Risk and TMX Atrium businesses and the $6.5 million net impact from de-consolidating BOX (effective July 1, 2016). The decrease in *Other* revenue was primarily due to reclassifying revenue from BOX's regulatory entity from *Other* revenue to *Derivatives Trading and Clearing* revenue effective July 1, 2016, partially offset by an increase from recognizing lower net foreign exchange losses on U.S. dollar and other non-Canadian denominated net monetary assets in 1H/17 compared with 1H/16.

Capital Formation

(in millions of dollars)	**Six Months ended June 30, 2017**	Six Months ended June 30, 2016	**$ increase/ (decrease)**	**% increase/ (decrease)**
Initial listing fees	**$6.5**	$3.4	$3.1	91%
Additional listing fees	**43.1**	45.2	(2.1)	(5)%
Sustaining listing fees	**34.8**	32.6	2.2	7%
Other issuer services	**12.0**	9.2	2.8	30%
	$96.4	$90.4	$6.0	7%

- *Initial listing fees* on TSX and TSXV for 1H/17 were higher than in 1H/16 reflecting an increase in both the number of new issuers listed and amount of IPO financing dollars raised on TSX and TSXV.
- *Additional listing fees* in 1H/17 decreased from 1H/16 reflecting a 16% decrease in the number of transactions billed on TSX. The impact was partially offset by an increase in *additional listing fees* on TSXV where the number of financings and financing dollars raised increased in 1H/17 compared with 1H/16.
- Issuers listed on TSX and TSXV pay annual sustaining listing fees primarily based on their market capitalization at the end of the prior calendar year, subject to minimum and maximum fees. There was an increase in *sustaining listing fees* on both TSX and TSXV due to the increase in the market capitalization of issuers at December 31, 2016 compared with December 31, 2015.
- *Other issuer services* revenue in 1H/17 was higher compared to 1H/16 reflecting higher revenue from TSX Trust related to transfer agent and corporate trust services.

Equities and Fixed Income Trading and Clearing

(in millions of dollars)	**Six Months ended June 30, 2017**	Six Months ended June 30, 2016	**$ increase**	**% increase**
Equities and fixed income trading	**$56.0**	$52.1	$3.9	7%
Equities and fixed Income clearing, settlement, depository and other services (CDS)	**38.9**	35.6	3.3	9%
	$94.9	$87.7	$7.2	8%

- There was an increase in both *equities and fixed income trading* revenue in 1H/17 compared with 1H/16. The increase was largely attributable to higher *fixed income trading* revenue reflecting increased activity in Government of Canada Bonds and swaps. The overall volume of securities traded on our equities marketplaces decreased by 2% (75.7 billion securities in 1H/17 versus 77.5 billion securities in 1H/16). Volumes on TSXV increased by 24% and volumes on Alpha increased by 17% from 1H/16 to 1H/17; however, volumes on TSX decreased by 14% over the same period. The increases in *equities trading* revenue on TSXV and Alpha more than offset the decrease in *equities trading* revenue on TSX.
- Excluding intentional crosses, our combined domestic equities trading market share was 66% in 1H/17, down from

70% in 1H/16[25]. The decline in market share is primarily attributable to an increase in trading volume of issues not listed on TSX or TSXV.

- CDS revenue increased by 9% from 1H/16 to 1H/17 reflecting revisions to the fee schedule for issuer services implemented on March 1, 2017. The increase also reflected higher International Securities Identification Number (ISIN) issuance.

Derivatives Trading and Clearing

(in millions of dollars)	**Six Months ended June 30, 2017**	Six Months ended June 30, 2016	**$ (decrease)**	**% (decrease)**
	$59.5	$61.9	$(2.4)	(4)%

- The decrease in *Derivatives Trading and Clearing* revenue largely reflected the impact from excluding revenue from BOX effective July 1, 2016 when we ceased to consolidate BOX's results from operations. Partially offsetting this decrease, also effective July 1, 2016, *Derivatives Trading and Clearing* revenue includes revenue from licensing SOLA technology and providing other services to BOX. This revenue was previously eliminated when BOX's operating results were consolidated in our financial statements. The net reduction in revenue related to BOX was $6.5 million.

- This decrease was partially offset by higher revenue from MX and CDCC. Volumes increased by 6% on MX (49.8 million contracts traded in 1H/17 versus 46.8 million contracts traded in 1H/16).

- Excluding BOX, *Derivatives Trading and Clearing* revenue from MX and CDCC increased by 6% in 1H/17 over 1H/16.

Energy Trading and Clearing

(in millions of dollars)	**Six Months ended June 30, 2017**	Six Months ended June 30, 2016	**$ increase**	**% increase**
	$29.1	$28.8	$0.3	1%

- The increase in *energy trading and clearing* revenue reflected somewhat higher NGX revenue driven by increased natural gas volumes, and a higher recapture of previously deferred revenue. The increase was largely offset by lower revenue from Shorcan Energy Brokers.

- Total energy volumes were 3% higher compared with 1H/16 at NGX (7.2 million terajoules in 1H/17 compared with 7.0 million terajoules in 1H/16) as supply and demand fundamentals and increased price volatility drove market participants' behavior towards longer-term contracts, which offset the impact of a warmer than normal winter. Natural Gas volumes in 1H/17 increased over 1H/16 as a result of changing fundamentals at certain hubs, especially the Dawn, Ontario hub, which were conducive to the increase of term trading in long-tenor products.

[25] Source: IIROC.

Market Insights

(in millions of dollars)	**Six Months ended June 30, 2017**	Six Months ended June 30, 2016	**$ (decrease)**	**% (decrease)**
	$97.9	$104.4	$(6.5)	(6)%

- The decrease in *Market Insights* revenue reflected a decline of $3.1 million in revenue from Razor Risk, and $4.6 million in revenue from TMX Atrium. This decrease was somewhat offset by an increase in index (including benchmarks) and other revenue in 1H/17 compared with 1H/16.
- Revenue for 1H/17 increased by 1% over 1H/16 in the *Market insights* business, excluding Razor Risk and TMX Atrium.
- The average number of professional market data subscriptions for TSX and TSXV products decreased by 4% from 1H/16 to 1H/17 (103,041 professional market data subscriptions in 1H/17 compared with 107,011 in 1H/16).
- The average number of MX professional market data subscriptions decreased by 7% from 1H/16 to 1H/17 (17,767 MX professional market data subscriptions in 1H/17 compared with 19,069 in 1H/16).

Other

(in millions of dollars)	**Six Months ended June 30, 2017**	Six Months ended June 30, 2016	**$ (decrease)**	**% (decrease)**
	$(1.4)	$(0.9)	$(0.5)	(56)%

- The decrease in *Other* revenue was primarily due to reclassifying revenue from BOX's regulatory entity from *Other* revenue to *Derivatives Trading and Clearing* revenue effective July 1, 2016.
- This decrease was partially offset by an increase from recognizing lower net foreign exchange losses on U.S. dollar and other non-Canadian denominated net monetary assets in 1H/17 compared with 1H/16.

Operating expenses before strategic re-alignment expenses

(in millions of dollars)	**Six Months ended June 30, 2017**	Six Months ended June 30, 2016	**$ (decrease)**	**% (decrease)**
Compensation and benefits	**$99.4**	$102.3	$(2.9)	(3)%
Information and trading systems	**33.0**	36.6	(3.6)	(10)%
Selling, general and administration	**41.6**	43.6	(2.0)	(5)%
Depreciation and amortization	**29.4**	31.1	(1.7)	(5)%
	$203.4	$213.6	$(10.2)	(5)%

Operating expenses before strategic re-alignment expenses in 1H/17 were $203.4 million, down $10.2 million or 5%, from $213.6 million in 1H/16. There were lower compensation and benefits costs (including employee performance incentive plan costs) of approximately $6.3 million related to our strategic re-alignment initiative, as well as reduced costs related to Razor Risk (sold December 31, 2016) and TMX Atrium (sold April 30, 2017) of approximately $7.0 million and approximately $5.8 million respectively. Effective July 1, 2016, we excluded operating expenses related to BOX when we ceased to consolidate BOX's results from operations, which were approximately $7.6 million in 1H/16. The decreases in costs were partially offset by approximately $9.7 million of higher employee performance incentive plan costs and increased severance costs (not included as part of strategic re-alignment expenses). There were also one-time contract termination fees of $0.8 million, a write-off of $0.8 million in costs related to discontinued products as well as increased *Information and trading systems* project costs in 1H/17.

Compensation and benefits

(in millions of dollars)	**Six Months ended June 30, 2017**	Six Months ended June 30, 2016	**$ (decrease)**	**% (decrease)**
	$99.4	$102.3	$(2.9)	(3)%

- *Compensation and benefits* costs decreased in 1H/17 compared with 1H/16 reflecting reduced costs related to Razor Risk (sold December 31, 2016) and TMX Atrium (sold April 30, 2017) of approximately $5.9 million and approximately $1.3 million respectively, and the exclusion of BOX costs effective July 1, 2016 when we ceased to consolidate BOX's results from operations. In addition, there were lower compensation and benefits costs (including employee performance incentive plan costs) of approximately $6.3 million related to our strategic re-alignment initiative.
- These decreases were largely offset by an increase of approximately $6.7 million in employee performance incentive plan costs relating to current employees in 1H1/7 compared with 1H/16, including approximately $4.6 million driven by the increase in our share price, and increased severance costs (not included as part of strategic re-alignment expenses) of approximately $3.0 million. There were also higher costs associated with employee compensation including merit increases.
- There were 1,041 TMX Group employees at June 30, 2017 versus 1,173 employees at June 30, 2016 reflecting a reduction in headcount due to our strategic realignment initiative, the sale of Razor Risk on December 31, 2016 which employed approximately 30 people, and the sale of TMX Atrium on April 30, 2017 which employed approximately 20 people. There were 1,075 employees at December 31. 2016.

Information and trading systems

(in millions of dollars)	**Six Months ended June 30, 2017**	Six Months ended June 30, 2016	**$ (decrease)**	**% (decrease)**
	$33.0	$36.6	$(3.6)	(10)%

- *Information and trading systems* expenses decreased by $3.6 million in 1H/17 compared with 1H/16 reflecting lower expenses related to Razor Risk and TMX Atrium. In addition, expenses related to BOX were excluded effective July 1, 2016 when we ceased to consolidate BOX's results from operations.
- These decreases were partially offset by one-time contract termination fees of $0.8 million, the write-off of $0.8 million in costs related to discontinued products as well as increased *Information and trading systems* project costs.

