

Press Release

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LCH.Clearnet Launch Innovative New RepoClear €GC Service

London, 28 April 2008

LCH.Clearnet is pleased to announce the launch today of an exciting and innovative new repo clearing service called RepoClear €GC.

The RepoClear €GC service has been launched with a range of standardised pan-European government bond baskets, classified by credit rating. Further baskets may be added in due course following market consultation.

RepoClear €GC provides a mechanism for repo market participants to address their euro funding needs more effectively by allowing them to move the collateral that underlies their repo trades quickly and easily. Repo dealers can trade either anonymously on the electronic screen-based trading systems of ICAP Electronic Broking and MTS Italy or through voice brokers. RepoClear €GC trades can be cleared on an overnight, term and forward start basis.

RepoClear €GC maximises settlement netting opportunities for participants. Each day RepoClear only instructs settlement of participants' net basket positions and should therefore reduce markedly the amount of bonds requiring settlement on a daily basis.

John Burke, Director of Fixed Income at LCH.Clearnet, said "RepoClear €GC represents a transformational change in the way that pan-European government bond baskets are traded and provides a step-change improvement in collateral management efficiency in the Euro-zone. LCH.Clearnet is excited about the potential for this new service particularly in light of the strong performance of the corresponding Sterling GC service

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that we introduced last year. The development of RepoClear €GC has demonstrated how, through working closely with our strategic partners in the trading and settlement arenas, LCH.Clearnet is committed to creating and developing innovative new products and services for our customers.”

Harald Bänsch, Head of €-Short-Term-Desk at UniCredit Markets & Investment Banking, said "The introduction of RepoClear €GC represents a significant milestone in the evolution of the European Repo market and UniCredit is looking forward to participating in this exciting opportunity to access new market liquidity in a standardised and secure environment. RepoClear €GC will provide enhanced STP in the GC trading environment, facilitate increased efficiencies and deliver a dynamic and scalable clearing mechanism that is less constrained by Europe’s fragmented settlement infrastructure."

John Edwards, Director of Fixed Income at ICAP Electronic Broking said "Many Repo traders and firms have long supported the creation of this RepoClear €GC facility with LCH.Clearnet. Recent turmoil in the markets has shown the need for a robust and efficient financing tool that can only be optimal through the use of a central counterparty. We are pleased to be able to promote and support this new product on the BrokerTec electronic trading system for both ICSD's and believe this will boost Euro zone liquidity and trading opportunities in the Repo markets."

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Editors Notes

LCH.Clearnet is currently owned 67.6% by users, 17.8% by exchanges with the balance of 14.6% being held by Euroclear. Upon completion of the Euronext share buy-back program by 2009, the Group will be owned 73.3% by users, 10.9% by exchanges and 15.8% by Euroclear.

LCH.Clearnet serves major international exchanges and platforms, equity, exchange-traded derivatives, energy, interbank interest rate swaps markets and the majority of the Euro-denominated and sterling bond and repo markets.

