



Chi-X Europe Granted FSA Approval to Offer Sponsored Access

LONDON – 7 October 2008 – Chi-X[®] Europe Limited, operator of the largest pan-European equity multilateral trading facility (MTF), today announced that it has received regulatory approval from the Financial Services Authority (FSA) to offer its Trading Participants the option of providing their clients “sponsored access” – which is direct technical connectivity to Chi-X Europe – with immediate effect.

Sponsored access is designed to help Trading Participants share with their clients the benefits of lower latencies. With this FSA approval in place, these clients of Trading Participants are now able to directly connect – by proximity hosting in Chi-X Europe’s data centres or via remote access – to Chi-X Europe’s core matching engine, rather than connecting to a Trading Participant which has connected to Chi-X Europe.

Commenting on the announcement, Peter Randall, Chief Executive Officer of Chi-X Europe, commented: “We are delighted to have been given the green light by the FSA. In response to the needs of the international algorithmic trading community, who are disadvantaged by distance, we applied to the FSA to offer sponsored access as a new way of helping our Trading Participants and their end clients achieve faster access to Chi-X Europe. Sponsored access now enables those clients, wherever in the world they might be, to take advantage of our core internal matching speeds of 500 microseconds and achieve faster trade executions, subject to local regulations.”

Sponsored access connectivity refers to technical connectivity and does not change the legal status among Chi-X Europe, its Trading Participants and their end clients. Trading undertaken by a sponsored client will continue to be conducted in the name of the Trading Participant, and obligations to adhere with Chi-X Europe’s rules will remain with the Trading Participant. The framework of contractual agreements between Chi-X Europe and its Trading Participants, and Trading Participants and their end clients, will remain unchanged.

Hirander Misra, Chief Operating Officer of Chi-X Europe, added, “From the outset, Chi-X Europe has been committed to regulatory control and market monitoring. With the approval of sponsored access, we will install appropriate checks and controls designed to ensure Chi-X meets its regulatory obligations.”

About Chi-X[®] Europe

Chi-X Europe Limited, a majority-owned subsidiary of Instinet Europe Limited, is an FSA-authorized securities firm operating as a multilateral trading facility (MTF) for the trading of a wide range of European equities. Chi-X Europe’s low-cost, streamlined model is designed to help participants achieve ultra-low execution, clearing and settlement costs. Benchmark tests have shown the Chi-X Europe operating model to be up to 10 times faster[†] and significantly less expensive than Europe’s traditional equity exchanges. Chi-X Europe disseminates real-time market data to clients directly and via third-party market data vendors at no cost, and off-exchange trade reporting is available for a low monthly fee. For more information, please visit www.chi-x.com.

[†] Based on Instinet Europe Limited’s exchange linkages performance measurement statistics for average DMA order messaging in June 2007. These Instinet internal figures are for round-trip latency message acknowledgement based on sending an average number of messages to the exchange system and obtaining a response back to Instinet’s system over the course of a normal trading day. They are provided for illustrative purposes only and are not intended to represent an independent performance measure of latency. Market volatility and volume may affect actual performance.

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