Selling, general and administration

(in millions of dollars)	**Six Months ended June 30, 2017**	Six Months ended June 30, 2016	**$ (decrease)**	**% (decrease)**
	$41.6	$43.6	$(2.0)	(5)%

- *Selling, general and administration* expenses decreased by $2.0 million in 1H/17 compared with 1H/16 primarily due to lower Razor Risk (sold December 31, 2016) costs and the exclusion of BOX costs effective July 1, 2016 when we ceased to consolidate BOX's results from operations.

Depreciation and amortization

(in millions of dollars)	**Six Months ended June 30, 2017**	Six Months ended June 30, 2016	**$ (decrease)**	**% (decrease)**
	$29.4	$31.1	$(1.7)	(5)%

- Lower *Depreciation and amortization* costs reflected a reduction in amortization related to BOX effective July 1, 2016 when we ceased to consolidate BOX's results from operations. There was also a decrease in *Depreciation and amortization* costs related to TMX Atrium.
- The *Depreciation and amortization* costs in 1H/17 of $29.4 million included $17.0 million related to amortization of intangibles assets related to acquisitions (24 cents per basic and diluted share). The *Depreciation and amortization* costs in 1H/16 of $31.1 million included $17.7 million ($17.3 million, net of non-controlling interests (NCI)) related to amortization of intangibles related to acquisitions (26 cents per basic and diluted share).

Strategic re-alignment expenses

	Six Months ended June 30, 2017		Six Months ended June 30, 2016	
(in millions of dollars, except per share amounts) (unaudited)	**Pre-tax Amount**	**Basic and Diluted Earnings per Share Impact[26]**	Pre-tax Amount	Basic and Diluted Earnings per Share Impact[27]
Severance and related costs	—	—	$1.8	$0.02
Professional and consulting fees and other charges	—	—	1.5	0.02
Strategic re-alignment expenses	**$—**	**$—**	$3.3	$0.04

The decrease in strategic re-alignment expenses from 1H/16 to 1H/17 reflected a decrease in severance costs and amounts paid to consultants. The initiative to transform the organization was largely completed by the end of 2016. (See **INITIATIVES AND ACCOMPLISHMENTS - Update on Integrated Clearing Platform and Strategic Re-alignment Process**).

Additional Information

Share of net income from equity accounted investees

(in millions of dollars)	**Six Months ended June 30, 2017**	Six Months ended June 30, 2016	**$ increase**	**% increase**
	$2.4	$1.4	$1.0	71%

- In 1H/17 share of net income from equity accounted investees increased by $1.0 million primarily attributable to including our share of income from our investment in BOX and an increase in our share of income from FTSE TMX Global Debt Capital Markets Limited.

Impairment charges

(in millions of dollars)	**Six Months ended June 30, 2017**	Six Months ended June 30, 2016	**$ increase**	**% increase**
	$4.8	$0.0	$4.8	n/a

- In Q1/17 we determined that the fair value of TMX Atrium was below its carrying value, resulting in impairment charges relating to the write-down of goodwill. In February 2017, we entered into an agreement to sell TMX Atrium. The transaction closed on April 30, 2017 (see **INITIATIVES AND ACCOMPLISHMENTS - Market Insights**), and there was no material gain or loss on sale in Q2/17.

[26] Earnings per share information is based on net income attributable to TMX Group shareholders.

[27] Earnings per share information is based on net income attributable to TMX Group shareholders.

Net finance costs

(in millions of dollars)	**Six Months ended June 30, 2017**	Six Months ended June 30, 2016	**$ (decrease)**	**% (decrease)**
	$13.3	$16.2	$(2.9)	(18)%

- The decrease in net finance costs in 1H/17 compared with 1H/16 is primarily attributable to $0.3 million in mark-to-market gain on interest rate swaps in 1H/17 compared to $1.7 million loss in 1H/16. There were also lower interest rates and reduced levels of debt in 1H/17 compared with 1H/16.

Income tax expense and effective tax rate

Income Tax Expense (in millions of dollars)		**Effective Tax Rate** (%)	
Six Months ended June 30, 2017	Six Months ended June 30, 2016	**Six Months ended June 30, 2017**	Six Months ended June 30, 2016
$43.5	$37.7	**28%**	27%

- Excluding adjustments, primarily relating to the items noted below, the effective tax rate would have been approximately 27% for 1H/17 in line with 1H/16.
- In 1H/17, we wrote-down $2.9 million of deferred tax assets relating to TMX Atrium, which increased our effective tax rate and income tax expense.
- In 1H/17, we incurred non-cash impairment charges of $4.8 million related to TMX Atrium, which also increased our effective tax rate.
- Offsetting these adjustments, in 1H/17, we carried back capital losses related to the sale of Razor Risk (sold December 31, 2016) against capital gains from the sale of PC Bond in 2013. As a result, there was a decrease in income tax expense of approximately $2.4 million, which reduced our effective tax rate.

Net loss attributable to non-controlling interests

(in millions of dollars)	**Six Months ended June 30, 2017**	Six Months ended June 30, 2016	**$ (decrease)**
	$—	$0.7	$(0.7)

- As of July 1, 2016, we no longer consolidated BOX as we ceased to hold the majority of voting power on the board of directors and exercise control. As a result our financial results from July 1, 2016 forward do not include the results of BOX, and our share of BOX's net income (loss), is reflected in **Net income from equity accounted investees** in our financial statements**.**
- For periods prior to July 1, 2016 our financial results include the results from BOX on a consolidated basis and we reported the net income (loss) attributable to non-controlling interests.

Total equity attributable to shareholders of TMX Group

(in millions of dollars)	**As at June 30, 2017**	as at December 31, 2016	**$ increase**
Total equity attributable to shareholders of TMX Group	**$2,997.9**	$2,920.7	$77.2

- At June 30, 2017, there were 55,334,871 common shares issued and outstanding and 1,968,002 options outstanding under the share option plan.
- At August 4, 2017, there were 55,341,536 common shares issued and outstanding and 1,952,834 options outstanding under the share option plan.
- The increase in *Total equity attributable to shareholders of TMX Group* is primarily attributable to the inclusion of net income of $113.8 million, proceeds from exercised share options of $15.2 million, less dividend payments to shareholders of TMX Group of $52.4 million.

Segments

The following information reflects TMX Group's segment results for the three months ended June 30, 2017 compared with the three months ended June 30, 2016.

Q2/17

(in millions of dollars)	Capital Formation	Equities and Fixed Income Trading & Clearing	Derivatives Trading & Clearing	Energy Trading & Clearing	Market Insights	Other	Total
Revenue from external customers	$ 51.6	$ 46.7	$ 31.4	$ 14.9	$ 46.9	$ (1.2)	$ 190.3
Inter-segment revenue	—	0.4	—	—	0.3	(0.7)	—
Total revenue	51.6	47.1	31.4	14.9	47.2	(1.9)	190.3
Income (loss) from operations before strategic re-alignment expenses	30.3	19.9	15.7	4.7	28.9	(7.9)	91.6

Q2/16

(in millions of dollars)	Capital Formation	Equities and Fixed Income Trading & Clearing	Derivatives Trading & Clearing	Energy Trading & Clearing	Market Insights	Other	Total
Revenue from external customers	$ 51.8	$ 44.6	$ 30.4	$ 14.4	$ 52.7	$ 0.7	$ 194.6
Inter-segment revenue	—	0.5	—	—	0.4	(0.9)	—
Total revenue	51.8	45.1	30.4	14.4	53.1	(0.2)	194.6
Income (loss) from operations before strategic re-alignment expenses	33.3	20.8	11.9	4.9	27.5	(10.7)	87.7

Income (loss) from operations before strategic re-alignment expenses

Income from operations before strategic re-alignment expenses from *Capital Formation* decreased mainly driven by higher operating costs before strategic re-alignment expenses.

The decrease in *income from operations before strategic re-alignment expenses* from *Equities and Fixed Income Trading and Clearing* was mainly driven by higher operating costs before strategic re-alignment expenses, partially offset by higher revenue from CDS largely reflecting the impact of introducing the new Issuer Services Program (ISP) on March 1, 2017.

Income from operations before strategic re-alignment expenses from *Derivatives* increased mainly driven by lower operating costs before strategic re-alignment expenses. There was higher revenue from MX and CDCC , reflecting a 16% increase in volumes on MX. *Income from operations before strategic re-alignment expenses* from *Derivatives* also reflects the exclusion of revenue and expenses from BOX effective July 1, 2016 when we ceased to consolidate BOX's results from operations. Also effective July 1, 2016, *Derivatives* revenue and expenses include revenue and expenses from licensing SOLA technology and providing other services to BOX. This revenue and associated expense were previously eliminated when BOX's operating results were consolidated in our financial statements. The net reduction in *Derivatives* revenue related to BOX from Q2/16 to Q2/17 was $3.3 million.

The decrease in *income from operations before strategic re-alignment expenses* from *Energy Trading and Clearing* was mainly driven by higher operating costs before strategic re-alignment expenses, and lower revenue from Shorcan Energy Brokers. These decreases were partially offset by an increase in NGX revenues.

The increase in *Income from operations before strategic re-alignment expenses* from *Market Insights* largely reflects the positive impacts from the sales of Razor Risk and TMX Atrium. While revenue from Razor Risk declined by $2.2 million in Q2/17 compared with Q2/16, operating expenses declined by $3.5 million in Q2/17 compared with Q2/16. Revenue from TMX Atrium declined by $4.2 million in Q2/17 compared with Q2/16, while operating expenses declined by $5.5 million in Q2/17 compared with Q2/16.

Other includes *c*ertain revenue as well as corporate and other costs related to initiatives, not allocated to the operating segments. Revenue related to foreign exchange gains and losses and other services are presented in the *Other* segment. Costs and expenses related to the amortization of purchased intangibles, along with certain consolidation and elimination adjustments, are also presented in *Other*. The decrease in *Other* revenue was largely due to the impact from recognizing higher net foreign exchange losses on U.S. dollar and other non-Canadian denominated net monetary assets in Q2/17 compared with Q2/16. In addition, revenue from BOX's regulatory entity was reclassified from *Other* revenue to *Derivatives Trading and Clearing* revenue effective July 1, 2016. The lower *loss from operations before strategic re-alignment expenses* for the *Other* segment reflected a increase in corporate and other costs allocated to other segments, partially offset by the impact of the lower revenue.

