Hotspot Customer Call – Prepared Remarks
London Matching Engine Launch & NY5 Migration
August 20, 2015

[SLIDE 1] – Cover Slide

Operator introduction: Welcome to the Hotspot Customer Call … I'll now turn the call over to

your host, Randy Williams, Senior Vice President of Investor Relations & MarComms for BATS.

[SLIDE 2] – Today's Speakers

Randy Williams: Thank you, Operator. Good morning all and thank you for your time. On

today's call, the team will provide an overview of next steps for customers as we prepare to

launch the Hotspot matching engine in London and also migrate Hotspot's current U.S.

matching engine to the Equinix NY5 data center in Secaucus, New Jersey.

The call will be led by Chris Isaacson, Executive Vice President and Global Chief Information

Officer, and Paul Reidy, Head of FX Technology. They will be joined by Bill Goodbody, Senior

Vice President and Head of FX, who will provide a business update.

After the short prepared remarks, we will hold a Q&A session for customers, who can ask

questions by following the instructions at the end of today's remarks.

If you're a journalist, analyst or other party, please reach out to us via email at

comms@bats.com and we will address any queries you may have separately.

Finally, please note that certain statements in the prepared presentation and during the subsequent Q&A may relate to future events and expectations and, as such, constitute forward-looking statements.

With that, I'll hand it off to Chris.

[SLIDE 3] – Hotspot Update

Chris Isaacson: Thanks, Randy. And thanks to everyone for joining the call today.

Please turn to slide 3. A lot of progress has been made since we held our first call in late June and today we will again discuss the migration plan and timeline for launching the Hotspot London-based matching engine in the Equinix LD4 data center, scheduled for September 14th. We will also outline the plans and roadmap for migrating Hotspot's current U.S. matching engine to the Equinix NY5 data center in Secaucus with a go-live date planned for November 9th.

We're excited to expand Hotspot's European footprint with the London-based matching engine and offer free trading there for the remainder of 2015. The enhanced European presence will complement the New York-area based matching engine as we offer Hotspot participants two distinct pools of liquidity to drive global price formation, providing customers with an even greater ability to execute their FX trading strategies. I'll now hand the call over to Paul to discuss the specifics around the London Matching Engine.

[SLIDE 4] – London Matching Engine: Launch Timeline

Paul Reidy: Thanks, Chris. Turning to slide 4 you will see the timeline for rolling out the London-based matching engine, which we remain on schedule to launch on Monday, September 14th. As Chris noted, we've made a lot of progress over the past couple of months. We began accepting connections at the LD4 data center on July 1st and we opened the Certification/UAT and Production environments up for customer testing earlier this month.

This Saturday, August 22nd, will mark our first weekend testing opportunity for customers. The test will take place from 12:00 noon until 4:00 p.m. BST. During this weekend test, all currency pairs will be available in the Production environment. In addition to this Saturday, we will hold a second and final weekend test on Saturday, September 12th, before the go-live on the 14th. Please note, we will start London matching at 5pm ET/10pm BST on Sunday, September 13th, to mirror the schedule of our NY matching engine and give customers an opportunity to trade lightly and wade into the trading day in London on the 14th.

In addition to these two weekend tests, daily testing opportunities are available, as well. Customers can test all currency pairs in the Cert/UAT environment and synthetic pairs, which are EUR/XXX, USD/XXX, and USD/YYY, in the Production environment. We encourage all firms to participate in these weekend tests, as well as the daily testing opportunities. Your participation in these testing opportunities is critical to ensure that systems are working and we can troubleshoot any issues prior to launch day.

[SLIDE 5] – London Matching Engine: Connectivity & Certification

Paul Reidy: Turning to slide 5, if you haven't yet connected to Hotspot at LD4, please reach out to the Hotspot Prod Support team as soon as possible to get connected. You can contact prodsupport@hotspotfx.com to request connectivity and get IP address/port information. Customers may connect to Hotspot London using 10G, 1G, and 100M connectivity as outlined in the Connectivity Manual, which is available on the Hotspot website.

