

MEDIA RELEASE

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Swiss financial market infrastructure provider announces gratifying six-month results and new brand SIX Group

Price reductions for securities trading and related services

In the first six months of 2008, Swiss Financial Market Services AG significantly expanded its business activities versus the comparable prior-year period. Higher revenues from the securities services, financial information and payment transactions business fields offset the decline in securities trading activity. Within the framework of its strategy work and integration activities, the Group has developed a new brand strategy. In future, Swiss Financial Market Services AG will operate under the name SIX Group AG. This umbrella brand stands for Swiss Infrastructure and Exchange. The company also plans to introduce substantial fee reductions in the areas of securities trading and related services. As successor to departing Board member Dr. Martin Sieg Castagnola, Dr. Philipp Halbherr, Head of Investment Banking and Member of the Executive Board, Zürcher Kantonalbank, will be proposed as representative of the cantonal banks on the Board of Directors.

Gratifying six-month results

The start of Swiss Financial Market Services was accompanied by favourable market conditions and a sharp increase in transaction volume. For the first six months of 2008, the Group recorded for the first time sales revenues of CHF 773.6 million. Dr. Urs Rügsegger, Group CEO, commented on this outstanding result by saying: "The market environment for the financial industry is becoming more difficult. Thus it is so much the more significant that we managed on one hand to increase further the revenue flow from key services and, on the other, achieve important strategic goals." Due to the special challenges with which the global financial markets as well as the Swiss financial centre are face at present, a slightly slower pace of growth is expected for the second half of the year. The combination of the three former financial market infrastructure providers SWX Group, Telekurs Group and SIS Group is proceeding according to plan and the goals that had been set were achieved.

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Outlook

Swiss Financial Market Services remains cautiously optimistic for the second half of 2008. While securities market developments are difficult to predict, the card business encourages us to expect a further favourable trend. The integration work will be continued and intensified with the objective of optimising for customers all of SFMS's services.

The Group's *securities trading* business segment has a strong position in the trading of Swiss securities as well as an excellent point of departure in the global derivatives market. During the first six months of the year, sales revenues from securities trading amounted to CHF 272.4 million. Exchange turnover (cumulative trading turnover on the SWX Swiss Exchange and SWX Europe) recorded a decline of 17.8% to CHF 1.037 trillion (prior-year period: CHF 1.260 trillion). At Eurex, the number of traded contracts increased by 18.1 % to 1.146 billion (H1 2007: 971 million). Scoach Switzerland Ltd., the exchange for structured products, recorded first-half turnover of CHF 31.2 billion (H1 2007: CHF 40.3 billion).

The *securities services* business segment has a strong point of departure in a rapidly changing international environment. First-half sales revenues stood at CHF 117.8 million. As a result of the volatile markets, the number of transactions increased by an unusual 47.8 % to 29.0 million (H1 2007: 19.6 million). Of particular note in this regard is the marked 133.7% increase in the clearing business from 5.2 million to 12.2 million clearing transactions. On the other hand, inventories of securities held in custody were pressured as a result of price declines.

In the wake of last autumn's takeover of French financial information provider Fininfo, the *financial information* business segment recorded consolidated first-half sales revenues of CHF 205.4 million (H1 2007: 120.7 million). Particularly gratifying were the further expansion of the securities data feed and the continuing success from the placement of display terminals in Switzerland. Thanks to the data centres that have been established during the past two years in Mumbai and Krakow, it has been possible to cope successfully with the relentlessly increasing volume of price and securities-related data.

The *payment transactions* business segment is benefiting from the persistent trend towards cashless payments and is pressing ahead successfully with the internationalisation of its card business. It recorded total sales revenues of CHF 173.6 million. Credit card turnover rose in the first six months of 2008 by 12.6% to CHF 6.0 billion (H1 2007: CHF 5.3 billion), while debit card turnover increased by -10.0% to CHF 9.1 billion (H1 2007: CHF 8.3 billion). In the processing area, new European customers who are allowing their payment transactions to be processed in Switzerland are generating high growth rates in the segment's international business. As a result of the recently concluded contracts with PayLife Bank GmbH, Vienna, the number of transactions processed by Telekurs Card Solutions will more

than double by 2010. 180.6 million transactions were processed via the SIC interbank payment system during the first half of 2008 (H1 2007: 174.5 million), representing a 3.5% increase.

New umbrella brand

At the beginning of January, the merger of the SWX Group, Telekurs Group and SIS Group was officially completed to create a parent company known currently as «Swiss Financial Market Services». Going forward, the newly established enterprise will continue to be a strong and reliable partner for services in the area of financial market infrastructure. This strategic line of attack will now become more clearly evident both internally and externally: in future, the company will operate under the name of **SIX Group AG**. SIX stands for Swiss Infrastructure and EXchange.



This new corporate brand is a seal that marks the successful combination of the three founding partner companies. At the same time, the renaming is emblematic for the Group's newly formulated ambitions: the corporate strategy, which is oriented towards internationalisation and innovation, will enable the Group to master the upcoming challenges and resolutely exploit the opportunities that arise in the marketplace. Simultaneously, this uniform "face to the market" underscores the Group's desire to offer its customers integrated solutions. And the consistent Group-wide appearance also lends employees a sense for the significance of resolute collaboration within the Group, which ultimately accrues to the benefit of its customers.

Price reductions in the areas of securities trading and related services

Within the framework of the strategy adopted by the Board of Directors, our shareholders and users of the financial market infrastructure should benefit primarily from competitive prices for our services. To that purpose, various tariffs will be dramatically reduced already in the second half of the current year. As a result, market participants will enjoy savings in the amount of CHF 55 million for securities trading and CHF 25 million for securities services. The SWX Swiss Exchange, SWX Europe and SIS SegalInterSettle will announce the relevant details of the fee reductions at the appropriate time.

Change in the Board of Directors

Dr. Martin Sieg Castagnola, member of the Executive Board and Head of Investment & Private Banking at ZKB, who has represented the cantonal banks on

the Board of Directors, will pursue a new professional challenge and, effective 31 August 2008, step down as a Board member of Swiss Financial Market Services. Dr. Philipp Halbherr, Head of Investment Banking and Member of the Executive Board, Zürcher Kantonalbank, has been proposed for election as his successor.

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Swiss Financial Market Services AG operates Switzerland's financial market infrastructure and offers on a global scale comprehensive services in the areas of securities trading, clearing and settlement, as well as financial information and payment transactions. The company, which emanated from the merger of the SWX Group, SIS Group and Telekurs Group at the start of 2008, is owned by its users (160 banks of various size and orientation) and, with its workforce of approximately 3,600 employees and presence in 23 countries, generates annual revenues in excess of 1.5 billion Swiss francs.

As one of Europe's leading securities exchange and financial market infrastructure operators, Swiss Financial Market Services offers first-rate services that address all aspects of Swiss and crossborder securities trading as well as the admission of securities to trading. The company's other business fields focus on rendering cost-effective and efficient services in the areas of clearing, settlement, securities safekeeping and administration, as well as supplying international financial information for investment advisors, portfolio managers, financial analysts and administrators of securities transactions. In addition, its services in the area of payment transactions cover the acceptance and processing of payments made with credit, debit and customer cards, as well as the handling of interbank transfers and e-invoices.