

March 22, 2016

Financial Technology Partners

FT Partners Research – Transaction Profile



and



London

Stock Exchange Group

agree to merge

Courtesy of:

FINANCIAL
TECHNOLOGY
PARTNERS

***The Only Investment Bank
Focused Exclusively on Financial Technology***

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www.ftpartners.com



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Deutsche Boerse and LSE Agree to Merger of Equals

Transaction Overview

Transaction Overview

Following the merger, LSE + Deutsche Boerse will be the largest exchange operator by revenue and second largest by market cap, slightly behind CME Group, but ahead of ICE, HKEx and NASDAQ, among others ⁽¹⁾

- On March 16, 2016, Deutsche Boerse (“DB”) and the London Stock Exchange (“LSE”) agreed to an all-share merger of equals
- A newly formed company, UK TopCo, incorporated in the UK, will serve as the holding entity with equal representation from both DB and LSE on the new entity’s board of directors
 - LSE will maintain a one-tier board system, while DB will continue to utilize a two-tier system
- Upon the completion of the merger, approximately 54.4% of the new entity, UK TopCo, will be owned by shareholders of DB and 45.6% by LSE
- The transaction is conditional on a number of criteria, including approval by both shareholders of DB and LSE, as well as approval from governmental regulators
- Following the close of the transaction, Xavier Rolet is planning to step down as CEO of LSE, and will become an advisor to both the Chairman and Deputy Chairman for a year following the transaction to help promote a smooth transition
- Deutsche Boerse CEO, Carsten Kengeter will transition from his current role at DB to a leadership role at UK TopCo

Strategic Rationale

The Combined Entity will greatly enhance the growth strategies of both entities and provide leading positions across a number of asset classes

- The merger enhances the financial stability of the European market by bringing together a major European economic center in Frankfurt, Germany with a major global financial center in London, UK
 - The union of the two cities will help to contribute to the stability of the European financial market and Capital Markets Union
- UK TopCo will also better serve its global customer base in the areas of trading, investment, balance sheet and risk management
- The transaction will result in substantial cost synergies of €450 million (\$499 million) annually for the first three years after its close by eliminating duplicative processes and increasing overall operational efficiency
 - Additional substantial opportunities for consistent revenue synergies will exist in the future as well
- The combination of subsidiaries FTSE Russell and STOXX, will provide UK TopCO with a much stronger position in the asset management and indexing industries by leveraging DB and LSE’s existing resources

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Transaction Commentary

Executive Commentary

“Strengthening the link between the two leading financial cities of Europe, Frankfurt and London, and building a network across Europe with Luxembourg, Paris and Milan will strengthen European capital markets. It is the logical evolution for our companies in a fundamentally changing industry. As a combined group we will create a European player that will compete on a global basis. Shareholders will have an opportunity to benefit from this industry defining and value enhancing combination through the execution of an accelerated growth strategy and the realization of cost and revenue synergies. It brings together two of the most respected and successful market infrastructure providers in the world to lead the way in European capital markets and set the benchmark for further growth and best-in-class services.”

– Carsten Kengeter, Chief Executive Officer



“We are creating an industry defining combination which will be a leading global market infrastructure business, very well positioned to create new benefits and efficiencies for our customers and increase value for our shareholders. Our highly complementary businesses will accelerate growth. Our shareholders will also benefit from substantial cost and revenue synergies. The Combined Group will continue to be fully committed to the real economy, by supporting companies, including the 23 million SMEs across Europe that drive economic growth and job creation. We will create a European leader in global markets infrastructure.”

“It’s the right deal for the shareholders, customers and employees of both LSE Group and Deutsche Boerse, it is absolutely the right time to take this transformational step in our histories.” ⁽¹⁾

– Xavier Rolet, Chief Executive Officer



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Deutsche Boerse Overview



Deutsche Boerse Overview (XTRA:DB1)

CEO:	Carsten Kengeter
Headquarters:	Frankfurt, Germany
Employees:	4,998
Market Cap:	\$15.5 bn

- Deutsche Boerse offers solutions covering the entire spectrum of financial services
- The Company operates in 5 main segments:
 - **Xetra:** Cash market trading consisting of the Frankfurt Stock Exchange and the Xetra platform
 - **Eurex:** A derivative exchange market originally formed through a joint venture with the SIX Swiss Exchange
 - **Market Data and Analytics:** Involves the creation and dissemination of market / financial data
 - **Clearstream:** A central securities depository designed to manage the settlement and custody of fixed-interest securities
 - **Information Technology:** Provides design and technical support to financial markets-related infrastructure

