Quarterly Report // Q3 ENDED SEPTEMBER 30, 2006

Q3

Montréal Exchange

Montréal Exchange – Press Release

THE MONTRÉAL EXCHANGE ANNOUNCES ITS FINANCIAL RESULTS FOR THE THIRD QUARTER OF 2006

Highlights

	Q3 2006 vs Q3 2005	First nine months (2006 vs 2005)
Revenues:	+ 20% to $19.9 million	+ 28% to $59.7 million
Net earnings:	+ 30% to $5.9 million	+ 37% to $17.3 million
Diluted earnings per share:	+ $0.15 to $0.68	+ $0.52 to $1.99
Total trading volumes:	+ 24%	+ 43%

MONTRÉAL, October 31, 2006 – Montréal Exchange Inc. (MX) announced today its financial results for the third quarter and the nine-month period ending September 30, 2006.

"The Montréal Exchange registered yet another quarter of rapid growth," said Luc Bertrand, MX President and Chief Executive Officer. "During the third quarter, the total volume of contracts traded on the markets of the Montréal Exchange since the beginning of 2006 exceeded the total trading volume for the entire year 2005. With another three months of trading remaining in 2006, the Exchange expects to achieve another record year."

Total revenues in the third quarter reached $19.9 million, an increase of 20% from the same quarter of 2005. For the first nine months of the year, total revenues were $59.7 million, an increase of 28% from the same period of 2005.

The MX reported net earnings of $5.9 million for the third quarter, an increase of 30% from the comparable quarter of 2005. For the first nine months, net earnings increased 37% from the previous year to reach $17.3 million.

The Montréal Exchange has been pursuing a range of development initiatives that continue into the last quarter of 2006.

The Montréal Climate Exchange (MCeX)
On July 12, 2006, the MX and the Chicago Climate Exchange announced the creation of the Montréal Climate Exchange (MCeX). Since then, MCeX has intensified its representations to help develop the essential regulatory and economic conditions required to build an environmental market in Canada. MCeX also emphasized it has the infrastructure and expertise to rapidly put in place a market to facilitate reductions in GHGs and other pollutants. Following the presentation of the Clean Air Act by the Federal Government on October 19, MCeX announced its intention to participate actively in consultations that will lead to the establishment of clear targets for the reduction of greenhouse gas emissions. These targets are essential conditions for the launch of the Montréal Climate Exchange.

Agreements with Chinese Exchanges

In late September, the MX signed a series of international co-operation agreements (Memoranda of Understanding or MOUs) with four Chinese exchanges with aim of strengthening the development of derivatives markets in the two countries. The MOUs were signed with the Shenzhen Stock Exchange, the Dalian Commodity Exchange, the Zhengzhou Commodity Exchange and the Shanghai Stock Exchange. Delegations from these exchanges are expected to visit Montreal by end of 2006, giving the MX an opportunity to present its advanced electronic trading system, called SOLA®. This proprietary system has been implemented by the MX in Canada and the US, and introduced on a commercial basis to the international exchange industry this year.

Clearing equity options in the Over-the-Counter (OTC) market

The MX has been offering a new clearing service to participants in the Over-the-Counter (OTC) market since October 19, 2006. MX is offering to clear equity options contracts negotiated on the OTC market through the Canadian Derivatives Clearing Corporation (CDCC). The Canadian OTC market for equity options can benefit from a central counterparty clearing solution that offers superior risk management standards to those prevailing in the bilateral OTC markets.

The financial report for the third quarter of 2006 is available on the web site of the Montréal Exchange, www.m-x.ca.

About the Montréal Exchange

The Montréal Exchange is Canada's oldest exchange and continues to be the leader in derivative products. The Montréal Exchange offers individual and institutional investors, both in Canada and abroad, a wide range of risk management products for protecting their investments and ensuring growth. The Montréal Exchange is fully electronic and its services include: trading, training, market information, market operations and regulations as well as information technology solutions. The Montréal Exchange, through its wholly-owned subsidiary, the Canadian Derivatives Clearing Corporation ("CDCC"), provides central counterparty clearing services for Montréal Exchange listed products. The Montréal Exchange is also a significant shareholder of the Boston Options Exchange (BOX), a U.S. automated equity options exchange whose technical operations are ensured by the Montréal Exchange. On July 12, 2006, the Montréal Exchange and the Chicago Climate Exchange® announced the joint creation of the Montréal Climate Exchange (MCeX), the first organized market in Canada for environment-related financial products. For more information, please visit www.m-x.ca.

