

Quarterly Report
Q3

for the
three months
ended
September 30, 2007



**THIRD QUARTER REPORT
ENDED SEPTEMBER 30, 2007**

October 24, 2007

The following discussion and analysis provides information concerning the Montréal Exchange Inc.'s ("MX") operating results and financial condition for the quarter and nine months ended September 30, 2007.

This discussion should be read in conjunction with our unaudited Interim Consolidated Financial Statements for the quarter and nine months ended September 30, 2007 and the accompanying notes as well as the audited Consolidated Financial Statements for the year ended December 31, 2006 and its related management report. Our unaudited Interim Consolidated Financial Statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP). Unless otherwise indicated, the financial information presented in this discussion and analysis, including the amounts appearing in the tables, is expressed in Canadian dollars.

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

You will find more information about MX, including our non-offering prospectus dated March 23, 2007, on our website at www.m-x.ca and on SEDAR at www.sedar.com.

Forward-Looking Statements, Risks and Uncertainties

This document contains certain forward-looking information within the meaning of the Quebec Securities Act and the Ontario Securities Act. Forward-looking information often contains terms such as "believe," "anticipate," "estimate," "plan," "expect," "intend," "may," "will" and similar expressions. This forward-looking information is based on current expectations, estimates, forecasts and projections about the industry in which we operate, as well as certain assumptions made by our management. Although we believe that the expectations and assumptions reflected in the forward-looking information are reasonable, forward-looking information involves known and unknown risks and uncertainties and is not a guarantee of future performance. Factors that could cause actual results to differ materially from those contemplated by this forward-looking information include, but are not limited to, risks associated with general market and economic conditions, evolving national and international competition, credit risks and clearing house risk, reliability of information systems and regulatory risks. We caution you that this list of factors is not exhaustive. The forward-looking information in this document is subject to the risks identified in our periodic filings with the Canadian securities regulatory authorities. Given the uncertainty of forward-looking information, you are cautioned not to place undue reliance on this information. We disclaim any obligation to update any forward-looking information, except as may be required by applicable law.

Recent Developments

BOX Options Exchange Group LLC (« BOX »)

On October 2, 2007, MX announced that it is engaged in negotiations aimed at increasing its ownership position in BOX from 31.4% to a maximum of 53.2%. The current intention is to acquire the entire 21.9% partnership interest in BOX held directly and indirectly by the Boston Stock Exchange ("BSE"). This acquisition is subject to the prior approval of the United States Securities and Exchange Commission ("SEC") as well as customary closing conditions. MX had previously intended to increase its participation in BOX to 44.7%, following an agreement to purchase a 13.3% stake signed in August 2006 with the BSE. We intend to finance this transaction with our existing cash resources.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Montréal Climate Exchange ("MCEX")

On October 5, 2007, MX announced that it has filed for regulatory approval of market rules designed to govern the trading of MCEX environmental products on its electronic trading platform, SOLA®, namely futures contracts on Canadian carbon dioxide. The regulatory filing is a key step forward in the plan, announced July 25, 2007, to launch trading in a MCEX carbon futures contract.

Clarifications on Stock Index Futures

The MX holds a licence from Standard and Poor's to use the S&P/TSX 60 Index as a support for futures contracts (SXF) and options until June 2009. We continue to develop these contracts which represented approximately 6% of total revenues for Q3 2007 and the first nine months of 2007.

In light of the announcement made in August 2007 regarding the agreement between TSX and S&P, the MX is examining all of its options regarding the period subsequent to June 2009 in view of maintaining its presence in this market.

Use of Non-GAAP Performance Measures

In this discussion, we refer to "operating earnings", a performance measure that is not recognized under Canadian GAAP. Although operating earnings is typically understood to be a non-GAAP performance measure, in our case operating earnings is equivalent to the line item "earnings before investment income, other items and income taxes" in our unaudited Interim Consolidated Financial Statements prepared in accordance with Canadian GAAP. Other companies may define or calculate operating earnings differently, limiting its usefulness as a comparative measure.

In this discussion, we also use certain supplemental financial measures that are not calculated in accordance with Canadian GAAP to assess our financial performance. These measures, which include adjusted operating earnings, adjusted net earnings and assets excluding certain clearing assets, are not required by or recognized under Canadian GAAP.

We define adjusted operating earnings as operating earnings excluding: a) charges relating to non-recurring professional fees in connection with the preparation of our non-offering prospectus and the listing of our shares (which are included in "General and administrative" expenses); b) charges relating to legal settlements in connection with the closing of our trading floor (which are included in "General and administrative" expenses); and c) early termination penalties on computer licence and maintenance agreements. The following table provides a reconciliation of operating earnings under Canadian GAAP as disclosed in our financial statements to adjusted operating earnings:

	Q3 2007	Q3 2006	For the nine months ended September 30, 2007	For the nine months ended September 30, 2006
(\$ in thousands)				
Reconciliation of operating earnings and adjusted operating earnings disclosed herein				
Operating earnings	\$ 6,553	\$ 7,275	\$ 21,561	\$ 20,079
Non-recurring professional fees in connection with the preparation of our non-offering prospectus and the listing of our shares	–	–	2,725	–
Settlement charges relating to the closing of our trading floor	–	–	–	1,371
Early termination penalties on computer licence and maintenance agreements	1,322	–	1,322	–
Adjusted operating earnings	\$ 7,875	\$ 7,275	\$ 25,608	\$ 21,450

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

We define adjusted net earnings as net earnings excluding: a) charges (net of tax) relating to non-recurring professional fees in connection with the preparation of our non-offering prospectus and the listing of our shares (which are included in "General and administrative" expenses); b) charges (net of tax) relating to legal settlements in connection with the closing of our trading floor (which are included in "General and administrative" expenses); and c) early termination penalties (net of tax) on computer licence and maintenance agreements. The following table provides a reconciliation of net earnings under Canadian GAAP as disclosed in our financial statements to adjusted net earnings:

	Q3 2007	Q3 2006	For the nine months ended September 30, 2007	For the nine months ended September 30, 2006
	(\$ in thousands)			
Reconciliation of net earnings and adjusted net earnings disclosed herein				
Net earnings	\$ 6,924	\$ 5,929	\$ 19,415	\$ 17,325
Non-recurring professional fees in connection with the preparation of our non-offering prospectus and the listing of our shares	–	–	2,725	–
Settlement charges relating to the closing of our trading floor	–	–	–	1,371
Early termination penalties on computer licence and maintenance agreements	1,322	–	1,322	–
Income tax effect of adjustments (estimated based on statutory tax rate in each respective period applicable to MX)	(325)	–	(995)	(334)
Adjusted net earnings	\$ 7,921	\$ 5,929	\$ 22,467	\$ 18,362

We define assets excluding certain clearing assets as total assets less daily settlements due from clearing members, clearing members' cash margin deposits and clearing fund cash deposits. Since these excluded clearing assets have a corresponding liability and that the values of these assets vary with market volatility, we believe that the measure assets excluding certain clearing assets is more effective for analysing our assets relating to our ongoing operating activities. The following table provides a reconciliation of assets excluding certain clearing assets to total assets under Canadian GAAP as disclosed in our financial statements.

	September 30, 2007	December 31, 2006
	(\$ in thousands)	
Reconciliation of total assets and assets excluding certain clearing assets disclosed herein		
Total assets	\$ 218,280	\$ 122,694
Clearing fund cash deposits	(22,769)	(14,807)
Clearing members' cash margin deposits	(8,638)	(2,312)
Daily settlements due from clearing members	(29,312)	(6,951)
Assets excluding certain clearing assets	\$ 157,561	\$ 98,624

Operating earnings, adjusted operating earnings, adjusted net earnings, assets excluding certain clearing assets and ratios using these measures, including adjusted earnings per share, are used by financial analysts and other users of our financial information to assess our financial performance and results of operations, and to compare us to other companies in our industry. You should not consider these non-GAAP measures in isolation from, or as a substitute for analysis of, our financial information reported under Canadian GAAP. You should note that other companies, including other companies in our industry, may not use such measures or may calculate these measures differently than as presented in this discussion, limiting their usefulness as comparative measures.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Highlights

Selected Consolidated Quarterly Data

(\$ in thousands, except ratios, per share data, number of shares and other data)

