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Speech by Prof. Dr. Peter Gomez, Chairman, SIX Group

Note: The spoken word applies

Ladies and Gentlemen

I would like to extend you a warm welcome to this, the first annual report on the financial results of SIX Group. Given the challenges surrounding what was more than just a turbulent market environment, we are very satisfied with our achievements in 2008. Urs Rügsegger, our Group CEO, will provide details on those results.

But allow me please to start with a brief retrospective: In the spring and summer of 2007, the owners of the previous SWX, SIS and Telekurs groups decided, in the best interest of the Swiss financial center and for economic as well as strategic reasons, to merge the three companies and integrate them into a single umbrella organization. The US subprime crisis had already cast its first shadows, but no one could have imagined the full impact this crisis would have on the 2008 financial year. In the truest sense of the word, SIX Group experienced a virtual trial by fire.

As Chairman of the Board, I was impressed by how professionally our newly formed organization mastered what in part were extreme stress tests. On September 19th, 2008, four days after the collapse of Lehman Brothers, our Exchange System processed turnover totaling CHF 14.4 billion alone in the trading of Swiss blue chips included in the SMI or, as it were, the SLI. That represents a quadrupling of the average daily volume, but the Exchange as well as our clearing and settlement systems handled it without the slightest sign of problems. When I also consider the fact that, on a certain day in September of 2008, one of our European competitors was laid lame for all of seven hours, I am so much the more impressed by the achievements of our employees. What's more, the ways and means by which Eurex – our joint venture with Deutsche Börse in the derivatives segment – fully mastered the handling of transactions in response to the Lehman Brothers collapse can only be described as sovereign. I would like to take this occasion to express again my sincere thanks for the professional efforts of our employees.

That being said, the companies that comprise SIX Group not only proved their mettle in financial and technological terms: apart from holding up under the stress of daily business, they also had to cope with an extremely challenging combination of three firms, each with a different corporate culture. Today – 16 months after the inception of SIX Group – this process has yet to be completed, as was predicted right from the outset. But the milestones achieved to date have clearly exceeded our expectations.

The gratifying development of our company in 2008 testifies to the fact that SIX Group is building on a solid strategic foundation. A formative element of the original thinking behind the merger was the creation of a new organization based on the "user-owned, user-governed" principle. The previous owners of the SWX Group, SIS Group and Telekurs Group – in total, 160 banks and members of the financial industry – will continue to write the history of our company. As a part of this, they have committed to passing on to

users the company's financial success, this in the form of tariff reductions and investments in the expansion of our infrastructure. Given project costs amounting to CHF 220 million, that is indeed a substantial sum. Dividend payments are of course foreseen, but they are not the top priority.

Thus we are astounded that our shareholder make-up has suddenly become the substance of federal political focus, this despite the fact that the announcement and implementation of our merger met with no negative reaction in mid-2007. Much to the contrary, the Federal Finance Department and its head, Federal Councilman Hans-Rudolf Merz, as well as our supervisory authority – the former FBC and today's FINMA – responded favorably to our intentions. Uncertainty among the broad public has undoubtedly given rise to the fact that three motions were almost simultaneously submitted to the Federal Parliament, some of which are still pending.

In a December 2008 interpellation entitled "Swiss Exchange: Future, Structure and Ownership Circumstances", Federal Councilor Pirmin Bischof (a CVP party member from Solothurn) demanded that the question be addressed as to whether securities issuers, or rather the government, should be involved in the ownership of the Exchange. In its response, the Federal Council wrote that the ownership structure of SIX Group has proven its worth for the Swiss financial center. To cite the exact phraseology: "A functioning and efficient securities exchange is a significant location-specific factor for Switzerland. SIX Group covers all business fields of the domestic financial market infrastructure, thereby contributing to the efficiency and independence of the Swiss Exchange." Our government also expressed its recognition of the Exchange's self-regulatory competence.

Nonetheless, this clear-cut stance in support of SIX Group and its shareholder base did not hinder Federal Councilor Hans Grunder (FDP party member) from meanwhile presenting an almost synonymous motion with the promising title of "Restoring Trust in the Swiss Financial Center." The response to this specific petition is still outstanding.