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FOR THE NINE MONTHS
ENDED SEPTEMBER 30, 2006

October 24, 2006

The Management Report of the Montréal Exchange (MX) for the nine months ended September 30, 2006 should be read in conjunction with the Interim Unaudited Consolidated Financial Statements as well as the Consolidated Financial Statements for the year ended December 31, 2005 and its related management report. The accounting policies are in accordance with Canadian generally accepted accounting principles, and all amounts are expressed in Canadian dollars.

The information in this Management Report takes into account all major events that occurred prior to October 24, 2006, the date on which the Audit Committee, mandated by the Board of Directors, approved the financial statements and the interim Management Report for the nine months ended September 30, 2006; these statements present, to management's best knowledge, the MX's position at the time this report was prepared.

The Interim Consolidated Financial Statements contained in this report have not been subject to a review by the MX's auditors.

This Management Report includes the following sections:

Highlights
Main Activities
Operating Results
Liquidity and Financial Resources
Additional Financial Information
Main Assumptions
Risks and Uncertainties

Highlights

(in thousands of dollars, except per share amounts and volume)

	For the three months ended September 30		For the nine months ended September 30	
	2006	**2005**	**2006**	**2005**
Average daily volume (contracts)	**158,750**	125,747	**160,339**	112,230
Revenues	**$ 19,924**	$ 16,569	**$ 59,715**	$ 46,652
Operating earnings	**7,275**	4,735	**20,079**	11,801
Net earnings	**5,929**	4,570	**17,325**	12,651
Basic earnings per share	**0.68**	0.56	**2.00**	1.55
Diluted earnings per share	**0.68**	0.53	**1.99**	1.47
Dividend declared per share	**–**	–	**1.00**	–
Cash provided by (used in) operations	**11,395**	7,798	**20,334**	17,722
Financial ratios:				
Return on shareholders' equity	**34%**	26%	**33%**	23%
Operating earnings / Revenues	**37%**	29%	**34%**	25%
Net earnings / Revenues	**30%**	28%	**29%**	27%

Main Activities

Derivatives Exchange

The MX acts as the exclusive financial derivatives exchange in Canada, providing a complete range of equity, index and interest rate derivatives. The MX connects participants to its market, builds business relationships with them and works with them to ensure that its offering of derivatives meets investor needs. It also delivers market information services and manages a Training Service, the learning and training arm of the MX.

The MX has also developed a robust, scalable, reliable and exportable trading technology platform, thus eliminating its reliance on external vendors. The availability rate of the SAM platform was 99.5% during the third quarter of 2006 (99.8% for the first nine months of 2006 and 99.7% in 2005). Its team has solid financial software expertise and a valuable pool of proprietary intellectual capital.

Clearing Services

This business unit provides central counterparty clearing services to participants. It reduces investor risk by guaranteeing all contractual commitments made between parties during transactions carried out at the MX.

Regulation

The MX is a self-regulatory organization that has a major stake in maintaining the transparency, credibility and integrity of the exchange-traded derivatives market in Canada.

The Regulatory Division is managed and overseen at arm's length from the MX and reports to the Regulatory Special Committee. The aim is to ensure neutrality and impartiality when the Division applies the ground rules that govern relationships between the MX and its market participants.

Operating Results

Revenues

The MX's total revenues amounted to $19.9 million for the third quarter of 2006 compared to $16.6 million for the same period in 2005, an increase of 20%. For the first nine months of 2006, the MX's total revenues amounted to $59.7 million compared to $46.7 million for the same period in 2005, an increase of 28%.

Transaction revenues grew by 21%, rising from $7.4 million in the third quarter of 2005 to $9.0 million during the same period in 2006. Average daily volume grew by 26%, rising from 125,747 contracts in third quarter 2005 to 158,750 contracts for the same period in 2006. Index derivatives posted the most robust growth with a 44% rise in average daily volume. Interest rate derivatives also enjoyed solid growth with a 38% increase in average daily volume. At 42,000 contracts per day, equity option volume equalled that of third quarter 2005. The heightened level of activity on the MX's markets during the third quarter of 2006 resulted in a $0.5 million or 21% increase in clearing and option exercise revenues when compared to the same period in 2005.

For the first nine months of 2006, transaction revenues grew by 37%, rising from $19.8 million to $27.2 million. Average daily volume grew by 43%, rising from 112,230 contracts in the first nine months of 2005 to 160,339 contracts during the same period in 2006. Interest rate derivatives maintained the most robust growth, with a 53% rise in average daily volume. Index derivatives were on the rise, posting a 36% increase in average daily volume, while equity options posted a 26% increase in volume. The heightened level of activity on the MX's markets resulted in a $2.5 million or 34% increase in clearing and option exercise revenues when compared to the same period in 2005.

Revenues from market participants, mainly generated by the Regulatory Division, amounted to $0.8 million during the third quarter of 2006 compared to $0.7 million for the same period in 2005. For the first nine months of 2006, revenues from market participants amounted to $2.4 million compared to $1.8 million for the same period in 2005.

