

## Joint Media Release

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### **SIX Swiss Exchange and Liquidnet enter agreement to provide a platform for the execution of large block trades in European securities**

SIX Swiss Exchange and Liquidnet, the institutional equities marketplace, announced today that they have signed an agreement by which SIX Swiss Exchange members and Liquidnet's buy side market participants will be able to execute large block trades efficiently in both Swiss and other European equities. The liquidity in Liquidnet's exclusive liquidity pool will be available to SIX Swiss Exchange members and Liquidnet members will benefit from the additional liquidity provided by SIX Swiss Exchange members. SIX Swiss Exchange members will be able to use their existing front-end trading systems to trade in approximately 3600 international securities covering initially Switzerland, UK, France, Germany and the Netherlands. This offering is expected to go live in the second quarter of 2011.

"We are delighted to be able to co-operate with Liquidnet, which operates the most profitable and stable MTF in Europe" comments Christian Katz, CEO of SIX Swiss Exchange. "This cooperation further establishes SIX Swiss Exchange as the independent investment network of choice, linking all our members to the global active investor community. Our growing membership community therefore benefits from another service brought to them 'over the exchange' ('OTE') by SIX Group shortly after the establishment of our new Exchange Traded Product segment. This agreement with Liquidnet delivers clear value to our members through the interaction with the buy-side who are party to Liquidnet's non-displayed block liquidity pool. Having access to this additional liquidity will greatly simplify and accelerate our members' trading activities allowing for improved investment returns by simply adopting a strategy of directing more order flow to this block trading pool."

SIX Swiss Exchange members and institutions globally will significantly benefit from this collaboration. This arrangement will allow for price improvement as all trades conducted through the market will be based on the mid-point price of the primary exchange. This can typically deliver between 5 and 20 bps of direct

price improvement, let alone the additional savings by avoiding market impact costs.

John Barker, Managing Director of Liquidnet Europe, adds: "Liquidnet is extremely excited about this deal with SIX Swiss Exchange and the new opportunity for both them and us to access the wholesale market and execute large block trades with the global institutional trading community through a safe and secure trading environment. We continue to build a unique global liquidity pool for investors, creating opportunities to trade in sizes that are unrivalled. This service is therefore good news for both our buy-side clients and SIX Swiss Exchange members, who will be able to tap liquidity that is not exposed to public markets."

For SIX Swiss Exchange members, accessing the non-displayed liquidity pool is simple. After minor changes to the Swiss Exchange's standard trading interface (STI), they will be able to direct their flow towards this new service. The minor upgrades include a new venue code, a new trade type code, a new order condition for minimum fills which will enable investors to expose larger blocks without compromising on match sizes. Once the upgrades are completed, members only need to update their clearing and settlement instructions for international securities.

Liquidnet is an agency broker and an institutional trading marketplace that provides more than 620 asset management firms safety for their information and the opportunity to execute their institutional-sized orders around the world. In 2010, Liquidnet launched trading in equity markets in Slovenia, Poland, Estonia, Lithuania, Mexico, New Zealand, Israel and Malaysia. Liquidnet now offers equities trading in 38 global markets. Liquidnet gives buy-side traders access to an average daily global natural liquidity pool of €52 billion (Q4, 2010) with an average execution size of €1.04million in European markets in 2010 and in Swiss securities CHF 2.5million. Trades on Liquidnet are on average around 100 times larger than trades on any exchange venue, lit or dark.

Individual aspects in the course of the implementation of the service will require regulatory approval. Both Parties expect to get the necessary approvals in due course.

Should you have any questions for SIX Swiss Exchange, please feel free to contact Werner Vogt, Head Media Relations.

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### **SIX Swiss Exchange**

SIX Swiss Exchange is one of the world's leading and most technologically advanced securities exchanges. It provides customers with first-rate securities exchange services and brings together participants, issuers and investors in an efficient and transparent marketplace. In addition to the broad palette of products it offers, the SIX Swiss Exchange's integrated, fully automatic trading, clearing and settlement system is indeed convincing.

[www.six-swiss-exchange.com](http://www.six-swiss-exchange.com)

SIX Swiss Exchange is a subsidiary of SIX Group. On a worldwide scale, SIX Group offers first-rate services in the areas of securities trading, clearing and settlement, as well as financial market information and payment transactions.

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### **Liquidnet**

Liquidnet is the institutional equities marketplace, bringing together the world's largest asset managers and public companies on a single network that directly connects traders, portfolio managers, analysts and corporate issuers. Liquidnet enables its Members to achieve greater performance by moving from investment idea to implementation faster, ultimately retaining more alpha throughout the entire institutional investment cycle. Launched in 2001, Liquidnet extends to 38 equity markets across five continents. Liquidnet is headquartered in New York with offices in Boston, London, San Francisco, Chicago, Toronto, Tokyo, Hong Kong, Sydney and Singapore.