

Athens, Copenhagen, Frankfurt, Madrid, Oslo, Vienna, Zurich – July 2008

Dear customers of Link Up Markets-CSDs,

Our joint venture, Link Up Markets, was announced three months ago. It has elicited a lot of interest and market participants have raised many questions.

This document is both a first round of answers and the beginning of what we would like to become a continuous communication process in order to answer your questions and give you more insight about the Link Up Markets solution as the work goes ahead.

For more information on Link Up Markets please visit www.linkupmarkets.com or contact the following parties listed at the end of the document.

With best regards from the Link Up Markets-CSDs



The solution of Link Up Markets

Is Link Up Markets just a routing engine?

No. Link Up Markets ensures the efficient processing between the CSDs by validating and converting the different formats used by message type and enriching the data according to market requirements. The routing of instructions is just one element in this process.

Link Up Markets enables CSDs to offer following cross-border services:

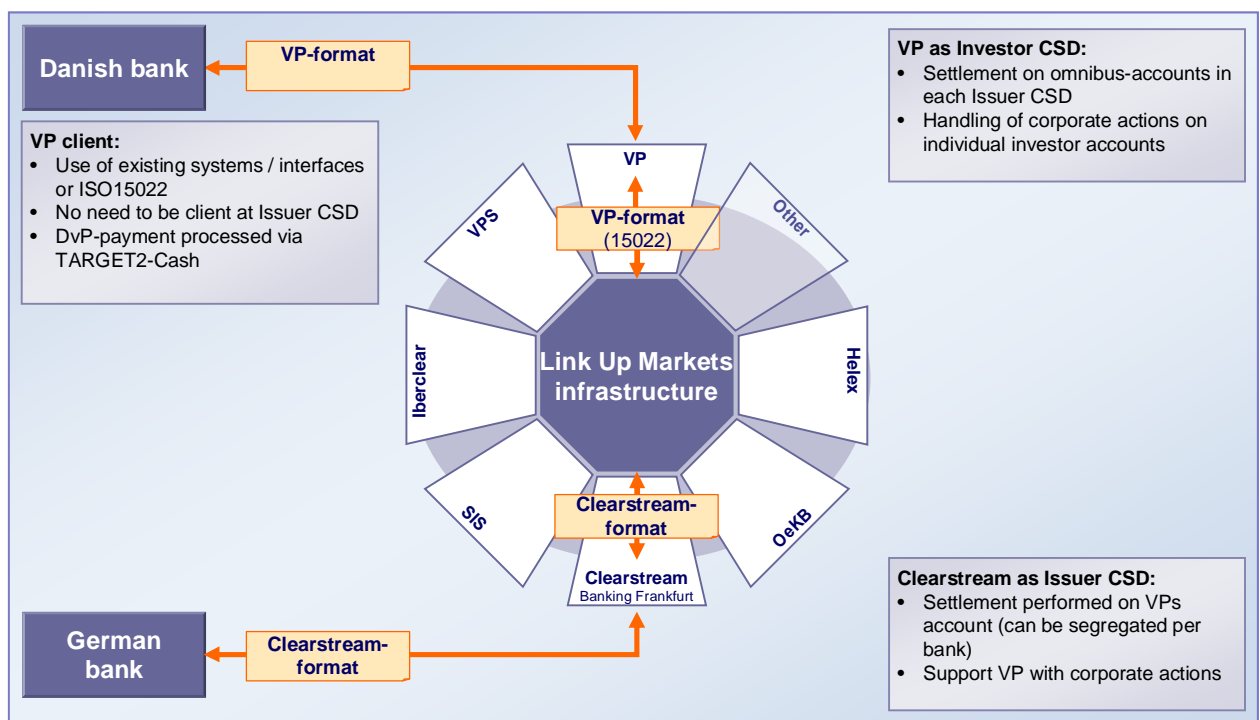
- Settlement in central bank money and management of the instruction lifecycle
- Processing of mandatory and voluntary corporate actions including the respective cash and stock distributions
- Income payments
- Tax relief at source and tax reclaim services*
- Notification of general meetings and proxy voting*
- Cash forecasts

* execution and responsibility via Issuer CSD according to domestic market practice

In addition, Link Up Markets will provide centralized reference data, corporate actions calendars and basic information for general meetings.

Where does matching & settlement take place?

Both matching and settlement take place in the Issuer CSD (home market principle). In case both parties to the settlement are customers of the same Investor CSD, settlement can be internalized if in accordance with the home market principle.



How does Link Up Markets support cross-border settlement in multiple currencies?

Settlement in Euro will leverage the TARGET2-Cash platform. The TARGET2-Cash accounts of the parties to the settlement, or their cash correspondents, will be debited/credited directly by their CSD.

Settlement in currencies other than Euro or between Euro-in and Euro-out CSDs will involve the services of cash correspondents.

What is the asset servicing scope to be provided by Link Up Markets-CSDs?