Operating Results	Q3		For the nine months ended September 30	
	2007	2006	2007	2006
Revenues	\$ 20,140	\$ 19,924	\$ 63,488	\$ 59,715
Operating earnings	6,553	7,275	21,561	20,079
Adjusted operating earnings	7,875	7,275	25,608	21,450
Operating margin	33 %	37 %	34 %	34 %
Adjusted operating margin	39 %	37 %	40 %	36 %
Net earnings	6,924	5,929	19,415	17,325
Adjusted net earnings	7,921	5,929	22,467	18,362
Net margin	34 %	30 %	31 %	29 %
Adjusted net margin	39 %	30 %	35 %	31 %
Cash flows from (used in) operating activities	9,277	11,596	16,413	20,334

Financial Position	September 30, 2007	December 31, 2006
Total assets	218,280	122,694
Assets excluding certain clearing assets	157,561	98,624
Long-term financial liabilities	169	1,072

Per Share Data ⁽¹⁾	Q3		For the nine months ended September 30	
	2007	2006	2007	2006
Earnings per share				
Basic	0.23	0.23	0.65	0.67
Diluted	0.23	0.22	0.65	0.64
Adjusted earnings per share				
Basic	0.26	0.23	0.75	0.71
Diluted	0.26	0.22	0.75	0.67
Dividends declared per share	0.35	—	0.68⅓	0.33⅓
Weighted average number of shares outstanding				
Basic	30,691,022	26,208,123	29,806,416	25,978,911
Diluted	30,785,829	27,357,696	30,104,050	27,128,484

Other Data	Q3		For the nine months ended September 30	
	2007	2006	2007	2006
Average daily volume (# of contracts)	161,516	158,750	175,330	160,339
SOLA® availability rate ⁽²⁾	99.84%	99.86%	99.84%	99.86%

⁽¹⁾ All references to earnings per share, dividends per share, shares issued and outstanding, shares held in guarantee and options outstanding have been restated to reflect the three-for-one stock split that we effected on March 15, 2007.

⁽²⁾ Calculated on a trailing twelve month basis.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

	Q3		Average Daily Volume ¹			
	2007	2006	% Change	For the nine months ended September 30		
	2007	2006	% Change	2007	2006	% Change
Interest Rate Derivatives	91,917	104,148	(12)%	108,208	100,414	8%
Index Derivatives	17,144	13,005	32%	15,235	12,104	26%
Equity Options	52,456	41,596	26%	51,887	47,820	9%
Total	161,516	158,750	2%	175,330	160,339	9%

Results of Operations for the Quarter Ended September 30, 2007 Compared to the Quarter Ended September 30, 2006

Revenues

Total revenues amounted to \$20.1 million in Q3 2007 compared to \$19.9 million in Q3 2006, an increase of \$0.2 million, or 1%. The following table provides a breakdown of our revenues for the quarters ended September 30, 2007 and 2006.

(\$ in thousands)	Q3 2007		Q3 2006		Change	
	\$	% of total	\$	% of total	\$	%
Revenues						
Transactions	9,305	46%	8,980	45%	325	4%
Clearing and option exercise	3,262	16%	3,156	16%	106	3%
Information systems services	3,752	19%	3,949	20%	(197)	(5%)
Market data	2,848	14%	2,872	14%	(24)	(1%)
Participants	850	4%	808	4%	42	5%
Other	123	1%	159	1%	(36)	(23%)
Total revenues	20,140	100%	19,924	100%	216	1%

Transactions

In Q3 2007, our transactions revenues amounted to \$9.3 million, compared to \$9.0 million for Q3 2006, an increase of \$0.3 million or 4% driven mainly by additional average daily volume and an increase in average revenue per contract.

Average daily volume stood at 161,516 contracts in Q3 2007, compared to 158,750 contracts in Q3 2006, an increase of 2,766 contracts, or 2%. Interest rate derivatives experienced a global decline in average daily volume of 12%. Trading in our short term interest rate futures contract, the BAX, experienced a decrease in average daily volume of 24%, largely due to the general deterioration in liquidity conditions for the Canadian short term interest rate market. Offsetting this decrease was the growth in the Ten-Year Government of Canada Bond Futures contract, the CGB, which experienced a 16% growth in average daily volume in comparison to Q3 2006. Index derivatives posted a 32% increase in average daily volume, while equity options posted an increase in average daily volume of 26%.

¹ Average daily volume ("ADV") per product category statistics are calculated as the total traded contracts per product category divided by the number of trading days for each product category and may include rounding differences. Total ADV is calculated as the total traded contracts divided by the overall number of trading days in the given period.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

In Q3 2007, average transaction revenue per contract increased to \$0.93 per contract from \$0.91 per contract in Q3 2006 due to a combination of variations in product and client mix, and a reduction of volume rebates, pursuant to liquidity provider programs.

Clearing and Option Exercise

Clearing and option exercise revenues increased to \$3.3 million in Q3 2007, compared to \$3.2 million in Q3 2006, an increase of \$0.1 million or 3% due principally to the increased trading volumes on our markets.

In Q3 2007, average clearing revenue per contract remained stable at approximately \$0.30 per contract.

Information Systems Services

Revenues from information systems services amounted to \$3.8 million in Q3 2007, compared to \$3.9 million in Q3 2006, a decrease of 5%. A decrease of \$0.8 million was due to a reduction of obligations under capital leases for computer hardware and software for BOX which were re-invoiced to BOX at cost. This decrease is equally reflected in our amortization expense. This decrease in revenues was offset by approximately \$0.6 million in additional revenues from services rendered to BOX, and reflected by an increase in our compensation and benefits expense, occupancy and general and administrative expense.

Market Data

Market data revenues remained stable at approximately \$2.9 million.

Participants

Revenues from approved participants, generated primarily by the Regulatory Division, amounted to \$0.9 million in Q3 2007 compared to \$0.8 million in Q3 2006, an increase of 5%.

Expenses

Excluding non-recurring charges of \$1.3 million related to early termination penalties on computer licence and maintenance agreements, expenses in Q3 2007 have decreased by 3% compared to Q3 2006. Our total expenses amounted to \$13.6 million in Q3 2007 compared to \$12.6 million for Q3 2006, an overall increase of 7%. The following table provides a breakdown of our expenses in the quarters ended September 30, 2007 and 2006.

(\$ in thousands)	Q3 2007		Q3 2006		Change	
	\$	% of total	\$	% of total	\$	%
Total revenues	20,140	100%	19,924	100%	216	1%
Expenses:						
Compensation and benefits	6,050	45%	5,544	44%	506	9%
Occupancy	858	6%	654	5%	204	31%
Computer licences and maintenance	2,764	20%	1,565	13%	1,199	77%
Amortization of capital assets and other assets	865	6%	1,922	15%	(1,057)	(55%)
General and administrative	1,960	15%	1,848	15%	112	6%
Telecommunications	695	5%	659	5%	36	5%
Public affairs	391	3%	425	3%	(34)	(8%)
Interest on obligations under capital leases and debts due within one year	4	0%	32	0%	(28)	(88%)
Total Expenses	13,587	100%	12,649	100%	938	7%
Operating earnings	6,553		7,275		(722)	(10%)
Adjusted operating earnings	7,875		7,275		600	8%

Compensation and Benefits

Total compensation and benefits amounted to \$6.1 million in Q3 2007, compared to \$5.5 million in Q3 2006, an overall increase of 9%. This increase is explained mainly by a higher number of employees generating an increase in wages and employee benefits of which a portion is related to additional information systems services re-invoiced to BOX.

Our total number of employees at September 30, 2007 was 226, compared to 206 at September 30, 2006.

Occupancy

Occupancy expenses amounted to \$0.9 million in Q3 2007 compared to \$0.7 million in Q3 2006, an increase of \$0.2 million or 31% due mainly to the relocation of BOX's operating site to New Jersey and BOX's new backup facilities.

Computer Licences and Maintenance

Computer licences and maintenance expenses increased to \$2.8 million in Q3 2007 compared to \$1.6 million in Q3 2006, an increase of \$1.2 million, or 77%. This increase is attributable mainly to a non-recurring early termination penalty of \$1.3 million incurred on September 24, 2007 on licence and maintenance agreements with ATOS Euronext, subsequent to our decision to develop SOLA®, our customized trading platform. Licence and maintenance fees under these agreements were approximately \$2.9 million on an annualized basis.

Amortization of Capital Assets and Other Assets

Amortization of capital assets and other assets decreased to \$0.9 million in Q3 2007 compared to \$1.9 million in Q3 2006, a decrease of 55%. This decrease is attributable mainly to reduced amortization related to assets under capital lease for computer hardware and software related to BOX operations, resulting from the implementation of SOLA® at BOX.