Six Months ended June 30, 2017

(in millions of dollars)	Capital Formation	Equities and Fixed Income Trading & Clearing	Derivatives Trading & Clearing	Energy Trading & Clearing	Market Insights	Other	Total
Revenue from external customers	$ 96.4	$ 94.9	$ 59.5	$ 29.1	$ 97.9	$ (1.4)	$ 376.4
Inter-segment revenue	—	1.0	—	—	0.5	(1.5)	—
Total revenue	96.4	95.9	59.5	29.1	98.4	(2.9)	376.4
Income (loss) from operations before strategic re-alignment expenses	55.0	42.2	28.6	8.8	58.3	(19.9)	173.0

Six Months ended June 30, 2016

(in millions of dollars)	Capital Formation	Equities and Fixed Income Trading & Clearing	Derivatives Trading & Clearing	Energy Trading & Clearing	Market Insights	Other	Total
Revenue from external customers	$ 90.4	$ 87.7	$ 61.9	$ 28.8	$ 104.4	$ (0.9)	$ 372.3
Inter-segment revenue	—	0.9	—	—	0.8	(1.7)	—
Total revenue	90.4	88.6	61.9	28.8	105.2	(2.6)	372.3
Income (loss) from operations before strategic re-alignment expenses	54.6	39.0	24.4	8.4	52.6	(20.3)	158.7

Income (loss) from operations before strategic re-alignment expenses

The increase in *Income from operations before strategic re-alignment expenses* from *Capital Formation* reflects increased revenue from initial and sustaining listing fees on both of our exchanges, higher additional listing fee revenue on TSXV, and increased other issuer services revenue. The increased revenue was partially offset by lower additional listing fee revenue on TSX and higher operating costs before strategic re-alignment expenses.

The increase in *income from operations before strategic re-alignment expenses* from *Equities and Fixed Income Trading and Clearing* was mainly driven by higher revenue from *Fixed Income Trading* and CDS. The increased revenue was partially offset by higher operating costs before strategic re-alignment expenses.

Income from operations before strategic re-alignment expenses from *Derivatives* increased mainly driven by lower operating costs before strategic re-alignment expenses. There was also higher revenue from MX and CDCC, reflecting a 6% increase in volumes on MX. *Income from operations before strategic re-alignment expenses* from *Derivatives* also reflects the exclusion of revenue and expenses from BOX effective July 1, 2016 when we ceased to consolidate BOX's results from operations. Also effective July 1, 2016, *Derivatives* revenue and expenses include revenue and expenses from licensing SOLA technology and providing other services to BOX. This revenue and associated expense were previously eliminated when BOX's operating results were consolidated in our financial statements. The net reduction in *Derivatives* revenue related to BOX from 1H/16 to 1H/17 was $6.5 million.

The increase in *income from operations before strategic re-alignment expenses* from *Energy Trading and Clearing* was mainly driven by higher revenue from NGX, largely offset by a decrease in Shorcan Energy Brokers revenue.

The increase in *Income from operations before strategic re-alignment expenses* from *Market Insights* largely reflects the positive impacts from the sales of Razor Risk and TMX Atrium. While revenue from Razor Risk declined by $3.1 million in 1H/17 compared with 1H/16, operating expenses declined by $7.0 million in 1H/17 compared with 1H/16. Revenue from TMX Atrium declined by $4.6 million in 1H/17 compared with 1H/16, while operating expenses decline by $5.8 million in 1H/17 compared with 1H/16.

Other includes *c*ertain revenue as well as corporate and other costs related to initiatives, not allocated to the operating segments. Revenue related to foreign exchange gains and losses and other services are presented in the *Other* segment. Costs and expenses related to the amortization of purchased intangibles, along with certain consolidation and elimination adjustments, are also presented in *Other*. The decrease in *Other* revenue was primarily due to reclassifying revenue from BOX's regulatory entity from *Other* revenue to *Derivatives Trading and Clearing* revenue effective July 1, 2016. This decrease was partially offset by an increase from recognizing lower net foreign exchange losses on U.S. dollar and other non-Canadian denominated net monetary assets in 1H/17 compared with 1H/16. The lower *loss from operations before strategic re-alignment expenses* for the *Other* segment reflected a increase in corporate and other costs allocated to other segments, partially offset by the impact of the lower revenue.

LIQUIDITY AND CAPITAL RESOURCES

Summary of Cash Flows

Q2/17 compared with Q2/16

(in millions of dollars)	**Q2/17**	Q2/16	**$ increase/ (decrease) in cash**
Cash flows from operating activities	**$86.8**	$97.8	$(11.0)
Cash flows (used in) financing activities	**(57.8)**	(57.6)	(0.2)
Cash flows from investing activities	**18.3**	1.5	16.8

- The decrease in *Cash flows from operating activities* in Q2/17 compared with Q2/16 was primarily due to decreased cash from other assets and liabilities.
- In Q2/17, *Cash flows used in financing activities* were slightly higher than in Q2/16. In Q2/17, there were higher net repayments on credit and liquidity facilities compared with Q2/16 as well as higher dividends paid to equity holders. The decreases in cash were largely offset by the impact of lower net repayments on our debt (see **Commercial Paper, Debentures, Credit and Liquidity Facilities**) and lower interest paid.
- In Q2/17, there was an increase in *Cash flows from investing activities* compared with Q2/16 primarily reflecting proceeds on the sale of TMX Atrium partially offset by an increase in cash outlays for additions to premises and equipment and intangible assets.

1H/17 compared with 1H/16

(in millions of dollars)	**Six Months ended June 30, 2017**	Six Months ended June 30, 2016	**$ increase/ (decrease) in cash**
Cash flows from operating activities	**$153.8**	$153.8	$0.0
Cash flows (used in) financing activities	**(82.2)**	(106.8)	24.6
Cash flows from investing activities	**7.0**	1.6	5.4

- *Cash flows from operating activities* in 1H/17 was flat compared with 1H/16 primarily due to increased income from operations (excluding depreciation and amortization) largely offset by an increase in income taxes paid.
- In 1H/17, *Cash flows used in financing activities* were lower than in 1H/16 primarily due to lower net repayments on our debt (see **Commercial Paper, Debentures, Credit and Liquidity Facilities**) and higher proceeds from exercised options. These decreases in C*ash flows used in financing activities* were partially offset by net repayments on credit and liquidity facilities of $3.6 million in 1H/17 compared with net drawings on these facilities of $9.3 million in 1H/16.
- In 1H/17, there was an increase in *Cash flows from investing activities* compared with 1H/16 primarily reflecting proceeds on the sale of TMX Atrium. The increase in cash was partially offset by an increase in cash outlays for additions to premises and equipment and intangible assets in 1H/17 compared with 1H/16 and a net purchase of marketable securities in 1H/17 compared with a net sale of marketable securities in 1H/16.

Summary of Cash Position and Other Matters[28]

Cash, Cash Equivalents and Marketable Securities

(in millions of dollars)	**As at June 30, 2017**	as at December 31, 2016	**$ increase**
	$381.4	$302.4	$79.0

We had $381.4 million of cash, cash equivalents and marketable securities at June 30, 2017. There was an increase in cash, cash equivalents and marketable securities primarily reflecting cash flows from operating activities of $153.8 million and proceeds from exercised options of $15.2 million. These increases in cash were offset by a net reduction in Commercial Paper of approximately $29.7 million, dividends to TMX Group shareholders of $52.4 million, and additions to premises and equipment and intangible assets of $19.6 million. Based on our current business operations and model, we believe that we have sufficient cash resources to operate our business, make interest payments, as well as meet our covenants under the trust indentures governing our debentures and the terms of the Amended and Restated Credit Agreement and commercial paper program (Commercial Paper Program) (see **LIQUIDITY AND CAPITAL RESOURCES - Commercial Paper, Debentures, Credit and Liquidity Facilities**), and satisfy the capital maintenance requirements imposed by regulators. Going forward, we expect to have increased capital requirements related to premises as we consolidate our Toronto and Montreal facilities. We now expect to have approximately $24.0 million in capital expenditures in 2017, of which approximately $7.3 million was spent in 1H/17, and a further approximately $8.0 million of spending in 2018 related to the consolidation of facilities. The expected savings will result in reductions in *Selling, general and administration* expenses once these initiatives are completed.

Debt financing of future investment opportunities could be limited by current and future economic conditions, the covenants in the Amended and Restated Credit Agreement and the Debentures, and by capital maintenance requirements

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

imposed by regulators. At June 30, 2017, there was $280.2 million of Commercial Paper outstanding, and the authorized limit under the program was $500.0 million.

Total Assets

(in millions of dollars)	**As at June 30, 2017**	as at December 31, 2016	**$ increase**
	$29,087.3	$22,201.4	$6,885.9

- Our consolidated balance sheet as at June 30, 2017 includes outstanding balances on open REPO agreements within *Balances with Clearing Members and Participants*. These balances have equal amounts included within *Total Liabilities*. The increase in *Total Assets* of $6,885.9 million from December 31, 2016 reflected higher balances in CDCC related to REPO agreements at June 30, 2017.

Commercial Paper, Debentures, Credit and Liquidity Facilities[29]

Commercial Paper

(in millions of dollars)	**As at June 30, 2017**	as at December 31, 2016	**$ (decrease)**
	$280.2	$309.9	$(29.7)

There was $280.2 million outstanding under the program at June 30, 2017 reflecting a net reduction in 1H/17 of approximately $29.7 million. The Commercial Paper outstanding at June 30, 2017 included approximately $252.0 million issued in Canadian dollars and approximately $22.0 million issued and denominated in U.S dollars. Commercial paper is short term in nature, and the average term to maturity from the date of issue in 1H/17 was 66.3 days on Canadian dollar Commercial Paper and 36.7 days on U.S.-dollar Commercial Paper.

Debentures

(in millions of dollars)	**As at June 30, 2017**	as at December 31, 2016	**$ increase**
	$648.9	$648.7	$0.2

- For additional information on the Debentures, see **Debentures** under the heading **LIQUIDITY AND CAPITAL RESOURCES** in our 2016 Annual MD&A.

