



Chi-X Europe to Become First MTF to Offer Participants Choice through CCP Interoperability

LONDON – 3 February 2009 – Chi-X[®] Europe Limited, operator of the largest pan-European equity multilateral trading facility (MTF), today announced that it intends to introduce a “user choice” clearing model following the Memorandum of Understanding (MOU) signed today by European Multilateral Clearing Facility N.V. (EMCF) and SIX x-clear Ltd. to interoperate. This will make Chi-X Europe the first MTF to offer its participants the ability to clear through multiple central counterparty (CCP) firms.

In response to demand from its participants, Chi-X Europe has been in discussions with its current CCP, EMCF, and other CCPs to identify ways to help participants further reduce overall clearing costs through an interoperable business model.

This development will allow clearing participants to choose a single CCP for activity relating to any given market segment for a variety of different trading venues, eradicating the need to fund cross margin arrangements across different CCPs. This should lower participants’ overall trading costs and enable them to manage risk more effectively.

Commenting on the announcement, Hirander Misra, COO of Chi-X Europe, said, “We believe that the choice and competition offered through this horizontally integrated CCP model will result in lower prices, better service and further innovation. We applaud the efforts of both CCPs in cooperating for the benefit of the industry.”

Marco Strimer, CEO of SIX x-clearAG, added, “This move marks an important step towards offering customers choice in their clearing arrangements. As a fierce proponent of interoperability and the benefits it brings to the industry and clients alike, the prospect of working with Chi-X Europe to bring about significant change is particularly exciting. We welcome its foresight in pursuing competitive clearing and see this as evidence of wider industry support for full pan-European interoperability.”

Jan Bart de Boer, Chairman of the Supervisory Board of EMCF, said, “EMCF has proven that in post-trading, competition, not consolidation, delivers better and cheaper services for market participants. Interoperability is crucial for fair competition.”

Robert Barnes, Managing Director, Equities at UBS Investment Bank, added, “Chi-X Europe’s introduction of ‘user choice’ is a smart pan-European response to requests for a mechanism to help reduce frictional front-to-back costs. The beauty of this model is that benefits are available to those who feel it is in their interests to switch CCPs without forcing costs on those that wish to stay. This will encourage providers to remain nimble on fees and functionality.”

Subject to the terms of EMCF and SIX x-clear’s Memorandum of Understanding, Chi-X Europe anticipates that clients should be able to clear with SIX x-clear during the summer of 2009 subject to regulatory approval.



About Chi-X® Europe

Chi-X Europe Limited is an FSA-authorised securities firm operating as a multilateral trading facility (MTF) for the trading of a wide range of European equities. Chi-X Europe's low-cost, streamlined operating model is designed to help participants achieve ultra-low execution, clearing and settlement costs, and benchmark tests have shown the Chi-X Europe to be significantly faster than Europe's traditional equity exchanges. Chi-X Europe disseminates real-time market data to clients directly and via third-party market data vendors at no cost, and off-exchange trade reporting is available for a low monthly fee. For more information, please visit www.chi-x.com.

Media Contacts

Mark Dowd
First Vice President, Global Corporate
Communications & Public Relations, Instinet
Phone: 212-310-5331
Email: mark.dowd@instinet.com

Julia Streets
Streets Consulting Ltd. for Chi-X Europe Limited
Phone: + 44 7976 205552
Email: julia.streets@streetsconsulting.com

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