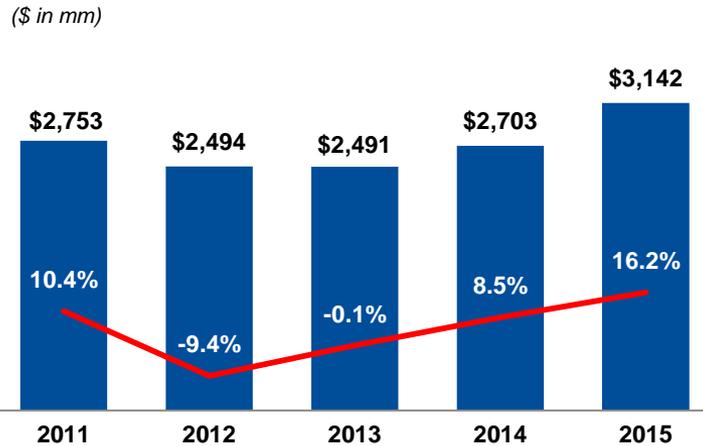
Selected Recent Acquisitions

Announced Date	Size (\$ mm)	Company	Company Description
07/26/15	\$796	 DEUTSCHE BÖRSE GROUP	Web-based trading platform for OTC securities and derivatives
06/29/15	NA		Provider of indexing solutions for the buy and sell-side
12/15/14	NA		Operates an exchange specializing in the execution of private investor orders
11/20/14	3		Provider of an electronic platform and interbank liquidity pool
01/13/14	14	 DEUTSCHE BÖRSE GROUP	Provides enterprise software solutions for regulatory reporting
10/24/13	NA		Develops and operates electronic exchanges across various security types
06/27/11	NA	Kingsbury International	Provider of business and economic consulting services
06/07/11	850		Derivative exchange with supporting services and solutions across a number of asset classes

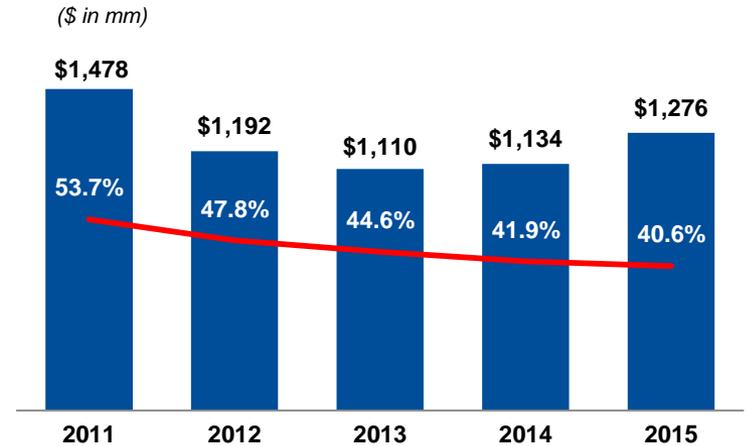
Deutsche Boerse and LSE Agree to Merger of Equals

Deutsche Boerse Financial Overview

Revenue / Growth %



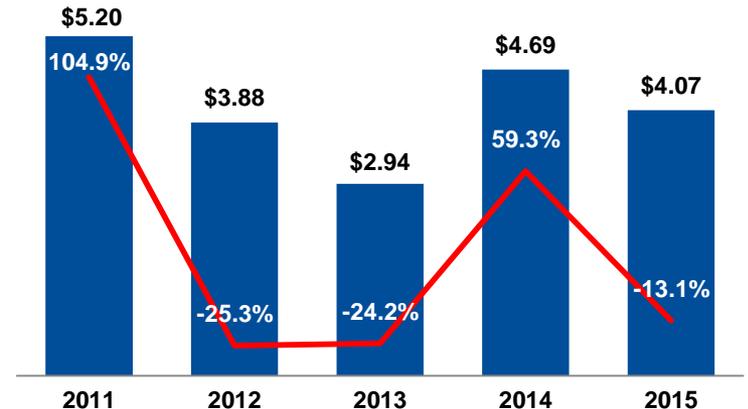
EBITDA / Margin %



Net Income / Margin %



Diluted EPS / Growth %



Deutsche Boerse and LSE Agree to Merger of Equals

London Stock Exchange Overview



LSE Overview (LSE: LSE)

