



DELIVERING ON THE PROMISE

## TSX GROUP ANNUAL REPORT 2004

The promise was challenging but clear – provide a high-quality, high-value, new-concept company to investors by drawing on more than 150 years of leadership in the Canadian capital markets while competing in strengthening global capital markets.

In 2004, TSX Group delivered on that promise.

Listing and trading, two of our core business functions, returned to very strong growth levels based on the broad and deep strength found in Canadian capital markets.

We expanded into new marketplaces through our purchase of NGX Canada Inc., operator of a leading energy exchange for the trading and clearing of natural gas and electricity contracts. NGX had a history of strong growth, and offers TSX Group and its shareholders a very promising future. We achieved this through a clear, effective strategy, designed and executed by capital market professionals working out of our five national offices.

And the markets reacted well. The quality and value of the company are being increasingly recognized by investors. They understand what drives our business and they share in our successes.

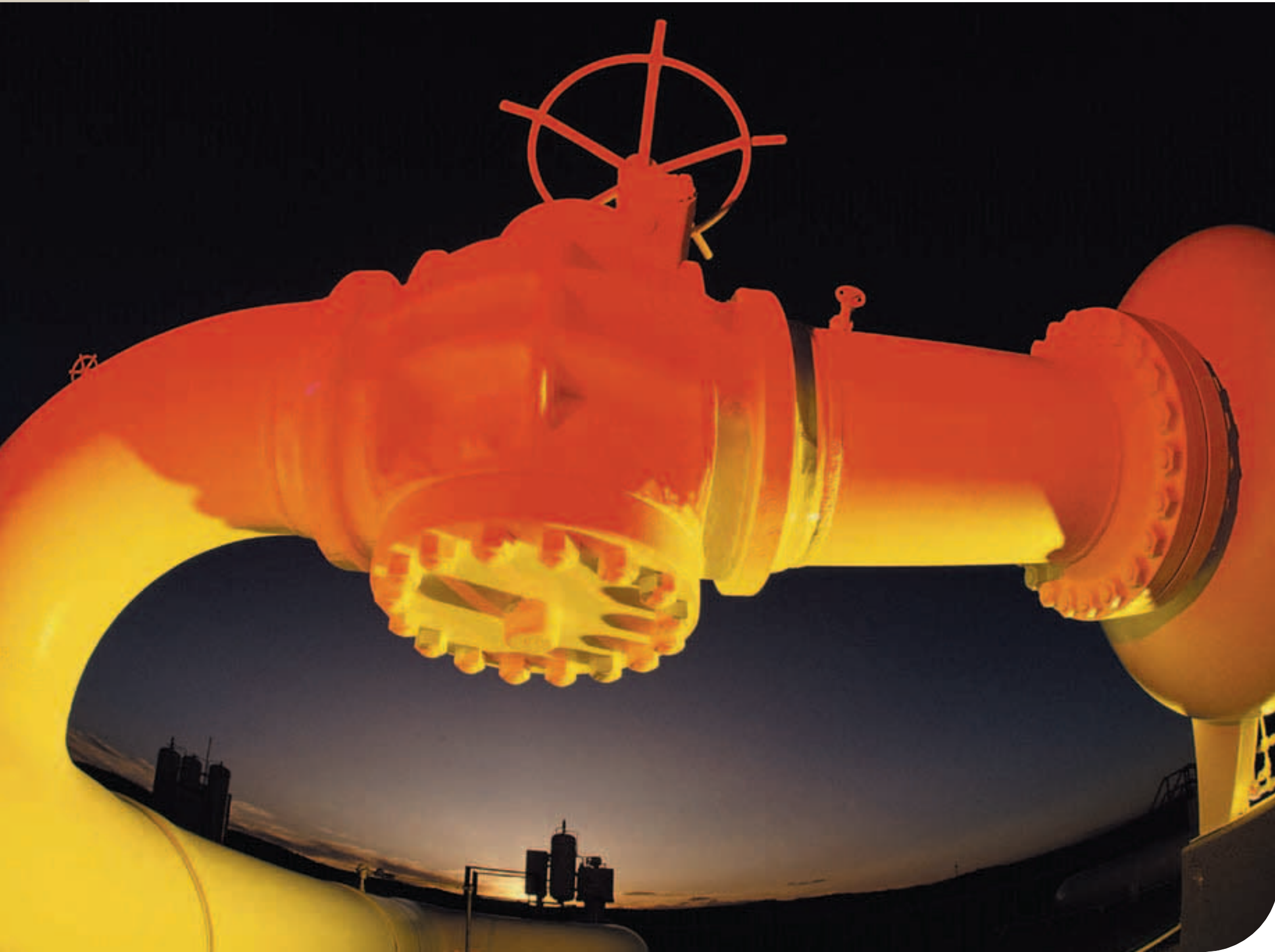
We face the future with a record of achievement of which we are proud.



Making connections between buyers and sellers is the core of our business, and key to our growth strategy. In 2004 we helped 58 companies graduate from TSX Venture Exchange to Toronto Stock Exchange, opening these issuers to a larger pool of investors. We also provided new trading products such as TSX Market on Close, and provided additional content to market data customers. The year's results in all three of those areas highlight the value and extent of these connections.

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## EXTEND OUR PRE-EMINENT DOMESTIC POSITION



While enhancing our core, we are also exploiting growth opportunities in non-equity marketplaces. Energy trading is one such field, which we entered through our acquisition of NGX Canada Inc., operator of a Calgary-based energy exchange. Electronic fixed income is another field which we are tapping into through our substantial ownership position in CanDeal.ca Inc., a fully electronic marketplace that traded \$88 billion in debt securities during 2004. Taken together, NGX and CanDeal.ca Inc. are pipelines to our future growth in the North American markets.

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## EXPAND GEOGRAPHICALLY



The past year saw TSX Group build stronger connections with investors in established and emerging markets. We introduced U.S. dollar trading for 30 issuers on Toronto Stock Exchange, and put increased focus on our U.S. sales efforts to draw more order flow from investors in the world's largest pool of capital. We are selling market data to foreign investors interested in the opportunities found in our markets. We are increasing awareness of our exchanges in China, especially in the resource sectors, given our position as the global leader in mining finance. Bridging markets, we also highlighted the strengths of Canada's capital markets to audiences in some of the world's largest financial centres.