

MEDIA RELEASE

Börse Stuttgart Group

Stuttgart, Germany, 16 May 2007

Börse Stuttgart Group plans further expansion of successful EUWAX model in Europe

Objectives: to further open up the EUWAX platform to the European retail business/ easy access for European retail customers through order routing/ further connection of European online brokers planned/ forces at Börse Stuttgart concentrated in new organisational structure/ new holding creates space for partnerships/ one supervisory board and one executive board planned

The Börse Stuttgart Group, Europe's leading stock exchange organisation for trading in securitised derivatives, is planning to further expand its successful EUWAX (European Warrant Exchange) model in Europe. In conjunction with the present partners of the Börse Stuttgart Group, Europe's leading issuers, trading with structured products via EUWAX is to be purposefully offered to further international groups of investors. In order to generate additional order flow from various European countries at the EUWAX, Börse Stuttgart, it is said, is already conducting fruitful discussions with various international online brokerage houses. The aim is to offer European retail customers easy and direct access to EUWAX through order routing. This is supposed to lead to greater liquidity on the platform and thus to more added value for private investors, online brokers and issuers. Apparently, private investors from countries such as Austria, the Czech Republic, France, Germany, Italy and Switzerland are already active on the EUWAX trading platform.

"We intend to further open our existing platform to European retail customers and increasingly make the products offered there accessible to broader groups of investors in Europe. We intend to significantly expand this as, until now, it has tended to be 'private power traders' who use the EUWAX platform, when it comes to customers in other countries", said Thomas Munz, Managing Director of the Association Baden-Württembergische Wertpapierbörse e.V., the common parent company of Börse Stuttgart AG and EUWAX AG.

"For the Börse Stuttgart Group and our financial centre here this is a great challenge and an even greater opportunity. Together with our partners, we intend to make our successful services and products increasingly available to the rest of Europe. With the 'Stuttgart model' we have won the trust of private investors throughout Europe in recent years," added Thomas Munz. According to Börse Stuttgart, details concerning the form to be taken by the new Europe initiative will be made known later. The Börse Stuttgart Group pointed out that in an increasingly competitive environment, it is not advisable to make ongoing negotiations and strategic considerations public at too early a stage.

A further concentration of forces at the financial centre in Stuttgart is said to be important in order to achieve this very ambitious goal. For this purpose the control of Börse Stuttgart AG and of EUWAX AG under the umbrella of the Association Baden-Württembergische Wertpapierbörse e.V. is to be consolidated in a new organisational unit, Börse Stuttgart Holding GmbH, (see diagram). This is said to be necessary in order to create a lean and hard-hitting organisation that is even better equipped to face the challenges of the market. The public law sponsorship of Börse Stuttgart by Baden- Württembergische Wertpapierbörse GmbH is to remain independent. Under its umbrella the statutory stock exchange bodies, *inter alia*, are autonomous and independent in preparing the rules and regulations, and in the surveillance of the trading activity.

The new organisational structure is also intended to cut costs, lift synergies and to draw even greater benefit from the brokerage, market and stock exchange expertise of the Group's members. In addition, the holding is intended to significantly expand the structural space for strategic partnerships. "We intend to concentrate all forces in and around the Börse Stuttgart Group, in order to lay the foundation for even greater success in the international business," said Thomas Munz. According to him, the preconditions for pulling off have been created by bringing together the two operative members of the Group in one holding. He says that the presidial committee, the control body of the Association Baden-Württembergische Wertpapierbörse e.V, has already endorsed this move.

EUWAX AG and die Börse Stuttgart Holding GmbH intend to enter into a control and profit transfer agreement which will be presented to the shareholders of EUWAX AG at their AGM on 29 June 2007, so that they can give their approval. The agreement will take effect from 1 January 2008. As a further step, Börse Stuttgart AG will also conclude a control agreement with the holding. Both organisations thus intend to subject themselves to control by the new holding, which belongs solely to the association.

The supervisory board and the management of the new holding are to be made up of members of the control and executive bodies of Börse Stuttgart AG and EUWAX AG. The management of the holding will be made up of members of the executive boards of the two subsidiaries. Christoph Mura, Executive Board Member of Börse Stuttgart AG, will assume responsibility for all matters to do with the technical operation of the stock exchange. Harald Schnabel will be in charge of services, care of issuers and customer communication. At the end of the year Harald Schnabel will be giving up the day-to-day business for personal reasons, but will still be at hand to advise the company. On 1 January 2008 Harald Schnabel is to be succeeded by Ralph Danielski who, as Managing Director of Börse Stuttgart Holding GmbH, will be responsible for trading and customer care. This will allow the general control and smooth coordination of the operating company and its service provider, EUWAX AG, which in view of the forthcoming investments will be of decisive importance for European strategy, market technology and marketing.

The Börse Stuttgart Group sees concentration of forces in the holding as a further important step in a series of strategic measures for the further optimisation of the stock exchange and Stuttgart as a financial centre. Structures and market models have been tailored to the needs of customers and of the market for a number of years. The most recent innovation taken by the Group was to introduce its new market model for securitised derivatives on 1 January 2007. Since then securitised derivatives have been traded electronically at the Stuttgart stock exchange. On 1 July 2007 this is then to be the case for the equities of German companies, debt instruments and investment fund units as well. The necessary endorsement from the stock exchange bodies and the responsible supervisory boards is to be obtained before EUWAX AG's AGM is held. The aim, it is said, is to integrate shares of international companies into the new market model before the end of the year.

