

## Media release

26.04.2005

### Annual media conference of the SWX Group on 26 April 2005

#### Two trading segments on virt-x – Sponsored segment on SWX

**On Tuesday, April 26, the SWX Group presented its 2004 annual financial results which reflected the profitability of each of its business divisions. In addition, SWX reported on the continuity of its strategy, the expansion of its trading platform to accommodate quote-driven products, as well as its intention to introduce a sponsored segment for the trading of non-listed foreign securities on the SWX Swiss Exchange. SWX also presented its response to changes in European financial market regulation. This pertains mainly to trading in SMI shares on virt-x, where in future two segments will be made available. For the listing of international bonds, SWX offers attractive conditions for issuers domiciled in foreign countries.**

Reto Francioni, Chairman of the Board of the SWX Group, stated right at the outset: "For the SWX Group, the past year was eventful, exciting – and successful. Our Group produced solid results yet again in the 2004 financial year, with all divisions operating clearly in the black." Expressed in numbers this means: Revenues increased by 4 % to CHF 358.8 million; operating earnings stood at CHF 77.0 million, 77 % higher than in the previous year; and the Group's annual net profit amounted to CHF 53.3 million (+26 %). Francioni noted that the healthy financial condition and technological innovativeness of the SWX Group represent the foundation for the successful ongoing development of the enterprise. In terms of strategy, the focus will be clearly placed on continuity: To the benefit of its market participants and the entire Swiss financial marketplace, SWX desires to be and remain an optimally functioning services organisation.

Jürg Spillmann, Head of the Group Executive Committee, reported on the Group's operating aspects and provided a number of key figures for its Eurex and STOXX subsidiaries. Following a gratifying 2004 financial year (revenue growth in all products), Eurex has now recorded an all-time high in turnover for the first quarter of 2005. STOXX also made substantial gains in 2004 – its annual revenues increased to CHF 37.4 million (2003: CHF 33.12 million), which resulted in a net profit of CHF 13.77 million (2003: CHF 13.04 million).

In addition, Spillmann emphasised the role of SWX as a leading European exchange for life science companies, a fact that was taken into account in the creation of the industry-specific SXI family of indices. "Many players involved in the Swiss financial marketplace are perhaps not aware of the fact that, in terms of healthcare companies, SWX occupies the number-one slot in all of Europe – even ahead of the London Stock Exchange", Spillmann noted. He then went on to discuss the pathbreaking enhancement to the SWX Trading System that will accommodate products for which market makers require enormous system capacity. Development of the so-called *Quotematch* program is progressing

according to plan and it will go live in September. Spillmann concluded by providing details on the *SWX Swiss Exchange Sponsored Segment* for trading in non-SWX-listed issues.

Heinrich Henckel, CEO of the SWX Swiss Exchange, presented SWX's response to the impending changes in European financial market regulation. virt-x trading of SMI shares listed on SWX must be adapted as a result of the new EU rules. The model developed is the result of discussions with the Financial Services Authority (FSA) to ensure consistency with the relevant EU Directives and UK implementing measures, and foresees the establishment of two distinct trading segments on virt-x as of July 1, 2005 – one that is in compliance with the relevant EU provisions (the EU Regulated Market Segment), and another in which the current regulatory requirements for Swiss issuers are generally preserved (the UK Exchange Regulated Market Segment). Details in this regard will be finalised and presented to issuers by June.

Henckel then turned to the topic of listing international bonds on SWX. The Exchange desires to position itself as an alternative to the EU in this particular area. The numerous enquiries received from potential foreign issuers underscores the tremendous interest being shown in such an opportunity. Recently, the first bond issue was listed under this new regulatory scheme – Bank Itaú, South America's most highly capitalised financial services company. Henckel stated that, "SWX participants benefit from what to the greatest extent is a fully automated admission procedure as well as from the highly efficient straight-through processing of trades. Our goal is to expand SWX's activities as an international competency centre for the listing, trading, clearing and settling of SWX-listed international bonds."

Should you have any questions, please feel free to contact Mr. Werner Vogt, Spokesman  
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