CEO:	Xavier Rolet
Headquarters:	London, UK
Founded:	1698
Employees	5,551

- The London Stock Exchange is a leading provider of market-related services / infrastructure, capital markets solutions and an operator of a number of international exchanges
- The Company's main products cover: connectivity matching and reconciliation, data management, historical data generation and management, RNS technical library, Ticker Plant and trading services
- LSE operates a number of exchanges including the London Stock Exchange; Borsa Italiana, which it merged with in 2007; MTS, a fixed income exchange focused on Europe; Turquoise, a Multilateral Trading Facility focused on European equities; and AIM a growth markets exchange for SME's
- Another major focus of the company is post trade and risk management services that are provided via subsidiaries: LCH.Clearnet Group, a global CCP operator for multiple assets, Monte Titoli, a European custody and settlement business and CC&G, a clearing house in Italy

Selected Recent Acquisitions

Announced Date	Size (\$ mm)	Company	Company Description
12/21/2015	NA	 XTF ETF EXPERTS	Provider of ratings and research for Exchange Traded Funds
06/26/2014	\$2,700	 Russell Investments	Investment manager primarily for pooled investment vehicles
02/11/2013	NA	 GATE lab Part of London Stock Exchange Group	Provider of trading and brokerage-focused solutions to the buy and sell side
03/09/2012	887	 LCH.CLEARNET	Offers CCP clearing services for equities and derivatives traded on exchanges and trading platforms
12/12/2011	703	 FTSE THE INDEX COMPANY	Provides indexing and analytics solutions across a number of asset classes
09/16/2009	30	 millennium information technologies	Provider of exchange-related information technology solutions
07/23/2007	2,151	 Borsa Italiana	Operator and manager of the Italian stock market
01/28/2003	57	 iress Proquote	Provider of real-time market data and trading system

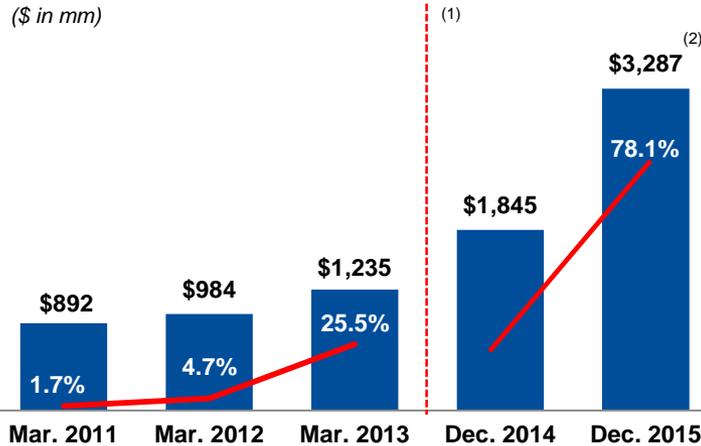
Deutsche Boerse and LSE Agree to Merger of Equals

London Stock Exchange Financial Overview

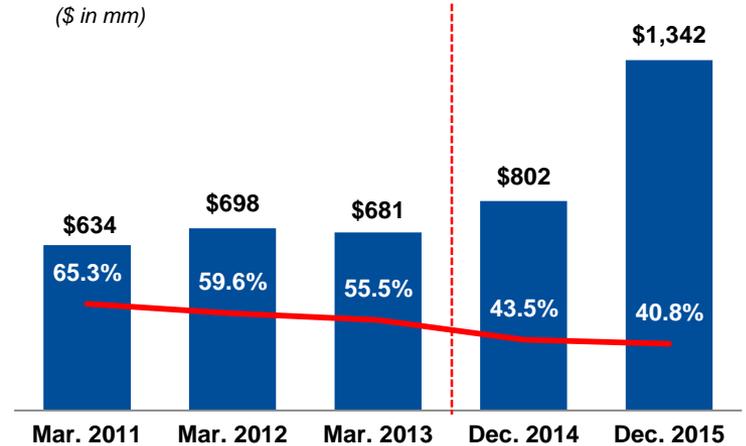
Note that the LSE changed its fiscal year end from March to December beginning in 2014

The LSE acquired Russell Investments at the end of 2014, which boosted 2015 results

