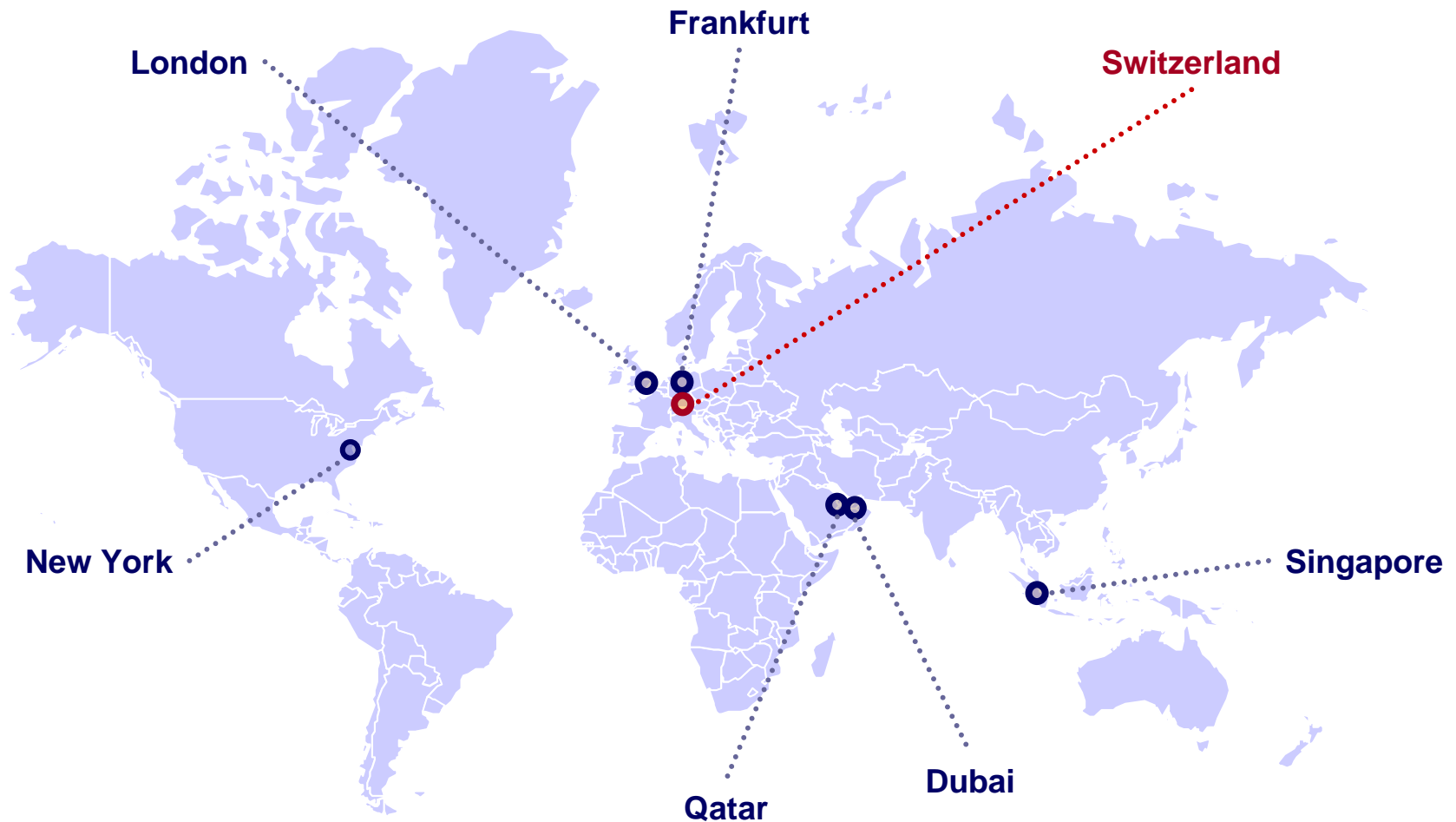


# Merger of SWX, SIS and Telekurs

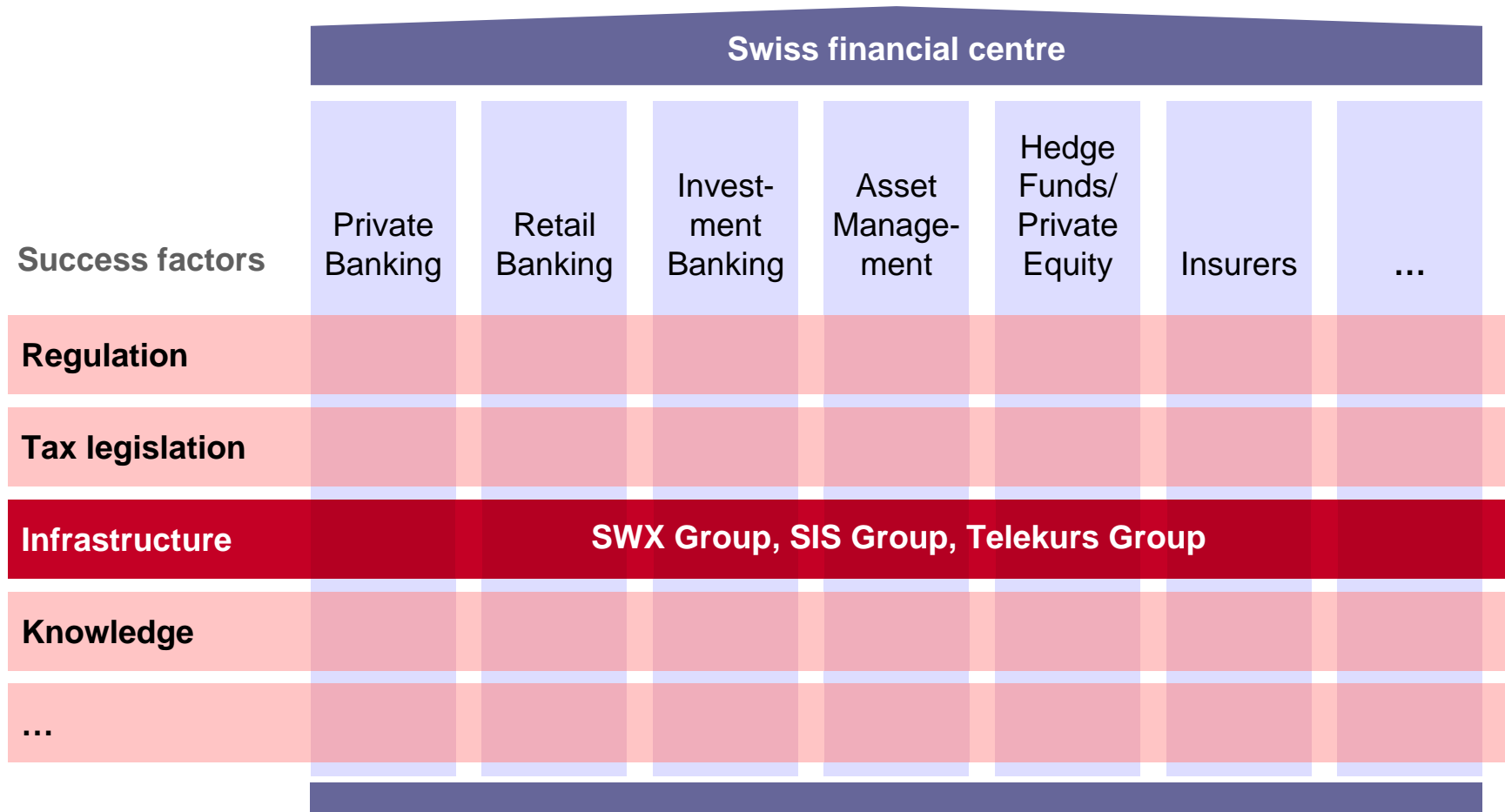
Media conference of 15 May 2007

# Strategic competition between financial centres now being conducted in the open

*Examples*



# Financial market infrastructure is a key success factor for the Swiss financial centre



# SWX, SIS and Telekurs as fundamental