

Media Release

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SIX Exchange Regulation

SIX Swiss Exchange Ltd

Media Relations

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Sanction Commission of SIX Swiss Exchange Ltd fines Swiss Reinsurance Company Ltd

The Sanction Commission of SIX Swiss Exchange Ltd has imposed a CHF 50,000 fine on Swiss Reinsurance Company Ltd. The company had announced in mid-2008 its risk exposure to bonds of the U.S. mortgage finance companies Freddie Mac and Fannie Mae too late and had not delivered the announcement to all market participants simultaneously. Therewith Swiss Reinsurance Company Ltd violated the provisions governing ad hoc publicity. The Sanction Commission ordered that the sanction has to be published.

Since the end of 2007, the US mortgage finance companies Fannie Mae and Freddie Mac had suffered losses amounting to several billion US dollars. The Swiss Reinsurance Company Ltd (Swiss Re) then held a considerable amount of bonds from those mortgage finance companies. Swiss Re had disclosed its total investment of CHF 94 billion in government bonds and government-sponsored agencies in its report for the first quarter 2008, but it did not inform the public separately about the company's risk exposure to bonds issued by Fannie Mae and Freddie Mac amounting to about US dollars 10 billion in mid-2008. When Swiss Re finally informed in detail about their risk exposure, they notified only selected analysts and investors and posted a notice on their homepage, but did not notify according to the ad hoc publicity rules. Thus all other market participants were, for lack of this detailed information, unable to gain a comprehensive picture of this risk exposure to bonds and the effects they might have on Swiss Re.

The Sanction Commission has determined that information gained from the itemization of risk exposure in bonds is potentially price-sensitive if the positions in question and the financial condition of the corresponding debtor could have a material impact on the company's economic situation. According to this, Swiss Re would have been obliged, in view of the development of the mortgage finance companies' situation to communicate the extent of their investments in both debtors according to the rules governing ad hoc publicity.

For the penalty, the Commission considers the gravity of the breach, the degree of fault, the issuer's sensitivity of punishment and the fact that no penalty was imposed against Swiss Re in the past three years.

SIX Exchange Regulation obligates issuers to inform the market of any potentially price-sensitive facts that have arisen in the issuer's sphere of activity and are not yet known to the public, as per Art. 53 of the Listing Rules. Price-sensitive facts are facts that are capable of triggering a significant change in market prices. The related announcement is to be made in a way that ensures the equal treatment of all market participants. Such announcements must be truthful, comprehensible and complete.

Financial figures are fundamentally deemed to constitute potentially price-sensitive facts and must be published in accordance with the rules governing ad hoc publicity.

Information on ad hoc publicity can be found at:

http://www.six-exchange-regulation.com/obligations/publicity_en.html

This sanction decision and previous sanctions pronounced in connection with ad hoc publicity can be found at:

http://www.six-exchange-regulation.com/enforcement/sanction_decisions/adhoc_publicity_en.html

Should you have any questions, please feel free to contact Werner Vogt, Head Media Relations.

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SIX Exchange Regulation

SIX Exchange Regulation performs the functions assigned under Swiss federal law and enforces and monitors compliance with the rules laid down by the Regulatory Board. SIX Exchange Regulation imposes sanctions in so far as it is authorised to do so by the regulations, or submits sanction requests to SIX Swiss Exchange's Sanction Commission.

SIX Exchange Regulation's independence from SIX Swiss Exchange's operating business is guaranteed by its direct subordination to the Chairman of the Board of Directors of SIX Group. SIX Exchange Regulation consists of the divisions Listing & Enforcement, responsible for regulating issuers, and Surveillance & Enforcement monitoring trading.

Sanction Commission

The Sanction Commission can impose sanctions on natural and legal persons who/which are subject to the General Conditions of SIX Swiss Exchange, the Listing Rules and the Additional Rules. It is composed of between five and eleven members. The Chairman of the Sanction Commission and half of its members are elected by the Regulatory Board, with the remaining members appointed by the Board of Directors of SIX Group Ltd.