The Link Up Markets-CSDs will process all compulsory cash and stock distributions, optional stock distributions and other corporate actions and cash proceeds.

For all events the service scope includes:

- Information management of data and events (i.e. collection, validation, matching, enrichment, guarantee that information is from the issuer/responsible agent)
- Processing and reporting as per SMPG-guidelines*
- Instruction processing (i.e. calculation, deadline monitoring, default instructions, standing instructions, buy/sell of subscription rights)
- Pending transaction and compensation processing – according to domestic market practice

* Securities Markets Practice Group by Swift

In addition, tax relief at source and tax reclaim services will be provided according to market practice.

Can customers connect directly?

Customers can connect via the Link Up Markets-CSD of their choice. However, direct technical connectivity is not offered.

How does the account structure for customers look like?

In order to reap the full benefits, customers should have an account with a single Link Up Markets-CSD of their choice. This Investor CSD will have account relations with all other Link Up Markets-CSDs on an omnibus or a segregated basis, depending on customer and market requirements.

How will the fee model look like?

Link Up Markets is a user owned and user governed utility. It will charge the participating CSDs according to the message volumes processed.

The fee models for market participants are at the discretion of each individual CSD and will meet the standards of the Code of Conduct.

The background of Link Up Markets

What are the key drivers for Link Up Markets?

Link Up Markets is the result of market demand for more efficient and cheaper cross-border post trade services in Europe – also requested by European authorities.

The European post-trade landscape is efficient on a domestic level, and there is no need to make substantial changes to this infrastructure. The well-known inefficiencies come into play for cross-border processing only. Link Up Markets is committed to address these issues in a pragmatic way, minimizing investments and sunk cost for the market and delivering with quick time-to-market.

Does Link Up Markets make harmonization such as the removal of the Giovannini barriers obsolete?

No. Harmonization such as the removal of the Giovannini barriers is key for a more efficient European financial market. In a world of increasing competition, the Link Up Markets-CSDs have every incentive to contribute to harmonization and to offer their customers the most compelling services. In this respect, Link Up Markets should be considered a catalyst for harmonization.

As opposed to other initiatives, harmonization is not a prerequisite to launch Link Up Markets but rather an ongoing objective. Link Up Markets will foster the implementation of standards such as ISO compliance and ECSDA link agreements. Through the common infrastructure of Link Up Markets processes and standards across the partnering CSDs will converge. For instance, when introducing message formats, the Greek CSD, Helex, will apply the common standard defined by Link Up Markets wherever possible, thus harmonizing formats.

What is the relation to T2S?

T2S would change the post-trade landscape for both CSDs and market participants. While settlement in central bank money would be fully commoditised, the CSDs would have to differentiate in asset servicing and other services. The ECB has explicitly invited the CSDs to become cross-border service providers, servicing not only their domestic securities but all securities in scope of T2S.

Link Up Markets will prepare the CSDs – and their customers – for a world with T2S, providing the necessary cross-border processing capabilities to transform their business models many years in advance of the T2S implementation. In this sense, Link Up Markets must be considered as a facilitator to T2S.

Coexisting with T2S, Link Up Markets will provide the necessary CSD links and account relations as well as a single interface for market participants for both settlement and all other services remaining with the CSDs.

Why does Link Up Markets not engage in platform consolidation?

Platform consolidation clearly has its merits when it comes to harmonization but also its downsides with regards to investment cost, time-to-market and adaptations for market participants.

Link Up Markets believes in the more pragmatic approach of improved interoperability, delivering comparable benefits quicker and at substantially lower cost. Nevertheless, both approaches are not mutually exclusive but can complement each other, such as Link Up Markets and T2S.

The implementation of Link Up Markets

What are the key implementation milestones?

The software development of the common infrastructure has started end of May 2008, and the project is on track for implementation in the first half of 2009.

In parallel the Link Up Markets-CSDs prepare for the launch by setting up bilateral account relations, adapting their internal systems and upgrading their service models.

Why can Link Up Markets be delivered in such a short timeframe?

The announcement of Link Up Markets early April 2008 was the result of more than one year of preparation work, including the definition of business requirements and functional specifications.

The key principle of Link Up Markets – leveraging efficient existing solutions – is also applied to the common infrastructure. Wherever feasible, the customization of standard software components, for instance for announcement capturing and format conversion, is preferred over new development.

As a consequence, common infrastructure can be implemented at reasonable costs and within a short timeframe.

The financial aspects of Link Up Markets

How can Link Up Markets deliver savings of up to 80 %?

Link Up Markets will enable market participants to access seven markets directly via a single window on the CSD layer and to unbundle services accordingly. For cross-border settlement as well as safekeeping of non-domestic assets this could deliver considerable savings compared to existing access options, depending on the market and the business requirements.

Fees for existing CSD links have the potential to decrease as well, albeit at a lower rate.

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