pillars of successful Swiss financial centre

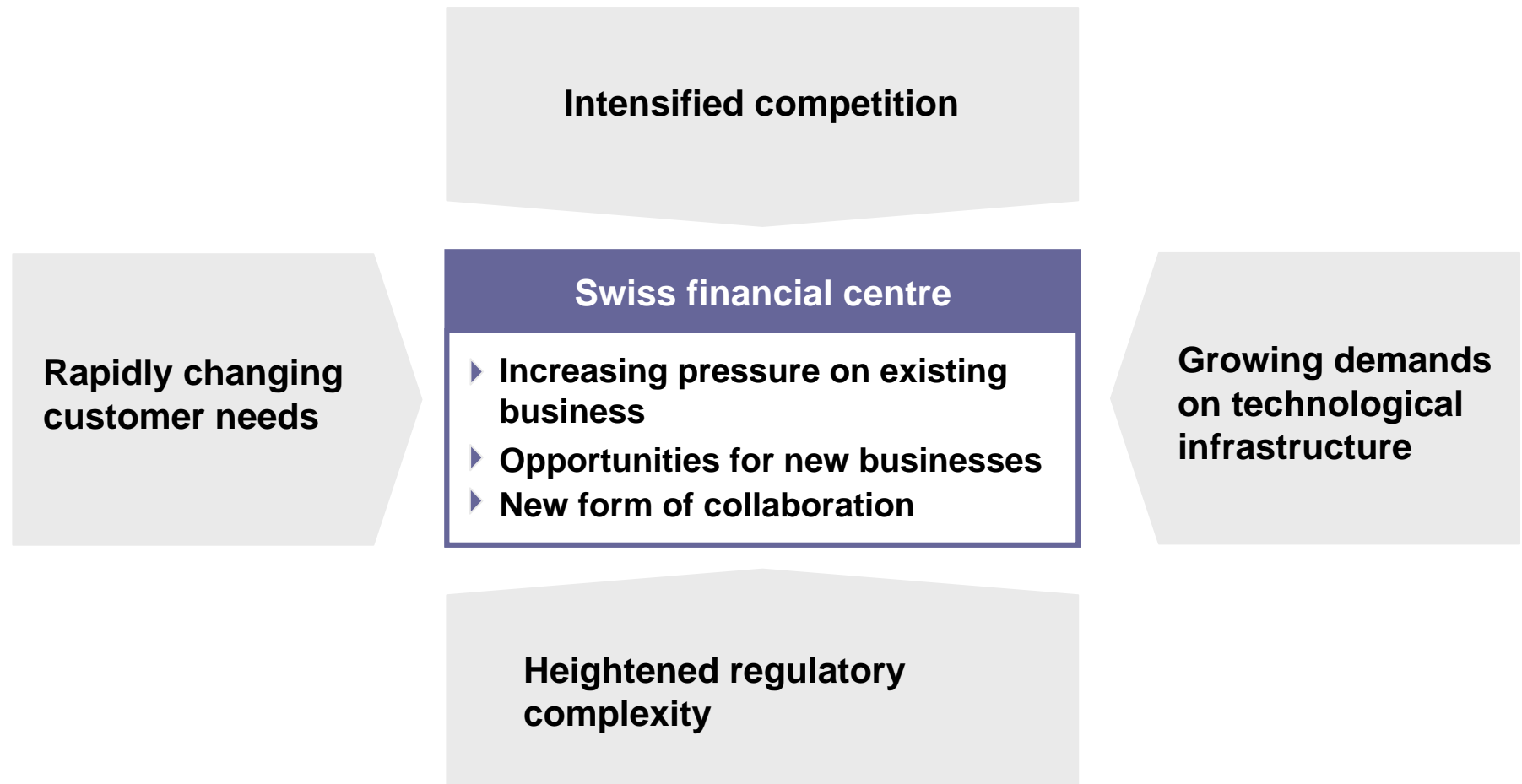
SWX Group	SIS Group	Telekurs Group
1988 Founding of SOFFEX	1993 Most modern C&S system SECOM	• Securities database with 3 mln. financial instruments
1996 Fully electronic trading (EBS)	1996 Processing Swiss Value Chain	• International presence in world's most important financial centres
1998 Merger SOFFEX with DTB to form EUREX	2003 Central counterparty SIS x-clear	• CHF 200 bln. per day in SIC system
1999 SWX Repo system	2006 CSD direct link with Germany and Austria	• 150 mln. bancomat transactions and 250 mln. card payments per year
2001 Founding of virt-x	2006 Introduction of platform for clearing hedge and offshore funds	
2005 Introduction of Quotematch platform		



