



Instinet Improves on Near-Perfect European SmartRouter Performance

LONDON – 27 July 2011 – **Instinet Incorporated**, a global leader in electronic trading and agency-only brokerage services, today announced that Intelligent Financial Systems Limited (IFS) in the second quarter continued its independent evaluation of **Instinet Europe Limited's SmartRouter**. By value traded, the technology's ability to identify and achieve the best possible displayed price for UK equity trades improved from within **99.9997 percent of perfection in March** to 99.9998¹ percent in the second quarter.

IFS also found that Instinet Europe's SmartRouter, which accesses both displayed and dark liquidity, provided an average effective spread reduction of 8.2 percent and returned an average of 0.68 bps in overall price improvement² to clients in Q2.

Commenting on the findings, **Richard Balarkas**, CEO of Instinet Europe, said: "Our SmartRouter is core to our ability to capture the best available price and liquidity opportunities for our clients and we remain committed to working with IFS, a leading consolidator of accurate tick data, to perform the independent evaluation of our routing performance. We are delighted to have improved our results since IFS' last evaluation, as our SmartRouter's ability to identify and achieve the best possible price in Q2 moved to within 99.9998 percent of perfection. We won't rest on our laurels, though; we will continue to work on the remaining 0.0002 percent."

IFS' LiquidMetrix WorkStation product suite, which was used to monitor Instinet Europe's performance, provides access to a multi-terabyte, consolidated, full-depth (Level 2) order book history covering instruments traded in Europe on Primary Exchanges, MTFs or off-book. With the LiquidMetrix WorkStation, Instinet Europe was able to analyse the performance of its trade flow on individual and multiple trading venues with millisecond precision, a standard far in excess of that normally expected by regulators. The actual and potential price improvement for each executed trade using "depth weighted" and "touch" reference prices were measured. The analysis can also be performed across the entire trade set or filtered by attributes including client, counterparty, trading desk, order size and trading strategy.

About Instinet

Instinet is an electronic trading pioneer, having established the world's first major electronic trading venue in 1969, one of the first recognized U.S. ECNs in 1997 and the first pan-European MTF in 2007. Through its subsidiaries and affiliates, Instinet operates two distinct business lines: a global network of agency-only brokers that seek to help institutions lower overall trading costs and improve investment performance through the use of innovative electronic trading products, including smart-routing, algorithms, DMA, TCA, dark pools and EMS platforms, and also provide sales trading, commission management services and independent research; and the Chi-X[®] Global businesses, which aim to improve the efficiency of capital markets globally by providing high-performance, low-cost alternative execution venues and the technology required to power them. Instinet is a wholly-owned subsidiary of **Nomura Holdings, Inc.** For more information, please visit www.instinet.com or follow Instinet on **Twitter**.

¹ This figure represents, as a percentage, the proximity of the price achieved by Instinet Europe vs. the best publicly quoted price for an "aggressive" (i.e. liquidity taking) order, averaged over the entire value traded. As price improvement is not included in this figure, the value quoted will always be less than or equal to 100 percent.

² "Price Improvement" is defined as the difference between the Instinet Europe execution price and the best publicly quoted price at the time of execution. The figure quoted is averaged over the entire value traded.



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