[29] "*The Commercial Paper, Debentures, Credit and Liquidity Facilities*" section above contain certain forward-looking statements. Please refer to "*Caution Regarding Forward-Looking Information*" for a discussion of risks and uncertainties related to such statements.

Credit Facility

On May 2, 2016, we entered into an Amended and Restated Credit Agreement which has a maturity date of May 2, 2019. For additional information on the Credit Facility, please see **Credit Facility** under the heading **LIQUIDITY AND CAPITAL RESOURCES** in our 2016 Annual MD&A.

As at June 30, 2017, all covenants were met under the Amended and Restated Credit Agreement.

Interest Rate Swaps (IRS)

As at June 30, 2017 we have the following IRS in place:

Interest Rate	**Maturity Date**	**Principal** (in millions)
1.08%	May 2, 2019	$100.0

This swap was put in place to economically hedge the issuance of commercial paper starting on October 3, 2016 (see **MANAGING CAPITAL** in our 2016 Annual MD&A). As this IRS was not designated as a hedge for accounting purposes, it is possible that there will be fluctuations in net income as we mark to market the fair value of this IRS each quarter until maturity.

Effective Interest Rates

The effective interest rates as at June 30, 2017 for the Debentures and Commercial Paper are shown below:

Debentures and Commercial Paper	**Principal** ($ millions)	**Maturity**	**All-in Rate**
Series A Debentures	$400.0	Oct. 3, 2018	3.253%
Series B Debentures	250.0	Oct. 3, 2023	4.461%
Commercial Paper, CAD - interest rate economically hedged	100.0	Jul. 5 - Aug. 11, 2017	1.08%[30]
Commercial Paper, CAD - interest rate unhedged	152.0	Jul. 4 - Aug 28, 2017	0.89%[31]
Commercial Paper, USD - interest rate unhedged	22.0	Jul. 10 - Aug 31, 2017	1.26%[32]

Other Credit and Liquidity Facilities

For additional information, see **Other Credit and Liquidity Facilities** under the heading **LIQUIDITY AND CAPITAL RESOURCES** in our 2016 Annual MD&A. The CDCC facility, which expired on March 3, 2017 was extended to March 2, 2018.

[30] Rate denoted in CAD.

[31] Rate denoted in CAD.

[32] Rate denoted in USD.

MANAGING CAPITAL

Our primary objectives in managing capital are described in our 2016 Annual MD&A.

As at June 30, 2017, we were in compliance with all of the externally imposed capital requirements. See **Credit Facility** and **MANAGING CAPITAL** in our 2016 MD&A for a description of the financial covenants imposed on us.

QUARTERLY FINANCIAL INFORMATION

(in millions of dollars except per share amounts - unaudited)	Jun 30 2017	Mar 31 2017	Dec 31 2016	Sept 30 2016	Jun 30 2016	Mar 31 2016	Dec 31 2015	Sept 30 2015
Capital Formation	51.6	44.8	46.6	45.9	51.8	38.6	38.8	44.7
Equities and Fixed Income Trading	26.8	29.2	26.5	23.7	26.5	25.6	20.1	20.9
Equities and fixed Income - clearing, settlement, depository and other services (CDS)	19.9	19.0	18.2	17.4	18.1	17.5	17.9	17.1
Derivatives Trading & Clearing	31.4	28.1	28.4	27.2	30.4	31.5	25.8	27.5
Energy Trading & Clearing	14.9	14.2	13.7	13.2	14.4	14.4	13.7	12.2
Market Insights	46.9	51.0	54.0	52.6	52.7	51.7	58.8	50.9
Other	(1.2)	(0.2)	2.0	0.3	0.7	(1.6)	2.0	2.6
Revenue	190.3	186.1	189.4	180.3	194.6	177.7	177.1	175.9
Operating expenses before strategic re-alignment expenses	98.7	104.7	104.8	104.3	106.9	106.7	116.6	109.6
Income from operations before strategic re-alignment expenses[33]	91.6	81.4	84.6	76.0	87.7	71.0	60.5	66.3
Strategic re-alignment expenses	—	—	—	17.7	2.0	1.3	8.2	4.4
Income from operations[34]	91.6	81.4	84.6	58.3	85.7	69.7	52.3	61.9
Net Income (loss) attributable to TMX Group shareholders	66.5	47.3	52.6	39.2	58.3	46.3	(159.0)	36.5
Earnings (loss) per share:[35]								
Basic	1.20	0.86	0.96	0.72	1.07	0.85	(2.92)	0.67
Diluted	1.19	0.85	0.95	0.72	1.07	0.85	(2.92)	0.67

[33] See discussion under the heading "*Additional IFRS Financial Measures*".

[34] See discussion under the heading "*Additional IFRS Financial Measures*".

[35] Earnings per share information is based on net income attributable to TMX Group shareholders.

Q2/17 compared with Q1/17

- *Revenue* in Q2/17 increased over Q1/17 reflecting increases in *Capital Formation, CDS, Derivatives Trading and Clearing,* and *Energy Trading and Clearing* revenue. This was somewhat offset by decreases in *Equities and Fixed Income Trading* as well as *Market Insights* revenue, including approximately $4.5 million related to TMX Atrium (sold April 30, 2017).

- *Operating expenses before strategic re-alignment expenses* for Q2/17 decreased by $6.0 million from Q1/17 largely reflecting lower expenses of approximately $5.5 million from TMX Atrium (sold April 30, 2017).

- *Income from operations before strategic re-alignment expenses* and *Income from operations* increased from Q1/17 to Q2/17 reflecting both higher revenue and lower operating expenses.

- *Net income attributable to TMX Group shareholders* for Q2/17 was $66.5 million, or $1.19 per common share on a diluted basis, compared with net income of $47.3 million, or $0.85 per common share on a diluted basis, for Q1/17 reflecting higher revenue, lower operating expenses, lower net finance costs and a $2.4 million increase in deferred income tax assets from a capital loss carryback. In addition, during Q1/17, net income was reduced by a non-cash income tax adjustment of $2.9 million relating to the write off of deferred income tax assets and a non-cash impairment charge of $4.8 million, both amounts related to TMX Atrium.

Q1/17 compared with Q4/16

- *Revenue* in Q1/17 decreased over Q4/16 reflecting decreases in *Capital Formation* and *Market Insights* revenue, including $1.4 million related to Razor Risk in Q4/16. This is somewhat offset by increases in *Equities and Fixed Income Trading* and *Energy Trading and Clearing* revenue.

- *Operating expenses before strategic re-alignment expenses* for Q1/17 were essentially unchanged from Q4/16 reflecting increased *Compensation and benefits* expenses, offset by lower *Depreciation and Amortization*. The increase in *Compensation and benefits* expenses reflected higher payroll taxes of $3.2 million in Q1/17 compared with Q4/16, partially offset by lower Razor Risk expenses (sold December 31, 2016). Both *Information and trading systems* costs as well as *Selling, general and administration* expenses remained essentially flat.

- *Income from operations before strategic re-alignment expenses* and *Income from operations* decreased from Q4/16 to Q1/17 reflecting the lower revenue.

- *Net income attributable to TMX Group shareholders* for Q1/17 was $47.3 million, or $0.85 per common share on a diluted basis, compared with net income of $52.6 million, or $0.95 per common share on a basic and diluted basis, for Q4/16 reflecting the lower revenue, impairment charges related to TMX Atrium, and the write off of deferred income tax assets related to businesses being sold.

For additional information on the seven previous quarters please see **Select Annual and Quarterly Financial Information** in our 2016 Annual MD&A.

ACCOUNTING AND CONTROL MATTERS

Changes in accounting policies

The following new amendments were effective for "the Company" (TMX Group Limited) from January 1, 2017:

- Annual Improvements to IFRSs 2014-2016 Cycle (Amendments to IFRS 12, Disclosure of Interests in Other Entities) and

- Recognition of deferred tax assets for unrealized losses – Amendments to IAS 12,Income Taxes.

There was no impact on the consolidated financial statements as a result of their adoption.

The Company intends to adopt the disclosure initiative amendments to IAS 7, Statement of Cash Flows, for the annual consolidated financial statements for the year ended December 31, 2017. At this time, the Company does not expect any material impact on its annual consolidated financial statements as a result of the adoption of the amendments to IAS 7.

Future changes in accounting policies

A number of new standards, amendments and interpretations are not yet effective for the year ending December 31, 2017, and have not been applied in preparing the financial statements.

The standards that may have a significant impact on the Company's financial statements are IFRS 9, Financial Instruments and IFRS 15,Revenue from Contracts with Customers, which are required to be implemented for financial years beginning on or after January 1, 2018. The Company's progress on its adoption plans for IFRS 9 and IFRS 15 is outlined below.

- IFRS 9,Financial Instruments– IFRS 9 replaces the guidance in IAS 39,Financial Instruments: Recognition and Measurement, for the classification and measurement of financial assets and financial liabilities and new standards for hedge accounting. Financial assets will be classified into one of two categories on initial recognition: amortized cost or fair value. For financial liabilities measured at fair value under the fair value option, changes in fair value attributable to changes in credit risk will be recognized in other comprehensive income, with the remainder of the change recognized in profit or loss. IFRS 9 will provide for more hedging strategies to qualify for hedge accounting, introduce more judgment in assessing the effectiveness of a hedging relationship, and include a single, forward-looking "expected loss" impairment model. The mandatory date for IFRS 9 is for annual periods beginning on or after January 1, 2018, with early application permitted.

  The Company has performed its preliminary assessment and is performing a detailed assessment of the impact the adoption of IFRS 9 will have on its financial statements. Based on the assessment performed to date, management continues to expect that the adoption of IFRS 9 will not have a significant impact on the financial statements.

- IFRS 15,Revenue from Contracts with Customers– The IASB and the U.S. Financial Accounting Standards Board ("FASB") jointly issued converged accounting standards on the recognition of revenue from contracts with customers; the IASB's standard is IFRS 15,Revenue from Contracts with Customers. The previous requirements of both IFRS and U.S. GAAP were different and often resulted in different accounting for transactions that were economically similar. IFRS 15 and its U.S. GAAP equivalent, contain a single revenue model that applies to contracts with customers with the exception of contracts for insurance, financial instruments and leases. Under the model, there are two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/ or timing of revenue recognized. Also in April 2016, amendments were issued to clarify how to identify a performance obligation in a contract, determine whether an entity is a principal or agent and determine whether the revenue from granting a license should be recognized at a point in time or over time. The amendments also include two additional reliefs to reduce cost and complexity when the standard is first applied. The mandatory effective date for IFRS 15 is for annual periods beginning on or after January 1, 2018 with either full retrospective application, retrospective with optional practical expedients or a modified prospective approach with disclosure requirements.

