

# Press Release

---

Contact: LCH.Clearnet Andrea Schlaepfer/ Rachael Harper +44 (0) 20 7426 7463/7175

---

## Free equity clearing from LCH.Clearnet - For volumes of 150k plus

**London, 31 AUGUST 2010**

LCH.Clearnet Ltd (LCH.Clearnet) is set to introduce free equity clearing for average daily member volumes of over 150,000 trades a day. This benefits both the exchanges and users by passing on economies of scale and lowering the frictional cost of post trade. The new tariff will be implemented on 1<sup>st</sup> October.

Kevin Milne, director of post trade, London Stock Exchange said; "We are very supportive of these tariff amendments. In combination with our own ongoing tariff cuts, this move will further reduce the overall cost of trading for our major clients and make the service more compelling. We will continue to work collaboratively with LCH.Clearnet and others to ensure that the users of our markets receive the most competitive offerings possible."

Wayne Eagle, director of equities, LCH.Clearnet said; "This supports our exchange clients, rewards customer loyalty and incentivises growth. Customers get economies of scale, without having to choose between cost and the quality of clearing."

This move is part of a restructuring of the equity clearing tariff. Reduced clearing fees will be introduced for average daily volumes of over 50,000<sup>1</sup>.

-Ends-

.../More

<sup>1</sup> The new tariffs, effective from October 1st, will give members clearing more than a daily average of 50,000 trades a marginal cost of 1p per trade to 75,000 trades, when the marginal cost will fall to 0.5p.

The table below provides a comparison of the old and new clearing fees

Average daily volume	0	10,001	20,001	40,001	50,001	60,001	75,001	80,001	100,001	150,001
Old price	10p	7p	5p	4p	n/a	3p	3p	2p	1p	1p
New price	10p	7p	5p	4p	1p	1p	0.5	0.5p	0.5p	0p

### About LCH.Clearnet

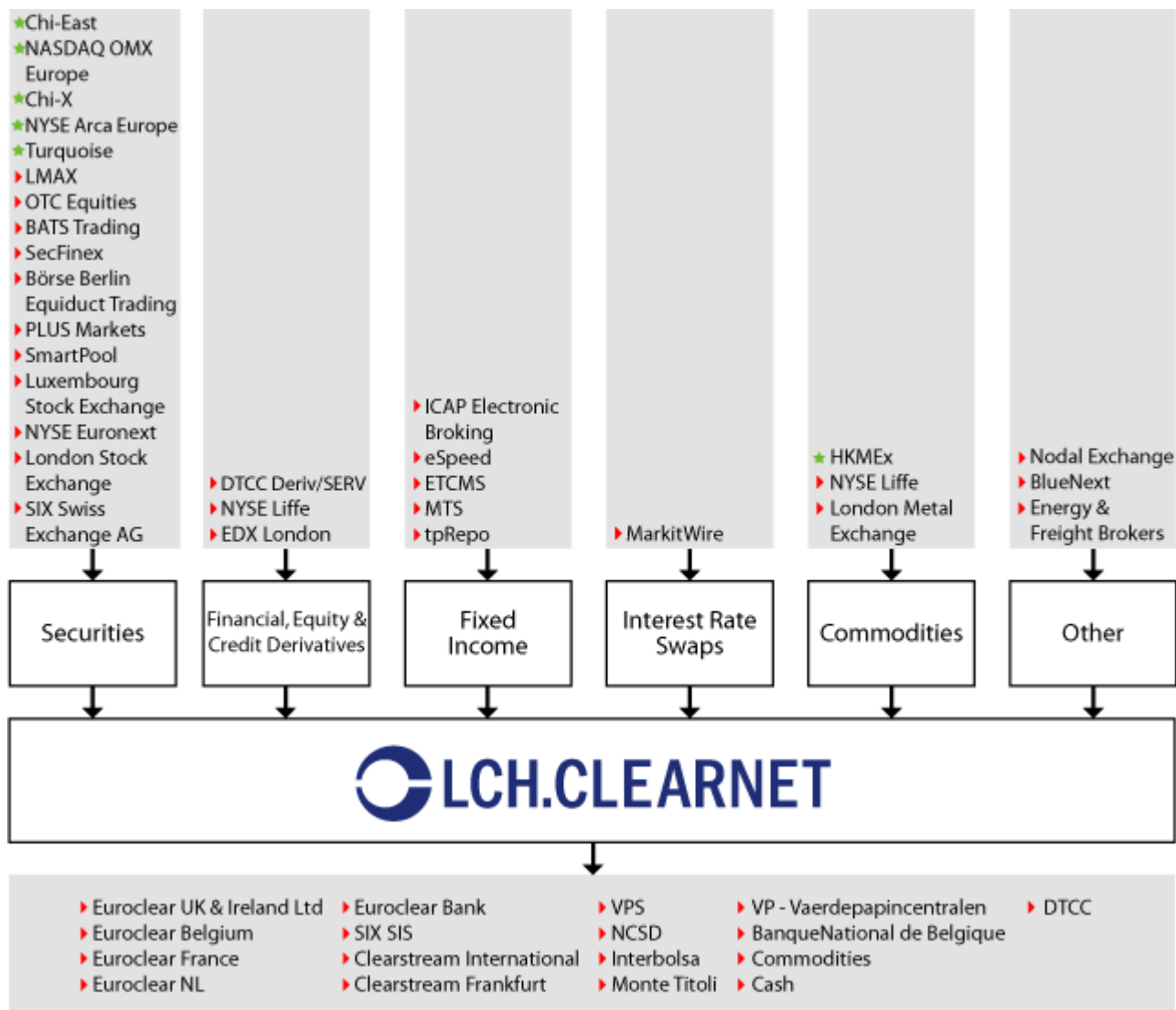
LCH.Clearnet is the leading independent clearing house group, serving major international exchanges and platforms, as well as a range of OTC markets. It clears a broad range of asset classes including: securities, exchange traded derivatives, energy, freight, interbank interest rate swaps and euro and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

LCH.Clearnet Ltd's EquityClear service clears Equity contracts traded on BATS Trading, Equiduct, the London Stock Exchange, LMAX, Plus Markets, SIS Swiss Exchange and recently began clearing OTC Equities.

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.



★ Soon to be launched