General and Administrative

General and administrative expenses increased to \$2.0 million in Q3 2007 compared to \$1.8 million in Q3 2006, an increase of 6%.

Telecommunications

Telecommunication expenses remained stable at \$0.7 million.

Public Affairs

Public affairs remained stable at \$0.4 million.

Operating Earnings

Operating earnings amounted to \$6.6 million in Q3 2007 compared to \$7.3 million in Q3 2006, a decrease of \$0.7 million, or 10%. Operating margin (calculated as operating earnings as a percentage of revenues) amounted to 33% compared to 37% in Q3 2006. This decrease can be explained by an increase in expenses related to the operation of our technology platform.

Adjusted operating earnings rose to \$7.9 million in Q3 2007 compared to \$7.3 million in Q3 2006, an increase of \$0.6 million, or 8%. Adjusted operating margin (calculated as adjusted operating earnings as a percentage of revenues) increased to 39% compared to 37% in Q3 2006. This increase can be explained by a marginal increase in revenues experienced in Q3 2007 coupled with a decrease in expenses after giving effect to non-recurring expenses as described in detail in the section "Use of non-GAAP performance measures".

Investment Income

Investment income increased to \$1.8 million in Q3 2007 compared to \$0.7 million in Q3 2006, an increase of 142%, as a result of increased cash and cash equivalents, and temporary investments.

Other Items

Equity in Results of a Company Subject to Significant Influence

Equity in results of a company subject to significant influence represents our share of BOX's results. This investment is accounted for on an equity basis in accordance with Canadian GAAP, based on a 31.4% interest in BOX as at September 30, 2007. Equity in the results of BOX (before loss resulting from realization of the cumulative translation adjustment) amounted to \$1.1 million in Q3 2007, compared to \$0.1 million in Q3 2006, an increase of \$1.0 million.

This increase was mainly a result of BOX's increase in average daily volume in Q3 2007 compared to Q3 2006. BOX's average daily volume stood at 591,159 contracts in Q3 2007 compared to 349,083 in Q3 2006, an increase of 242,076 contracts or 69%. Also, in Q3 2006, BOX recorded accelerated depreciation on technology assets amounting to US\$1.5 million (whereby our share amounts to C\$0.5 million) as a result of the introduction of the SOLA® platform.

In Q3 2006, equity in the results of BOX was offset by a \$0.2 million loss resulting from the realization of the cumulative translation adjustment subsequent to distributions from BOX.

Income Taxes

MX's income tax expense for Q3 2007 was \$2.5 million compared to \$2.0 million in Q3 2006. The effective tax rate for Q3 2007 was 26%, compared to 25% in Q3 2006. The lower effective tax rate in Q3 2006 is a result of the application of previously unrecognized tax losses from BOX to reduce income taxes on our share of BOX's earnings. The tax benefit of the remaining losses was fully recognized during Q4 2006, thereby resulting in a higher effective tax rate in 2007.

Net Earnings

Net earnings for Q3 2007 amounted to \$6.9 million compared to \$5.9 million in Q3 2006, an increase of \$1.0 million or approximately 17%. Net margin (calculated as net earnings as a percentage of revenues) stood at 34% in Q3 2007 compared to 30% for Q3 2006. Basic earnings per share for Q3 2007 remained stable at \$0.23. Diluted earnings per share for Q3 2007 were \$0.23 compared to \$0.22 for Q3 2006.

Adjusted net earnings for Q3 2007 amounted to \$7.9 million compared to \$5.9 million in Q3 2006, an increase of \$2.0 million or 34%. Adjusted net margin (calculated as adjusted net earnings as a percentage of revenues) amounted to 39% in Q3 2007 compared to 30% for Q3 2006. Adjusted basic earnings per share for Q3 2007 amounted to \$0.26 compared to \$0.23 in Q3 2006. Adjusted diluted earnings per share for Q3 2007 were \$0.26 compared to \$0.22 in Q3 2006.

Earnings per share and adjusted earnings per share were negatively affected due to a higher number of shares outstanding during Q3 2007.

Segment Analysis

Exchange

Revenues from the Exchange segment increased to \$16.8 million in Q3 2007 compared to \$16.7 million in Q3 2006, an increase of \$0.1 million, or 1%. Net earnings increased to \$5.1 million compared to \$4.2 million, an increase of \$0.9 million or 20%. Net margin amounted to 30% in Q3 2007, compared to 25% in Q3 2006.

Clearing House

Revenues from the Canadian Derivatives Clearing Corporation ("CDCC") increased to \$3.3 million in Q3 2007 compared to \$3.2 million in Q3 2006, an increase of \$0.1 million, or 3%. Net earnings stood at \$1.8 million in Q3 2007 compared to \$1.7 million in Q3 2006, an increase of \$0.1 million, or 8%, and represented 55% of our revenues in Q3 2007, compared to 53% in Q3 2006.

For a discussion of our most recent quarterly results, see "Quarterly Financial Information" below.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Results of Operations for the Nine-Months Ended September 30, 2007 Compared to the Nine-Months Ended September 30, 2006

Revenues

Total revenues amounted to \$63.5 million for the first nine months of 2007 compared to \$59.7 million for the same period in 2006, an increase of \$3.8 million or 6%. The following table provides a breakdown of our revenues for the first nine months of 2007 and 2006.

(\$ in thousands)	For the nine months ended September 30, 2007		For the nine months ended September 30, 2006		Change	
	\$	% of total	\$	% of total	\$	%
Revenues						
Transactions	30,119	47%	27,212	46%	2,907	11%
Clearing and option exercise	10,798	17%	9,669	16%	1,129	12%
Information systems services	11,280	18%	12,032	20%	(752)	(6%)
Market data	8,201	13%	7,860	13%	341	4%
Participants	2,666	4%	2,409	4%	257	11%
Other	424	1%	533	1%	(109)	(20%)
Total revenues	63,488	100%	59,715	100%	3,773	6%

Transactions

For the first nine months of 2007, our transactions revenues grew to \$30.1 million, compared to \$27.2 million for the same period in 2006, an increase of \$2.9 million or 11% driven mainly by additional volume and a slight increase in average revenue per contract.

Average daily volume grew to 175,330 contracts for the first nine months of 2007, compared to 160,339 contracts for the same period in 2006, an increase of 14,991 contracts, or 9%. Interest rate derivatives, representing approximately 60% of trading volume, posted an increase in volume of 8%. Trading in our short term interest rate futures contract, the BAX, experienced a decrease in average daily volume of 3%, largely due to monetary policy trends, a decline in market moving economic events and the general deterioration in financial liquidity conditions for the Canadian short term interest rate market that occurred in the third quarter. Offsetting this decrease was a 32% growth in average daily volume on our CGB contract in comparison to the first nine months of 2006. Index derivatives, which represent approximately 10% of trading volume, posted a 26% increase in average daily volume while equity options, representing 30% of trading volume, posted an increase in average daily volume of 9%.

For the first nine months of 2007, average transaction revenue per contract increased to \$0.91 per contract from \$0.90 per contract for the same period in 2006 due to a combination of variations in product and client mix.

Clearing and Option Exercise

Clearing and option exercise revenues increased to \$10.8 million for the first nine months of 2007, compared to \$9.7 million for the same period in 2006, an increase of \$1.1 million or 12% due principally to the increased trading volumes on our markets and a slight increase in average revenue per contract.

For the first nine months of 2007, average clearing revenue per contract increased to \$0.31 per contract from \$0.30 per contract for the same period in 2006.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Information Systems Services

Revenues from information systems services amounted to \$11.3 million for the first nine months of 2007, compared to \$12.0 million for the same period in 2006, a decrease of 6%. A decrease of \$2.4 million was due to a reduction of obligations under capital leases for computer hardware and software for BOX which were re-invoiced to BOX at cost. This decrease is equally reflected in our amortization expense. This decrease in revenues was offset by approximately \$1.7 million additional revenues from services rendered to BOX, and partly reflected by an increase in our compensation and benefits expense, occupancy and, general and administrative expense.

Market Data

Market data revenues reached \$8.2 million for the first nine months of 2007, compared to \$7.9 million for the same period in 2006, an increase of \$0.3 million or 4%, driven principally by increased data subscriptions.

Participants

Revenues from approved participants, generated primarily by the Regulatory Division, amounted to \$2.7 million for the first nine months of 2007 compared to \$2.4 million for the same period in 2006, an increase of \$0.3 million, or 11%.