  The Company has performed its preliminary assessment and is performing a detailed assessment of the impact of the adoption of IFRS 15 will have on its financial statements. Based on the assessment performed to date, the key areas of judgement expected on initial adoption of IFRS 15 have not changed from Q1 2017 and are in relation to: (i) the timing of recognition for initial listings revenue; and (ii) how performance obligations are satisfied in contracts providing several services to customers. The Company will continue to perform a detailed assessment of the impact during Q3 2017, which may identify other impacts of the adoption of IFRS 15, such as new disclosure requirements. The Company is expected to finalize its selection of a transition approach in Q4 2017.

The other new standards, amendments and interpretations required to be implemented for financial years beginning on or after January 1, 2018 are outlined below. The Company intends to adopt each of the below standards and amendments in the year in which they are effective. At this time, the extent of the impact of adoption of these standards and amendments has not yet been determined.

- Annual improvements 2014-2016 cycle (Amendments to various standards) – These narrow-scope amendments apply to a total of three standards as part of the IASB's annual improvements process. The IASB uses the annual improvements process to make non-urgent but necessary amendments to IFRS. The amendments are effective for annual periods beginning on or after January 1, 2018.

- IFRIC 22,Foreign currency transactions and advance consideration(Interpretation of IAS 21,The Effects of Changes in Foreign Exchange Rates) – This interpretation clarifies the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency. The interpretation is effective for annual periods beginning on or after January 1, 2018, with early application permitted.

- IFRIC 23, *Uncertainty over income tax treatments* (Interpretation of IAS 12, *Income Taxes*) - This interpretation clarifies application of recognition and measurement requirements in IAS 12, *Income Taxes* when there is uncertainty over income tax treatments. The interpretation is effective for annual periods beginning on or after January 1, 2019.

- Classification and measurement of share-based payment transactions (Amendments to IFRS 2,Share-based Payments) – The amendments clarify the accounting for the effects of vesting conditions on cash-settled share-based payment transactions, the classification of share-based payment transactions with net settlement features for withholding tax obligations and the accounting for a modification to the terms and conditions of a share-based payment that changes the transaction from cash-settled to equity-settled. The amendments are effective for annual periods beginning on or after January 1, 2018 with earlier application permitted.

- IFRS 16,Leases– The IASB issued a new standard on leases which provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements. IFRS 16 supersedes IAS 17,Leases and its associated interpretative guidance. IFRS 16 applies a control model to the identification of leases, differentiating between leases and service contracts on the basis of whether there is an identified asset controlled by the customer. Among other significant changes, the distinction between operating and finance leases is removed and assets and liabilities are recognized in respect of all leases. Further, IFRS 16 requires a front-loaded pattern for the recognition of lease expense over the life of the lease. The mandatory effective date for IFRS 16 is for annual periods beginning on or after January 1, 2019 with earlier application permitted for entities that have also adopted IFRS 15.

- Sale or contribution of assets between an investor and its associate or joint venture (Amendments to IFRS 10,Consolidated Financial Statements and IAS 28,Investments in Associates and Joint Ventures) – The amendments require full gain recognition when the transfer of assets involving an associate or joint venture meet the definition of a business under IFRS 3, Business Combinations. The amendments also introduce new accounting that involves neither a cost nor full step-up of certain retained assets that are not businesses. The effective date of the amendments has been delayed indefinitely; however early application is permitted.

Changes in Internal Control over Financial Reporting

There were no changes to internal control over financial reporting during the quarter beginning April 1, 2017 and ended June 30, 2017 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

This MD&A of TMX Group contains "forward-looking information" (as defined in applicable Canadian securities legislation) that is based on expectations, assumptions, estimates, projections and other factors that management believes to be relevant as of the date of this MD&A. Often, but not always, such forward-looking information can be identified by the use of forward-looking words such as "plans," "expects," "is expected," "budget," "scheduled," "targeted," "estimates," "forecasts," "intends," "anticipates," "believes," or variations or the negatives of such words and phrases or statements that certain actions, events or results "may," "could," "would," "might," or "will" be taken, occur or be achieved or not be taken, occur or be achieved. Forward-looking information, by its nature, requires us to make assumptions and is subject to significant risks and uncertainties which may give rise to the possibility that our expectations or conclusions will not prove to be accurate and that our assumptions may not be correct.

Examples of forward-looking information in this MD&A include, but are not limited to, statements related to cost reductions, strategic realignment expenses and TMX Group's business integration initiative, factors relating to stock, derivatives and energy exchanges and clearing houses and the business, strategic goals and priorities, market conditions, pricing, proposed technology and other initiatives, financial results or financial condition, operations and prospects of TMX Group which are subject to significant risks and uncertainties. These risks include: competition from other exchanges or marketplaces, including alternative trading systems and new technologies, on a national and international basis; dependence on the economy of Canada; adverse effects on our results caused by global economic conditions or uncertainties including changes in business cycles that impact our sector; failure to retain and attract qualified personnel; geopolitical and other factors which could cause business interruption; dependence on information technology; vulnerability of our networks and third party service providers to security risks, including cyber attacks; failure to properly identify or implement our strategies; regulatory constraints; constraints imposed by our level of indebtedness, risks of litigation or other proceedings; dependence on adequate numbers of customers; failure to develop, market or gain acceptance of new products; failure to effectively integrate acquisitions to achieve planned economics or divest under performing businesses; currency risk; adverse effect of new business activities; not being able to meet cash requirements because of our holding company structure and restrictions on paying dividends; dependence on third-party suppliers and service providers; dependence of trading operations on a small number of clients; risks associated with our clearing operations; challenges related to international expansion; restrictions on ownership of TMX Group common shares; inability to protect our intellectual property; adverse effect of a systemic market event on certain of our businesses; risks associated with the credit of customers; cost structures being largely fixed; the failure to realize cost reductions in the amount or the time frame anticipated; dependence on market activity that cannot be controlled; the regulatory constraints that apply to the business of TMX Group and its regulated subsidiaries, costs of on exchange clearing and depository services, trading volumes (which could be higher or lower than estimated) and revenues; future levels of revenues being lower than expected or costs being higher than expected.

Forward-looking information is based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions in connection with the ability of TMX Group to successfully compete against global and regional marketplaces; business and economic conditions generally; exchange rates (including estimates of the U.S. dollar-Canadian dollar exchange rate), commodities prices, the level of trading and activity on markets, and particularly the level of trading in TMX Group's key products; business development and marketing and sales activity; the continued availability of financing on appropriate terms for future projects; productivity at TMX Group, as well as that of TMX Group's competitors; market competition; research and development activities; the successful introduction and client acceptance of new products; successful introduction of various technology assets and capabilities; the impact on TMX Group and its customers of various regulations; TMX Group's ongoing relations with its employees; and the extent of any labour, equipment or other disruptions at any of its operations of any significance other than any planned maintenance or similar shutdowns.

While we anticipate that subsequent events and developments may cause our views to change, we have no intention to update this forward-looking information, except as required by applicable securities law. This forward-looking information should not be relied upon as representing our views as of any date subsequent to the date of this MD&A. We have attempted to identify important factors that could cause actual actions, events or results to differ materially from those current expectations described in forward-looking information. However, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended and that could cause actual actions, events or results to differ materially from current expectations. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. These factors are not intended to represent a complete list of the factors that could affect us. A description of the above-mentioned items is contained under the heading **RISKS AND UNCERTAINTIES** in the 2016 Annual MD&A.

TMX GROUP LIMITED
Condensed Consolidated Interim Balance Sheets

(In millions of Canadian dollars)
(Unaudited)

	Note	**June 30, 2017**	December 31, 2016
Assets			
Current assets:			
Cash and cash equivalents		**$ 319.3**	$ 240.6
Restricted cash and cash equivalents		**117.8**	66.0
Marketable securities		**62.1**	61.8
Trade and other receivables		**89.6**	84.9
Energy contracts receivable		**561.5**	781.3
Fair value of open energy contracts		**70.8**	122.8
Balances with Clearing Members and Participants		**23,359.4**	16,315.5
Other current assets		**15.2**	16.2
		24,595.7	17,689.1
Non-current assets:			
Fair value of open energy contracts		**52.6**	27.4
Goodwill and intangible assets		**4,282.1**	4,319.8
Other non-current assets		**123.1**	128.3
Deferred income tax assets		**33.8**	36.8
Total Assets		**$ 29,087.3**	$ 22,201.4
Liabilities and Equity			
Current liabilities:			
Trade and other payables		**$ 65.2**	$ 77.5
Participants’ tax withholdings		**117.8**	66.0
Energy contracts payable		**561.5**	781.3
Fair value of open energy contracts		**70.8**	122.8
Balances with Clearing Members and Participants		**23,359.4**	16,315.5
Debt	*5*	**280.2**	309.9
Credit and liquidity facilities drawn	*5*	**1.0**	4.6
Other current liabilities		**63.2**	56.0
		24,519.1	17,733.6
Non-current liabilities:			
Fair value of open energy contracts		**52.6**	27.4
Debt	*5*	**648.9**	648.7
Other non-current liabilities		**58.6**	58.0
Deferred income tax liabilities		**810.2**	813.0
Total Liabilities		**26,089.4**	19,280.7
Equity:			
Share capital		**2,913.2**	2,896.4
Contributed surplus		**10.5**	10.3
Retained earnings (deficit)		**56.1**	(5.3)
Accumulated other comprehensive income		**18.1**	19.3
Total Equity		**2,997.9**	2,920.7
Total Liabilities and Equity		**$ 29,087.3**	$ 22,201.4

