

Instinet Europe Releases 2008 Full Year Results of MiFID Best Execution Policy Review

Agency-only brokerage finds Smart Order Routing to new venues has delivered clients average savings of 5.08 basis points in 2008.

LONDON – 4 February 2009 – Instinet Incorporated, a global leader in electronic trading and agency-only brokerage services, today announced that its European agency brokerage subsidiary, Instinet Europe Limited (IEL), has published the key findings of its Best Execution Policy Review for 2008.

The key findings are as follows (full results below):

- Instinet Europe's SmartRouter™ has been enhanced throughout the year to interact with new trading venues as they have been introduced. As a result, the average price improvement¹ when trading on new venues in 2008 was 5.08 bps.
- Of the shares traded away from the primary markets on alternative trading venues, Instinet Europe's clients received price improvement 52.49 percent of the time (by value traded) and executed at the same price or better than found on the primary markets 95.67 percent of the time.
- By value traded, 30.54 percent of Instinet Europe executions were traded away from the primary markets in UK, French, German and Dutch stocks. For UK equities alone, Instinet Europe executed 38.05 percent of its volume away from the London Stock Exchange.

Throughout the year, Instinet Europe's SmartRouter was among the first – if not the first – to be connected to each of the new MTFs, including BATS Europe, NASDAQ OMX Europe, NYFIX Euro Millennium™ and Turquoise, from day one. In addition, Instinet in 2008 executed the first trade on SWX Swiss Block, launched its own MTF, BlockMatch®, and along with Credit Suisse became the first broker in Europe to offer reciprocal access to another's dark pool. Instinet continued this trend in 2009 by connecting to SmartPool from its launch, and expects to continue to connect to other new liquidity pools, including NYSE Arca Europe, as they become available.

Commenting on the findings of the firm's 2008 Best Execution Policy Review, Richard Balarkas, CEO of Instinet Europe, said, "We believe that both the new and emerging pools of liquidity offer tremendous opportunities for price improvement. We reported average savings of 5.08 bps for our clients during the year, in large part by delivering on our promise to link our clients to each and every liquidity pool to which we are allowed access, and this approach has allowed Instinet to pass on these savings to our clients.

He continued: "As an agency-only broker, our sole aim is to hunt out the best possible execution opportunities for our clients with the continual refinement of our sophisticated smart order router and commitment to connect to new liquidity venues. Whatever the year may bring for the MTFs, we are confident that our smart order router will continue to seek out the best possible executions for our clients."

¹ Price improvement is defined as the difference between execution price and the best quoted price on the primary exchange at that time. Measurement is based on Instinet Europe Limited's review of all IEL trade executions when removing liquidity from MTFs between 1 January 2008 and 31 December 2008, and does not represent an independent review of execution performance.

Full Year 2008 Best Execution Policy Review Results

Price Improvement for IEL Clients when Trading on MTFs					
Review period	08 Q1	08 Q2	08 Q3	08 Q4	Total
Price improvement (basis points)	3.19	4.27	6.00	5.72	5.08
Better prices than primary market	52.29%	50.83%	56.54%	47.34%	52.49%
Same prices or better than primary markets	93.49%	95.58%	96.42%	96.12%	95.67%

Percentage of IEL Business Executed on MTFs					
Stocks reviewed	08 Q1	08 Q2	08 Q3	08 Q4	Total
All European stocks	13.22%	20.11%	30.43%	27.94%	23.32%
UK, French, German and Dutch stocks	18.32%	27.28%	39.04%	35.42%	30.54%
UK stocks only	23.77%	37.04%	46.94%	40.62%	38.05%

Instinet Europe Limited is one of Europe's largest agency-only brokerages and is a top 10 broker by market share ranking on the London Stock Exchange². The firm employs more than 40 sales and trading personnel in three European locations. Instinet Europe provides its clients with a comprehensive suite of trading services that includes agency sales trading, global portfolio trading, algorithmic trading, DMA, smart order routing, commission management and its BlockMatch[®] MTF.

About Instinet

Instinet is an electronic trading pioneer, having established the world's first significant electronic trading venue in 1969, one of the first recognized U.S. ECNs in 1997 and the first pan-European MTF in 2007. Through its subsidiaries and affiliates, Instinet operates two distinct business lines: a global network of agency-only brokers that seek to help institutions lower overall trading costs and improve investment performance through the use of innovative electronic trading products, including smart-routing, algorithms, DMA, dark pools and EMS platforms, and also provide sales trading, commission management services and independent research; and the Chi-X[®] trading systems, which aim to improve the efficiency of capital markets globally by providing high-performance, low-cost alternative execution venues. Instinet is a wholly-owned subsidiary of Nomura Holdings, Inc. For more information, please visit www.instinet.com.

² According to the London Stock Exchange Reporting Service, Instinet Europe was the fifth largest broker by value traded for direct customer business in Q4 2008.



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 Instinet Europe Limited
Phone: + 44 20 7959 2235
Email: julia.streets@streetsconsulting.com

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