

CHAIR'S LETTER TO SHAREHOLDERS

It is once again my pleasure to report to you on behalf of TSX Group's Board of Directors. The past year has been a strong and promising one for TSX Group and we believe the company is well positioned for the changing exchange environment.

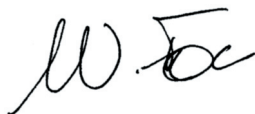
One of the most significant industry developments in recent years is the pace at which exchanges around the world have become increasingly globally focused. In response, exchanges are expanding their markets across borders and asset classes, and are consolidating both domestically and internationally. The Board of Directors is continuing to work with TSX Group's management team to execute on our proven strategy to ensure that we can successfully compete for customers and market participants on a global basis.

During the year the Board maintained its focus on ensuring the company is following appropriate governance policies and practices to guide its relationships with shareholders and other stakeholders and to provide a platform on which healthy growth can be built. Disclosure enhancements were the subject of ongoing discussion at the Board last year, following changes initiated in the previous year. The Board is continuing to ensure that we have an appropriate balance between protecting investors and facilitating corporate growth.

TSX Group will also continue to monitor regulatory developments to ensure Canada's capital markets remain globally competitive with regulation that does not impose more costs on companies to comply than it delivers in benefits to shareholders.

The Board was also active in succession planning this year, which we know will lead to smooth leadership transitions at TSX Group in 2007 for TSX Venture Exchange and in our key technology area.

Finally, I would like to express my gratitude to each of TSX Group's directors for fulfilling their responsibilities with dedication. Together we would like to thank TSX Group's employees for their diligence and commitment as the company moves into another exciting year of new opportunities.



WAYNE FOX
Chair, Board of Directors
TSX Group Inc.