All customers are required to certify to one of the Hotspot Trading Protocols within the London Cert/UAT environment prior to trading on the new production London matching engine. Certifying in LD4 provides customers an opportunity to confirm all physical and logical connectivity has been established and is properly configured to your needs.

[SLIDE 6] – U.S. Matching Engine Migration to NY5: Roadmap

Paul Reidy: Moving on to slide 6 you will see the planned timeline for migrating the U.S. matching engine to the NY5 data center. Last week we began accepting connections to the new matching engine at the NY4 and NY5 data centers. Beginning next Monday, we plan to have the Cert/UAT environment available for customer testing on all currency pairs. The production environment will be ready for customer testing on synthetic pairs beginning September 29th. We plan to hold two weekend testing opportunities – on October 17th and November 7th – before the planned go-live on Monday, November 9th. Please note, we will

start the NY5 matching engine at 5pm ET on Sunday, November 8th, to match our existing

trading schedule.

[SLIDE 7] – NY5 Migration: Connectivity & Testing

Paul Reidy: Turning to slide 7, similar to London, customers may connect to Hotspot in NY

using 10G, 1G, and 100M connectivity as outlined in the Connectivity Manual. All customers

are required to certify to one of the Hotspot Trading Protocols within the NY5 Cert/UAT

environment prior to trading on the new production NY5 matching engine.

Again, we reiterate the importance of testing the system prior to launch and we ask you to

please take every opportunity to do so over the coming months. This testing is doubly

important for the migration to NY5 as the current matching engine in Jersey City will no longer

accept connections starting Monday morning, November 9th, and all customers must be fully

prepared for this cutover to avoid disruption in trading on Hotspot. With that, I'll hand it back

to Chris.

Chris Isaacson: Thanks, Paul. It is important to note that bilateral credit will be shared

dynamically between Participating Financial Institutions (PFI's) for the New York and London

matching engines without requiring manual interaction from those PFI's. Any Customer who

will trade on our LD4 matching engine will be required to reach out to their Prime Broker and

request a new account which will be assigned separate credit from their existing NY trading

account. This new credit line will be determined by their PBs and this credit will not be shared

between the matching engines.   Customers PBs will manage the credit lines assigned to the NY and LD4 matching engines. Please note that the credit workflow document is now posted to the NY5 and LD4 pages on the website.

As previously communicated, the Hotspot connections in NY5 will be latency equalized just as they are for the BATS equities and options markets in NY5. However, we're building Hotspot on separate infrastructure – network, server, and storage – to mitigate risk of one market unexpectedly impacting another. Also, I echo Paul's call for customers to take full advantage of the ample testing opportunities we are providing in both London and New York. Our team stands ready to help you get connected early, test and certify, and ultimately participate on day 1 of the London launch and NY5 migration.

[SLIDE 8] – Additional Information & Contacts

Chris Isaacson: Turning to slide 8, as most of you are likely aware, we have two separate pages on the Hotspot website dedicated to communicating key information regarding the London launch and NY5 migration plans. These pages house all materials related to the launches including technical documentation, account documentation, key dates, as well as notices. Please check these pages frequently for updates.

Also outlined on this slide is key contact information for our production support and sales teams. Don't hesitate to reach out to them directly with any questions that you might have as you work to establish your connections in LD4 and NY5.

Please turn to slide 9 and I'll hand the call over to Bill to provide a brief business update.

[SLIDE 9] – Business Update – Free Trading on Hotspot London

Bill Goodbody: Thanks, Chris. And let me extend my thanks to everyone for joining the call today. As we gear up for the launch of the new Hotspot matching engine next month, we couldn't be more excited about the strong demand we've been seeing from customers to connect to the new London matching engine. With less than a month to go before launch, we feel we are in a solid place, but I do echo Chris's and Paul's comments for those that have not yet connected to do so as soon as possible. Additionally, as Chris mentioned, as an added incentive to connect to the London Matching Engine, we are offering free trading on all transactions on the London Matching Engine through the end of the year. We understand the time, resources and commitment it takes to connect to a new market, and we want to thank you for your business and support and ensure that your trading experience on Hotspot London gets off to a positive start. This pricing announcement underscores our commitment to ensuring we will be the most aggressive venue on price while building a market with deep, consistent and stable liquidity. Europe is the leading global FX trading center and is a top priority for Hotspot and, as the operator of Europe's #1 stock market, BATS intends to achieve similar status for our European Hotspot business.