More challenging environment ...

... can these successes be repeated in the coming 10 years?

# Challenging changes in the business environment



# Challenges as a result of changes in the business environment, but also new opportunities



## Challenges

- Threat to exchange trading and C&S business due to scaling/cost advantages of new and/or existing platforms
- Threat to financial information business due to size advantage of international competitors
- Establishment of European payment transactions area (SEPA) without equal access
- Regulatory/fiscal developments to the disadvantage of the financial centre



## Opportunities

- Partnerships for securities trading (e.g. derivatives, new asset classes)
- International multilateral platform for securities clearing and settlement
- Expansion of financial data and index business as the result of increasing need for data (e.g. due to MiFID)
- Expansion of European card business (acquiring, processing) based on technologically leading platforms

# Previous and new success factors for future-oriented financial market infrastructure

## Success factor

### Competitiveness

- Competitive cost structure
- Reliability

### Innovation

- Be the first to identify opportunities

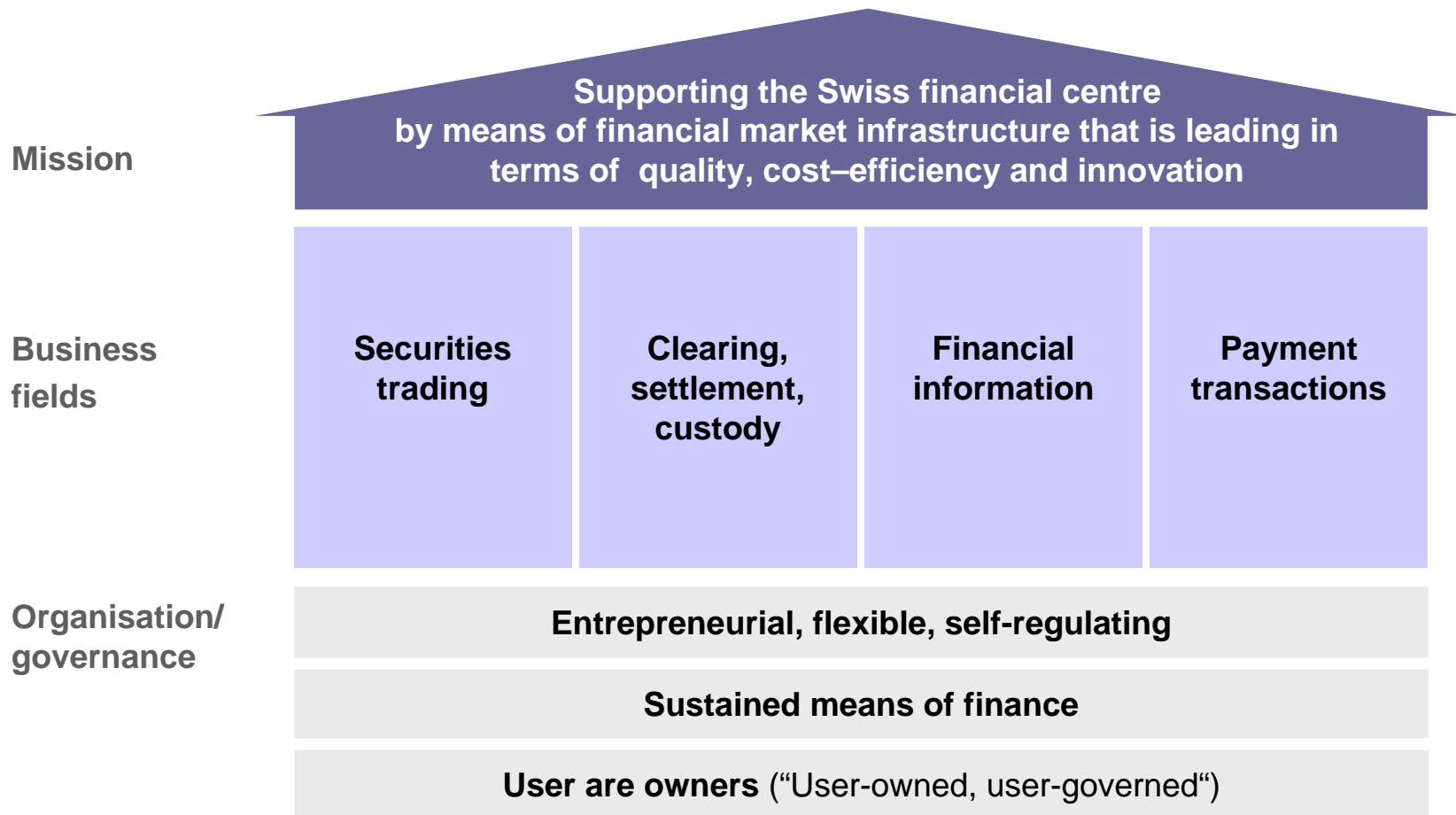
### Ability to respond

- Decide quickly
- Implement with leveraged resources

### Negotiating strength

- International weight
- Experience in alliances

# Elements of the newly organised financial market infrastructure



# Overview of the business areas of the new company

## Securities trading

- Shares
- Warrants
- Bonds
- Funds and ETFs
- Derivatives
- Repos

## Clearing/Settlement/Custody

- Clearing
- Settlement
- Custody
- Securities administration

## Key figures 2006

- Revenues > CHF 1.3 bn.
- Approx. 3,000 employees
- Present in 16 countries worldwide

## Financial information

- Securities market data
- Index data
- Valuation data
- Securities administration information

## Payment transactions

- SIC and euroSIC inter-bank payment systems
- Card business
- POS services
- Direct debit / Paynet

