



10<sup>th</sup> June 2009

Dear BATS Europe Participants

In our first newsletter two weeks ago, we indicated that we would provide updates on material matters that affect members of the European trading community. As many of you know, we've been working with the wider industry on rationalising the many tick size schemes that currently operate across Europe into a single or simplified tick scheme.

Standardising a pan-European tick scheme has been a collaborative and cooperative effort for the last six months and many market centres (exchanges and MTFs), industry groups (LIBA and FESE) and other members of the trading community have come together to discuss a common approach.

This process has yet to produce a decision and agreement on a coordinated way forward. Therefore, given the recent announcements and implementations of tick schemes by some of our competitors, BATS Europe will implement a limited roll out of a new tick scheme for ten FTSE 100 constituents and five S&P/MIB constituents, along with Swedish, Danish and Norwegian stocks, from Monday 15<sup>th</sup> June. Full details of the new tick scheme will be circulated by the BATS Europe Trade Desk today.

The new tick schemes for the aforementioned securities are based on the tick tables which have been discussed for many months now. BATS Europe will continue to fully contribute to the wider industry initiative and anticipates applying the common table and/or tables the industry as a whole agrees upon at some point in the future. In the interim, BATS Europe intends to analyse the effect of the new tick sizes on the trading of these securities.

We appreciate and welcome your feedback.

Regards,

Mark Hemsley  
CEO, BATS Europe