Revenues from information systems services rose by $0.2 million, from $3.7 million in the third quarter of 2005 to $3.9 million in the same period of 2006. The MX is the principal shareholder of the Boston Options Exchange LLC (BOX), in which it holds a 31.4% interest and is responsible for the technical operations and maintenance of the electronic trading platform used by BOX. For the first nine months of 2006, revenues from information systems services rose by $1.1 million, amounting to $12.0 million, from the $10.9 million posted during the first nine months of 2005. Furthermore, on March 14, 2006, BOX confirmed that it had chosen the new, SOLA® electronic trading platform, a next generation technology solution developed by the MX.

At $2.9 million for the third quarter of 2006, market data revenues grew by 43% from the same period in 2005. The increase is attributable to an approximate 17% increase in the number of screens and to the new prices in effect since January 1, 2006. For the first nine months of 2006, market data revenues amounted to $7.9 million, rising 32% from the same period in 2005. The increase is attributable to the situation described above.

On May 25, 2006, the MX's overall exchange volume reached 434,462 contracts, surpassing the record of 319,987 contracts set on November 22, 2005. These volumes also reflected a record activity level for CGB contracts, with 307,738 contracts traded. Furthermore, as a result of this heightened activity, the MX set a new record in May, as the daily average volume exchanged in a single month stood at 195,112 contracts.

On July 12, 2006, the MX also announced the closing of an agreement that would give rise to the Montréal Climate Exchange (MCeX), the first organized market for environmental products in Canada, of which the MX will hold 51%, in partnership with the Chicago Climate Exchange (CCX). The new market allies MX's expertise with that of CCX, an exchange that operates the only greenhouse gas emissions trading system. CCX is also a world leader in building and operating environmental markets. Following the presentation of the Clean Air Act by the Federal Government on October 19, MCeX announced its intention to participate actively in consultations that will lead to the establishment of clear targets for the reduction of greenhouse gas emissions. These targets are essential conditions for the launch of the Montréal Climate Exchange.

During the third quarter of 2006, the MX made a commitment to acquire 13.3% of the capital stock of BOX owned by the Boston Stock Exchange (BSE) for a consideration of US$34.2 million (C$38.2 million) and of which other terms and conditions are subject to a confidentiality agreement with the BSE. This transaction is subject to approval by the U.S. Securities and Exchange Commission. It will increase Montréal Exchange's interest in BOX from 31.4% to 44.7%.

Expenses

For the third quarter of 2006, total expenses rose to $12.6 million from the $11.8 million posted during the same period in 2005, for an increase of 7%. For the first nine months of 2006, total expenses were up 14%, reaching $39.6 million compared to $34.9 million during the same period in 2005. There was a $2.5 million increase in the compensation and benefits expense due to an increase in information technology resources, and there was a non-recurring expense of $1.4 million posted to general and administrative expenses during the first nine months of 2006 and incurred with respect to settlements made with 32 of the 70 claimants in the legal action brought against the MX in connection with the closing of the physical trading floor in 2001 (see Note 5 to the Interim Consolidated Financial Statements for more information).

Operating Earnings
(Before Investment Income, Other Items and Income Taxes)

Operating earnings stood at $7.3 million for the third quarter of 2006 compared to $4.7 million in 2005 and represented 37% of total revenues versus 29% in 2005. For the first nine months of 2006, operating earnings stood at $20.1 million compared to $11.8 million in 2005 and represented 34% of total revenues versus 25% in 2005.

Other Items

In the third quarter of 2006, investment income was $0.7 million, an increase over the $0.4 million posted during the third quarter of 2005. For the first nine months of 2006, investment income was $1.9 million, an increase over the $1.1 million posted during the same period in 2005.

The MX's investment in a company subject to significant influence (BOX), presented on an equity basis in accordance with Canadian and U.S. generally accepted accounting principles, generated $0.1 million of equity in net earnings for the third quarter of 2006, which compares to $0.8 million for the same period in 2005. This decrease in the equity of BOX owes primarily to US$1.0 million in accelerated depreciation of the current exchange system, a consequence of choosing the new SOLA® electronic platform. During the third quarter of 2006, a $0.2 million loss resulting from the realization of the cumulative translation adjustment was recorded subsequent to a distribution from BOX. For the first nine months of 2006, due to the US$2.5 million accelerated depreciation related to choosing the new SOLA® electronic platform, the equity in net earnings of BOX was $1.3 million versus $2.1 million for the same nine month period in 2005. For the first nine months of 2005, a gain on dilution of $1.0 million was also recorded when two new shareholders injected funds in exchange for shares.