## Users remain owners (“User-owned, user-governed”)

### Codetermination

Decisions on orientation of financial market infrastructure taken **in best interest of users**

### Involvement

Involvement of users facilitates timely and **focused further development** of the infrastructure

### Participation

**Added value** generated in business with users **accrues to benefit of users**

### Inclusion

Inclusion of all parties concerned creates bonding with and an **understanding for the Swiss financial centre**




### Long-term stability of the shareholder structure

ensured by means of statutes and shareholders agreement

## Potential for success of the new financial market infrastructure

- ✓ Strengthening of the Swiss financial centre
- ✓ Enhanced efficiency and innovative power across the the entire value chain
- ✓ Leading services in terms of quality and price for domestic and international financial market participants
- ✓ Close collaboration with international partners
- ✓ Open multi-provider architecture with unhindered access to trading, clearing and settlement
- ✓ Financial market infrastructure owned by domestic and foreign users, which in turn focuses the users' and players' interest on the Swiss financial centre



In a strong position to continue to write a history of success during the next 10 years

# Merger within the context of the SWX strategy

## Elements of SWX strategy

Internationally competitive securities exchange services

Optimisation of the Swiss Value Chain

Added value through partnerships, also at the international level

## Advantages of merger

- ✓ Customer-oriented solutions across the entire value chain
- ✓ Contribution towards heightening the attractiveness of the Swiss financial and securities exchange centre
- ✓ Increased innovative power
- ✓ Improved competitiveness of the financial market infrastructure
- ✓ Development in the best interests of users (“User-owned, user-governed“)
- ✓ Unchanged openness vis-à-vis international customers and partners
- ✓ Strengthened strategic position in light of unrelenting consolidation