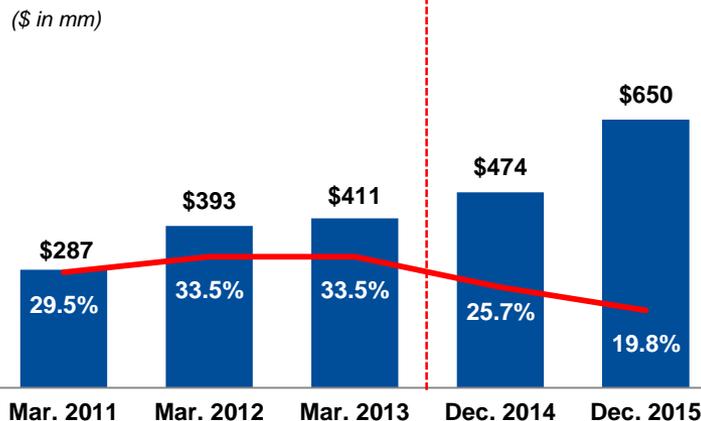
Revenue / Growth %



EBITDA / Margin %



Net Income / Margin %

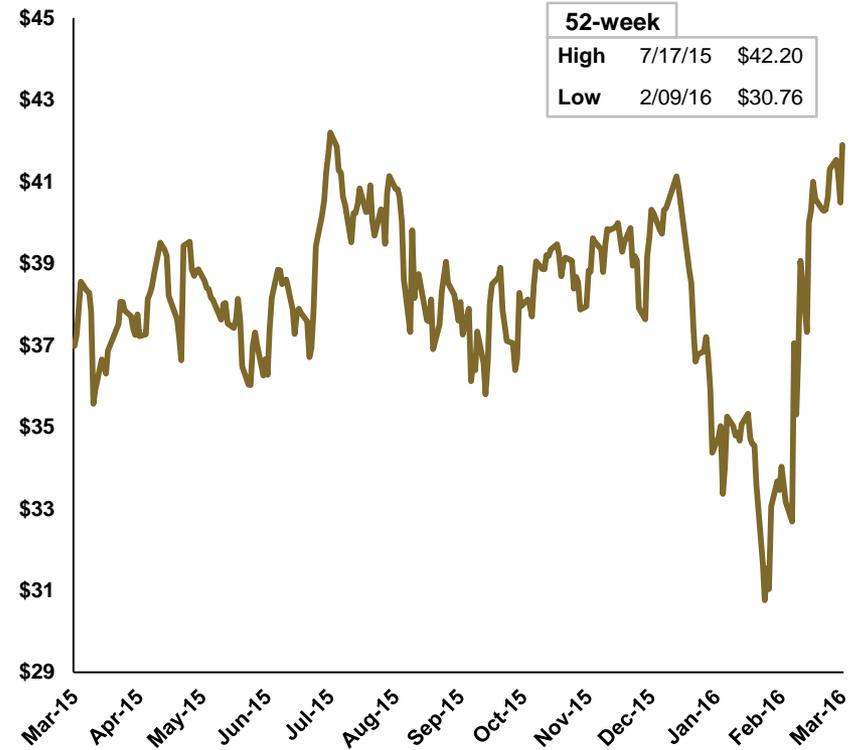
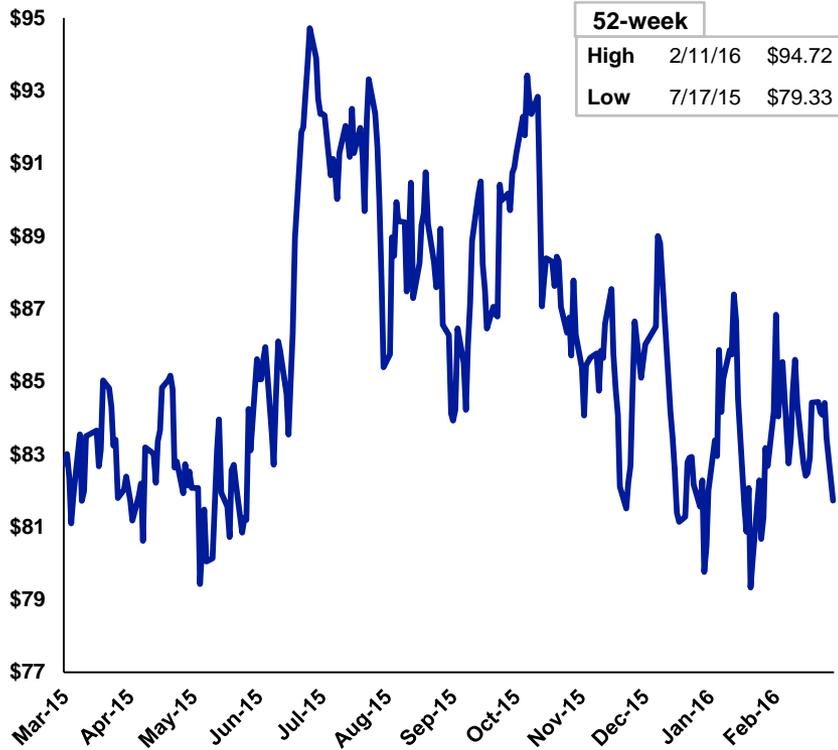


