



Media release

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Business review

virt-x plc, the operator of the virt-x European cross border exchange, announced today that following the announcement of the appointment of Peter Keller as CEO, it has carried out a review of its business and the prospects for the European cross border equities market in conjunction with its principal customers and shareholders. This has led to a rationalisation of the business to improve efficiency. This process will result in a one off restructuring charge of approximately £0.3 million in the current year and will lead to ongoing annual cost savings of approximately £3.0 million.

While virt-x's share of the DJStoxx 600 remains broadly in line with the 9.3% reported at its results in July, this trading continues to be concentrated in the Swiss blue chip stocks and the most liquid DJ EuroStoxx 50 and DJ Stoxx 50 stocks. As members do not expect the demand for trading in the broader indices to increase until equity markets start to recover, virt-x has decided to focus the number of blue chip equity securities traded on the market to the constituents of the DJ Stoxx 50, DJ EuroStoxx 50 and the major national indices. virt-x's long term strategy remains the same and it will continue to develop its market model to ensure that the Company is well positioned for a recovery in the European equity market.

Commenting on today's announcement, Peter Keller, CEO of virt-x plc, said: :

"In light of the current market environment, it has been necessary to review all areas of the business to ensure that it is run as efficiently as possible. While we will continue to develop the market model to meet the demands of our members, we have decided to focus the market on the most liquid blue chips until market conditions improve and the demand for cross border trading increases.

"The fact that we have maintained our market share above 9% throughout 2002 confirms the efficient nature of the virt-x model. The Board and our major shareholders remain convinced of the financial and operational benefits of the virt-x market model and believes that the Company is well positioned to be the European cross border market of choice when equity volumes recover."

About virt-x

virt-x Exchange Limited, a part of the SWX Group, is a Recognised Investment Exchange supervised by the Financial Services Authority. virt-x is the home market for the Swiss Market Index securities and also offers direct, real-time access to trading in the constituents of all the major pan-European blue chip indices, facilitating sector and index trading. virt-x has an integrated trading, clearing and settlement model which simplifies the process of trading pan-European blue chips and provides scope for significant reduction in cross border transaction costs.

www.virt-x.com