

## Instinet Europe Releases Results of MiFID Best Execution Policy Review

*Firm finds it has delivered clients an average of 3.08 basis points in savings since introduction of MiFID*

LONDON – June 9, 2008 – Instinet Europe Limited (IEL), the European agency brokerage subsidiary of Instinet Incorporated, today published the key findings of its Best Execution Policy Review, conducted in accordance with MiFID regulations. The review covered Instinet Europe's trading performance from the 1 November 2007 introduction of MiFID through 30 April 2008.

The key findings are as follows:

- Instinet Europe's SmartRouter™ has been enhanced to most effectively interact with new trading venues as they have been introduced. Average price improvement<sup>1</sup> was 3.08 bps for the six-month measurement period, and consistently improved month over month, rising to 3.81 bps in April 2008 from an initial 1.73 bps in November 2007.
- Of the shares traded away from the primary markets on alternative trading venues, Instinet Europe's clients received price improvement 50.1 percent of the time (by value traded) and executed at the same price or better 94.2 percent of the time.
- By value traded, Instinet Europe executions away from the primary markets in UK, French, German and Dutch equities increased from 11.3 percent in November 2007 to 27.7 percent in April 2008. For UK equities alone, in April 2008, Instinet Europe executed 37.3 percent of its volume away from the London Stock Exchange, versus 14.0 percent in November 2007.
- Instinet Europe has connected to and is successfully trading on the NYFIX Euro Millennium platform, the only new MTF (Multi-Lateral Trading Facility) to have launched during the period of the Best Execution Review. Instinet Europe also became a member of the Riga, Tallinn and Vilnius stock exchanges during the period. Additionally, Instinet Europe expects to continue to link to new MTFs – including Turquoise, BATS Europe, NASDAQ OMX and NYSE Euronext's SmartPool – and SI's (Systematic Internalisers) as they are introduced.
- Although not within the scope of MiFID, Instinet's execution performance in US shares continues to improve. In Investment Technology Group, Inc.'s recently published Broker Edge™ survey, which covered the four quarters through 4Q 2007, Instinet ranked #1 in 18 of 28 measurement categories, including overall trading of both NASDAQ-listed and NYSE/regional-listed stocks.

“Many skeptics suggested that liquidity fragmentation would worsen execution performance. From our review, the introduction of competition in the European stock exchange space has not resulted in any evident deterioration in liquidity opportunities, price formation or execution performance. In fact, by using innovative smart-routing technology, we have been able to exploit significant pricing opportunities on behalf of our clients,” said Richard Balarkas, CEO of Instinet Europe, commenting on the results of

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<sup>1</sup> Price improvement is defined as the difference between execution price and the best quoted price on the primary exchange at that time. Measurement is based on Instinet Europe Limited's review of all IEL trade executions between 1 November 2007 and 30 April 2008, and does not represent an independent review of execution performance.

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Instinet's MiFID Execution Quality Review. "Instinet will continue to vigorously pursue its global policy of linking to every viable source of liquidity and optimizing execution results through the continued enhancement of our smart-routing technology.

## About Instinet Europe

Instinet Europe Limited is one of Europe's largest agency brokerages and is a top 10 broker by market share ranking on the London Stock Exchange<sup>2</sup>. The firm employs more than 40 sales and trading personnel in four European locations. Instinet Europe provides its clients with a comprehensive suite of trading services that includes agency sales trading, global portfolio trading, algorithmic trading/DMA and commission management.

Instinet Europe and its affiliates in North America and the Asia-Pacific region (collectively "Instinet") provide clients with the necessary trading tools, ATS platforms and liquidity to achieve a high-quality trade execution in more than 40 countries. Acting solely as an agent for more than 1,500 clients around the world, Instinet seeks to improve institutional investment performance and lower overall trading costs through its various front-end trading systems, securities crossing networks, smart-routing technology, algorithms, commission management programs and investment research products. Instinet's subsidiaries operate a wide array of ATS platforms globally, including CBX™ in the United States, JapanCrossing™ in Asia and Chi-X® in Europe, Canada and, soon, Australia. Instinet is a wholly-owned subsidiary of Nomura Holdings, Inc., and has offices in North America, Europe and the Asia-Pacific region. For more information, please visit [www.instinet.com](http://www.instinet.com).

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<sup>2</sup> According to the London Stock Exchange.