



Press releases 2009

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Baikal announces key technology partners

Baikal, the London Stock Exchange's forthcoming pan-European dark pool Multilateral Trading Facility (MTF) and liquidity aggregation service, has partnered with Fidessa, the independent provider of global trading, market data and connectivity solutions, to develop its order management and smart order routing technology.

Among other partners including BNP Paribas Securities Services and QuantFEED, Baikal chose Fidessa because of the robustness and ultra low latency of its technology, its ability to meet challenging time scales and for the size and diversity of its trading community.

John Wilson, CEO of Baikal, said:

"We are making good progress towards a phased roll-out of Baikal this year. We are delighted to be working with Fidessa to provide best-in-class order management and liquidity aggregation technology for our customers. With this service we are able to offer a MiFID-compliant best execution service that shields customers from the complexity and costs of direct membership of multiple markets and central counterparties.

"The combination of these technology and service providers together with the London Stock Exchange Group's in-house capabilities and order book technology will establish Baikal at the leading edge of exchange technology, electronic trading services and market connectivity giving it an unrivalled opportunity to be the first neutral liquidity aggregation service."

Baikal's first service will be the smart order routing capability to provide a one stop shop for navigating fragmented liquidity across Europe. The Baikal non-display order book, which will be launched later in the year, will use the London Stock Exchange Group's TradElect platform.

By launching the smart order routing first, Baikal and its participants will have the time to establish the network of linkages that will enable liquidity aggregation; these technical and commercial linkages will allow the Baikal order book to maximise trading opportunities at launch.

Baikal, a price referencing venue, will use QuantFEED, an end-to-end ultra low latency solution, provided by QuantHouse, to source market data.

Baikal will use the SMARTS surveillance system to monitor in real-time activity on the non-display order book, developing the platform used for surveillance of London Stock Exchange markets.

BNP Paribas Securities Services has been selected as the settlement agent for this pan-European liquidity aggregation service, providing customers with integrated settlement regardless of which venue executes the trade.

Once the Baikal order book is launched, CC&G, the London Stock Exchange Group's clearing house, will provide a pan-European clearing service.

Subject to receiving the necessary regulatory approvals, Baikal will offer customers a new proposition in European equities trading by combining algorithmic and smart order routing technology with a multilateral non-display liquidity pool.

Baikal will be a pan-European MTF offering a neutral liquidity venue, which will:

- Create a new non-display European equities liquidity pool offering the most efficient execution for customers seeking lower market impact costs for institutional size orders;
- Order route to the widest range of displayed and non-displayed European equities liquidity; and
- Provide a single connection and net settlement.

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Notes to editors:

About London Stock Exchange Group:

London Stock Exchange Group is Europe's leading diversified exchange business. It operates Europe's largest and most liquid equity market with over 500 member firms, holds the number one position in trading ETFs and securitised derivatives, and through its interest in MTS, is the leading platform for the trading of fixed income products.

The London Stock Exchange itself is the world's most international exchange with nearly 700 overseas companies from over 70 countries on its markets. It has consolidated this position in the last three calendar years, having attracted 218 international companies which raised over £32 billion between them. These figures include international companies on AIM, the London Stock Exchange's growth market, which has grown to become the world's most successful market for small and medium sized enterprises with over 1500 companies at the end of 2008.

Following its merger with Borsa Italiana in 2007, London Stock Exchange Group also now offers post-trade services such as netting, clearing and settlement on an efficient and competitive basis, and a comprehensive range of European bond trading services through MTS.