Expenses

Excluding non-recurring charges, expenses for the first nine months of 2007 decreased by 1% compared to the same period in 2006. Our total expenses amounted to \$41.9 million for the first nine months of 2007 compared to \$39.6 million in the same period of 2006, an overall increase of \$2.3 million or 6%. The following table provides a breakdown of our expenses for the first nine months of 2007 and 2006.

(\$ in thousands)	For the nine months ended September 30, 2007		For the nine months ended September 30, 2006		Change	
	\$	% of total	\$	% of total	\$	%
Total revenues	63,488	100%	59,715	100%	3,773	6%
Expenses:						
Compensation and benefits	18,422	44%	16,768	42%	1,654	10%
Occupancy	2,331	5%	1,999	5%	332	17%
Computer licences and maintenance	5,743	14%	4,838	12%	905	19%
Amortization of capital assets and other assets	2,489	6%	5,529	14%	(3,040)	(55%)
General and administrative	9,586	23%	6,989	18%	2,597	37%
Telecommunications	2,066	5%	1,867	5%	199	11%
Public affairs	1,265	3%	1,511	4%	(246)	(16%)
Interest on obligations under capital leases and debts due within one year	25	0%	135	0%	(110)	(81%)
Total Expenses	41,927	100%	39,636	100%	2,291	6%
Operating earnings	21,561		20,079		1,482	7%
Adjusted operating earnings	25,608		21,450		4,158	19%

Compensation and Benefits

Total compensation and benefits amounted to \$18.4 million for the first nine months of 2007, compared to \$16.8 million for the same period in 2006, an overall increase of 10%. This increase is explained mainly by a higher number of employees generating an increase in wages and employee benefits of which a portion is related to additional information systems services re-invoiced to BOX.

Our total number of employees at September 30, 2007 was 226, compared to 206 at September 30, 2006.

Occupancy

Occupancy expenses amounted to \$2.3 million for the first nine months of 2007 compared to \$2.0 million for the same period in 2006, an increase of \$0.3 million or 17% due mainly to the relocation of BOX's operating site to New Jersey and BOX's new backup facilities.

Computer Licences and Maintenance

Computer licences and maintenance expenses increased to \$5.7 million for the first nine months of 2007 compared to \$4.8 million for the same period in 2006, an increase of \$0.9 million, or 19%. An increase of \$1.3 million is attributable to a non-recurring early termination penalty incurred on September 24, 2007 on licence and maintenance agreements with ATOS Euronext, subsequent to our decision to develop SOLA®, our customized trading platform. Licence and maintenance fees under these agreements were approximately \$2.9 million on an annualized basis.

Amortization of Capital Assets and Other Assets

Amortization of capital assets and other assets decreased to \$2.5 million for the first nine months of 2007 compared to \$5.5 million for the same period in 2006, a decrease of \$3.0 million, or 55%. This decrease is attributable mainly to reduced amortization related to assets under capital lease for computer hardware and software related to BOX operations, resulting from the implementation of SOLA® at BOX.

General and Administrative

General and administrative expenses increased to \$9.6 million for the first nine months of 2007 compared to \$7.0 million for the same period in 2006, an increase of \$2.6 million, or approximately 37%. This increase is attributable principally to various non-recurring professional fees of \$2.7 million incurred in connection with the preparation of our non-offering prospectus and the listing of our shares in 2007, increased professional fees relating to technology projects in 2007 offset by non-recurring settlement charges of \$1.4 million incurred in the first nine months of 2006, relating to the closing of our trading floor.

Telecommunications

Telecommunication expenses increased to \$2.1 million for the first nine months of 2007, compared to \$1.9 million for the same period in 2006, an increase of \$0.2 million, or 11%, attributable mainly to additional capacity.

Public Affairs

Public affairs decreased to \$1.3 million for the first nine months of 2007 compared to \$1.5 million for the same period in 2006, a decrease of \$0.2 million, or 16%.

Operating Earnings

Operating earnings rose to \$21.6 million for the first nine months of 2007 compared to \$20.1 million for the same period in 2006, an increase of \$1.5 million, or 7%. Operating margin (calculated as operating earnings as a percentage of revenues) remained stable at 34%.

Adjusted operating earnings rose to \$25.6 million for the first nine months of 2007 compared to \$21.5 million for the same period in 2006, an increase of 19%. Adjusted operating margin (calculated as adjusted operating earnings as a percentage of revenues) increased to 40% compared to 36% for the same period in 2006. This growth can be explained by the increase in revenues for the first nine months of 2007 coupled with a slight decrease in expenses after giving effect to non-recurring expenses as described in detail in the section "Use of non-GAAP performance measures".

Investment Income

Investment income increased to \$3.0 million for the first nine months of 2007 compared to \$1.9 million for the same period in 2006, a net increase of \$1.1 million, or 61%. As a result of the effect of adopting new accounting standards requiring the mark-to-market of temporary investments, during the first nine months of 2007, we recorded a \$0.9 million unrealized loss on our bond portfolio. This decrease was offset by increased investment income from increased cash and cash equivalents, and temporary investments.

Other Items

Equity in Results of a Company Subject to Significant Influence

Equity in results of a company subject to significant influence represents our share of BOX's results. This investment is accounted for on an equity basis in accordance with Canadian GAAP, based on a 31.4% interest in BOX as at September 30, 2007. Equity in the results of BOX (before loss resulting from realization of the cumulative translation adjustment) amounted to \$2.1 million for the first nine months of 2007 compared to \$1.3 million for the same period in 2006.

This increase was mainly a result of BOX's increase in average daily volume in the first nine months of 2007 compared to the same period in 2006. BOX's average daily volume stood at 482,395 contracts in the first nine months of 2007 compared to 383,861 for the same period in 2006, an increase of 98,534 contracts or 26%. Also, in the first nine months of 2007, BOX recorded accelerated depreciation on technology assets amounting to US\$2.5 million (whereby our share amounts to C\$0.9 million) as a result of the introduction of the SOLA® platform.

For the first nine months of 2006, equity in the results of BOX was offset by a \$0.2 million loss resulting from the realization of the cumulative translation adjustment subsequent to distributions from BOX.

Income Taxes

MX's income tax expense for the first nine months of 2007 was \$7.3 million compared to \$5.6 million for the same period in 2006. The effective tax rate for the first nine months of 2007 was 27%, compared to 25% for the same period in 2006. The lower effective tax rate in the first nine months of 2006 is a result of the application of previously unrecognized tax losses from BOX to reduce income taxes on our share of BOX's earnings. The tax benefit of the remaining losses was fully recognized during Q4 2006, thereby resulting in a higher effective tax rate in 2007.

Net Earnings

Net earnings for the first nine months of 2007 amounted to \$19.4 million compared to \$17.3 million for the same period in 2006, an increase of \$2.1 million or approximately 12%. Net margin (calculated as net earnings as a percentage of revenues) stood at 31% for the first nine months of 2007 compared to 29% for the same period in 2006. Basic earnings per share for the first nine months of 2007 amounted to \$0.65 compared to \$0.67 for the same period in 2006. Diluted earnings per share for first nine months of 2007 were \$0.65 compared to \$0.64 for the same period in 2006.

Adjusted net earnings for the first nine months of 2007 amounted to \$22.5 million compared to \$18.4 million for the same period of 2006, an increase of \$4.1 million, or approximately 22%. Adjusted net margin (calculated as adjusted net earnings as a percentage of revenues) stood at 35% for the first nine months of 2007, compared to 31% for the same period in 2006. Adjusted basic earnings per share for the first nine months of 2007 amounted to \$0.75 compared to \$0.71 for the same period in 2006. Adjusted diluted earnings per share for the first nine months of 2007 were \$0.75 compared to \$0.67 for the same period of 2006.

Earnings per share and adjusted earnings per share were negatively affected due to a higher number of shares outstanding during the first nine months of 2007.

Segment Analysis

Exchange

Revenues from the Exchange segment increased to \$52.5 million for the first nine months of 2007 compared to \$49.9 million for the same period in 2006, an increase of \$2.6 million, or 5% mainly due to the increased level of activity on our markets. Net earnings increased to \$13.8 million for the first nine months of 2007 compared to \$12.2 million for the same period in 2006, an increase of \$1.6 million or 14%, representing a net margin of 26% and 24% respectively.

Clearing House

Revenues from CDCC increased to \$11.0 million for the first nine months of 2007 compared to \$9.9 million for the same period in 2006, an increase of \$1.1 million, or 11%, mainly due to the increased level of activity on our markets. Net earnings stood at \$5.6 million for the first nine months of 2007 compared to \$5.1 million for the same period in 2006, an increase of 9%, and represented 51% of our revenues for the first nine months of 2007, compared to 52% for the same period in 2006.