Income Tax Expense

The income tax expense for the third quarter of 2006 was $2.0 million, representing an effective tax rate of 24.5%; during the same quarter in 2005, the income tax expense was $1.4 million, and the effective tax rate 26.2%. For the first nine months of 2006, the income tax expense stood at $5.6 million, for an effective tax rate of 25.7%; during the same period in 2005, the income tax expense was $3.3 million, and the effective tax rate 25.8%.

Net Earnings

For the third quarter of 2006, net earnings stood at $5.9 million compared to $4.6 million for the same period in 2005 and represented 30% of total revenues compared to 28% for the same period in 2005. Basic earnings per share were $0.68 versus $0.56 the previous year, while diluted earnings per share was $0.68 in 2006 compared to $0.53 in 2005. For the first nine months of 2006, net earnings stood at $17.3 million compared to $12.7 million, including a gain on dilution of $1.0 million, for the same period in 2005. Net earnings represented 29% of total revenues compared to 27% (25% excluding the gain on dilution) for the same period in 2005. Basic earnings per share were $2.00 versus $1.55 the previous year, while diluted earnings per share was $1.99 in 2006 compared to $1.47 in 2005.

Liquidity and Financial Resources

Financial Position

As at September 30, 2006, the MX had total liquidities of $52.5 million, net of dividend payments of $23.2 million in 2006, compared to $52.9 million as at September 30, 2005 and $58.5 million as at December 31, 2005.

Cash Flows

Cash Flows from (used in) Operating Activities

Cash flows from operating activities generated cash resources of $11.4 million during the third quarter of 2006 compared to $7.8 million during the same quarter of the previous year. Cash flows from operating activities, except for the net change in non-cash operating assets and liabilities, generated cash resources of $7.8 million compared to $5.4 million during the third quarter of 2005.

For the first nine months of 2006, cash flows from operating activities generated cash resources of $20.3 million compared to $17.7 million the previous year. Cash flows from operating activities, except for the net change in non-cash operating assets and liabilities, generated net cash resources of $21.8 million compared to $15.0 million during the first nine months of 2005.

Cash Flows from (used in) Investing Activities
During the third quarter of 2006, cash flows from investing activities required funds of $7.4 million compared to $2.9 million for the same period in 2005. The resulting cash outflows are due to the $7.2 million purchase of investments. The MX also invested $1.2 million in capital assets, other assets and intangible assets during the third quarter of 2006, primarily to further develop its SOLA® software. In addition, the MX received a $1.0 million distribution from BOX.

For the first nine months of 2006, cash flows from investing activities required funds of $7.5 million, whereas, for the first nine months of 2005, cash flows from investing activities was a source of cash of $2.3 million. The resulting cash outflows are due to the purchase of $3.6 million in investments. The MX also invested $4.9 million in capital assets, other assets and intangible assets during the first nine months of 2006, primarily to further develop its SOLA® software. In addition, the MX received a $1.0 million distribution from BOX.

Cash Flows from (used in) Financing Activities
During the third quarter of 2006, cash flows from financing activities required the use of $9.3 million in funds compared to $0.6 million for the same period in 2005, owing primarily to the dividend payment of July 2006. The MX also decreased its obligations under capital leases by $0.9 million and raised $0.8 million through a share issuance.

For the first nine months of 2006, cash flows from financing activities required the use of $22.7 million in funds compared to $0.8 million for the same period in 2005, owing primarily to the dividend payments that saw a cash outflow of $23.2 million in 2006. In addition, a share issuance generated $3.2 million, owing to the exercising of options (see Note 4 to the Interim Consolidated Financial Statements). The MX also paid an amount of $2.7 million in capital lease repayments.

Capital Stock
Between January 1 and February 6, 2006, 792,000 of the 835,000 stock options granted were exercised at an average exercise price of $5.08. The MX has granted loans bearing interest at 5% on 595,000 shares. Any dividend payable on these shares will be applied against the loans. The loans are repayable at the latest in February 2009, and interest is payable annually in February (see Note 4 to the Interim Consolidated Financial Statements).

Data on outstanding shares and options		
	As at September 30, 2006	**As at December 31, 2005**
Shares outstanding (issued and paid)	8,872,998	8,293,508
Options outstanding	43,000	835,000

Contractual Obligations
The MX rents its premises and equipment under operating lease agreements expiring between 2006 and 2015 and is committed under service and licence agreements until 2007.

