

ICAP launches iron ore derivatives broking service

London, 13 May 2009 - ICAP plc (IAP.L), the world's premier interdealer broker, announced on Wednesday that it has launched a new broking service for global iron ore derivatives, offering market participants the ability to offset risk exposures in one of the world's leading base metal asset classes. The new service builds on ICAP's existing presence in both base and precious metals.

Major iron ore producers and steel makers have long had to rely on annual fixed price contract negotiations, however the significant price swings and volatility observed in the asset class over the past 18 months has highlighted the flaws governing the long term contract system and the inflexibility it offers prudent risk managers from both the buy and sell side. Consequently, an increasing number of physical market participants are entering into swap agreements that provide both price certainty and flexibility in a capital efficient manner.

ICAP will use its electronic capabilities to provide iron ore derivative price distribution between Asia, Europe, and the Americas, providing global execution and research services to a broad spectrum of market participants.

Commenting on the launch, Paul Newman, Managing Director of ICAP Energy Ltd. said "ICAP has proven its ability to build derivative liquidity and transparency in emerging asset classes, and we believe the physical transition being observed in today's iron ore market offers interesting opportunities. By combining our voice broking expertise with ICAP's global electronic footprint we are well placed to provide derivative trading synergies between iron ore and our existing coal, freight, and base and precious metals services."

Sean Mulhearn, Global Head of Commodity Sales, Standard Chartered, said "Iron ore and steel remain two of the world's largest asset classes that until more recently have remained absent of an efficient and flexible price hedging mechanism. Derivative solutions in these asset classes will naturally compliment the likes of other well established financial markets in base metals, energy and freight and will allow companies the opportunity to manage these exposures."

Don McClumpha, Deputy CEO, ICAP Asia-Pacific, said "With a greater concentration of physical iron ore trade being exposed to spot market volatility, and a global focus fixated on seaborne trade in Asia, the region occupies a significant position in the future development of the iron ore derivatives market. Combining ICAP's existing voice broking presence spanning eleven countries in the region with our technology will provide our Asian based customers with a centralised liquidity pool that can leverage ICAP's global connectivity to other market participants worldwide."

ICAP is a world leader in the provision of commodity trading services including crude oil and refined products, coal, electricity, emissions, carbon emissions, natural gas, and weather derivatives. As a Category Two member of the London Metal Exchange, ICAP also offers clients execution and clearing services in the wholesale base metals marketplace. ICAP was also the first interdealer broker to provide electronic trading for spot gold, silver, platinum, and palladium through its EBS platform.

Contacts

Mike Sheard	Director of Corporate Affairs	+44 (0) 20 7050 7103
Candice Adam	Corporate Communications	+44 (0) 20 7050 7104

About ICAP

ICAP is the world's premier interdealer broker and provider of post trade services. The Group matches buyers and sellers in the wholesale markets in interest rates, credit, commodities, foreign exchange, equities and equity derivatives through voice and electronic networks. ICAP has an average daily transaction volume in excess of \$2.3 trillion, more than 40% of which is electronic. ICAP is also the source of global market information and research for professionals in the international financial markets. ICAP plc was added to the FTSE 100 Index on 30 June 2006. For more information go to www.icap.com