

## **LIFFE CONCLUDES AGREEMENT TO LICENSE MARKIT ITRAXX EUROPE INDICES FOR ITS OTC CLEARING SOLUTION**

Amsterdam, Brussels, Lisbon, London, New York, Paris, Thursday 16 October 2008 – Liffe, the global derivatives business of NYSE Euronext (NYX), announced today that it has signed a licence agreement with Markit, a financial information services company, to launch credit default swaps (CDS) based on Markit iTraxx Europe indices, bringing a cleared solution for CDS a step closer.

The Markit iTraxx Europe indices are the most widely traded CDS indices for European credit protection. This agreement allows Liffe to offer a new iTraxx product which will clear on Bclear, its proven solution for processing OTC derivative contracts.

Garry Jones, Executive Director of Business Development and Strategy at Liffe, commented: “We are delighted to be leading our CDS initiative on Bclear with the Markit iTraxx indices which are the industry standard. This agreement further enhances and builds on our existing and valued relationship with Markit.”

Bclear will provide existing and new CDS market participants with an efficient platform for reducing operational and counterparty risk whilst maintaining the flexibility of pre-negotiation that OTC market participants value.

CDS trades will be negotiated and agreed away from the exchange, before being processed through Bclear and cleared through LCH.Clearnet Ltd, which will stand as the central counterparty to all Bclear CDS transactions.

Stephan Fligel, Managing Director and Head of Indices at Markit, said: “We are pleased to be working with Liffe and its well regarded platform Bclear. The demand to develop new products referencing the Markit iTraxx indices underlines the central role that these indices play in providing transparency and liquidity to the global credit markets.”

## **About Markit iTraxx Indices**

The Markit iTraxx indices are comprised of the most liquid names in the European and Asian markets. These credit derivative indices are a transparent, liquid and efficient tool that allow investors to hedge positions or gain exposure to the credit markets. Markit iTraxx indices are rules-based and the selection methodology is designed to ensure that the indices are replicable and represent the most liquid part of the market. More than 35 banks are licensed as Markit iTraxx market makers.

## **About Bclear**

Bclear is Liffe's award-winning service for processing OTC derivatives trades through Liffe to clearing at LCH.Clearnet Ltd. Bclear was designed to help reduce the counterparty, credit, legal and operational risks associated with OTC deals. Since launch in 2005, more than 300 million equity derivatives contracts have been processed through Bclear.

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## **Notes to Editors**

NYSE Euronext (NYX) operates the world's leading and most liquid exchange group, and seeks to provide the highest levels of quality, customer choice and innovation. Its family of exchanges, located in six countries, includes the New York Stock Exchange, the world's largest cash equities market; Euronext, the Eurozone's largest cash equities market; Liffe, Europe's leading derivatives exchange by value of trading; NYSE Liffe, the company's U.S. futures business and NYSE Arca Options, one of the fastest growing U.S. options trading platforms. NYSE Euronext offers a diverse array of financial products and services for issuers, investors and financial institutions in cash equities, options, futures and derivatives, ETFs, bonds, market data, and commercial technology solutions. As the world's largest exchange group by number of listings and market capitalization, NYSE Euronext is home to more than 6,500 listed issues (as of Oct. 1, 2008) with total global market capitalization more than four times that of any other exchange group. The average daily trading value of NYSE Euronext's equity exchanges represent more than one-third of the world's cash equities trading. NYSE Euronext is part of the S&P 500 index and the only exchange operator in the S&P 100 index. For more information and free real-time stock prices for all NYSE-listed securities, please visit [www.nyx.com](http://www.nyx.com).

Liffe is the international derivatives business of Euronext, a subsidiary of NYSE Euronext. Liffe offers an unrivalled range of global futures and options products, which are made available to customers worldwide on its state-of-the-art trading platform, LIFFE CONNECT®. Business in derivatives on equities and interest rates, indices and commodities worth over €2,000 billion in total is traded through Liffe every day, making it the world's second largest derivatives exchange, by value of transacted business.

Bclear is operated by LIFFE Administration and Management, which is regulated by the Financial Services Authority (FSA) as a Recognised Investment Exchange.

Detailed contract specifications will be finalised and published in due course, following the Exchange's usual internal due diligence processes.

Besides the wide range of products on offer, and the simplicity of the service, Bclear offers customers a number of other advantages. Trade details need not be published, and there is no requirement for customers to reveal their name to their counterparty as there is with traditional OTC trades, nor any obligation to trade out with the same counterparty. All open positions are marked to market daily.