Liquidity and Financial Resources

Liquidity

Our operations are usually the major source of our liquidity. Our cash requirements primarily consist of operating expenses, as well as capital expenditures for the development of technology solutions and technology enhancements.

As at September 30, 2007, we had total cash and cash equivalents, and temporary investments of \$118.6 million, compared to \$59.6 million as at December 31, 2006. On March 12, 2007, we declared a special dividend of \$0.33½ per common share (\$9.3 million in the aggregate) which was paid on April 12, 2007 to shareholders of record on March 22, 2007. On March 23, 2007, we received net proceeds of \$89.7 million in connection with the NYMEX Investment, representing 10% of our outstanding share capital. On July 25, 2007, we declared a special dividend of \$0.35 per common share (\$10.8 million in aggregate) which was paid on August 16, 2007 to shareholders of record on August 3, 2007. We intend to use the remaining proceeds from the NYMEX Investment for general corporate purposes, to finance our normal course issuer bid that we also announced on March 23, 2007 and to finance our planned acquisition of a 21.9% interest in BOX.

During Q3 2007, MX repurchased 306,500 common shares (387,500 for the first nine months of 2007) at an average price of \$29.77 (\$31.89 for the first nine months of 2007) for a total cash consideration of \$9.1 million (\$12.4 million for the first nine months of 2007).

We believe that current cash balances and future funds generated through our operations are sufficient to meet cash requirements. If we were to experience a significant reduction in our cash flows from operations, we believe we currently have a variety of options for access to capital for short-term cash needs, including an unused revolving line of credit and extending our available credit facilities.

Among our available sources of financing, we have a revolving line of credit of US\$34.0 million with a Canadian Schedule I Bank intended for general corporate purposes and strategic investments. The line of credit will also allow for an upsized or additional revolving line of credit of up to US\$30.0 million. The terms of the revolving line of credit are described in more detail in our non-offering prospectus dated March 23, 2007.

Cash Flows from Operating Activities

Cash flows from operating activities generated funds of \$9.3 million in Q3 2007 compared to \$11.6 million in Q3 2006. The resulting cash inflows are mainly due to net earnings generated in the quarter plus the net change in non-cash operating assets and liabilities.

Cash flows from operating activities generated funds of \$16.4 million in the first nine months of 2007 compared to \$20.3 million for the same period in 2006 as explained above.

Cash Flows from Investing Activities

Cash flows from investing activities generated funds of \$0.1 million in Q3 2007 compared to a use of funds of \$7.4 million in Q3 2006. The resulting cash inflows are due mainly to the net sale of investments, less purchases of capital assets.

Cash flows from investing activities required funds of \$1.2 million in the first nine months of 2007 compared to \$7.5 million for the same period in 2006. The resulting cash outflows are due to purchases of capital assets, less the net sale of investments.

Cash Flows from Financing Activities

Cash flows from financing activities required \$20.0 million in funds in Q3 2007 compared to \$9.5 million in Q3 2006. The resulting cash outflows are due mainly to dividend payments totalling \$10.8 million and share repurchases amounting to \$9.1 million.

Cash flows from financing activities generated \$45.8 million in net funds in the first nine months of 2007 compared to a use of funds of \$22.7 million for the same period in 2006. Also, share issuances generated \$92.1 million while dividend payments totalled \$34.0 million and share repurchases required \$12.4 million.

Total Assets

Total assets excluding certain clearing assets increased to \$157.6 million as at September 30, 2007 compared to \$98.6 million as at December 31, 2006, an increase of \$58.9 million, or 60%. This increase is attributable mainly to an increase in cash and cash equivalents, and temporary investments resulting from the share issuance to NYMEX, less dividends paid in the first nine months of the year, less funds used for the share repurchases.

Shareholders' Equity

Shareholders' equity as at September 30, 2007 was \$144.1 million compared to \$65.7 million as at December 31, 2006. The increase of \$78.4 million reflects namely share issuances to NYMEX amounting to \$89.7 million, net earnings of \$19.4 million generated during the first nine months of 2007, less dividends of \$20.1 million declared in the first nine months of the year, less share repurchases of \$12.4 million during the first nine months of the year.

Capital Stock

As at September 30, 2007, our capital stock consisted of 30,655,683 issued and outstanding common shares, all of which are voting and participating shares. Of this number, 48,528 were held in guarantee for loans under our previous employee share purchase plan. In addition, 115,200 stock options were outstanding as of September 30, 2007.

Under the normal course issuer bid, during Q3 2007, MX repurchased and cancelled 306,500 common shares (387,500 for the first nine months of 2007) at an average price of \$29.77 (\$31.89 for the first nine months of 2007) for a total cash consideration of \$9.1 million (\$12.4 million for the first nine months of 2007).

During Q3 2007, the MX recorded a compensation cost of \$0.1 million (\$0.2 million for the first nine months of 2007) related to the stock option plans (nil in Q3 2006 and \$0.1 million for the first nine months of 2006).

See also Note 5 to our unaudited Interim Consolidated Financial Statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Data on outstanding shares and options

	September 30, 2007	December 31, 2006
Shares issued and outstanding	30,655,683	27,819,465
Options outstanding	115,200	129,000

Financial Instruments

Our financial instruments include cash and cash equivalents, and temporary investments, receivables, certain other assets (employee loans), clearing members' cash margin deposits (assets and liabilities), clearing fund cash deposits (assets and liabilities), daily settlements due from/to clearing members, accounts payable and accruals, and short-term debt.

Cash and cash equivalents and temporary investments are carried at fair value. The carrying amount of receivables, clearing members' cash margin deposits (assets and liabilities), clearing fund cash deposits (assets and liabilities), daily settlements due from/to clearing members, accounts payable and accruals and short-term debt approximates their fair value due to the near-term maturity of those instruments. The fair value of loans to employees is calculated based on the present value of future repayments.

Contractual Obligations and Commitments

Our material obligations under firm contractual arrangements, including commitments for future payments under operating leases and other debt arrangements consist in rental of our premises and equipment under operating lease agreements expiring between 2007 and 2015, service and licence agreements through 2011 and obligations under capital leases and debts due within one year.

Pursuant to our decision to internally develop SOLA®, our customized trading platform, on September 24, 2007, we terminated certain licence and maintenance agreements with AtosEuronext prior to their expiry date and incurred termination penalties amounting to €0.9 million (\$1.3 million). Licence and maintenance fees under these agreements were approximately \$2.9 million on an annualized basis.

We have also entered into a commitment in respect of MCEX, pursuant to which we have agreed with Chicago Climate Exchange Inc. ("CCX") that MX will fund the first US\$3.0 million of MCEX's initial working capital requirements. As at September 30, 2007 and since the inception of MCEX, MX has funded approximately \$0.3 million for working capital requirements.

Business Acquisitions

On October 2, 2007, MX announced that it is engaged in negotiations aimed at increasing its ownership position in BOX from 31.4% to a maximum of 53.2%. The current intention is to acquire the entire 21.9% partnership interest in BOX held directly and indirectly by the BSE. This acquisition is subject to the prior approval of the SEC as well as customary closing conditions. MX had previously intended to increase its participation in BOX to 44.7%, following an agreement to purchase a 13.3% stake signed in August 2006 with the BSE. We intend to finance this transaction with our existing cash resources.

It is expected that the request for formal regulatory approval will be filed with the SEC by the end of 2007. There is no assurance that this acquisition will be approved by the SEC or that it will close.

Critical Accounting Estimates

During Q3 2007, there has been no change in the critical accounting estimates as described in our non-offering prospectus dated March 23, 2007.

Accounting Developments

Changes in Accounting Policies

We monitor the application of new accounting policies, including proposed harmonization to international financial reporting requirements. On January 1, 2007, we adopted the recommendations of the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 1530, *Comprehensive Income*, Section 3251, *Equity*, Section 3855, *Financial Instruments – Recognition and Measurement* and Section 3861, *Financial Instruments – Disclosure and Presentation*.

As a result of the adoption of these new standards, we have classified cash and cash equivalents, and temporary investments as held-for-trading. Receivables are classified as loans and receivables. Our long-term investment consists of an equity investment which is accounted for the equity method and thus, is excluded from the recommendations of this standard. Accounts payable and accrued liabilities, and short-term debt, including interest payable, are classified as other liabilities, all of which are measured at amortized cost. We have measured all derivatives at fair value.