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

TMX GROUP LIMITED
Condensed Consolidated Interim Income Statements

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

		For the three months ended June 30		For the six months ended June 30	
	Note	**2017**	2016	**2017**	2016
Revenue	*3*	**$ 190.3**	$ 194.6	**$ 376.4**	$ 372.3
REPO interest:					
Interest income		**15.4**	15.4	**29.5**	32.2
Interest expense		**(15.4)**	(15.4)	**(29.5)**	(32.2)
Net REPO interest		**—**	—	**—**	—
Total revenue		**190.3**	194.6	**376.4**	372.3
Compensation and benefits		**47.9**	49.8	**99.4**	102.3
Information and trading systems		**15.0**	18.5	**33.0**	36.6
Selling, general and administration		**21.3**	23.1	**41.6**	43.6
Depreciation and amortization		**14.5**	15.5	**29.4**	31.1
Total operating expenses before strategic re-alignment expenses		**98.7**	106.9	**203.4**	213.6
Income from operations before strategic re-alignment expenses	*3*	**91.6**	87.7	**173.0**	158.7
Strategic re-alignment expenses		**—**	2.0	**—**	3.3
Income from operations		**91.6**	85.7	**173.0**	155.4
Share of net income from equity accounted investees		**1.1**	0.9	**2.4**	1.4
Impairment charges	*8*	**—**	—	**(4.8)**	—
Other income		**—**	1.0	**—**	1.0
Finance income (costs):					
Finance income		**0.6**	0.6	**1.2**	1.0
Finance costs		**(7.0)**	(9.4)	**(14.5)**	(17.2)
Net finance costs		**(6.4)**	(8.8)	**(13.3)**	(16.2)
Income before income taxes		**86.3**	78.8	**157.3**	141.6
Income tax expense	*8*	**19.8**	20.6	**43.5**	37.7
Net income		**$ 66.5**	$ 58.2	**$ 113.8**	$ 103.9
Net income (loss) attributable to:					
Equity holders of the Company		**$ 66.5**	$ 58.3	**$ 113.8**	$ 104.6
Non-controlling interests		**—**	(0.1)	**—**	(0.7)
		$ 66.5	$ 58.2	**$ 113.8**	$ 103.9
Earnings per share (attributable to equity holders of the Company):	*4*				
Basic		**$ 1.20**	$ 1.07	**$ 2.06**	$ 1.92
Diluted		**$ 1.19**	$ 1.07	**$ 2.04**	$ 1.92

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

TMX GROUP LIMITED
Condensed Consolidated Interim Statements of Comprehensive Income

(In millions of Canadian dollars)

(Unaudited)	For the three months ended June 30		For the six months ended June 30	
	2017	2016	**2017**	2016
Net income	**$ 66.5**	$ 58.2	**$ 113.8**	$ 103.9
Other comprehensive loss:				
Items that may be reclassified subsequently to the consolidated income statements:				
Unrealized losses on translating financial statements of foreign operations	**(0.7)**	(0.7)	**(1.2)**	(7.8)
Change in fair value of effective portion of interest rate swaps designated as cash flow hedges, net of taxes	**—**	(0.5)	**—**	—
Reclassification to net income of losses on interest rate swaps, net of taxes	**—**	1.0	**—**	1.1
Total items that may be reclassified subsequently to the consolidated income statements	**(0.7)**	(0.2)	**(1.2)**	(6.7)
Total comprehensive income	**$ 65.8**	$ 58.0	**$ 112.6**	$ 97.2
Total comprehensive income (loss) attributable to:				
Equity holders of the Company	**$ 65.8**	$ 58.2	**$ 112.6**	$ 99.8
Non-controlling interests	**—**	(0.2)	**—**	(2.6)
	$ 65.8	$ 58.0	**$ 112.6**	$ 97.2

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

TMX GROUP LIMITED

Condensed Consolidated Interim Statements of Changes in Equity

(In millions of Canadian dollars)

(Unaudited)

For the six months ended June 30, 2017

		Attributable to equity holders of the Company				
	Note	**Share capital**	**Contributed surplus**	**Accumulated other comprehensive income**	**Retained earnings (deficit)**	**Total equity**
Balance at January 1, 2017		$ 2,896.4	$ 10.3	$ 19.3	$ (5.3)	$ 2,920.7
Net income		—	—	—	113.8	113.8
Other comprehensive (loss) income:						
Foreign currency translation differences		—	—	(1.2)	—	(1.2)
Total comprehensive income (loss) income		—	—	(1.2)	113.8	112.6
Dividends to equity holders	*7*	—	—	—	(52.4)	(52.4)
Proceeds from exercised share options		15.2	—	—	—	15.2
Cost of exercised share options		1.6	(1.6)	—	—	—
Cost of share option plan		—	1.8	—	—	1.8
Balance at June 30, 2017		$ 2,913.2	$ 10.5	$ 18.1	$ 56.1	$ 2,997.9

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

TMX GROUP LIMITED
Condensed Consolidated Interim Statements of Changes in Equity

(In millions of Canadian dollars) **For the six months ended June 30, 2017**

(Unaudited)

	Note	Share capital	Contributed surplus	Accumulated other comprehensive income	Retained earnings (deficit)	Total equity
		Attributable to equity holders of the Company				
Balance at January 1, 2017		$ 2,896.4	$ 10.3	$ 19.3	$ (5.3)	$ 2,920.7
Net income		—	—	—	113.8	113.8
Other comprehensive (loss) income:						
Foreign currency translation differences		—	—	(1.2)	—	(1.2)
Total comprehensive income (loss) income		—	—	(1.2)	113.8	112.6
Dividends to equity holders	7	—	—	—	(52.4)	(52.4)
Proceeds from exercised share options		15.2	—	—	—	15.2
Cost of exercised share options		1.6	(1.6)	—	—	—
Cost of share option plan		—	1.8	—	—	1.8
Balance at June 30, 2017		$ 2,913.2	$ 10.5	$ 18.1	$ 56.1	$ 2,997.9

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

TMX GROUP LIMITED
Condensed Consolidated Interim Statements of Cash Flows

(In millions of Canadian dollars) *(Unaudited)*	*Note*	For the three months ended June 30 **2017**	2016	For the six months ended June 30 **2017**	2016
Cash flows from (used in) operating activities:					
Income before income taxes		**$ 86.3**	$ 78.8	**$ 157.3**	$ 141.6
Adjustments to determine net cash flows:					
Depreciation and amortization		**14.5**	15.5	**29.4**	31.1
Impairment charges and write-offs	8	**0.8**	—	**5.6**	—
Other income		**—**	(1.0)	**—**	(1.0)
Net finance costs		**6.4**	8.8	**13.3**	16.2
Share of income of equity accounted investees		**(1.1)**	(0.9)	**(2.4)**	(1.4)
Cost of share option plan		**0.8**	0.7	**1.8**	1.4
Employee defined benefits expense		**1.0**	1.0	**2.1**	2.1
Unrealized foreign exchange losses		**—**	—	**—**	0.2
Trade and other receivables, and prepaid expenses		**14.9**	16.9	**(3.5)**	(17.7)
Trade and other payables		**8.7**	4.3	**(18.9)**	(13.9)
Provisions		**(5.0)**	0.3	**(8.3)**	(0.2)
Deferred revenue		**(17.9)**	(13.6)	**32.4**	39.0
Other assets and liabilities		**(4.3)**	5.2	**1.8**	(0.2)
Cash paid for employee defined benefits		**(0.6)**	(0.5)	**(1.0)**	(1.0)
Income taxes paid		**(17.7)**	(17.7)	**(55.8)**	(42.4)
		86.8	97.8	**153.8**	153.8
Cash flows from (used in) financing activities:					
Interest paid		**(12.4)**	(14.8)	**(12.8)**	(16.7)
Net settlement on derivative instruments		**(0.1)**	(0.6)	**(0.1)**	(1.1)
Reduction in obligations under finance leases		**—**	(0.1)	**(0.1)**	(0.3)
Proceeds from exercised options		**3.4**	3.1	**15.2**	3.1
Dividends paid to equity holders	7	**(27.6)**	(21.8)	**(52.4)**	(43.6)
Dividend paid to non-controlling interests		**—**	—	**—**	(3.4)
Credit facility refinancing fees		**—**	(1.0)	**—**	(1.0)
Net movement of Commercial Paper	5	**(13.5)**	(22.0)	**(28.4)**	(53.1)
Credit and liquidity facilities drawn, net	5	**(7.6)**	(0.4)	**(3.6)**	9.3
		(57.8)	(57.6)	**(82.2)**	(106.8)
Cash flows from (used in) investing activities:					
Interest received		**0.6**	0.7	**1.2**	1.0
Dividends received		**—**	—	**0.5**	—
Additions to premises and equipment and intangible assets, net of grants		**(11.7)**	(3.9)	**(19.6)**	(7.0)
Proceeds from sale of operations, net of cash disposed of	8	**25.3**	1.0	**25.3**	1.0
Marketable securities, net		**4.1**	3.7	**(0.4)**	6.6
		18.3	1.5	**7.0**	1.6
Increase in cash and cash equivalents		**47.3**	41.7	**78.6**	48.6
Cash and cash equivalents, beginning of the period		**271.8**	159.0	**240.6**	154.1
Unrealized foreign exchange gains (losses) on cash and cash equivalents held in foreign currencies		**0.2**	(0.4)	**0.1**	(2.4)
Cash and cash equivalents, end of the period		**$ 319.3**	$ 200.3	**$ 319.3**	$ 200.3

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

TMX GROUP LIMITED
Notes to the Condensed Consolidated Interim Financial Statements

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

GENERAL INFORMATION

TMX Group Limited is a company domiciled in Canada and incorporated under the Business Corporations Act (Ontario). The registered office is located at The Exchange Tower, 130 King Street West, Toronto, Ontario, Canada.

TMX Group Limited controls, directly or indirectly, a number of entities which operate exchanges, markets, and clearinghouses primarily for capital markets in Canada and provides select services globally.

The unaudited condensed consolidated interim financial statements as at June 30, 2017 and December 31, 2016, and for the three and six months ended June 30, 2017 and 2016 (the "interim financial statements"), comprise the accounts of TMX Group Limited and its subsidiaries (collectively referred to as the "Company"), and the Company's interests in equity accounted investees.

NOTE 1 – BASIS OF PREPARATION

STATEMENT OF COMPLIANCE

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

The interim financial statements do not contain all disclosures required by IFRS for annual financial statements, but have been prepared using the same accounting policies and methods of application as those used in the most recently prepared audited annual consolidated financial statements, except as discussed in note 2 below. Accordingly, the interim financial statements should be read in conjunction with the audited annual consolidated financial statements of the Company for the year ended December 31, 2016.

