



**PRESS RELEASE:
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Merger of LCH and Clearnet

The European Securities Forum welcomes the announced merger of The London Clearing House Limited and Clearnet SA as an important further step toward integrated clearing & settlement in Europe.

The characteristics of the combined entity LCH.Clearnet are concurring with ESF's key principles for central counterparties to the broadest extent currently feasible. In particular, the sizeable number of markets and instruments covered by LCH.Clearnet will substantially contribute to the markets users' principal objectives of reducing cost and risk.

Joan Beck
Chairman

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London, 25 June 2003

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Background Note

The European Securities Forum (ESF) is a UK incorporated company representing major international banks operating in the European securities market.

ESF's prime objective is the creation of an efficient pan-European capital market through consolidation and integration of its securities infrastructure as well as appropriate and enabling regulation.

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