# Merger within the context of the SIS strategy

## Elements of SIS strategy

Infrastructure-related services for the Swiss financial centre

Leading Europe-wide services for securities trading

Scaling of infrastructure

## Advantages of merger

- ✓ Competitiveness of Swiss financial centre is bolstered by services that are leading in terms of quality and cost-effectiveness
- ✓ Heightened competitiveness thanks to alliance with other internationally networked companies
- ✓ Enhanced innovative power and efficiency
- ✓ Expanded circle of participants thanks to open multi-provider architecture
- ✓ New partnerships based on existing cooperation model

# Merger within the context of the Telekurs strategy

## Elements of Telekurs strategy

Financial information:  
international financial data  
provider

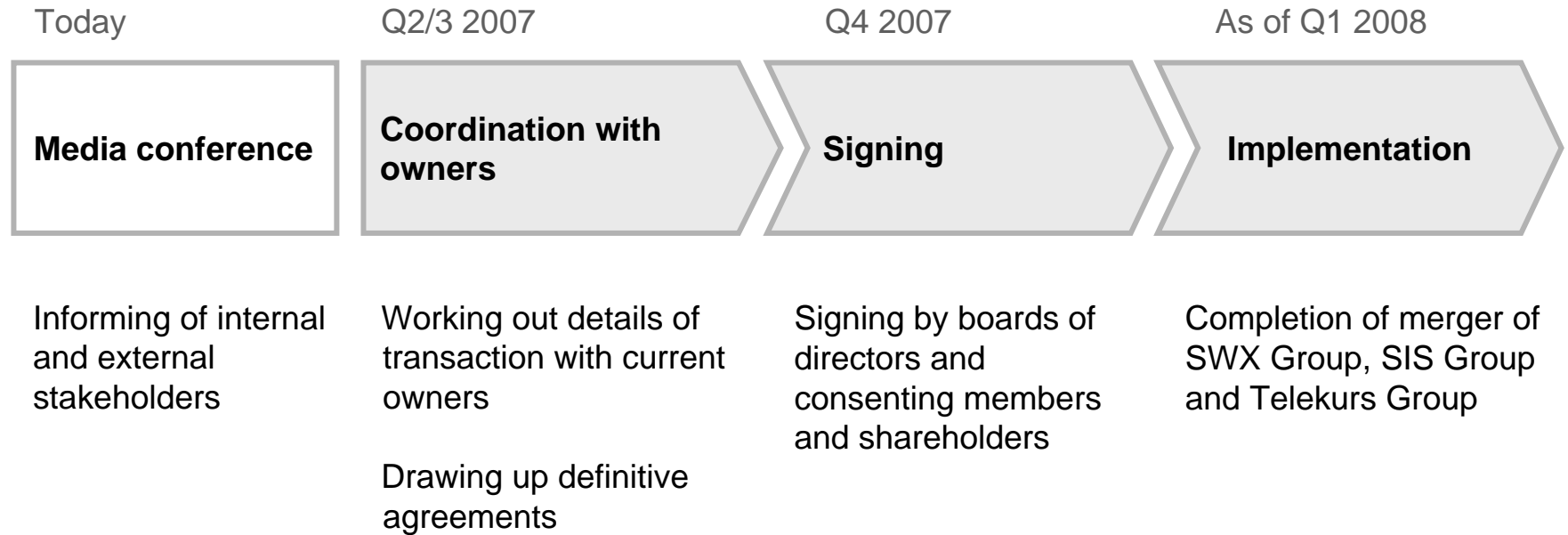
Payment systems:  
internationalisation

Information technology:  
increased efficiency

## Advantages of merger

- ✓ Alignment of financial data dissemination, data structure and data content
- ✓ Expansion of the European card business on the basis of technologically leading, internationally proven and scalable platforms
- ✓ Optimised capacity utilisation of computer centres and operating systems

# Timeline for implementation of new structure



# Merger of SWX, SIS and Telekurs

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