

## Media Release

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### Annual Media Conference SWX Group

#### Strategic starting position strengthened

**Last year, the SWX Group increased its shareholdings and strengthened its position in the international competitive environment. The SWX Swiss Exchange will remain responsible for securities traded in Switzerland and for the technical operation of the two platforms. Internationally popular securities will be traded on virt-x. Both stock exchanges, the SWX Swiss Exchange and virt-x, will be under a single common management. The SWX Swiss Exchange continues to prefer the principle of self-regulation to any move toward government regulation. In view of the lessons learned from various scandals, however, transparency rules must be extended and implemented more vigorously.**

"The SWX Group completed last year with success, is well positioned strategically and stands on a solid basis," said Dr Reto Francioni, the Chairman of the Board, at the annual media conference of the SWX Group. In spite of a noticeable slowdown in the securities trade, income increased by 3.2%. The turnover at the SWX Swiss Exchange and virt-x fell by only 3.5%. And on Eurex, the number of traded contracts in fact increased by 19%. These figures show that the platforms of the SWX Group are attractive and meet the needs of market participants.

After the complete takeover of the cross-border exchange of virt-x by the SWX, new synergy options were analysed. In future, a greater portion of the spot trade in internationally popular securities will take place on the cross-border platform. In terms of their organization, the SWX Swiss Exchange and virt-x will remain two distinct stock exchanges each with its own platforms, but they will be under a single common management. This way, said Jürg Spillmann, Head of the SWX Group Coordination Committee, the SWX will be emulating the proven model used by Eurex Zurich and Eurex Germany, which also share their heads of organization.

Heinrich Henckel, CEO of the SWX Swiss Exchange, defended the principle of self-regulation in surveillance of trading, which has started to attract criticism. This concept, he contended, is based on the division of labour between government supervisory bodies on the one hand and regulation and control by private organizations like the SWX on the other. "In Switzerland, it has proven successful," said Mr Henckel and referred to the quick introduction of the corporate governance directive and the extension of the rules on financial reporting. A regulatory framework which enforces transparency and the equal treatment of investors, he said, is crucial to the functionality and therefore competitiveness of the SWX.

Dr Reto Francioni, Chairman of the Board of Directors of the SWX Swiss Exchange: "The quality of our services, our management and our staff and the new, more flexible organizational structure provide a basis for the Swiss financial marketplace and its internationalisation - independent and committed exclusively to the owners and the marketplace."

Jürg Spillmann, Head of the SWX Group Executive Committee: "Since early April, we have been working on a reorganization that will be completed by the end of May. The main point is to create an organization that covers two companies and markets and two distinct regulatory environments: the Swiss market, conducted under the supervision of the SFBC, and the British market, conducted under the supervision of the Financial Services Authority (FSA)."

Heinrich Henckel, CEO of the SWX Swiss Exchange: "The principle of self-regulation has proved itself in practice and is characterized by its responsiveness - it reacts quickly to changing circumstances in the capital market and changing requirements of investor protection."