
SWX message

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Subject:	SWX Indices: Restructuring of the SPI® and SMI® families and introduction of a capped equity index		

Ladies and Gentlemen

The usages and conditions for competitive indices have changed in recent years. Indices must sporadically be adapted to the evolving market environment in order to fulfil their purpose as measuring instruments for the financial market and remain attractive as a basis for traded products.

The SWX, therefore, on the advice and with the support of the Index Advisory Board, is working on a project whose purpose is to restructure the SPI® and SMI® families. The introduction of these adjusted index families is scheduled for September 2007. There are also plans to launch a capped equity index that will expand the existing index universe. The review dates will change as well.

See below for the projected changes as well as the reasons for restructuring the SMI® and SPI® families and launching the new equity index.

1. Restructuring of the SPI® and SMI® families

Changes:

- The SMI® will comprise a fixed number of 20 securities.
- The SMIM® will comprise a fixed number of 30 securities.
- The SMI Expanded® (SMI® und SMIM®) will therefore comprise a fixed number of 50 securities.
- The SPI® Large will comprise precisely the 20 securities of the SMI®.
- The SPI® Mid will comprise the following 80 securities.

Reasons:

- To increase the attractiveness of the SMI® and the SMIM® as a basis for traded products:
- The SMI® will have a clearer profile and be easier for investors and product issuers to reproduce.
- The addition of highly liquid SMI® securities will upgrade the SMIM®. Smaller securities in the SMI® will gain importance, i.e. they will have a stronger weighting in the index, by migrating to the SMIM®. The securities will be added to the SPI EXTRA®, which has evolved into the benchmark for small and mid caps.

- The relationships between large, medium-sized and small companies have changed in recent years. The index compositions will be adapted to the new situation.
- The market-related indices of other index providers also include a specific number of securities (DAX 30, EuroStoxx 50, DJIA 30, S&P 500, etc.).

Important:

It is not yet clear which companies will be affected by the changes. The ranking as of 30 June 2007 (according to average capitalisation and the turnover achieved during one year, i.e. from 1 July 2006 through 30 June 2007) will determine which companies will belong to the SMI[®] or the SMIM[®].

Launch:

The launch is scheduled for the ordinary review date in September 2007.

2. Launch of a capped equity index for the 30 largest Swiss securities

Key data:

- The capped index will comprise 30 securities: the 20 securities of the restructured SMI[®] and the 10 largest securities of the SMIM[®] (according to the rankings as of 30 June 2007).
- It will be introduced as a brand separate from the existing index range.
- The capped index will be based on a two-tier capping model (9% / 4.5%), i.e. the maximum weighting of each of the four largest securities in the index will be 9%, that of the others 4.5%.
- This capped index will meet the requirements of the following rules and regulations:
 - Investment Fund Act (IFA)
 - Investment Fund Ordinance (IFO)
 - Undertakings for Collective Investment in Transferable Securities (UCITS); this EU directive sets out the conditions under which a fund domiciled in an EU country can be marketed in all EU countries.
- The US Commodity Exchange Act (CEA)
- Provisions of the U.S. Securities and Exchanges Commission (SEC)

Reasons:

- Capping improves risk diversification (investor protection).
- Capping allows the sale of options and futures at Eurex USA.
- Because the capped index meets the provisions of Swiss, EU and US law, the products traded on it allow new markets to be tapped. This in turn generates liquidity for the basket companies.

Planned launch date:

The capped index is scheduled to be launched in July 2007.

3. Change of ordinary review dates

- The ordinary index-review dates will be moved from the first trading day in April and October to the Eurex expiry dates +1 (trading day) in March and September.
- This change will first apply to the review in September 2007.

These changes meet the needs of the market and offer new opportunities for product structuring and investment. We are confident that they will increase the attractiveness of the indices, and hence of the securities they contain, to investors.

During the first quarter of 2007, the updated SMI® and SPI® family index rules will be published on the SWX website. At the same time, the index rules for the new capped equity index will be available online.

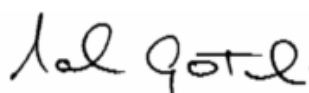
Should you have any questions or comments, please do not hesitate to contact our Helpdesk: Tel. +41 (0)58 854 22 80 or e-mail indices@swx.com.

Yours sincerely

SWX Swiss Exchange



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Information on events affecting the SWX indices (SMI®, SPI®, SXI®, SBI®) can be received free of charge via our weekly **e-mail service** (registration: indices@swx.com).

SWX®, SWX Swiss Exchange®, SPI®, Swiss Performance Index (SPI)®, SMI®, Swiss Market Index (SMI)®, SPI EXTRA®, SMIM®, SMI Expanded®, SXI®, SXI LIFE SCIENCES®, SXI Bio+Medtech®, SBI®, SBI Swiss Bond Index®, VSMI® and SWX Immobilienfonds Index® are registered or lodged trademarks of the SWX Swiss Exchange, and their usage is subject to licence.