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London Stock Exchange Group plc  
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[www.londonstockexchange.com](http://www.londonstockexchange.com)

## LSEG CONFIRMS DETAILS OF PAN-EUROPEAN DERIVATIVES PLATFORM

- *'Turquoise Derivatives' to build on success of 'EDX London'*
- *Customers will benefit from greater choice, new products, ultra-low latency trading, proven clearing arrangements and enhanced access*
- *Product launch timetable to be announced in Q1 2011*

London Stock Exchange Group ("LSEG") today confirms that it is to build its pan-European derivatives business, through the creation of 'Turquoise Derivatives'. This new business will combine with the Group's existing successful derivatives market, 'EDX London' ("EDX"), and will utilise TMX Group's market leading derivatives trading technology, SOLA, already being used by EDX.

**David Lester, CEO of Turquoise said:**

**"The European derivatives market is currently characterised by high execution costs and a lack of choice. I am certain that Turquoise Derivatives, combined with the proven operating and clearing model already enjoyed by EDX customers, will be the start of the process that turns the sector on its head."**

The new business will utilise EDX's existing, proven technology and clearing infrastructure, offering customers immediate access and economies of scale through their existing connections. Turquoise Derivatives will be underpinned by ultra-low latency SOLA technology from TMX Group, already successfully used by LSEG's IDEM and EDX derivatives markets. The new platform will also continue to build-up EDX's successful emerging markets business as well as use the combined

expertise of the EDX and Turquoise management team in its implementation.

**Brenda Hoffman, Chief Information Officer and Group Head of Information Technology at TMX Group, said:**

**“We’re delighted that LSEG has chosen to use our low-latency SOLA technology for its new Turquoise Derivatives platform. This high-performance technology will offer Turquoise’s customers ultra-fast access to trading in pan-European derivatives.”**

LCH Clearnet will act as CCP to the new market.

**Roger Liddell, CEO at LCH.Clearnet, said:**

**“We are delighted with this development of our successful relationship with London Stock Exchange Group and to be supporting Turquoise Derivatives in their innovative offering. Clients will benefit from seamless access and our long and proven experience in clearing listed derivatives.”**

Turquoise Derivatives will announce the timetable for the launch of its new products in Q1 2011. Turquoise Derivatives plans to provide trading in pan-European single name and index futures and options<sup>1</sup>. Turquoise Derivatives will offer a pan-European clearing model which will enable risk margin efficiencies across single name and index products<sup>2</sup>.

In launching Turquoise Derivatives, Turquoise, LSEG’s leading multi-lateral trading facility, is to acquire the EDX business (including its related assets and liabilities) from EDX London Limited for nominal consideration. Prior to this transfer, London Stock Exchange Group will acquire TMX Group’s 19.9% stake in EDX London Limited for £3.9 million. It is proposed that the remaining assets of EDX London Limited not transferred

to Turquoise will be distributed throughout the LSE Group. The transaction is expected to complete on 1 May 2011.

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## **FOR FURTHER INFORMATION, PLEASE CONTACT:**

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### **Notes to editors:**

*1: Subject to obtaining appropriate trading licences.*

*2: Pan-European clearing with risk margin efficiency is subject to obtaining appropriate licences.*

On February 7 2011 London Stock Exchange Group plc and TMX Group announced an agreement to combine Europe's and Canada's leading diversified exchange groups in an all-share merger of equals. The merger will create a world-leading organisation and is unanimously being recommended by the Boards of both LSEG and TMX.

### **About Turquoise**

Majority owned by the London Stock Exchange Group since February 2010, Turquoise is leading Multilateral Trading Facility (MTF). Turquoise gives the London Stock Exchange Group a significant footprint in pan-European and US lit and dark equity trading, providing access to more than 2,000 global securities. Unique functionality in Turquoise's Integrated Book combines visible and non-displayed orders to deliver increased likelihood of execution and price improvement. Turquoise's Midpoint Book is an entirely non-displayed execution service, where trades execute at the midpoint of the bid-ask spread. Turquoise also operates TQ Lens, a non-displayed liquidity routing service, which offers clients access to the otherwise inaccessible internal crossing networks of their peers.

### **About London Stock Exchange Group**

London Stock Exchange Group (LSE.L) sits at the heart of the world's financial community. The Group operates a broad range of international equity, bond and derivatives markets, including London Stock Exchange; Borsa Italiana; MTS, Europe's leading fixed income market; and Turquoise, offering pan-European and US lit and dark equity trading. Through its markets, the Group offers international business unrivalled access to Europe's capital markets.

The Group is a leading developer of high performance trading platforms and capital markets software and also offers its customers around the world an extensive range of real-time and reference data products and market-leading post-trade services.

Headquartered in London, United Kingdom with significant operations in Italy and Sri Lanka, the Group employs around 1500 people. Further information on London Stock Exchange Group can be found at [www.londonstockexchange.com](http://www.londonstockexchange.com)