As at September 30, 2006, total minimum lease payments and minimum payments required for each of the forthcoming years under these commitments are as follows:

(in thousands of dollars)	
2006 (3 months)	$ 1,830
2007	7,023
2008	1,971
2009	1,598
2010	1,597
2011 and thereafter	6,230
Total minimum payments required	$ 20,249

Additional Financial Information

Main Quarterly Financial Data (unaudited)
(in thousands of dollars, except per share amounts, and volume)

	2006			2005				2004
	Sept. 30	**June 30**	**March 31**	**Dec. 31**	**Sept. 30**	**June 30**	**March 31**	**Dec. 31**
Average daily volume (contracts)	**158,750**	173,735	148,691	120,548	125,747	107,265	103,342	92,638
Revenues	**$ 19,924**	$ 20,714	$ 19,077	$ 16,512	$16,569	$ 15,484	$ 14,599	$ 14,064
Operating earnings	**7,275**	7,355	5,449	3,320	4,735	3,925	3,141	2,575
Operating margin (%)	**37%**	36%	29%	20%	29%	25%	22%	18%
Net earnings	**5,929**	6,465	4,931	2,484	4,570	3,867	4,214	2,148
Basic earnings per share	**0.68**	0.74	0.58	0.30	0.56	0.47	0.52	0.25
Diluted earnings per share	**0.68**	0.74	0.58	0.27	0.53	0.45	0.49	0.25
Cash provided by (used in) operations	**11,395**	9,877	(938)	7,418	7,798	7,296	2,628	3,460

As evidenced in its quarterly results, the MX is demonstrating strong growth due primarily to growing volumes, which have posted an average quarterly increase of 8% between the fourth quarter of 2004 and the third quarter of 2006.

During the first quarter of 2005, a gain on dilution of $1.0 million explains the difference observed between the $4.2 million in net earnings of that quarter and those of the second quarter of 2005, which were $3.9 million, even though there was growth in volumes between these two quarters.

Also, the net earnings of fourth quarter 2005 included a loss and termination cost of $0.7 million related to the sale of investments in a company subject to significant influence and joint venture. It also includes an additional depreciation expense of $0.9 million for the MX's former trading system following the production startup of the new SOLA® electronic trading platform.

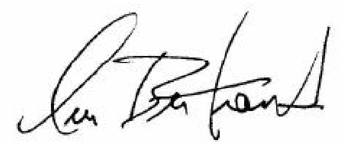
Main Assumptions

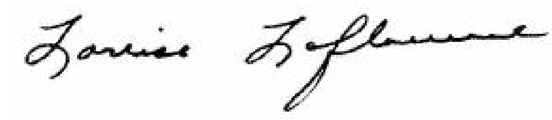
Changes in Accounting Policies
The MX did not make any accounting changes during the first nine months of 2006 or during the year 2005.

Critical Accounting Estimates
In preparing its financial statements, the MX did not make any significant changes to the critical accounting estimates described in the management report of the MX's annual report for the year ended December 31, 2005.

Risks and Uncertainties

The MX did not observe any significant changes in the risks and uncertainties to which it is exposed and that are described in the management report of the MX's annual report for the year ended December 31, 2005.





Luc Bertrand
President and Chief Executive Officer

Louise Laflamme
Executive Vice-President and
Chief Financial Officer

CONSOLIDATED BALANCE SHEET

As at September 30, 2006
with comparative figures as at December 31, 2005
(in thousands of dollars)

	September 30, 2006 (unaudited)	December 31, 2005 (audited)
Assets		
Current assets:		
Cash and cash equivalents	**$ 16,070**	$ 25,923
Temporary investments	**36,380**	32,577
Receivables	**7,415**	6,272
Daily settlements due from clearing members	**26,360**	22,006
Clearing members' cash margin deposits	**1,392**	1,041
Clearing fund cash deposits	**14,810**	4,005
Prepaid expenses	**1,185**	1,525
	103,612	93,349
Long-term investment (Note 2)	**9,627**	9,798
Capital assets	**12,604**	14,208
Future income taxes	**900**	705
Other assets	**1,233**	46
Goodwill and other intangible assets	**750**	926
	$ 128,726	$ 119,032
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accruals	**$ 9,947**	$ 9,887
Dividends payable	**–**	12,721
Daily settlements due to clearing members	**26,360**	22,006
Clearing members' cash margin deposits	**1,392**	1,041
Clearing fund cash deposits	**14,810**	4,005
Income taxes payable	**2,583**	3,484
Current portion of obligations under capital leases	**1,411**	3,239
	56,503	56,383
Obligations under capital leases	**169**	1,022
Future income taxes	**473**	245
Accrued employee benefits liability (Note 3)	**608**	410
Shareholders' equity:		
Capital stock (Note 4)	**49,084**	45,405
Contributed surplus	**434**	825
Retained earnings	**23,395**	16,532
Cumulative translation adjustment	**(1,940)**	(1,790)
	70,973	60,972
Contingencies (Note 5)		
	$ 128,726	$ 119,032

See accompanying Notes to the Interim Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF EARNINGS

