



Independent Evaluation of Instinet Europe's SmartRouter Finds it Delivers Near Perfect Results, Providing an Effective Spread Reduction of 10 Percent

Intelligent Financial Systems also finds agency-only broker's European smart routing technology provides an average of 1.12 bps of overall price improvement.

LONDON – 21 April 2011 – **Instinet Incorporated**, a global leader in electronic trading and agency-only brokerage services, today announced that Intelligent Financial Systems Limited's (IFS) independent evaluation of Instinet Europe Limited's SmartRouter found that, by value traded, its ability to identify and achieve the best possible displayed price was within 99.9997 percent of perfection for its March 2011 UK equities trades. IFS also found that the technology, which accesses both dark and lit liquidity, provided an average of 1.12 bps in overall price improvement* and an effective spread reduction of 10 percent.

Commenting on the findings, Richard Balarkas, CEO of Instinet Europe, said: "As a result of the fragmentation that has occurred in the European equity markets following MiFID's introduction, we have focused on measuring the execution performance of our SmartRouter, which is core to our ability to capture the best available price and liquidity opportunities for our clients. As part of this effort, and reflecting the complexity of markets in which the price of a single stock may change more than 1,000 times a second across multiple lit and dark venues, we believed it was important to use IFS, a leading consolidator of accurate tick data, to perform the independent evaluation. While we are delighted that IFS concluded that by value traded Instinet's ability to identify and achieve the best possible price was within 99.9997 percent of perfection, rest assured that we're working on the other 0.0003 percent!"

IFS' LiquidMetrix WorkStation product suite, which was used to monitor Instinet Europe's performance, provides access to a multi-terabyte, consolidated, full-depth (Level 2) order book history covering instruments traded in Europe on Primary Exchanges, MTFs or off book. With the LiquidMetrix WorkStation, Instinet Europe was able to analyse the performance of its trade flow on individual and multiple trading venues with millisecond precision, a standard far in excess of that normally expected by regulators. The actual and potential price improvement for each executed trade using "depth weighted" and "touch" reference prices were measured. The analysis can also be performed across the entire trade set or filtered by attributes including client, counter party, trading desk, order size and trading strategy.

Sabine Toulson, Managing Director of IFS, commented: "We are pleased that we were able to help Instinet Europe analyse its millions of monthly trades using the LiquidMetrix WorkStation. Our service allows the most technically advanced brokers such as Instinet to assess their performance in today's fragmented and fast moving equity markets."

* Price improvement is defined as the difference between the Instinet execution price and the best quoted price at the time of execution.

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About Instinet

Instinet is an electronic trading pioneer, having established the world's first major 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, TCA, dark pools and EMS platforms, and also provide sales trading, commission management services and independent research; and the Chi-X[®] Global businesses, which aim to improve the efficiency of capital markets globally by providing high-performance, low-cost alternative execution venues and the technology required to power them. Instinet is a wholly-owned subsidiary of Nomura Holdings, Inc. For more information, please visit www.instinet.com or follow Instinet on [Twitter](#).

About IFS

Intelligent Financial Systems (IFS) is a London based software and market data company providing a range of historical and real time market data analysis services. Since the implementation of MiFID in 2007, IFS have developed a suite of services under the LiquidMetrix brand focused on transaction cost analysis, Best Execution compliance and pre-trade cost prediction for Europe's increasingly fragmented equity markets. Since autumn 2009, IFS is offering these services via its LiquidMetrix WorkStation terminal. These services operate using a proprietary multi-terabyte database of full depth order book data covering major European equity Exchanges and MTFs.

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