The adoption of these new standards resulted in an increase in retained earnings as at January 1, 2007 of \$0.6 million, net of income taxes, resulting mainly from the unrealized appreciation of temporary investments. Furthermore, the unrealized loss on translating financial statements of a self-sustaining foreign operation as at December 31, 2006 of \$1.0 million, previously presented under Cumulative translation adjustment, has been reclassified to Accumulated other comprehensive loss in the consolidated balance sheet.

See Notes 1 and 3 to the unaudited interim consolidated financial statements for more information about the accounting policies we used to prepare our financial statements.

Internal control over financial reporting

No changes were made in our internal control over financial reporting during the interim period ended September 30, 2007, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Quarterly Financial Information

Quarterly Financial Information (unaudited)

(\$ in thousands, except trading days, volume, margins and per share amounts)

	2007			2006				2005
	Sept. 30	June 30	March 31	Dec. 31	Sept. 30	June 30	March 31	Dec. 31
Trading days	62	63	64	62	62	63	64	61
Average daily volume (contracts)	161,516	176,560	187,501	165,110	158,750	173,735	148,691	120,548
Revenues	\$ 20,140	\$ 21,435	\$ 21,913	\$ 19,545	\$ 19,924	\$ 20,714	\$ 19,077	\$ 16,512
Operating earnings	6,553	8,550	6,458	7,566	7,275	7,355	5,449	3,320
Operating margin	33%	40%	29%	39%	37%	36%	29%	20%
Net earnings	6,924	6,917	5,574	7,506	5,929	6,465	4,931	2,484
Basic earnings per share	0.23	0.22	0.20	0.28	0.23	0.25	0.19	0.10
Diluted earnings per share	0.23	0.22	0.20	0.27	0.22	0.24	0.18	0.09
Cash flows from operating activities	9,277	7,630	(494)	9,229	11,395	9,877	(938)	7,417

Our revenues are driven primarily by transaction volume. Transaction volume is not subject to any specific seasonality effects, although it does fluctuate based on prevailing market conditions and volatility, and can be particularly responsive to Canadian and U.S. interest rate announcements as well as the announcement of other key economic indicators. Our cash flows from operating activities are generally lower during the first quarter of the year, principally due to cash outlays in respect of corporate tax payments and executive and employee bonus payments.

2006

Revenues in Q1 2006 improved over Q4 2005 due to higher transaction volume.

Q2 2006 experienced record volumes for various products resulting in another quarter of growth in revenues, operating earnings and net earnings.

Revenues in Q3 2006 decreased compared to Q2 2006, which had experienced a strong performance, due to a decrease in transaction volume. Despite a decrease in revenues, operating earnings remained stable due to a reduction of expenses in the quarter.

Revenues in Q4 2006 were slightly down compared to Q3 2006. Despite an increase of average daily volume in Q4 2006, the decrease in revenues was due mainly to a reduction of information system service revenues, subsequent to a reduction of capital lease payments that are re-invoiced to BOX. Operating earnings increased compared to Q3 2006 principally as a result of an increase in transaction and clearing revenues, offset by a provision for claim settlements. The increase in net earnings Q4 2006 compared to Q3 2006 was mainly due to a realization of the income tax valuation allowance.

2007

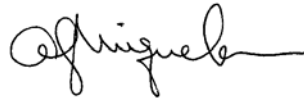
Revenues in Q1 2007 were higher compared to Q4 2006 due mainly to increased transaction volume. Operating earnings and net earnings decreased compared to Q4 2006 principally as a result of non-recurring professional fees in connection with the preparation of our non-offering prospectus and the listing of our shares.

Revenues in Q2 2007 were slightly down compared Q1 2007 due mainly to reduced transaction volume. Operating earnings and net earnings increased compared to Q1 2007 principally as a result of non-recurring professional fees in connection with the preparation of our non-offering prospectus and the listing of our shares incurred in Q1 2007.

Revenues in Q3 2007 were slightly down compared Q2 2007 due mainly to transaction volume. Operating earnings also decreased in Q3 2007 compared to Q2 2007 principally due to a combination of reduced revenues and non-recurring early termination penalty on computer licence and maintenance agreements. Net earnings remained stable due to an increase in investment income and equity in the results of BOX offset by the reduction in operating earnings.



Luc Bertrand
President and Chief Executive Officer



Alain Miquelon
Executive Vice-President,
Chief Financial Officer and Head of Strategic Development

CONSOLIDATED BALANCE SHEET

(in thousands of dollars)
(unaudited)

	September 30, 2007	December 31, 2006
Assets		
Current assets:		
Cash and cash equivalents	\$ 83,937	\$ 22,919
Temporary investments	34,649	36,639
Restricted cash	1,690	2,700
Receivables	7,576	7,889
Daily settlements due from clearing members	29,312	6,951
Clearing members' cash margin deposits	8,638	2,312
Clearing fund cash deposits	22,769	14,807
Prepaid expenses	1,191	1,690
	189,762	95,907
Long-term investment	9,991	9,302
Capital assets	14,082	12,319
Future income taxes	2,499	2,523
Other assets	1,946	2,643
	\$ 218,280	\$ 122,694
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accruals	\$ 10,350	\$ 13,057
Dividends payable	–	13,910
Daily settlements due to clearing members	29,312	6,951
Clearing members' cash margin deposits	8,638	2,312
Clearing fund cash deposits	22,769	14,807
Income taxes payable	996	3,343
Debts due within one year and current portion of obligations under capital leases	169	1,072
	72,234	55,452
Future income taxes	1,055	812
Accrued employee benefits liability	941	713
Shareholders' equity:		
Capital stock (Note 5)	139,633	49,258
Contributed surplus	581	434
Retained earnings	6,261	16,991
Accumulated other comprehensive loss	(2,425)	(966)
	144,050	65,717
Contingencies (Note 6)		
Subsequent event (note 8)		
	\$ 218,280	\$ 122,694

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, 2007	September 30, 2006	September 30, 2007	September 30, 2006
Revenues:				
Transactions	\$ 9,305	\$ 8,980	\$ 30,119	\$ 27,212
Clearing and option exercise	3,262	3,156	10,798	9,669
Information systems services	3,752	3,949	11,280	12,032
Market data	2,848	2,872	8,201	7,860
Participants	850	808	2,666	2,409
Other	123	159	424	533
	20,140	19,924	63,488	59,715
Expenses:				
Compensation and benefits (Note 4)	6,050	5,544	18,422	16,768
Occupancy	858	654	2,331	1,999
Computer licences and maintenance	2,764	1,565	5,743	4,838
Amortization of capital assets and other assets	865	1,922	2,489	5,529
General and administrative	1,960	1,848	9,586	6,989
Telecommunications	695	659	2,066	1,867
Public affairs	391	425	1,265	1,511
Interest on obligations under capital leases and debts due within one year	4	32	25	135
	13,587	12,649	41,927	39,636
Earnings before investment income, other items and income taxes	6,553	7,275	21,561	20,079
Investment income	1,773	732	2,991	1,854
Equity in results of a company subject to significant influence	1,089	112	2,148	1,259
Gain on dilution and (loss) from the realization of the cumulative translation adjustment	–	(231)	–	(231)
Earnings before income taxes	9,415	7,888	26,700	22,961
Income taxes				
Current	2,590	1,992	6,831	5,603
Future	(99)	(33)	454	33
	\$ 2,491	\$ 1,959	\$ 7,285	\$ 5,636
Net earnings	\$ 6,924	\$ 5,929	\$ 19,415	\$ 17,325
Basic earnings per share	\$ 0.23	\$ 0.23	\$ 0.65	\$ 0.67
Diluted earnings per share	\$ 0.23	\$ 0.22	\$ 0.65	\$ 0.64
Weighted average number of shares outstanding - basic	30,691,022	26,208,123	29,806,416	25,978,911
Weighted average number of shares outstanding - diluted	30,785,829	27,357,696	30,104,050	27,128,484

See accompanying Notes to the Interim Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in thousands of dollars)
(unaudited)

	Three months ended September 30, 2007	Nine months ended September 30, 2007
Net earnings	\$ 6,924	\$ 19,415
Other comprehensive income (loss)		
Unrealized loss on translating financial statements of a self-sustaining foreign operation	(637)	(1,459)
Comprehensive income	\$ 6,287	\$ 17,956

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(in thousands of dollars)
(unaudited)