Diluted EPS / Growth %



Deutsche Boerse and LSE Agree to Merger of Equals

Deutsche Boerse and LSE Stock Charts



Overview of FT Partners

Significant Experience in Capital Markets Technology

Wealth Management

Financial Technology Partners LP
FTP Securities LLC
is pleased to announce its exclusive role as Capital Markets & IPO Advisor to

ENVESTNET

in its

\$69,000,000
Initial Public Offering

valuing the equity at approximately

\$ 300,000,000

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Financial Technology Partners LP
FTP Securities LLC
is pleased to announce its exclusive role as sole strategic and financial advisor to

EISI

in its sale to

ZYWAVE

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Financial Technology Partners LP
FTP Securities LLC
is pleased to announce its exclusive role as advisor to

BLACKROCK

in its 100% acquisition of

FutureAdvisor

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Data / Analytics

Financial Technology Partners LP
FTP Securities LLC
is pleased to announce its exclusive role as sole strategic and financial advisor to

Zephyr ASSOCIATES, INC.

in its sale to

informa

for total cash consideration of

\$ 62,000,000

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Focused Exclusively on Financial Technology

Financial Technology Partners LP
FTP Securities LLC
is pleased to announce its exclusive role as sole strategic and financial advisor to

THE MARKETS.com

in its sale to

Capital IQ
A Division of Standard & Poor's

for total consideration of approximately

\$ 300,000,000

FINANCIAL TECHNOLOGY PARTNERS
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Focused Exclusively on Financial Technology

Financial Technology Partners LP
FTP Securities LLC
is pleased to announce its exclusive role as sole strategic and financial advisor to

MERGENT

in the sale of its index Business to

NASDAQ OMX

FINANCIAL TECHNOLOGY PARTNERS
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Focused Exclusively on Financial Technology

High Frequency Trading

Financial Technology Partners LP
FTP Securities LLC
is pleased to announce its exclusive role as sole strategic and financial advisor to

ATD

in its sale to

citi

for cash and stock consideration of approximately

\$ 700,000,000

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Focused Exclusively on Financial Technology

Financial Technology Partners LP
FTP Securities LLC
is pleased to announce its exclusive role as sole strategic and financial advisor to

QUANTHOUSE

in its growth financing with

ViewPoint.
Capital Partners

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Financial Technology Partners LP
FTP Securities LLC
is pleased to announce its exclusive role as sole strategic and financial advisor to

WOMBAT
FINANCIAL SOFTWARE

in its sale to

NYSE Euronext.

for total consideration of approximately

\$ 225,000,000

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Overview of FT Partners

Significant Experience in Capital Markets Technology

Trading
Technology

Financial Technology Partners LP
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In its acquisition of



for cash consideration of approximately

\$ 230,000,000



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FTP Securities LLC
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TECHNOLOGY. TRADING. LIQUIDITY.™

In its minority capital raise with





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SIMPLIFYING GLOBAL MARKETS®

In its minority recapitalization for

\$ 110,000,000



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Other Capital
Markets
Technology

Financial Technology Partners LP
FTP Securities LLC
is pleased to announce its exclusive role as sole strategic and financial advisor to



In its sale to



for total consideration of approximately

\$ 56,000,000



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In its sale of a minority stake to








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FTP Securities LLC
is pleased to announce its exclusive role as sole strategic and financial advisor to



In the sale of its stake in



to



Making Markets Better

for total consideration of approximately

\$ 305,000,000



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Overview of FT Partners

Selected FT Partners' Research (click to view)

**Financial Technology Partners LP
FTP Securities LLC**

Innovations in Capital Markets Technology

Focusing on Open Source Communication Networks, Unstructured Data Analytics and Intelligent Search

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Research Report: Innovations in Capital Markets Technology

January 25, 2016

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FTP Securities LLC**

is pleased to announce its exclusive role as advisor to

in its sale to

for total consideration of approximately
\$ 104,000,000

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PENSICO Trust Company's Sale to Opus Bank

