

For immediate release
2009-MR-19

LCH.Clearnet and Euroclear to jointly improve post-trade processing

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Brussels and London - 29 September 2009 – Euroclear supports the changes in ownership and governance that LCH.Clearnet is realising through its shareholder rebalancing initiative.

Pierre Francotte, Euroclear Chief Executive Officer, stated: “Accordingly, Euroclear currently intends to redeem its 15.8% stake in LCH.Clearnet. Euroclear remains committed to delivering greater post-trade efficiencies to mutual clients by ensuring seamless interaction between clearing and settlement.”

LCH.Clearnet Group (LCH.Clearnet) and the Euroclear group (Euroclear) today jointly announce a collaborative initiative aimed at realising greater client cost savings and operational efficiencies between the cash securities clearing business of LCH.Clearnet and the custody and settlement capabilities of Euroclear.

Roger Liddell, Chief Executive, LCH.Clearnet said: “We are delighted to be working with Euroclear to find ways of increasing efficiencies and reducing costs in the European post trade environment. As user owned, user governed organisations, both companies are dedicated to serving the needs of their users and maximising efficiencies for their benefit.”

Joint efforts have already begun between LCH.Clearnet SA (Paris) and Euroclear. Together, the entities are analysing how Euroclear’s harmonised custody, corporate action and settlement processing capabilities can support the ongoing market-practice harmonisation of cash securities clearing at LCH.Clearnet. Both groups intend to explore further opportunities to deliver cost benefits to clients across Europe.

The guiding principles of the collaboration are to: (1) maximise savings for users in the post-trade life cycle process; (2) render any system changes invisible to clients; and (3) build on existing harmonised market solutions.

continued



Media Release

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Note to Editors

About LCH.Clearnet

LCH.Clearnet is the leading independent clearing house group, 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.

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

Initial and variation margin (or collateral) is collected from clearing members; should they fail, this margin is used to fulfill their obligations. The amount of margin is decided by the clearing house'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 Euroclear

Euroclear is the world's largest provider of domestic and cross-border settlement and related services for bond, equity, derivatives and fund transactions. User owned and user governed, the Euroclear group comprises the international central securities depository Euroclear Bank, based in Brussels, as well as the national central securities depositories Euroclear Belgium, Euroclear Finland, Euroclear France, Euroclear Nederland, Euroclear Sweden and Euroclear UK & Ireland. Euroclear also owns EMXCo, a leading provider of investment-fund order routing in the UK and Xtrakter, owner of the TRAX trade matching and reporting system. In 2008, the Euroclear group settled more than EUR 560 trillion in securities transactions, representing 157 million domestic and cross-border transactions, and held more than EUR 18 trillion in assets for clients. Euroclear Bank is rated AA+ by Standard & Poor's and Fitch Ratings. www.euroclear.com