The interim financial statements were approved by the Company's Board of Directors on August 9, 2017.

USE OF ESTIMATES AND JUDGEMENTS

The preparation of the interim financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the interim financial statements and the reported amounts of revenue and expenses during the reporting period. The judgements, estimates and associated assumptions are based on historical experience and other factors that management considers to be relevant. The areas of significant judgement and estimation were identified in the Company's audited annual consolidated financial statements for the year ended December 31, 2016. Actual results could differ from these estimates and assumptions made.

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

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

The following new amendments were effective for the Company from January 1, 2017:

- Annual Improvements to IFRSs 2014-2016 Cycle (Amendments to IFRS 12, *Disclosure of Interests in Other Entities*) and
- Recognition of deferred tax assets for unrealized losses – Amendments to IAS 12, *Income Taxes*.

There was no impact on the interim financial statements as a result of their adoption.

The Company intends to adopt the disclosure initiative amendments to IAS 7, *Statement of Cash Flows*, for the annual consolidated financial statements for the year ended December 31, 2017. At this time, the Company does not expect any material impact on its annual consolidated financial statements as a result of the adoption of the amendments to IAS 7.

NOTE 3 – SEGMENT INFORMATION

The Company has six operating segments:

- **Market Insights**: to deliver integrated data sets to fuel high-value proprietary and third party analytics to help clients make better trading and investment decisions. The Company's operations included in the Market Insights segment are TMX Datalinx, TMX Insights and TMX Atrium. In February 2017, the Company entered into an agreement to sell TMX Atrium and on April 30, 2017, TMX Atrium was sold (note 8).
- **Capital Formation:** to energize and expand the "capital market community" to better facilitate capital raising for issuers of all types at all stages of their development and to provide access to alternative sources of capital. The Company's operations included in the Capital Formation segment are: Toronto Stock Exchange ("TSX"), a national stock exchange serving the senior equities market; TSX Venture Exchange, a national stock exchange serving the public venture equity market; TSX Private Markets, a registered exempt market dealer and TSX Trust, a provider of corporate trust, registrar, transfer agency and foreign exchange services.
- **Derivatives Trading & Clearing:** to intensify new product creation and leverage our unique market position to benefit from increasing demand for derivatives products both in Canada and globally. The Company's operations included in the Derivatives Trading and Clearing segment are Montréal Exchange, a national derivatives exchange; and Canadian Derivatives Clearing Corporation ("CDCC"), a clearinghouse for options and futures contracts and certain over-the-counter products and fixed income repurchase agreements.

  As of July 1, 2016, the Company determined that it did not hold majority voting power in BOX Holdings Group LLC ("BOX Holdings"), which wholly-owns BOX Market LLC ("BOX"), an exchange for trading of United States ("US") equity options. Beginning July 1, 2016, the Company no longer consolidates BOX and accounts for its investment in BOX Holdings using the equity method. With the equity method, the results of BOX are not included other than the Company's share of BOX's net income (loss).

  Beginning the same date, the results from licensing technology to BOX are included in the Derivatives Trading & Clearing segment. The income from licensing technology to BOX was previously eliminated when BOX's operating results were consolidated.
- **Equities and Fixed Income Trading & Clearing:** to operate innovative, efficient, reliable, fast, easy to use platforms for equities trading and clearing. The Company's operations included in the Equities and Fixed Income Trading and Clearing segment are the trading operations of Toronto Stock Exchange, TSX Venture Exchange, and TSX Alpha Exchange; CDS Clearing and Depository Services Inc. ("CDS Clearing"), an automated facility for the clearing and settlement of equities and fixed income transactions and custody of securities in Canada and Shorcan Brokers Limited, a fixed income inter-dealer broker.
- **Energy Trading & Clearing:** to operate innovative, efficient, reliable, fast, easy to use platforms for energy trading and clearing. The Company's operations included in the Energy Trading & Clearing segment are Natural Gas Exchange ("NGX"), an exchange for the trading and clearing of natural gas, electricity and crude oil contracts in North America and Shorcan Energy Brokers Inc., a broker of crude oil contracts.

- **Market Solutions:** to leverage the Company's capabilities and technologies to introduce new operating models into new sectors and asset classes.

The Market Solutions operating segment has been aggregated with the Other segment to form five reportable segments. In addition, the Company has certain revenue and corporate costs not allocated to the operating segments. Revenue related to foreign exchange gains and losses and other services are presented in the Other segment. Costs and expenses related to the amortization of purchased intangibles, along with certain consolidation and elimination adjustments, are also presented in the Other segment.

Information related to each reportable segment is as follows:

For the three months ended							**June 30, 2017**
	Market Insights	**Capital Formation**	**Derivatives Trading & Clearing**	**Equities and Fixed Income Trading & Clearing**	**Energy Trading & Clearing**	**Other**	**Total**
Revenue (external)	**$ 46.9**	**$ 51.6**	**$ 31.4**	**$ 46.7**	**$ 14.9**	**$ (1.2)**	**$ 190.3**
Inter-segment revenue	**0.3**	**—**	**—**	**0.4**	**—**	**(0.7)**	**—**
Total revenue	**$ 47.2**	**$ 51.6**	**$ 31.4**	**$ 47.1**	**$ 14.9**	**$ (1.9)**	**$ 190.3**
Income from operations before strategic re-alignment expenses	**$ 28.9**	**$ 30.3**	**$ 15.7**	**$ 19.9**	**$ 4.7**	**$ (7.9)**	**$ 91.6**
Selected items:							
Depreciation and amortization	**$ 0.5**	**$ —**	**$ —**	**$ 0.1**	**$ 0.4**	**$ 13.5**	**$ 14.5**

For the three months ended							June 30, 2016
	Market Insights	Capital Formation	Derivatives Trading & Clearing	Equities and Fixed Income Trading & Clearing	Energy Trading & Clearing	Other	Total
Revenue (external)	$ 52.7	$ 51.8	$ 30.4	$ 44.6	$ 14.4	$ 0.7	$ 194.6
Inter-segment revenue	0.4	—	—	0.5	—	(0.9)	—
Total revenue	$ 53.1	$ 51.8	$ 30.4	$ 45.1	$ 14.4	$ (0.2)	$ 194.6
Income from operations before strategic re-alignment expenses	$ 27.5	$ 33.3	$ 11.9	$ 20.8	$ 4.9	$ (10.7)	$ 87.7
Selected items:							
Depreciation and amortization	$ 0.8	$ —	$ 1.4	$ 0.1	$ 0.4	$ 12.8	$ 15.5

For the six months ended							**June 30, 2017**
	Market Insights	**Capital Formation**	**Derivatives Trading & Clearing**	**Equities and Fixed Income Trading & Clearing**	**Energy Trading & Clearing**	**Other**	**Total**
Revenue (external)	**$ 97.9**	**$ 96.4**	**$ 59.5**	**$ 94.9**	**$ 29.1**	**$ (1.4)**	**$ 376.4**
Inter-segment revenue	**0.5**	**—**	**—**	**1.0**	**—**	**(1.5)**	**—**
Total revenue	**$ 98.4**	**$ 96.4**	**$ 59.5**	**$ 95.9**	**$ 29.1**	**$ (2.9)**	**$ 376.4**
Income from operations before strategic re-alignment expenses	**$ 58.3**	**$ 55.0**	**$ 28.6**	**$ 42.2**	**$ 8.8**	**$ (19.9)**	**$ 173.0**
Selected items:							
Depreciation and amortization	**$ 1.2**	**$ 0.1**	**$ 0.1**	**$ 0.2**	**$ 0.8**	**$ 27.0**	**$ 29.4**
Impairment charges	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ 4.8**	**$ 4.8**

For the six months ended							June 30, 2016
	Market Insights	Capital Formation	Derivatives Trading & Clearing	Equities and Fixed Income Trading & Clearing	Energy Trading & Clearing	Other	Total
Revenue (external)	$ 104.4	$ 90.4	$ 61.9	$ 87.7	$ 28.8	$ (0.9)	$ 372.3
Inter-segment revenue	0.8	—	—	0.9	—	(1.7)	—
Total revenue	$ 105.2	$ 90.4	$ 61.9	$ 88.6	$ 28.8	$ (2.6)	$ 372.3
Income from operations before strategic re-alignment expenses	$ 52.6	$ 54.6	$ 24.4	$ 39.0	$ 8.4	$ (20.3)	$ 158.7
Selected items:							
Depreciation and amortization	$ 1.5	$ 0.1	$ 2.8	$ 0.2	$ 0.8	$ 25.7	$ 31.1

NOTE 4 – EARNINGS PER SHARE

Basic and diluted earnings per share for the period are as follows:

	For the three months ended June 30		**For the six months ended June 30**	
	2017	2016	**2017**	2016
Net income attributable to the equity holders of the Company	**$ 66.5**	$ 58.3	**$ 113.8**	$ 104.6
Weighted average number of common shares outstanding – basic	**55,305,850**	54,417,173	**55,214,060**	54,404,783
Effect of dilutive share options	**479,997**	7,870	**487,880**	15,739
Weighted average number of common shares outstanding – diluted	**55,785,847**	54,425,043	**55,701,940**	54,420,522
Basic earnings per share	**$ 1.20**	$ 1.07	**$ 2.06**	$ 1.92
Diluted earnings per share	**$ 1.19**	$ 1.07	**$ 2.04**	$ 1.92

NOTE 5 – DEBT, CREDIT AND LIQUIDITY FACILITIES

(A) DEBT

The Company has the following debt outstanding at:

	Interest rate	Maturity date(s)	Principal/ Authorized amount	June 30, 2017 Carrying amount	December 31, 2016 Carrying amount
Series A Debentures	3.253%	Oct 3, 2018	$ 400.0	$ 399.6	$ 399.5
Series B Debentures	4.461%	Oct 3, 2023	250.0	249.3	249.2
Debentures				**648.9**	648.7
Commercial Paper	0.84%-0.94% / USD 1.23%-1.32%	July 4 - August 28, 2017	500.0	280.2	309.9
Commercial Paper				**280.2**	309.9
Total debt				**929.1**	958.6
Less: current portion of debt				**(280.2)**	(309.9)
Non-current debt				**$ 648.9**	$ 648.7

(i) Debentures

During the three and six months ended June 30, 2017, the Company recognized interest expense on its Series A and Series B debentures of $3.4 and $2.8, and $6.7 and $5.6, respectively (three and six months ended June 30, 2016 – $3.4 and $2.8, and $6.7 and $5.6, respectively; $1.4 and $3.0 on its Series C debentures, which matured in October 2016).