(in thousands of dollars, except per share amounts and number of shares)
(unaudited)

	Three months ended		Nine months ended	
	September 30, 2006	September 30, 2005	**September 30, 2006**	September 30, 2005
Revenues:				
Transactions	**$ 8,980**	$ 7,410	**$ 27,212**	$ 19,839
Participants	**808**	672	**2,409**	1,838
Clearing and option exercise	**3,156**	2,617	**9,669**	7,198
Information systems services	**3,949**	3,695	**12,032**	10,955
Market data	**2,872**	2,004	**7,860**	5,969
Other	**159**	171	**533**	853
Total revenues	**19,924**	16,569	**59,715**	46,652
Expenses:				
Compensation and benefits (Note 3)	**5,754**	5,298	**17,252**	14,758
Occupancy	**654**	642	**1,999**	2,063
Computer licences and maintenance	**1,565**	1,581	**4,838**	4,669
Amortization of capital assets and intangible assets	**1,922**	1,670	**5,529**	4,913
General and administrative	**1,637**	1,477	**6,504**	4,992
Telecommunications	**660**	765	**1,868**	2,202
Public affairs	**425**	316	**1,511**	969
Interest on obligations under capital leases	**32**	85	**135**	285
Total expenses	**12,649**	11,834	**39,636**	34,851
Earnings before investment income, other items and income taxes	**7,275**	4,735	**20,079**	11,801
Investment income	**732**	423	**1,854**	1,075
Equity in results of companies subject to significant influence	**112**	765	**1,259**	2,056
Gain on dilution and (loss) from the realization of the cumulative translation adjustment	**(231)**	–	**(231)**	1,042
Earnings before income taxes	**7,888**	5,923	**22,961**	15,974
Income taxes:				
Current	**1,992**	1,266	**5,603**	3,040
Future	**(33)**	87	**33**	283
	1,959	1,353	**5,636**	3,323
Net earnings	**$ 5,929**	$ 4,570	**$ 17,325**	$ 12,651

Basic earnings per share	**$ 0.68**	$ 0.56	**$ 2.00**	$ 1.55
Diluted earnings per share	**$ 0.68**	$ 0.53	**$ 1.99**	$ 1.47
Weighted average number of shares outstanding - basic	**8,736,041**	8,276,873	**8,659,637**	8,175,847
Weighted average number of shares outstanding - diluted	**8,771,280**	8,707,495	**8,694,876**	8,606,469

See accompanying Notes to the Interim Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF RETAINED EARNINGS

(in thousands of dollars)
(unaudited)

	Nine months ended	
	September 30, 2006	September 30, 2005
Retained earnings, beginning of period	**$ 16,532**	$ 14,118
Net earnings	**17,325**	12,651
Dividends (Note 4)	**(10,462)**	–
Retained earnings, end of period	**$ 23,395**	$ 26,769

See accompanying Notes to the Interim Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of dollars)
(unaudited)

	Three months ended		Nine months ended	
	September 30, 2006	September 30, 2005	**September 30, 2006**	September 30, 2005
Cash flows from (used in) operating activities:				
Net earnings	**$ 5,929**	$ 4,570	**$ 17,325**	$ 12,651
Adjustments for:				
Amortization of capital assets and intangible assets	**1,922**	1,670	**5,529**	4,913
Equity in results of companies subject to significant influence	**(112)**	(765)	**(1,259)**	(2,056)
(Gain) on dilution and loss from the realization of the cumulative translation adjustment	**231**	–	**231**	(1,042)
Amortization of premium on investments	**(1)**	(11)	**35**	85
Interest income on discount investments	**(122)**	(133)	**(247)**	(355)
Future income taxes	**(33)**	87	**33**	283
Costs of stock option plan	**19**	27	**133**	78
Costs of deferred share unit plan	**–**	–	**–**	470
Net change in non-cash operating assets and liabilities:				
Receivables	**1,486**	(952)	**(1,143)**	1,117
Prepaid expenses	**741**	536	**340**	1,317
Accounts payable, accruals and income taxes payable	**1,249**	2,702	**(841)**	115
Increase in the accrued employee benefits liability	**86**	67	**198**	146
	11,395	7,798	**20,334**	17,722
Cash flows from (used in) investing activities:				
Purchase of capital assets	**(869)**	(1,162)	**(3,717)**	(2,587)
Purchase of other assets and intangible assets	**(362)**	–	**(1,219)**	–
Sale of capital assets	**–**	15	**–**	29
Purchase of investments	**(68,187)**	(90,137)	**(206,036)**	(187,084)
Sale of investments	**61,012**	88,391	**202,445**	188,343
Purchase of long-term investments	**–**	–	**–**	(1,012)
Distribution from a company subject to significant influence	**1,049**	–	**1,049**	–
	(7,357)	(2,893)	**(7,478)**	(2,311)
Cash flows from (used in) financing activities:				
Decrease in obligations under capital leases	**(861)**	(877)	**(2,681)**	(2,600)
Share issuance	**803**	288	**3,155**	1,756
Dividends	**(9,273)**	–	**(23,183)**	–
	(9,331)	(589)	**(22,709)**	(844)
Net increase (decrease) in cash and cash equivalents	**(5,293)**	4,316	**(9,853)**	14,567
Cash and cash equivalents, beginning of period	**21,363**	25,428	**25,923**	15,177
Cash and cash equivalents, end of period	**$ 16,070**	$ 29,744	**$ 16,070**	$ 29,744
Supplemental cash flow information:				
Interest paid	**$ 32**	$ 85	**$ 135**	$ 285
Income taxes paid	**874**	195	**6,504**	1,310