The Stuttgart model is a success story. The close cooperation between market specialists and stock exchange experts has created a customer-friendly range of services available in the form of a 'one-stop shop'. It is these services that have made private investors in the German-speaking countries choose Stuttgart as their stock exchange for private investors. The introduction of electronic trading, with the improvement in the speed of execution, liquidity and quality control by EUWAX AG has already led to the desired optimisation in the quality of the service for trading in securitised derivatives. This means that the Group sees itself as being excellently equipped for future growth.

Information for shareholders:

75 percent of the shares in EUWAX AG plus one share will be continued to be held by the Association Vereinigung Baden-Württembergische Wertpapierbörse e.V.. The law in relation to control and profit transfer agreements requires the holding to make an offer to compensate the minority shareholders and undertake to pay a guaranteed dividend. Shareholders can therefore choose between immediate compensation of € 40.82 or a fixed compensation payment of € 3.85 gross (guaranteed dividend) during the term of the agreement. The founding members, Hans-Peter Bruker and Harald Schnabel, have said that they might surrender their shares when compensation is offered. The Association has emphasised that no squeeze-out procedure is being planned.

Note for editorial boards:

- ***The Association Baden-Württembergische Wertpapierbörse e. V.;***
task: promoting the financial centre; www.vereinigung-bw-boerse.de
According to its constitution, the task of this Association is to promote the region of Stuttgart and the Land of Baden-Württemberg as a centre for financial services. This is why the shares in the sponsor of Baden-Württembergische Wertpapierbörse, Baden-Württembergischen Wertpapierbörse GmbH and boerse-stuttgart AG are fully owned by the association. It is also the majority shareholder in EUWAX AG, whose shares it will hold in future through boerse-stuttgart Holding GmbH. In accordance with its constitution and articles of association, the association will use the revenue from these interests to promote the financial centre and the stock exchange. The association is not allowed to distribute dividends to its members.

- ***Baden-Württembergische Wertpapierbörse GmbH;***
task: sponsorship of the stock exchange under public law;
www.boerse-stuttgart.de
Baden-Württembergische Wertpapierbörse GmbH is the sponsor of Baden-Württembergische Wertpapierbörse and the open market trading (unofficial regulated market) that takes place there. It provides Baden-Württembergische Wertpapierbörse with a public corporation with partial legal capacity, with the funds that the stock exchange bodies need in order to carry out their tasks. The stock exchange bodies of Baden-Württembergische Wertpapierbörse (the Exchange Management, the Exchange Council, Listing, Market Surveillance, the Exchange Supervisory Authority, the Disciplinary Committee) are responsible for drawing up the rules and regulations and for the neutral supervision of stock exchange trading under public law. Its activities include the control of the stock exchange bodies and Baden-Württembergische Wertpapierbörse GmbH by the supervisory authority for stock exchange trading, the Ministry of Finance of Baden-Württemberg. The organisation of stock exchange trading under public law creates confidence among private investors and is what distinguishes the stock exchange from OTC trading systems.

- **boerse-stuttgart Holding GmbH**
task: coordination of the groups involved in operating the stock exchange; www.boerse-stuttgart.de
 boerse-stuttgart Holding GmbH is a fully-owned subsidiary of the Association Baden-Württembergische Wertpapierbörse e.V. The Association will contribute its interest in EUWAX AG to this company. A control and profit transfer agreement with EUWAX AG and a control agreement with boerse-stuttgart AG mean that the decisions that are important in operating the Stuttgart stock exchange and the services provided in this context by the Börse Stuttgart Group will be taken on the level of boerse-stuttgart Holding GmbH in future.
- **boerse-stuttgart AG;**
task: operating company; www.boerse-stuttgart.de
 From 2000 until 2005 boerse-stuttgart AG was itself the sponsor of Baden-Württembergische Wertpapierbörse. Since June 2005 boerse-stuttgart AG has been concentrating on the tasks of an operating company and as such is responsible for the technical running of the electronic trading system of the Stuttgart stock exchange. boerse-stuttgart AG is the central contact for the issuers and market participants trading at the Stuttgart stock exchange.
- **EUWAX AG;**
task: financial services as a Quality Liquidity Provider (QLP); www.euwax-ag.de
 Until recently the listed company, EUWAX AG, acted as an exchange broker (lead broker) on the Stuttgart stock exchange, responsible for setting prices in securitised derivatives, bonds, the equities of German companies and investment fund units. Since trading in securitised derivatives switched to an electronic system, on 1 January 2007, EUWAX AG has acted as a QLP in this segment. From 2 July 2007 EUWAX AG will probably take on the function of a QLP in electronic trading with the equities of German companies, bonds and investment fund units. This puts an end to its role as exchange broker. It is widely recognised that EUWAX AG has outstanding expertise in trading with securitised derivatives and has made a critical contribution to the success of the trading segment by the same name on the Stuttgart stock exchange.

Diagram the new holding structure

(Shows the situation to be achieved in the future, the corporate agreements run from January 1, 2008)

