

Press Release

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Free freight clearing from LCH.Clearnet

London, 30 November 2009

LCH.Clearnet Limited (LCH.Clearnet), the global leader in freight clearing with 85% of all dry cleared volumes, is offering free clearing for FFAs and Iron Ore swaps for the month of December. For one month clients will get all the benefits of clearing, such as reduced counterparty risk, position netting and guaranteed payment, at no cost.

Isabella Kurek-Smith, Director, energy and freight services said: "As a largely user owned organisation LCH.Clearnet is solely focussed on delivering value to its clients. Free clearing is our way of thanking the market for all its support this past year."

During 2009, LCH.Clearnet volumes have accounted for 80% of total volumes in the dry market. Cleared volumes in November have so far reached 125,000 lots with volumes throughout the year averaging at 90,000 lots. Open interest currently stands at approximately 400,000 lots.

LCH.Clearnet is dedicated to continuing to provide cost effective quality clearing to all the markets it serves and to working in partnership with our markets for their long term benefit.

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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.