



Instinet BlockMatch Granted Approval to Reference European Consolidated Price

LONDON – 14 December 2011 – **Instinet Incorporated**, a global leader in electronic trading and agency-only brokerage services, today announced that the **BlockMatch**[®] dark MTF operated by its Instinet Europe Limited subsidiary has been granted approval by the United Kingdom Financial Services Authority (FSA) and the European Securities and Markets Authority (ESMA) to reference a consolidated European Best Bid and Offer (EBBO).

Currently, dark MTFs reference the pricing of a security's listing exchange when determining the best and mid-point quotes. However, this provides an increasingly incomplete snapshot, as upwards of 30 percent of many securities' turnover trades on alternative displayed venues.

Instead, BlockMatch will offer the opportunity to trade at the best bid, best offer or mid-point price based on a consolidated price feed of the major displayed trading venues in Europe. The functionality is expected to be introduced in the first quarter of 2012. The Instinet EBBO will be compiled using the same core technology that powers its **award-winning** European SmartRouter, which was found by Intelligent Financial Systems (IFS) to have identified and achieved the best possible displayed price for UK equity trades 99.9998 percent of the time in Q3 2011¹.

Commenting on the approval, **Richard Balarkas**, President and Chief Executive Officer of Instinet Europe, said, "The lack of consolidated pricing data has been one of the most significant criticisms made of MiFID by institutional investors. We are obviously delighted to have obtained approval from the FSA and ESMA to reference a fully consolidated EBBO in BlockMatch, and expect to be the first dark trading venue to provide such an offering."

BlockMatch has been registered as an MTF with the FSA since 2007 and was the first broker-operated dark pool to be designated as such. Access to the platform is available to both the buy-side and sell-side through Instinet's **Newport**[®] 3 EMS, the **Execution Experts**[®] algorithms, its **European SmartRouter**, multiple third party trading systems or direct FIX connection. BlockMatch has grown its matched value throughout 2011; on 4 November, the platform executed a firm record \$678 million (USD).

About Instinet

A **Nomura Group** company, 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 Chi-X Global Holdings LLC, in which it remains the majority shareholder. Through its subsidiaries, Instinet acts as a global agency-only broker, helping institutions lower overall trading costs and improve investment performance through an advanced suite of electronic trading tools, sales and portfolio trading, commission management services and access to independent research. For more information, please visit www.instinet.com.

¹ This figure represents, as a percentage, the proximity of the price achieved by Instinet Europe vs. the best publicly quoted price for an "aggressive" (i.e., liquidity taking) order, averaged over the entire value traded. As price improvement is not included in this figure, the value quoted will always be less than or equal to 100 percent.



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