August 26, 2015

**FINANCIAL TECHNOLOGY PARTNERS
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is pleased to announce its exclusive role as advisor to

BLACKROCK

in its 100% acquisition of

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BlackRock's acquisition of FutureAdvisor

March [xx], 2016

**FINANCIAL TECHNOLOGY PARTNERS
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is pleased to announce its exclusive role as strategic and financial advisor to

in its growth financing from

for total consideration of
\$33,000,000

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AlphaSense's \$33 mm growth financing

January 5, 2016

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Making Markets Better

files for its IPO

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BATS files for its IPO

January 4, 2016

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acquires

for \$130,000,000

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Wipro's acquisition of Viteos for \$130 mm

November 23, 2015

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acquires

for \$650 million

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ICE's acquisition of Trayport for \$650 mm

March 14, 2016

Financial Technology Partners

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acquires

International Securities Exchange

for
\$1.1 billion

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Nasdaq's acquisition of ISE for \$1.1 billion

FT Partners regularly publishes research highlighting the most important transactions, trends and insights impacting the global Financial Technology landscape. Our unique insight into FinTech is a direct result of executing hundreds of transactions in the sector combined with over 13 years of exclusive focus on Financial Technology. Please visit our [subscription form](#) to subscribe to our exclusive monthly newsletter and receive our research reports.

Overview of FT Partners

Award-Winning Investment Banking Franchise Focused on Superior Client Results

FT Partners has been recognized as Investment Banking Firm of the Year and regularly achieves Merger and Financing Deal of the Year recognition



M&A Advisor Awards

- 2015
 - **Dealmaker of the Year**
 - Technology Deal of the Year
- 2014
 - **Equity Financing Deal of the Year**
 - Professional Services Deal of the Year, Above \$100mm
- 2012
 - **Dealmaker of the Year**
 - Professional Services Deal of the Year, Above \$100 mm
- 2011
 - **Boutique Investment Bank of the Year**
 - Deal of the Decade
 - *10 Deal of the Year Nominations Across 9 Categories*
- 2010
 - **Upper Middle Market Deal of the Year, Above \$500 mm**
 - IT Services Deal of the Year, Below \$500mm
 - Cross-Border Deal of the Year, Below \$500mm
- 2007
 - **Dealmaker of the Year – Steve McLaughlin**
 - Business to Business Services Deal of the Year
 - Computer and Information Technology Deal of the Year, Above \$100mm
 - Financial Services Deal of the Year, Above \$100mm



- 2015
 - Steve McLaughlin ranked #4 in Institutional Investor's FinTech 35 List
- 2006-2008
 - Consecutively ranked (2006, 2007 and 2008) among the top Bankers in Financial Technology



WINNER
Middle Market Financing Awards

- 2008
 - **Equity Financing Dealmaker of the Year – Steve McLaughlin**
 - **Information Technology Deal of the Year**
 - **Financial Services Deal of the Year**
- 2006
 - **Financing Professional of the Year – Steve McLaughlin**
 - *Financing Deal of the Year - Equity*
 - *Financing Deal of the Year - Debt*

Note: **Bold** represents awards that FT Partners has won, *italics* represents nominations.

Overview of FT Partners

The FT Partners Senior Banking Team

Name / Position	Prior Background	Experience / Education	Years of Experience
Steve McLaughlin <i>Founder, CEO and Managing Partner</i>		<ul style="list-style-type: none"> Formerly with Goldman, Sachs & Co. in New York and San Francisco from 1995-2002 Formerly Co-Head of Goldman Sachs' Financial Technology Group (#1 market share) Wharton M.B.A. 	21
Larry Furlong <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly with Goldman, Sachs & Co. in New York, London and Los Angeles beginning in 1995 Wharton M.B.A. 	21
Greg Smith <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly award winning Equity Research Analyst at Merrill Lynch / J.P. Morgan / Sterne Agee Recent coverage included V, MA, DFS, FISV, FIS, JKHY, DST, ENV, GPN & HPY among others 	20
Tim Wolfe <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly with Goldman, Sachs & Co. beginning in 2000 40 Under 40 M&A Advisor Award Winner 2013 Harvard M.B.A. 	14
Andrew McLaughlin <i>Managing Director, Research & Business Development</i>		<ul style="list-style-type: none"> Leads FT Partners' Research and Business Development Team Formerly with Deloitte Consulting 	10