[SLIDE 10] – Business Update – Additional Pricing Initiatives

Bill Goodbody: Turning to slide 10, I wanted to remind customers about two other exciting pricing initiatives we have underway at Hotspot.

The first is free trading of spot gold and silver pairs. This promotion will continue through at least year-end and is our way of showing the metals trading community how focused we are on growing Hotspot into the global market leader in spot metals trading.

The second pricing initiative is our "Hot List" pricing, which includes no liquidity removal fees for customers in more than 30 select currency pairs, outlined on this slide. We're pleased with the response we've seen to this pricing initiative and the impact it's having on our liquidity. In June, we saw a 20% increase in ADV in aggregate for Hot List pairs compared with the previous six months. We've seen particularly strong gains in the following pairs: USD/SEK (+$44M ADV, +45%), EUR/NOK (+$73M ADV, +29%), and USD/SGD (+$57M, +19%). Halfway through August, Hot List ADV is 10.1% of Hotspot ADV on the strength of Asian currencies (USD/THB, USD/CNH, USD/SGD). This is up from 6.7% of Hotspot ADV prior to the pricing initiative. This pricing change further underscores our commitment to establishing deep liquidity to our market through innovative and disruptive measures designed to insert price competition into this market. This pricing will also continue through the end of the year.

If you have not yet done so, I encourage you to join the many who are taking advantage of these two opportunities.

[SLIDE 11] – Business Update – Market Maker Standards

Bill Goodbody: In closing, I wanted to give a brief update on our new market maker standards, which went into effect on July 5th, and are outlined on slide 11. As you likely know, the new standards are designed to provide enhanced transparency and disclosure for our market, while ensuring that you, our customers, have that highest level of fulfillment and market quality on Hotspot. Since rolling out the standards last month, we've been pleased with the results.

As we've stated before, we believe that customers should have choice in the types of liquidity they would like to interact with and that is why we provide participants with access to a unique combination of Firm and Non-Firm Liquidity. While Hotspot participants are free to choose the types of liquidity that they would like to access, the addition of Non-Firm Liquidity typically yields tighter prices. We believe that our new Market Maker standards will further increase fill rates and enhance market quality, creating an even more robust experience for our participants. As we drive to bring more transparency to the global foreign exchange market, we feel these new standards further strengthen the requirements around our liquidity. If you have any questions regarding the new standards, please don't hesitate to reach out to your Sales Director or me directly.

Before I turn it back over to Chris to wrap-up the call, we want to again express thanks for your business and support as we transition and expand our presence around the globe.

[SLIDE 12] – Summary

Chris Isaacson: Thanks, Bill. Before I hand it to the operator for questions, I'll sum up today's key points on slide 12:

- We remain on schedule to launch the London matching engine on September 14th

- The first weekend testing opportunity for the London matching engine is this Saturday, August 22nd, and we strongly encourage everyone to participate

- We will be offering free trading in London through the remainder of 2015

- We remain on schedule to migrate the U.S. matching engine to the Equinix NY5 data center on November 9th

- Customers are required to certify to one of the Hotspot Trading Protocols within the Cert/UAT environments (for LD4 & NY5) in order to trade on the new production matching engines

- Multiple testing opportunities are available and we encourage all members to take advantage of these opportunities to test their systems

- If you have questions or need help establishing connectivity to either platform, please reach out to our connectivity and/or sales team as soon as possible.

Once again, we are extremely grateful for your support throughout this important launch and migration. Should you have any questions, please don't hesitate to reach out to me or anyone on the team. We are standing by and ready to assist.

Now I'll hand it back to the operator to manage any questions that may have come up during

our presentation …