

Press release, September 20, 2012

Neonet brings transparency into the dark

Stockholm, Sweden, September 20, 2012 – Neonet, the independent execution services provider, today announced a new dark algorithm and additional access to dark venues. The new dark executing algorithm automatically scans connected dark pools using parallel execution strategies through a single simple interface. Enhanced safeguarding mechanisms prevent information leakage as well as unwanted executions, providing further benefit to the user. In addition, Neonet has introduced another two dark pools to its offering, adding up to a total of eleven dark venues. Together with Neonet's internal and third party provided benchmarking tools, there is significant price improvement to be realized without losing transparency when using dark liquidity.

"In contrast to the name 'dark', regulated Multilateral Trading Facility dark pools have a well-functioning price discovery mechanism. With Neonet's third party provided benchmarking tools, there is as much execution quality valuation and transparency in dark execution venues as in lit," says Joacim Wiklander, CEO of Neonet, and continues, "Our new dark algorithm together with our extended access to dark liquidity will enable significant price improvements for our clients without compromising transparency."

Dr. Robert Barnes, CEO of UBS MTF, says, "Effective dark trading strategies are important because they enable investors to pursue their objectives while minimizing their risks of pre-trade price impact. This is good because it helps them to enhance performance and reduce their net transaction costs. It's also good for the markets, because it encourages investors to send more order volume." UBS MTF is the leading non-displayed multilateral trading facility offering a choice of fully interoperating CCPs and ability to match at bid, mid, and offer prices referenced to the primary market.

LiquidMetrix, which provides up-to-the-minute analysis of Europe's fragmented equity landscape, comments on transparency on dark venues. "The performance of MTF mid-point dark pools can be easily measured through comparison with either the Primary or EBBO mid-price at the time. What is interesting is that even dark pools that utilize EBBO mid-prices can yield surprising results. With Dark Pool Bid/Offer Books, the performance is far easier to quantify against the prevailing lit market prices," says Mark Ford, Principal Consultant at LiquidMetrix.

Neonet's new dark algorithm is based on a new and completely rewritten framework that is specially designed to handle fragmentation in both lit and dark markets at both the micro and macro level. The framework will result in a series of upcoming updates in Neonet's algorithm offering.

Neonet's offering includes the following dark venues: BATS Europe Dark Pool, Chi-Delta, Irish Stock Exchange, North Sea, Nordic@Mid (NOMX), SmartPool (Euronext), Turquoise, UBS MTF, Xetra MidPoint (Deutsche Börse), Sigma X MTF (Goldman Sachs) - new, POSIT (ITG) - new.

About benchmarking execution quality

Neonet uses internal quality and cost measuring tools together with third party analytics to enable constant monitoring of the combined cost and quality aspect of trading. Benchmarking is done using standardized measurements such as EBBO, spread capture and improvement. Transparent cost and quality reports are available for customers, allowing them to make informed decisions about their trading pattern.

About Neonet

Neonet's mission is to deliver a truly transparent and neutral execution service to banks and brokers with an optimized balance of quality and cost. The execution service includes advanced smart order routing, trading algorithms, a comprehensive execution management system and a trading and customer service desk operated by qualified execution specialists. Neonet does not engage in proprietary trading or any other financial activity that could result in a potential conflict of interest. Neonet serves clients in over 20 countries and is owned by Nordic Capital Fund VII.

For further information, visit www.neonet.com.

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