

## Press Release

### Contact:

Andrea Schlaepfer / Rachael Harper, Corporate Communications:  
+44 (0) 20 7426 7463 / 7175

### LCH.Clearnet to clear for Turquoise

**London, 07 May 2009**

LCH.Clearnet Ltd (LCH.Clearnet) has been appointed to offer competitive clearing for Turquoise, the independent pan-European equity trading platform founded by nine of the world's largest investment banks.

Through its EquityClear service, LCH.Clearnet will clear stocks traded by Turquoise from 15 European countries on an interoperable basis with EuroCCP. Formally launched in September 2008, the platform now offers trading in over 1,600 European securities on its integrated lit and dark market.

Wayne Eagle, Director Equity Services said: "The addition of Turquoise to our broad range of trading venues underscores our dedication to add value and security to the European equities market. Our EquityClear service offers a highly-competitive pricing structure which encourages higher volumes as they translate into lower clearing fees."

Diana Chan, CEO at EuroCCP, said, "We fully support offering market participants a choice of which CCP they want to use. Competitive clearing and interoperating with other CCPs is embedded in EuroCCP's agreements with all the trading venues we clear for. We look forward to other incumbent CCPs following our example."

Eli Lederman, CEO at Turquoise, commented: "Turquoise is dedicated to continuing to deliver high quality execution and differentiated value throughout the trading process. We strongly support interoperability as a means of bringing down the overall cost of trading for all market participants, and look forward to working

#### London

Aldgate House  
33 Aldgate High Street  
London EC3N 1EA

#### Paris

18, rue du Quatre Septembre  
75002 Paris

#### Amsterdam

P.O. Box 15 913  
1001 NK Amsterdam

#### Brussels

Palais de la Bourse  
B-1000 Brussels

#### Lisbon

Av. da Boavista, 3433  
4149-017 Porto



with both LCH.Clearnet and EuroCCP to offer our members some of the most efficient clearing and settlement arrangements in European equities trading.”

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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 Turquoise**

Turquoise provides electronic execution services to buyers and sellers of pan-European equities, delivering differentiated value throughout the trading process. The Turquoise multi-lateral trading facility (MTF) operates uniformly across 15 European markets with a unique market model, a fully risk-managed clearing solution and efficient economics. The Turquoise MTF's integrated market combines dark and visible orders to increase execution and price improvement for small orders, whilst minimising information leakage and market impact for larger, institutional-size orders.

Turquoise's membership spans the diverse community of trading desks active in Europe, from the largest banks and brokers to institutions with local, regional and sector focus, and specialist trading and market-making firms. Turquoise's technology delivers high throughput and ultra-fast response times to the most demanding trading specifications in the world.

Innovative functionality, wide membership, and competitive pricing combine to make the Turquoise MTF a vital destination for natural liquidity and quality execution across Europe.