See accompanying Notes to the Interim Consolidated Financial Statements.

(in thousand of dollars, except per share amounts and number of shares)

1. **Significant accounting policies**
These Unaudited Interim Consolidated Financial Statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP), using the same accounting policies as outlined in Note 1 to the Consolidated Financial Statements for the year ended December 31, 2005. These financial statements and the accompanying notes should be read in conjunction with the Consolidated Financial Statements for the year ended December 31, 2005.

Consolidation and long-term investments
The Consolidated Financial Statements include the accounts of the Montréal Exchange (the Company), those of its wholly owned subsidiary, the Canadian Derivatives Clearing Corporation (CDCC) and, until December 19, 2005, of Clearco Inc., a joint venture. The Company uses the proportionate consolidation method to account for its 50% ownership interest in the assets, liabilities, revenues, expenses and cash flows of the joint venture.

Long-term investments consist of the Company's 31.4% interest in the capital stock of the BOX and, until December 19, 2005, of the Company's 8% interest in the capital stock of Oxen Inc., both investments being in companies subject to significant influence. These investments are accounted for under the equity method, according to which the initial cost of the investment is adjusted to include the Company's proportionate share of post-acquisition earnings or losses, less dividends.

2. **Long-term investment**

	September 30, 2006	December 31, 2005
31.4% interest in the capital stock of BOX	$ 12,523	$ 12,523
Share in accumulated losses	(2,361)	(3,620)
Distribution	(1,049)	–
Gain on dilution and (loss) from the realization of the cumulative translation adjustment	2,454	2,685
Cumulative translation adjustment	(1,940)	(1,790)
Long-term investment	$ 9,627	$ 9,798

The MX holds an interest in BOX, an electronic exchange for United States securities options.

During the third quarter of 2006, the MX made a commitment to acquire 13.3% of the capital stock of BOX owned by the Boston Stock Exchange for a consideration of US$34,175 (C$38,197). The transaction is subject to approval by the U.S. Securities and Exchange Commission. It will increase Montréal Exchange's interest in BOX from 31.4% to 44.7%.

3. **Employee future benefits**
For the quarter ended September 30, 2006, the total retirement benefit cost was $86 ($67 in 2005). For the first nine months of 2006, this cost was $256 ($214 in 2005).

(in thousand of dollars, except per share amounts and number of shares)

4. Capital stock

	September 30, 2006	December 31, 2005
Authorized:		
An unlimited number of shares, without face value:		
Common, voting and participating		
Preferred, non-voting, dividend to be determined upon issuance		
Total issued, including in guarantee:		
9,273,155 common shares (8,481,155 as at December 31, 2005)	$ 51 570	$ 47,019
Held in guarantee for loans under share purchase plan:		
101,839 common shares (187,647 as at December 31, 2005)	(955)	(1,614)
Held in guarantee for loans under stock option plan:		
298,318 common shares	(1,531)	–
Issued and paid:		
8,872,998 common shares (8,293,508 as at December 31, 2005)	$ 49,084	$ 45,405

On June 22, 2006, the Company declared a special dividend of $1.00 per share; it was paid on July 24, 2006 to the common shareholders of record at the close of business on July 17, 2006.

a) Stock Option Plan
Between January 1 and February 6, 2006, 792,000 of the 835,000 stock options granted were exercised at an average exercise price of $5.08. The Company has granted loans bearing interest at 5% on 595,000 shares. The exercise of these options gave rise to an additional dividend payment of $1,189 on the special dividend declared on December 1, 2005; it was paid on February 7, 2006. Any dividend payable on these shares will be applied against the loans. The loans are repayable at the latest in February 2009 and interest is payable annually in February. The total loan payment is secured by a first hypothec with delivery in favour of the Company on all shares acquired by way of loan. These loans are recorded as a reduction of capital stock. Loans granted for the purchase of these shares are repayable in all circumstances regardless of the variation in share value.