In this regard, I would like to voice the following: Today's governance at SIX Group is clearly segregated in terms of operative management, which is focused on the bottom line, and the bodies responsible for regulating and supervising issuers and market participants. Issuers as well as independent individuals are heavily represented in the newly constituted "Regulatory Board", which bears responsibility for establishing the rules. Those rules are then implemented and enforced by SIX Exchange Regulation, a body responsible for day-to-day surveillance that has been separated from the operative activities of SIX Group and, from an organizational standpoint, answers directly to the Chairman of the Board. This separation of powers corresponds to best practice also at the international level. As it pertains to SIX Group in particular, three of the ten members of its Board of Directors are independent and have no connection with the financial industry. They and their representatives ensure competence in terms of the complicated issues at hand.

Also in the December session of parliament, Federal Council Johann Schneider-Ammann launched an initiative entitled "Avoidance of Asymmetrical Incentive Structures and Liability for Damages in Cases of Rescue Actions in Favor of System-relevant Companies." In this instance, the initiator is demanding that the uppermost strategic and operative functionaries of companies – even those merely involved in providing infrastructure – are held jointly and severally liable for any damages incurred by the broad public. Such an initiative can only be attributed to the general uncertainty surrounding the current financial crisis, something that is in the process of undermining one of the greatest achievements of our free economic system – in other words, the joint-stock company which draws a clear line of demarcation

between owners and managers. With this initiative, managers would bear the full downside risk even as they – in contrast to the shareholders – would participate only modestly in the company's profit potential, especially when the discussion now appears to be centered on a cap of their earnings and bonuses.

SIX Group was created in order to ensure the long-term quality of service in four of the areas that are of fundamental importance to the Swiss financial center:

- Securities trading
- Administration across the entire value chain (i.e. clearing, settlement, custody)
- Financial market information
- Payment transactions, including card-based cashless payments

To achieve a critical mass in international competition as well as a broader degree of diversification in terms of risk, we opted to form SIX Group as a means of integrating the entire Swiss Value Chain into a single entity. After having achieved such a successful first year of operation as a unified company, the question obviously arises as to whether we are on the right path. Let me answer by saying that our organization is difficult to compare with any competitor, this because we have a portfolio of activities that is unique in the world. Countless exchanges have their own clearinghouses or own at least a substantial interest them. But SIX Group has even a greater reach in terms of its significant payment transactions and financial information business fields.

A comparison of equity markets – where our company ranks Number 5 in Europe – is only a small part of the picture. What is less recognized is the fact that our Exchange is Europe's Number 1 in the pharmaceutical, life sciences and medical technology sectors. What also may not be forgotten is the fact that we are co-owner of Eurex, the world's largest derivatives exchange. Scoach, our German/Swiss exchange for structured financial products, is on track to becoming the Continent's market leader.

Because SIX Group is not a listed company, we are also not able to compare ourselves to the competition in terms market capitalization. But a decisive factor in this regard is that, with our five business units, we managed to record revenues of CHF 1.35 billion and a consolidated net profit of CHF 306 million in what was otherwise an extremely difficult financial year. Moreover, with shareholders' equity of CHF 1.72 billion, we are very well equipped to weather difficult times as well as to realize new business concepts. Precisely in today's challenging environment, we consider it to be a decisive advantage that we are broadly diversified and not solely oriented towards the exchange trading aspect. Moreover, we have learned from the Swiss National Bank that our Eurex Repo platform has provided it with support that is unique in the world in terms of implementing the central bank's monetary policy.

At the outset of my comments, I referred to our organization's top priority of serving the best interests of the Swiss financial centers. Simultaneously with the announcement of our merger last year, we presented the 2015 roadmap for the Swiss financial center in conjunction with the Swiss Bankers Association, Swiss Insurance Association and Swiss Funds Association. It goes without saying that this endeavor calls for a fundamental change in the way we go about business. But it remains the cornerstone for a reorientation of the financial center, one that takes into account a completely changed international environment and offers many new opportunities. We at SIX Group – in a year that witnessed storms in the Swiss financial center – have performed admirably. For that achievement, we and our 3700 employees are indeed proud. That motivates us, together with our partners, to shape the future of the Swiss financial center.

Thank you for your kind attention. I'll now pass the floor to Urs Rügsegger.