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EXFEED – NEW PRODUCTS MEET WITH SUCCESS

In 2006, EXFEED served a total of 139 customers. The number of vendors (who resell data further down the line) increased by four. Direct links to EXFEED's production systems were maintained by 15 subscribers.

Buoyed by a banner year for stock markets and two successful product launches, EXFEED's customer base showed an encouraging expansion in the reporting period. The number of professional users rose by 9% to 65 000. Growth was particularly strong in level-1 service, which after four consecutive years of decline bounced back with a 5% increase. The number of level-2 (depth-10 information) subscribers was up 23%.

As in 2005, subscriptions in the non-professional segment (made up of private investors working through e-trading portals) gained further ground, but at 8% the increase was lower than in the professional segment.

Income from technical hook-up fees and annual operating licences for vendors rose by 4% to CHF 3.5 million. This reflects the continuing upswing in business since 2005, which prompted new providers to enter the market. Revenue from user-dependent exchange fees grew by 11% to CHF 18.2 million.

The new derivatives service introduced at end-2005 did not contribute as much as expected to results, as some of the connections enabling EXFEED to deliver the new data bundles to vendors were not yet operational.

Overview of results

Revenue	CHF 21.7 million	+10%
Operating expenses	CHF 7.7 million	-7%
Operating profit	CHF 13.9 million	+22%
Net earnings after licence fees and taxes	CHF 3.1 million	+43%

Source: SWX Swiss Exchange

Revenue totalled CHF 21.7 million, up 10%. Thanks to production streamlining and cost savings on administrative overheads, EXFEED was able to reduce operating expenses by 7% to CHF 7.7 million. Operating profit amounted to CHF 13.9 million. Net earnings after licence fees and taxes came to CHF 3.1 million, compared with CHF 2.2 million in 2005.

Delivery quality and data throughput were further improved in day-to-day operation. With trading turnover repeatedly setting new records in 2006, the investments made in the two previous years to upgrade central system performance and networks had a positive impact. Quote Market Feed (QMF), which was launched in late 2005 to meet the requirements of market segments with very high transaction rates, proved particularly effective.

Level-2 data in the limelight

EXFEED expanded its level-2 (depth-10 information) product offering at the end of May 2006. Market depth for SMI shares traded on virt-x has already been distributed via the Pan-European Exchange Market Feed (PEX-MF) since mid-2001. To satisfy a considerable need, small- and mid-cap stocks traded on the SWX Swiss Exchange were added to this offering, so that users can now see the ten best bid and ask prices for these stocks too. The added content generated a twofold rise in data volume on Swiss Market Feed SMF, and the peak bandwidth requirement for network connections increased by 25%. To ensure continued high quality of delivery as well as short latencies, EXFEED invested heavily in data distribution architecture last year.

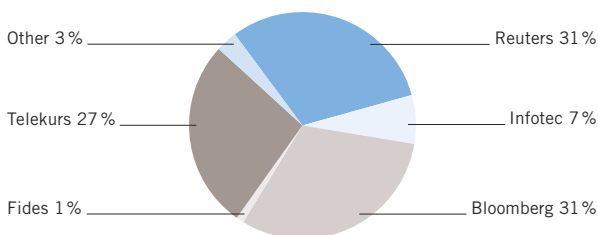
Swiss Listed Derivatives Map – clear directions

At end-2006, investors operating on the SWX Swiss Exchange could choose from a range of more than 11 000 derivatives and structured products – a daunting task that is not made any easier by the fact that issuers use different names for the same types of product in this segment.

The Swiss Association for Structured Products (SVSP) has created a classification scheme which groups the products into four main categories and 17 subcategories, thus providing investors with a unified overview for the first time. The first level distinguishes between leveraging products, participation products, yield-enhancing products and capital protection products. At the second level, participation products, for example, are broken down into tracker, bonus, out-performance and twin-win certificates. Assignment to a particular subcategory is determined by the product's payout regime. The system creates transparency and helps to classify different product types in standardised groups.

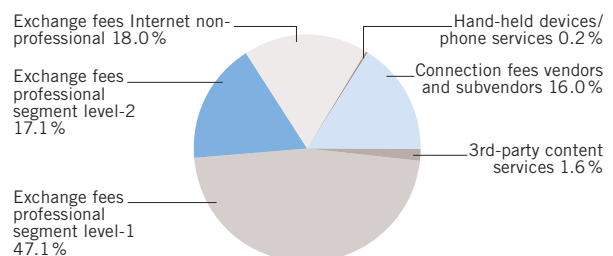
This taxonomy, together with full core data and identification numbers for all derivatives traded on SWX, is distributed by EXFEED to data vendors in realtime via Swiss Market Feed SMF. A detailed presentation of the categories and explanations of the product types are provided on the Swiss Listed Derivatives Map 2006, which can be downloaded in PDF format from: www.swx.com/information/publications/product_information_en.html.

AVERAGE SHARE OF MAJOR VENDORS IN PROFESSIONAL SEGMENT IN 2006



Source: EXFEED

INCOME BREAKDOWN IN 2006



Source: EXFEED