

Press Release

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LCH.Clearnet set to clear for the London bullion market

London, 17 September 2009

LCH.Clearnet Limited (LCH.Clearnet), the leading over-the-counter (OTC) clearing house, is set to launch clearing for the wholesale OTC London bullion market. The service will be introduced by April 2010.

London is the international hub for the bullion OTC market with trading conducted by members of the London Bullion Market Association (LBMA). Members include major international banks, brokers, fabricators, transport companies and refiners. The London bullion market is a wholesale market where minimum traded amounts are generally 1,000 ounces of gold and 50,000 ounces of silver.

Introducing clearing to the wholesale bullion market will help reduce systemic risk, improve market transparency and improve operational efficiencies. Initially clearing will be available for gold forwards and options for value dates from spot out to 5 years. This will be followed by Silver, Platinum and Palladium and will be priced in US\$.

LCH.Clearnet has unique expertise in clearing a wide range of OTC derivatives including Freight (FFAs), Interest rate swaps, Fixed Income repo and cash markets, energy and emissions.

Roger Liddell, Chief Executive LCH.Clearnet said "Clearing and the management of the risks associated with forward bullion trades will underpin the future growth of the bullion market. The service has been designed to complement the current practices in London in order to minimise disruption to market participants whilst delivering the benefits that centralised clearing brings."

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About LCH.Clearnet

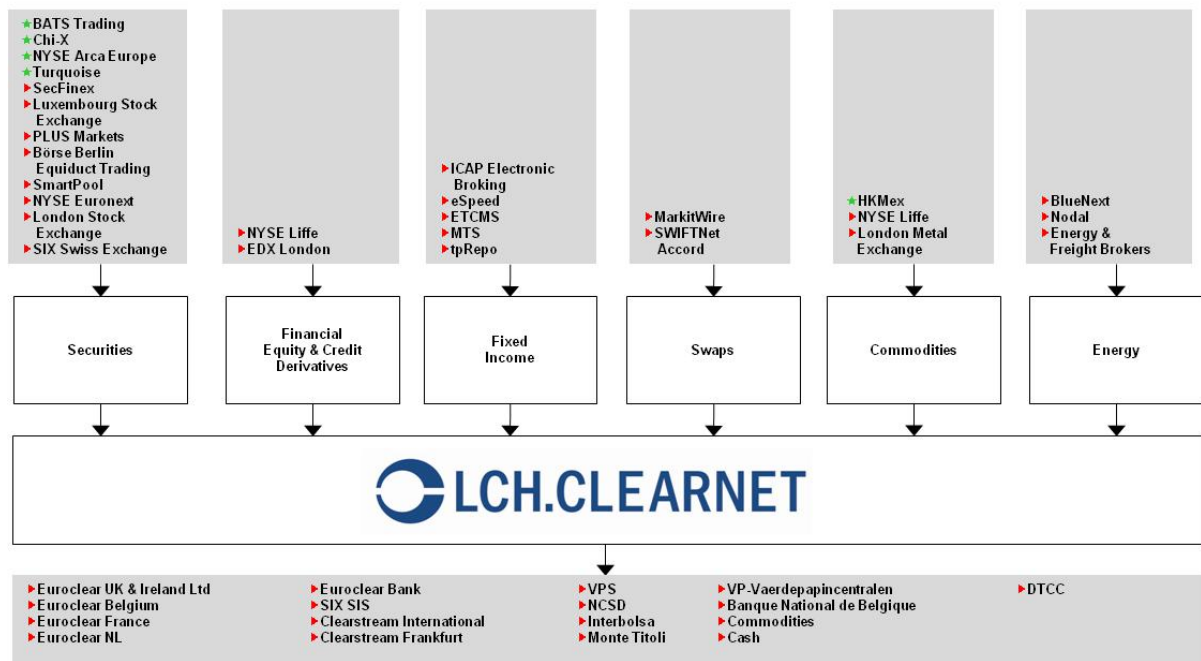
LCH.Clearnet is the leading independent clearing house in Europe, serving major international exchanges and platforms, as well as a range of OTC markets. It clears a broad range of asset classes including: securities, exchange traded derivatives, energy, freight, interbank interest rate swaps and euro 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 clearing house, 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.

Markets Served



*Soon to be launched