(ii) Commercial paper

During the three and six months ended June 30, 2017, the Company issued Commercial Paper with a cumulative amount of $708.2 and $1,204.9, respectively (three and six months ended June 30, 2016 – $341.5 and $532.3, respectively). During the same periods, the Company repaid commercial paper with cumulative amounts of $721.7 and $1,233.3, respectively (three and six months ended June 30, 2016 – $363.5 and $585.4, respectively).

As at June 30, 2017, the carrying amount of commercial paper issued that remains outstanding is $280.2, of which $28.5 represents the Canadian dollar equivalent amount of US dollar ("USD") commercial paper (December 31, 2016 – $309.9 and $20.1, respectively).

(B) CREDIT AND LIQUIDITY FACILITIES

The Company has the following credit and liquidity facilities amended or drawn and outstanding at:

	Interest rate†	Maturity date(s)	Authorized	June 30, 2017 Carrying amount	December 31, 2016 Carrying amount
CDS Clearing operating demand loan	–	n/a	$ 10.0	$ —	$ 2.1
TMX Group Limited credit facility	1 month B.A./ LIBOR + 137.5 bps	May 2, 2019	500.0	—	—
Credit facilities				—	2.1
CDCC syndicated revolving standby liquidity facility	Prime less 1.75%	Mar 2, 2018	$ 300.0	**1.0**	2.5
CDCC syndicated REPO facility	–	Mar 2, 2018	13,788.0	—	—
Liquidity facilities				**1.0**	2.5
Total credit and liquidity facilities				**$ 1.0**	$ 4.6

†The interest rate charged on borrowings under the credit and liquidity facilities vary as the actual rate will be based on the prevailing market rates at the time of draw.

(i) TMX Group Limited credit facility

The TMX Group Limited credit facility continues to provide 100% backstop to the commercial paper program as well as for general corporate purposes. The amount available to be drawn under the TMX Group Limited credit facility is limited to $500 (or the equivalent USD) less the aggregate amount, at any point in time, of: (i) Commercial Paper outstanding (June 30, 2017 – $280.2); and (ii) inter-company notes payable outstanding to NGX, CDS Clearing and CDCC (June 30, 2017 – $30.0).

(ii) CDCC syndicated revolving standby liquidity and syndicated REPO facilities

CDCC maintains a $13,788.0 repurchase uncommitted facility that is in place to provide end of day liquidity in the event that CDCC is unable to clear the daylight liquidity facilities to zero. The facility would provide liquidity in exchange for securities that have been received by, or pledged to, CDCC.

CDCC also maintains a $300.0 syndicated revolving standby liquidity facility to provide end of day liquidity in the event that CDCC is unable to clear the daylight liquidity facilities to zero. Advances under the facility are secured by collateral in the form of securities that have been received by, or pledged to, CDCC. As at June 30, 2017, CDCC had drawn $1.0 to facilitate a failed REPO settlement. The amount is fully offset by liquid securities included in cash and cash equivalents and was fully repaid subsequent to the reporting date.

On March 3, 2017, the Company extended these facilities from March 3, 2017 to March 2, 2018.

NOTE 6 – FINANCIAL INSTRUMENTS

(A) FINANCIAL INSTRUMENTS – CARRYING AMOUNTS AND FAIR VALUES

The classification of the Company's financial instruments, along with their carrying amounts and fair values are as follows:

	June 30, 2017		December 31, 2016	
	Carrying amount	**Fair value**	Carrying amount	Fair value
Assets at fair value through profit or loss				
– Designated				
Marketable securities	**$ 62.1**	**$ 62.1**	$ 61.8	$ 61.8
	62.1	**62.1**	61.8	61.8
– Classified				
Fair value of open energy contracts	**123.4**	**123.4**	150.2	150.2
Total return swaps	**1.0**	**1.0**	3.3	3.3
Interest rate swaps	**0.5**	**0.5**	0.1	0.1
	124.9	**124.9**	153.6	153.6
Available for sale financial assets				
Investment in privately-owned company	**0.8**	**0.8**	0.8	0.8
	0.8	**0.8**	0.8	0.8
Loans and receivables				
Cash and cash equivalents	**319.3**	**319.3**	240.6	240.6
Restricted cash and cash equivalents	**117.8**	**117.8**	66.0	66.0
Trade and other receivables	**89.6**	**89.6**	84.9	84.9
Energy contracts receivable	**561.5**	**561.5**	781.3	781.3
Clearing Members cash collateral	**1,249.8**	**1,249.8**	842.8	842.8
Balances with Clearing Members	**21,435.0**	**21,435.0**	14,741.3	14,741.3
Balances with Participants	**674.6**	**674.6**	731.4	731.4
	24,447.6	**24,447.6**	17,488.3	17,488.3
Liabilities at fair value through profit or loss				
– Classified				
Fair value of open energy contracts	**(123.4)**	**(123.4)**	(150.2)	(150.2)
	(123.4)	**(123.4)**	(150.2)	(150.2)
Other financial liabilities				
Other trade and other payables	**(35.9)**	**(35.9)**	(37.1)	(37.1)
Accrued interest payable	**(6.0)**	**(6.0)**	(6.0)	(6.0)
Participants' tax withholdings	**(117.8)**	**(117.8)**	(66.0)	(66.0)
Energy contracts payable	**(561.5)**	**(561.5)**	(781.3)	(781.3)
Clearing Members cash collateral	**(1,249.8)**	**(1,249.8)**	(842.8)	(842.8)
Balances with Clearing Members	**(21,435.0)**	**(21,435.0)**	(14,741.3)	(14,741.3)
Balances with Participants	**(674.6)**	**(674.6)**	(731.4)	(731.4)
Obligations under finance leases	**(0.3)**	**(0.3)**	(0.4)	(0.4)
Credit and liquidity facilities drawn	**(1.0)**	**(1.0)**	(4.6)	(4.6)
Commercial Paper	**(280.2)**	**(280.2)**	(309.9)	(309.9)
Debentures	**(648.9)**	**(681.1)**	(648.7)	(684.7)
	$ (25,011.0)	**$ (25,043.2)**	$ (18,169.5)	$ (18,205.5)

The carrying amount of the Company's financial instruments approximate their fair values at each reporting date, with the exception of the debentures. The fair values of the debentures were obtained using Level 2 observable market prices as inputs.

(B) FAIR VALUE MEASUREMENT

The categories within the fair value hierarchy of the Company's financial instruments carried at fair value are as follows:

As at		**Fair value measurements using:**		**June 30, 2017**
Asset/(Liability)	**Level 1**	**Level 2**	**Level 3**	
Marketable securities	**$ 62.1**	**$ —**	**$ —**	**$ 62.1**
Fair value of open energy contracts	**—**	**123.4**	**—**	**123.4**
Total return swaps	**—**	**1.0**	**—**	**1.0**
Interest rate swaps	**—**	**0.5**	**—**	**0.5**
Investment in privately-owned company	**—**	**—**	**0.8**	**0.8**
Fair value of open energy contracts	**—**	**(123.4)**	**—**	**(123.4)**

As at		Fair value measurements using:		December 31, 2016
Asset/(Liability)	Level 1	Level 2	Level 3	
Marketable securities	$ 61.8	$ —	$ —	$ 61.8
Fair value of open energy contracts	—	150.2	—	150.2
Total return swaps	—	3.3	—	3.3
Interest rate swaps	—	0.1	—	0.1
Investment in privately-owned company	—	—	0.8	0.8
Fair value of open energy contracts	—	(150.2)	—	(150.2)

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

NOTE 7 – DIVIDENDS

Dividends recognized and paid in the period are as follows:

For the six months ended		**June 30, 2017**		June 30, 2016
	Dividend per share	**Total paid**	Dividend per share	Total paid
Dividend paid in March	**$ 0.45**	**$ 24.8**	$ 0.40	$ 21.8
Dividend paid in June	**0.50**	**27.6**	0.40	21.8
Total dividends paid		**$ 52.4**		$ 43.6

On August 9, 2017, the Company's Board of Directors declared a dividend of 50 cents per share. This dividend will be paid on September 8, 2017 to shareholders of record on August 25, 2017 and is estimated to amount to $27.7.

NOTE 8 – SALE OF TMX ATRIUM

In February 2017, the Company entered into an agreement to sell its wireless and extranet infrastructure services business known as TMX Atrium. As at March 31, 2017, the Company determined that the recoverable amount of the TMX Atrium cash generating unit ("CGU") was lower than its carrying amount. In making its assessment of the recoverable amount of the TMX Atrium CGU, the Company used the expected proceeds on sale, net of disposal costs. For the three months ended March 31, 2017, the impact of the calculation resulted in an impairment charge of $4.8 related to goodwill in the condensed consolidated interim income statement. Further, the Company determined that tax losses incurred by TMX Atrium were no longer recoverable and has written off $2.9 of deferred income tax assets within the income tax expense line item in the condensed consolidated interim income statement.

The sale of TMX Atrium closed on April 30, 2017. For the year ended December 31, 2016, TMX Atrium earned revenue of $26.3 and incurred operating expenses before strategic re-alignment expenses of $30.3. For the four months ended April 30, 2017, TMX Atrium earned revenue of $8.6 and incurred operating expenses before strategic re-alignment expenses of $9.5.

Investor Contact Information

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Le rapport est également disponible en français.

Dividend Information

The Board of Directors of TMX Group Limited declared a dividend of $0.50 on each common share outstanding, payable on September 8, 2017 to shareholders of record at the close of business on August 25, 2017. TMX Group hereby advises that this dividend is an "eligible dividend" for Canadian income tax purposes. Shareholders with questions regarding the tax treatment of dividends should consult with their own tax advisors or contact their local office of the Canada Revenue Agency and where applicable, the provincial taxation authorities.

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Forward-Looking Information

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

This forward-looking information should not be relied upon as representing our views as of any date subsequent to the date of this quarterly report. Please see "Caution regarding Forward-Looking Information" in the Q2-2017 Management's Discussion and Analysis for some of the risk factors that could cause actual events or results to differ materially from current expectations.

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