

Media Release

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Annual media conference of the SWX Group on 29 April 2004

Consolidation and expansion of the SWX Group

For the SWX Group, the 2003 financial year was marked by efforts to consolidate and expand the Group's activities. Consolidation took the form of a complete take-over of the British-based trading platform, virt-x, which now is a wholly owned subsidiary of the SWX Group. As a result of this acquisition, today a single management team and organisation operate both virt-x and SWX. During the year under review, the SWX Group and co-shareholder Deutsche Börse AG prolonged the contract governing their jointly operated derivatives exchange, Eurex. In addition, the SWX Group reported favourable financial results for the year: its net profit for 2003 rose by 2.2 % to CHF 42.3 million, despite the fact that a one-time CHF 15 million repayment of capital to association members was distributed during the year. In a further development, SWX launched on the very day of its annual media conference the new SPI EXTRA™ - the first index to be introduced within the framework of the Exchange's realigned segmentation.

At the annual media conference devoted to the SWX Group's 2003 financial year, Chairman of the Board Reto Francioni set the tone by stating: "In an otherwise difficult environment, the SWX Group over the past year has strengthened its strategic position in the international competitive battle among securities exchanges through the rapid integration of virt-x and prolongation of the Eurex partnership agreement, as well as by providing market participants with an even higher level of performance at the operative level." Francioni also noted that the SWX Group, thanks to its solid financial and technological underpinnings, is in a position to be at the forefront of efforts aimed at shaping the consolidation process in the European securities exchange industry, an evolution that is starting to exhibit initial signs of bloc-building.

Jürg Spillmann, Head of the SWX Group Executive Committee, considered the Group's 2003 annual results to be very good, given the difficult market environment. The SWX Group recorded a 2.2 % increase in net profit to a total of CHF 42.3 million, even though association members received a CHF 15 million distribution within the context of a one-time repayment of capital. Spillmann continued by providing details on the full integration of virt-x at the management and organisational levels. He also stressed that the 10-year prolongation of the Eurex partnership agreement with Deutsche Börse represented a further highlight of the past year: "Eurex remains the world's largest derivatives exchange and is by far the financial industry's most successful example of a transnational collaborative effort."

Heinrich Henckel, CEO of the SWX Swiss Exchange, took the opportunity at the media conference to formally

inaugurate the SPI EXTRA™ the initial representative in a new series of market indices. The SPI EXTRA™ is positioned as a benchmark index focused solely on small- and mid-cap stocks. Henckel explained the Exchange's re-aligned segmentation by saying, "The altered index structure has mainly resulted in a bolstering of the small- and mid-cap segments as well as a heightened focus on certain industry sectors. As it pertains to our sector-specific indices, a first step has been taken in the area of life sciences."

Daniel Keist, Member of the SWX Swiss Exchange Management Committee and Secretary of the Admission Board, went on to explain the concept of self-regulation by SWX. With the support of examples from the ad-hoc publicity, corporate governance and accounting areas, he stressed the importance of credible regulation and enforcement in yet another connection: "SWX has the greatest interest in a fair and transparent market as well as a stringent approach to regulation that is nonetheless readily adaptable to changing market circumstances. Within the scope of its regulatory activities, SWX is committed to achieving these goals. We consider credible self-regulation to be a crucial competitive advantage of the Swiss financial marketplace in what is an extremely competitive international environment. And that competitive edge should not be abandoned."