

JSE'S NEW TRADING PLATFORM TO OFFER FASTER TRADING CAPABILITIES

Johannesburg and Colombo 3 February 2011 – Today the Johannesburg Stock Exchange (JSE) announced that it has concluded a licensing agreement with technology solutions provider MillenniumIT to move its equity market trading activity onto Millennium Exchange™. The migration is planned for the first half of 2012 and it is expected that JSE members will benefit from executing transactions almost 400 times faster than the present trading solution.

The agreement will also see the JSE's trading system relocated from London to Johannesburg, enhancing operational efficiencies and ensuring trading optimisation for market participants.

Leanne Parsons, JSE Chief Operating Officer and Head of the Equity Market comments on the agreement: "We are excited about working with MillenniumIT and providing benefits to our market using their technology solutions".

Parsons is confident that the adoption of the new trading system will increase the equity volumes traded on the JSE and therefore liquidity: "In our experience, whenever we take a step forward with our trading technology, trading volumes also follow. If we want to remain a world-class and relevant exchange in a highly competitive industry, we must remain abreast of technological advances."

Trading volumes increased significantly when the JSE adopted trading platform JSE SETS in 2002, and climbed again when the exchange moved to the present trading platform JSE TradElect in 2007. JSE TradElect is licensed from the London Stock Exchange, with the London bourse maintaining and operating the platform under the current technology services agreement with the JSE. Parsons adds that the adoption of Millennium Exchange could potentially have a significant impact on trading volumes by attracting a greater share of high frequency trading. "There is much anecdotal evidence to suggest that when exchanges increase their trading speeds they also boost levels of high frequency trading. This is important in order to deepen a market," adds Parsons.

MillenniumIT, which has over a decade of experience in building technology solutions for the capital markets, is headquartered in Colombo, Sri Lanka and is a wholly-owned subsidiary of the London Stock Exchange Group (LSEG). Millennium Exchange is the company's flagship product used by ten exchanges and other execution venues worldwide and is known for its speed and scalability. "Millennium Exchange is a next generation trading platform that offers ultra fast order processing capabilities, providing users with a trading experience that is amongst the fastest, most reliable and technologically advanced in the world," comments Tony Weeresinghe, CEO of MillenniumIT and Director of Global Development at the LSEG.

Speed is becoming increasingly important in the exchange industry as exchanges cope with the rapid rise of high-frequency trading. Those exchanges that have trading systems with the lowest latency – the time between when an order is received, processed and acknowledgement sent – will retain and grow market share. "Low latency trading systems with latencies in the microseconds will soon become a commodity," adds Weeresinghe.

Parsons explains that one of the reasons for the decision to relocate the trading engine to Johannesburg was for the increased operational stability that this move

would offer. "The handful of incidents that we have had requiring the equity market to be halted, with reputational impacts, have been related to our international connectivity links. By moving the engine to Johannesburg, we eliminate this problem and are able to offer our clients improved service availability and stability."

The move will mean that the JSE will manage and operate the trading engine itself. Parsons adds that operational costs will remain roughly the same. While not willing to disclose the value of the agreement, she comments that the structure of the deal allows the JSE to aggressively grow trading volumes without incrementally increasing trading software costs.

The move also offers significant benefits for the JSE itself and opens up a new potential revenue stream for the exchange by offering JSE members co-location services. Co-location allows trading firms to place their computer servers near an exchange's matching engine to cut the time it takes for messages to be sent to and from the trading engine – thus shaving microseconds off trading times and reducing bandwidth requirements. Many exchanges worldwide currently earn revenue from renting out computer space in co-location centres. The move of the trading system to Johannesburg has been welcomed by market participants and will give JSE members faster trade executions.

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For queries contact:

Michelle Joubert
Head of Investor Relations
Johannesburg Stock Exchange
Tel: 00 27 11 520 7080
Cell: 00 27 83 395 0350
Email: michellej@jse.co.za

About JSE

As South Africa's only full service securities exchange, the JSE connects buyers and sellers in four different financial markets, namely equities, equity derivatives, commodities derivatives and interest rate instruments. The JSE Ltd offers the investor a first world trading environment, with world class technology, surveillance and settlement in an emerging market context. It is amongst the top 20 largest equities exchanges in terms of market capitalisation in the world.

About MillenniumIT

MillenniumIT is a leading innovative trading technology firm. MillenniumIT's systems are used by exchange businesses around the world including, Turquoise, ICAP, the London Metal Exchange and a series of emerging market exchanges. MillenniumIT's suite of capital market products include; Millennium Exchange, an ultra low latency, highly scalable trading platform; Millennium SOR, a smart order router; Millennium Surveillance, a market surveillance and regulatory compliance system; and Millennium Depository, providing integrated clearing, settlement and depository functions. Founded in 1996, and headquartered in Colombo, Sri Lanka, MillenniumIT

was acquired by the international diversified exchange business London Stock Exchange Group in October 2009.