	June 30, 2007	June 30, 2006
Common shares at beginning of period	\$ 49,258	\$ 45,405
Issuance of common shares		
New issuance of common shares (Note 5)	90,866	–
Transaction fees related to common shares issuance, net of income taxes of \$391	(1,199)	–
Repurchase of shares (Note 5)	(1,768)	–
Stock Option Plan (Note 5)	217	4,026
Variation of shares held in guarantee (Note 5)	2,259	(347)
Common shares at end of period	139,633	49,084
Contributed surplus at beginning of period	434	825
Stock option expense	170	76
Employee share purchase plan expense	68	57
Stock options and share purchase plan reimbursed	(91)	(524)
Contributed surplus at end of period	581	434
Retained earnings at beginning of period	16,991	16,532
Net earnings	19,415	17,325
Impact of initial adoption of new accounting standard (Note 3)	571	–
Dividend	(20,127)	(10,462)
Premium paid on shares repurchased (Note 5)	(10,589)	–
Retained earnings, end of period	6,261	23,395
Accumulated other comprehensive income (loss), beginning of period	(966)	(1,790)
Unrealized gain or loss on translating financial statements of a self-sustaining foreign operation	(1,459)	(150)
Accumulated other comprehensive income (loss), end of period	(2,425)	(1,940)
Shareholders' equity, end of period	\$ 144,050	\$ 70,973

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, 2007	September 30, 2006	September 30, 2007	September 30, 2006
Cash flows from (used in) operating activities:				
Net earnings	\$ 6,924	\$ 5,929	\$ 19,415	\$ 17,325
Adjustments for:				
Amortization of capital assets and other assets	865	1,922	2,489	5,529
Equity in results of a company subject to significant influence	(1,089)	(112)	(2,148)	(1,259)
(Gain) on dilution and loss from the realization of the cumulative translation adjustment	–	231	–	231
Amortization of premium on investments	(131)	(1)	(225)	35
Interest income on discount investments	(135)	(122)	(320)	(247)
Future income taxes	(99)	(33)	63	33
Cost of stock option plan and employee share purchase plan	122	19	238	133
Change in fair value of derivative financial instruments	(89)	–	915	–
Net change in non-cash operating assets and liabilities:				
Receivables	1,034	1,486	313	(1,143)
Prepaid expenses	1,196	741	499	340
Accounts payable, accruals and income taxes payable	641	1,450	(5,054)	(841)
Increase in the accrued employee benefits liability	38	86	228	198
	9,277	11,596	16,413	20,334
Cash flows from (used in) investing activities:				
Purchase of capital assets	(1,741)	(869)	(3,954)	(3,717)
Decrease (increase) in other assets	48	(362)	373	(1,219)
Purchase of investments	(156,008)	(68,187)	(683,523)	(206,036)
Sale of investments	157,753	61,012	685,944	202,445
Distribution from a company subject to significant influence	–	1,049	–	1,049
	52	(7,357)	(1,160)	(7,478)
Cash flows from (used in) financing activities:				
Restricted cash	44	(201)	1,010	–
Decrease in obligations under capital leases and debts	(172)	(861)	(903)	(2,681)
Share issuance	89	803	92,052	3,155
Repurchase of shares	(9,124)	–	(12,357)	–
Dividends	(10,834)	(9,273)	(34,037)	(23,183)
	(19,997)	(9,532)	45,765	(22,709)
Net increase (decrease) in cash and cash equivalents	(10,668)	(5,293)	61,018	(9,853)
Cash and cash equivalents, beginning of period	94,605	21,363	22,919	25,923
Cash and cash equivalents, end of period	83,937	16,070	83,937	16,070
Temporary investments, end of period	34,649	–	34,649	–
Cash and cash equivalents, and temporary investments, end of period	\$ 118,586	\$ 16,070	\$ 118,586	\$ 16,070
Supplemental cash flow information:				
Interest paid	\$ 4	\$ 32	\$ 25	\$ 135
Income taxes paid	2,459	874	9,145	6,504

See accompanying Notes to the Interim Consolidated Financial Statements.

Notes to the Interim Consolidated Financial Statements

For the nine months ended September 30, 2007

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

(unaudited)

On March 27, 2007, the MX listed its shares on the Toronto Stock Exchange ("TSX") through a non-offering listing. The MX's shares are now publicly traded under the symbol MXX.

1. Presentation

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 audited consolidated financial statements for the year ended December 31, 2006, with the exception of the changes in accounting policies presented in Note 3 below. The MX's unaudited interim consolidated financial statements do not include all disclosures required by Canadian GAAP for annual financial statements and accordingly, should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2006 which are included in the 2006 Annual Report.

2. Joint venture

On March 13, 2007, the MX concluded an agreement with NYMEX Holdings, Inc. (« NYMEX ») to create the Canadian Resources Exchange Inc. (« CAREX »), a joint venture over which the two partners exercise joint control and share equally in the profits. CAREX will provide the Canadian market with trading and clearing services for over-the-counter and on-exchange products relating to energy (including natural gas, heavy crude oil and electricity), metals and soft commodities. Under the terms of this agreement, on March 23, 2007, the MX and NYMEX each invested \$2,000 in the new joint venture in order to fund initial working capital requirements. The MX uses the proportionate consolidation method to account for its 50% interest in the assets, liabilities, revenue, expenses and cash flows of the joint venture.

3. Changes in accounting policies

On January 1st, 2007, the MX adopted the recommendations of the Canadian Institute of Chartered Accountants ("CICA") Handbook: Section 1530, *Comprehensive Income*, Section 3251, *Equity*, Section 3855, *Financial Instruments – Recognition and Measurement* and Section 3861, *Financial Instruments – Disclosure and Presentation*. These new Handbook Sections, which apply to fiscal years beginning on or after October 1, 2006, provide comprehensive requirements for the recognition and measurement of financial instruments, as well as standards on when and how hedge accounting may be applied. Section 1530 also establishes standards for reporting and displaying comprehensive income. Comprehensive income is defined as the change in equity from transactions and other events from non-owner sources. Other comprehensive income refers to items recognized in comprehensive income, but that are excluded from net income calculated in accordance with generally accepted accounting principles.

Under Section 3855, all financial instruments are classified into one of the following five categories: held-for-trading, held-to-maturity investments, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments, including derivatives, are included in the consolidated balance sheet and are measured at fair value with the exception of loans and receivables, investments held-to-maturity and other financial liabilities, which are measured at amortized cost. Subsequent measurement and recognition of changes in fair value of financial instruments depend on their initial classification. Held-for-trading financial investments are measured at fair value and all gains and losses are included in net income in the period in which they arise. Available-for-sale financial instruments are measured at fair value with revaluation gains and losses included in other comprehensive income until the asset is removed from the balance sheet.

As a result of the adoption of these new standards, the MX has classified its cash and cash equivalents, and temporary investments as held-for-trading. Receivables are classified as loans and receivables. The MX's long-term investment consists of an equity investment and is accounted for under the equity method and thus excluded from the recommendations of this standard. Accounts payable and accruals and short-term debt, including interest payable, are classified as other liabilities, all of which are measured at amortized cost. The MX has measured all derivatives at fair value.

Notes to the Interim Consolidated Financial Statements (continued)

For the nine months ended September 30, 2007

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

(unaudited)

3. Changes in accounting policies (continued)

The adoption of these new standards resulted in an increase in retained earnings as at January 1, 2007 of \$571, net of income taxes, resulting mainly from the unrealized appreciation of temporary investments. Furthermore, the unrealized loss on translating financial statements of a self-sustaining foreign operation as at December 31, 2006 of \$966, previously presented under Cumulative translation adjustment, has been reclassified to accumulated other comprehensive loss in the consolidated balance sheet.

4. Employee future benefits

For the quarter ended September 30, 2007, the total retirement benefit cost was \$96 (\$86 in 2006). For the first nine months of 2007, this cost was \$286 (\$256 in 2006).

5. Capital stock

On February 13, 2007, the Board of Directors of the MX (the « Board ») approved a three-for-one stock split of the MX's common shares, effective March 15, 2007. All numbers of shares below are presented on a split basis.

	September 30, 2007	December 31, 2006
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:		
30,655,683 common shares		
(27,819,465 as at December 31, 2006)	\$ 139,796	\$ 51,589
Held in guarantee for loans under employee share purchase plan:		
48 528 common shares		
(256,173 as at December 31, 2006)	(163)	(800)
Held in guarantee for loans under stock option plan:		
nil common shares		
(894,954 as at December 31, 2006)	–	(1,531)
Issued and paid:		
30,607,155 common shares		
(26,668,338 as at December 31, 2006)	\$ 139,633	\$ 49,258

On March 13, 2007, the MX and NYMEX entered into an agreement whereby NYMEX purchased, on March 23, 2007, 3,097,718 newly-issued MX common shares for \$29 $\frac{1}{3}$ per common share totalling net proceeds of \$89,667 (net of transaction fees).