(in thousand of dollars, except per share amounts and number of shares)

4. Capital stock (continued)

The following table summarizes information on outstanding and exercisable options as at September 30, 2006:

	Nine months ended September 30, 2006		Twelve months ended December 31, 2005	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Options outstanding, beginning of period	835,000	$ 5.09	838,000	$ 5.09
Granted	–	–	–	–
Exercised	(792,000)	5.08	–	–
Cancelled	–	–	(3,000)	5.09
Options outstanding, end of period	43,000	$ 5.15	835,000	$ 5.09

5. Contingencies

During the first nine months of 2006, an amount of $12,824 of the legal actions taken against the Company, in connection with the closing of the trading floor, was settled for $1,252 in addition to $119 in fees. No settlements occurred during the third quarter of 2006. As at September 30, 2006, there was a total of $27,269 in remaining, unsettled legal actions against which the Company intends to defend itself vigorously. The outcome of these remaining actions cannot be determined at this time, and consequently, no provision was recorded as at September 30, 2006.

6. Segmented information

The Company operates in two industry segments. The commercial activities of these segments are carried out in Canada and are defined as follows:

Exchange (MX):
This sector acts as the exclusive financial derivatives exchange in Canada, providing a complete range of equity, index and interest rate derivatives.

Clearinghouse (CDCC):
This sector acts as a clearinghouse and guarantor of equity, index and interest rate derivatives.

(in thousand of dollars, except per share amounts and number of shares)

6. Segmented information (continued)

Three months ended September 30

	MX		CDCC		Consolidated	
	2006	2005	**2006**	2005	**2006**	2005
Revenues from exchange and clearing	**$12,754**	$ 10,157	**$3,221**	$ 2,717	**$15,975**	$12,874
Revenues from information systems services	**3,949**	3,695	**–**	–	**3,949**	3,695
Investment income	**429**	304	**303**	119	**732**	423
Amortization of capital assets and intangible assets	**1,899**	1,636	**23**	34	**1,922**	1,670
Equity in results of companies subject to significant influence	**112**	765	**–**	–	**112**	765
Net earnings	**4,234**	3,420	**1,695**	1,150	**5,929**	4,570
Purchase of capital assets, other assets and intangible assets	**1,207**	1,145	**24**	17	**1,231**	1,162
Assets	**71,139**	72,031	**57,587**	24,644	**128,726**	96,675

Nine months ended September 30

	MX		CDCC		Consolidated	
	2006	2005	**2006**	2005	**2006**	2005
Revenues from exchange and clearing	**$37,822**	$28,171	**$9,861**	$7,526	**$47,683**	$35,697
Revenues from information systems services	**12,032**	10,955	**–**	–	**12,032**	10,955
Investment income	**1,097**	757	**757**	318	**1,854**	1,075
Amortization of capital assets and intangible assets	**5,462**	4,701	**67**	212	**5,529**	4,913
Equity in results of companies subject to significant influence	**1,259**	2,056	**–**	–	**1,259**	2,056
Net earnings	**12,191**	9,829	**5,134**	2,822	**17,325**	12,651
Purchase of capital assets, other assets and intangible assets	**4,887**	2,516	**49**	71	**4,936**	2,587
Assets	**71,139**	72,031	**57,587**	24,644	**128,726**	96,675

Regulatory Division:
Pursuant to a decision rendered by the “Autorité des marches financiers” (AMF) on November 24, 2000, the Company created a separate regulatory division responsible for approved participants and market regulation and operating on a cost recovery basis. The AMF accepted that, effective January 1, 2005, the Regulatory Division shall perform its regulatory functions exclusively in the area of derivatives. Also, at that date, the Division transferred its functions and delegated authority regarding securities dealers in order to bring all these dealers and their representatives and officers under the jurisdiction of one self-regulatory organization in Québec, the Investment Dealers Association of Canada (IDA).

6. Segmented information (continued)

For the third quarter ended September 30, 2006, the Division generated revenues of $754 ($638 in 2005) and incurred direct expenses of $322 ($268 in 2005) and indirect expenses of $231 ($169 in 2005). To date, revenues total $2,436 ($1,883 in 2005), direct expenses total $1,026 ($682 in 2005), and indirect expenses total $614 ($479 in 2005). The surplus of the Division at September 30, 2006 totals $1,541 and is presented in accounts payable and accruals, of which $913 results from the excess of fines and penalties over related expenses and will be used for special projects for the purposes of the financial industry. The balance of the surpluses, if any, will be repaid to the approved participants after the end of the fiscal year.

7. Comparative figures

Certain comparative figures have been reclassified to conform to the current period's presentation.

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