

Press Release

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LCH.Clearnet signs MOU with Chi-X Europe to offer CCP services

London, 06 May 2009

LCH.Clearnet Ltd, the global central counterparty, and Chi-X Europe Ltd, the largest pan-European equity multilateral trading facility, have signed a memorandum of understanding for the provision of central counterparty services by LCH.Clearnet to Chi-X Europe.

Chi-X Europe offers trading in the component stocks of 18 indices across 13 major European markets - a universe of over 900 stocks - as well as Exchange Traded Funds and Exchange Traded Commodities.

Trading on Chi-X Europe has increased rapidly since its inception; now consistently reaching the position of the fourth largest equity market in Europe, according to figures published by the Federation of European Stock Exchanges. LCH.Clearnet's specialist clearing expertise will further strengthen the service by providing Chi-X Europe's trading participants with the option of an additional CCP for counterparty risk protection, post-trade anonymity and greatly improved settlement netting facilities.

Wayne Eagle, Director Equity Services, LCH.Clearnet said; "We are focused upon supporting the European equities trading environment as it continues to evolve by providing a competitive, robust and efficient clearing service."

Hirander Misra, COO, Chi-X Europe commented; "We believe that participants trading on Chi-X Europe should have a choice of Central Counterparty services to ensure competition and efficiency at the lowest possible frictional cost. LCH.Clearnet will be a welcome addition to our post trade service offering."

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About LCH.Clearnet

LCH.Clearnet is the leading independent central counterparty group (CCP) in Europe, serving major international exchanges and platforms, as well as a range of OTC markets. It clears a broad range of asset classes including: securities, exchange traded derivatives, energy, freight, interbank interest rate swaps and euro and sterling denominated bonds and repos; and works closely with market participants and exchanges to identify and develop clearing services for new asset classes.

As a CCP, LCH.Clearnet sits in the middle of a trade, assuming the counterparty risk involved when two parties (or members) trade. When the trade is registered with LCH.Clearnet, it becomes the legal counterparty to the trade, ensuring the financial performance; if one of the parties fails, LCH.Clearnet steps in. By assuming the counterparty risk, LCH.Clearnet underpins many important financial markets, facilitating trading and increasing confidence within the market.

Initial and variation margin (or collateral) is collected from LCH.Clearnet members; should they fail, this margin is used to fulfill their obligations. The amount of margin is decided by LCH.Clearnet's highly experienced risk management teams, who assess a member's positions and market risk on a daily basis. Both the soundness of the risk management approach and the resilience of its systems have been proven in recent times.

LCH.Clearnet is regulated or overseen by the national securities regulator and/or central bank in each jurisdiction from which it operates.

About Chi-X® Europe

Chi-X Europe Limited is an FSA-authorised securities firm operating a multilateral trading facility (MTF) for the trading of a wide range of European equities. Chi-X Europe's low-cost, streamlined operating model is designed to help trading participants achieve ultra-low execution, clearing and settlement costs, and benchmark tests have shown Chi-X Europe to be significantly faster 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