On March 13, 2007, the MX concluded a second agreement with NYMEX whereby the MX granted NYMEX a pre-emptive right allowing it, subject to regulatory approval and certain conditions, to maintain its proportionate ownership in MX shares should there be an issuance of MX shares.

Notes to the Interim Consolidated Financial Statements (continued)

For the nine months ended September 30, 2007

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

(unaudited)

5. Capital stock (continued)

MX used a portion of the proceeds from the NYMEX Investment to fund the payment of a special dividend of \$0.33 $\frac{1}{2}$ per common share of an aggregate dividend amount of \$9,293. This dividend was paid on April 12, 2007 to shareholders of record on March 22, 2007. In addition to general corporate purposes, the proceeds will also be used under a normal course issuer bid to purchase in the normal course of its activities, which started on March 23, 2007 and ending on March 22, 2008, up to 2,412,143 MX common shares. The purchases will be made at market prices through the facilities of TSX in accordance with its rules and policies. The common shares thereby purchased will be cancelled. Under the normal course issuer bid, during the third quarter of 2007, MX repurchased and cancelled 306,500 common shares (387,500 for the first nine months of 2007) at an average price of \$29.77 (\$31.89 for the first nine months of 2007) for a total consideration of \$9,124 (\$12,357 for the first nine months of 2007). Premiums paid above the average carrying value of the common shares were charged to retained earnings. The common share capital was reduced by \$1,399 (\$1,768 for the first nine months of 2007) and retained earnings by \$7,725 (\$10,589 for the first nine months of 2007).

a) Employee Share Purchase Plan

On February 13, 2007, the Board agreed to terminate the existing employee share purchase plan and approved the creation of a new employee share purchase plan. Under the terms of this plan, the eligible employees may contribute up to 10% of their annual base salary. The MX contributes an amount equal to 50% of the eligible employee's contribution, up to a maximum of \$2.5 per year. This plan took effect on March 23, 2007, the date that the receipt in respect to the final non-offering prospectus was issued by the securities regulatory authorities, and employee and employer contributions started in the second quarter of 2007.

During the third quarter of 2007, the compensation cost related to the employee share purchase plan totalled \$64 (\$105 for the first nine months of 2007).

b) Stock Option Plan

On February 13, 2007, the Board agreed to terminate the existing stock option plan, but to maintain the options still outstanding and unexercised.

At the same time, the Board approved the creation of a new stock option plan for officers and key employees of the MX and its wholly-owned subsidiary, CDCC. This plan, for a total duration varying between 7 to 10 years, foresees a total reserve of 1,800,000 common shares. A block of fifty percent (50%) of options granted will be vested upon achieving performance criteria, as determined annually, while the second block of 50% is only subject to the passage of time. The stock options will be vested evenly over a four-year period. The exercise price of a stock option shall not be less than the weighted average price of the shares on the TSX during the five trading days immediately preceding the day on which the stock option was granted. The Board has full latitude on all aspects of the plan.

Notes to the Interim Consolidated Financial Statements (continued)

For the nine months ended September 30, 2007

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

(unaudited)

5. Capital stock (continued)

b) Stock Option Plan (continued)

The following table summarizes information on outstanding as at September 30, 2007:

	Nine months ended September 30, 2007		Twelve months ended December 31, 2006	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Options outstanding, beginning of period	129,000	\$1.72	2,505,000	\$ 1.70
Granted	128,880	41.59	–	–
Cancelled	(16,680)	42.42	–	–
Exercised	(126,000)	1.72	(2,376,000)	1.69
Options, end of period	115,200	\$40.43	129,000	\$ 1.72

During the quarter, the MX recorded a compensation cost of \$100 (nil in 2006) related to the stock option plans and for the first nine months of 2007 a cost of \$170 (\$76 in 2006). The following weighted average assumptions were used:

	2007
Weighted average fair value of options at grant date	\$8.53
Risk-free interest rate	4.62%
Dividend yield	2.00%
Expected volatility	25.00%
Expected life	3.66 years

As at September 30, 2007, 3,000 of the outstanding options were exercisable at the weighted average price of \$1.72.

6. Contingencies

The MX is a party to legal actions for damages in connection with the closing of the trading floor. During the quarter ended September 30, 2007 and for the first nine months of 2007, no legal actions have been settled. As at September 30, 2007, there was a total of \$27,269 remaining in unsettled legal actions against which the MX defended itself vigorously. A court decision is expected in the coming months. Even though the court decision cannot be determined with certainty as at September 30, 2007, management of the MX believes that the decision will not have a material adverse impact on the MX's operating results or financial position.

Notes to the Interim Consolidated Financial Statements (continued)

For the nine months ended September 30, 2007

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

(unaudited)

7. Segmented information

The MX operates in two industry segments. The commercial activities of these segments are undertaken in Canada and are defined as follows:

Exchange (Bourse):

This segment acts as the only standardized financial derivatives exchange in Canada, providing a complete range of equity, index and interest rate derivatives.

Clearing house (Canadian Derivatives Clearing Corporation):

This segment acts as a clearing house and guarantor for derivative instruments traded at the MX and certain other derivative instruments from the over-the-counter market (OTC).

These segments are managed and evaluated separately based on revenues and net earnings.

Three months ended September 30

	Bourse		CDCC		Consolidated	
	2007	2006	2007	2006	2007	2006
Revenues from exchange and clearing	\$13,059	\$12,754	\$3,329	\$3,221	\$16,388	\$15,975
Revenues from information systems services	3,752	3,949	–	–	3,752	3,949
Investment income	1,386	429	387	303	1,773	732
Amortization of capital assets and other assets	837	1,899	28	23	865	1,922
Equity in results of company subject to significant influence	1,089	112	–	–	1,089	112
Net earnings	5,087	4,234	1,837	1,695	6,924	5,929
Purchase of capital assets	1,733	1,207	8	24	1,741	1,231
Assets	141,852	71,139	76,428	57,587	218,280	128,726

Notes to the Interim Consolidated Financial Statements (continued)

For the nine months ended September 30, 2007

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

(unaudited)

7. Segmented information (continued)

Nine months ended September 30

	Bourse		CDCC		Consolidated	
	2007	2006	2007	2006	2007	2006
Revenues from exchange and clearing	\$41,215	\$37,822	\$10,993	\$9,861	\$52,208	\$47,683
Revenues from information systems services	11,280	12,032	–	–	11,280	12,032
Investment income	2,367	1,097	624	757	2,991	1,854
Amortization of capital assets and other assets	2,410	5,462	79	67	2,489	5,529
Equity in results of company subject to significant influence	2,148	1,259	–	–	2,148	1,259
Net earnings	13,839	12,191	5,576	5,134	19,415	17,325
Purchase of capital assets	3,876	4,887	78	49	3,954	4,936
Assets	141,852	71,139	76,428	57,587	218,280	128,726

Regulatory Division:

Pursuant to a decision rendered by the AMF on November 24, 2000, the MX created a separate regulatory division, responsible for approved participants and market regulation and operating on a cost recovery basis.

For the third quarter ended September 30, 2007, the Regulatory Division generated gross revenues of \$739 (\$754 in 2006) and incurred direct expenses of \$369 (\$322 in 2006) and indirect expenses of \$248 (\$231 in 2006). To date, revenues total \$2,529 (\$2,436 in 2006), direct expenses total \$1,132 (\$1,026 in 2006) and indirect expenses total \$786 (\$614 in 2006). The surplus of the Regulatory Division at September 30, 2007 totals \$1,512 (\$1,728 at December 31, 2006) and is presented in accounts payable and accruals and an equivalent amount is included in restricted cash.

8. Subsequent event

On October 2, 2007, MX announced that it is engaged in negotiations aimed at increasing its ownership position in BOX from 31.4% to a maximum of 53.2%. The current intention is to acquire the entire 21.9% partnership interest in BOX held directly and indirectly by the Boston Stock Exchange ("BSE"). This acquisition is subject to the prior approval of the United States Securities and Exchange Commission ("SEC") as well as customary closing conditions. MX had previously intended to increase its participation in BOX to 44.7%, following an agreement to purchase a 13.3% stake signed in August 2006 with the BSE. We intend to finance this transaction with our existing cash resources.

9. Comparative figures

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



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