



## Chi-X Europe Celebrates Second Anniversary

*Growing liquidity and market share, consistent price improvement savings and continual innovation mark the second anniversary of Europe's largest MTF*

LONDON – 30 March 2009 – Chi-X<sup>®</sup> Europe Limited, operator of the largest pan-European equity multilateral trading facility (MTF), today celebrated its second anniversary.

Chi-X Europe launched on 30 March 2007, offering trading in component stocks of the AEX 25 (Dutch) and DAX 30 (German) indices with central counterparty services provided by European Multilateral Clearing Facility N.V. (EMCF). Since then, Chi-X Europe has continued to introduce new markets and indices, whilst identifying innovative approaches to benefit its trading participants and delivering execution cost savings and frequent price improvement.

Mark Howarth, CEO of Chi-X Europe, commented, “Chi-X Europe set out to build a liquid alternative execution venue that would improve the efficiency of the markets and, by doing so, deliver sustained improvements to investors’ overall cost of trading. We’ve been able to accomplish that goal, while at the same time steadily growing our market share. We remain keenly aware that only by continuing to build liquidity, continuing to innovate and continuing to ensure exemplary service will we maintain our market position and we remain in regular consultation with the trading community to identify ways to achieve this.”

### Key Liquidity Highlights

- Chi-X Europe now consistently ranks within the top five European equity trading venues by value traded on order book, according to the Federation of European Securities Exchanges<sup>1</sup>.
- More than 900 of the most liquid stocks across 18 indices in 13 European markets are available for trading via Chi-X Europe’s anonymous Central Limit Order Book, in addition to ETF trading.
- Average Daily Consideration increased 50 percent year-on-year from March 2008 to March 2009<sup>2</sup>. Chi-X Europe has also achieved substantial gains in market share<sup>3</sup>.

Chi-X Europe Market Share Comparison		
Market	March 2008	March 2009
UK	8.8%	14.9%
Netherlands	6.4%	13.9%

<sup>1</sup> FESE statistics can be viewed at <http://fese.eu/en/?inc=art&id=81>.

<sup>2</sup> March 2009 figures through 23 March (inclusive).

<sup>3</sup> Market share is based on the major indices in each market and is calculated using Chi-X Europe on order book consideration as a percentage of the total on order book consideration of Primary Exchange, Chi-X Europe, NASDAQ OMX Europe, Turquoise and BATS Europe.



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France	4.1%	12.6%
Germany	3.8%	11.2%
<b>Average across all four markets</b>	<b>6.0%</b>	<b>13.3%</b>

#### **Key Product and Innovation Highlights:**

- Chi-X Europe's core system has a capacity of 115,000 messages per second, co-location latency of 400 microseconds and internal latency of 350 microseconds.<sup>4</sup>
- Chi-X Europe has received FSA approval to offer sponsored access, which will allow clients of Trading Participants to connect directly to Chi-X Europe in the trading participant's name, thereby reducing the clients' latency.
- With its planned CCP interoperability offering announced in February 2009, Chi-X Europe remains on track to become the first MTF to allow trading participants a choice of central counterparty between EMCF and SIX x-clear Ltd.

#### **Key Service and Cost Highlights:**

- Trading participants realised an average price improvement<sup>5</sup> of 3.19 basis points per trade in the second half of 2008.
- In the aggregate, this resulted in savings of over €120 million for Chi-X Europe's trading participants.
- According to research firm TowerGroup, trading and clearing costs on Chi-X Europe were less than one-fifth the cost of executing on the London Stock Exchange (LSE) for a comparable number of trades, and less than one-tenth the cost of executing on Deutsche Börse or NYSE Euronext for a comparable number of trades.<sup>6</sup>

Hirander Misra, COO of Chi-X Europe, added, "We are continually seeking opportunities for innovation. We also believe that collaborating with the rest of the industry to identify ways in which to help trading participants is essential. We welcome all initiatives which will ultimately drive down the cost of trading in Europe and make the European marketplace more competitive for the domestic and international trading community."

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<sup>4</sup> Internal latency figures are based on a measurement performed by Chi-X Europe in December 2008. Co-location latency figures are based on a measurement provided by a market participant in December 2008.

<sup>5</sup> Basis points price improvement is calculated by comparing the execution price against the primary market best bid for each sell or best offer for each buy at the point of execution for all aggressive trades executed on Chi-X Europe, and is calculated from the perspective of the aggressive party only.

<sup>6</sup> A summary of the TowerGroup research can be found at [www.chi-x.com/news/TowerGroup%20Final.pdf](http://www.chi-x.com/news/TowerGroup%20Final.pdf)



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## **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 trading participants achieve ultra-low execution, clearing and settlement costs, and benchmark tests have shown 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](http://www.chi-x.com).

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