

EUROPEAN BOND PRICING: ADDED VALUE TO OUR GLOBAL PRICING SERVICE

Global Pricing Service

Telekurs Financial's Global Pricing Service provides clients with an extensive range of pricing data from over 200 exchanges and 450 contributors worldwide. Pricing data for all asset classes can be delivered intra-day, close-of-market and close-of-day.

Telekurs Financial's extensive global database is sourced from:

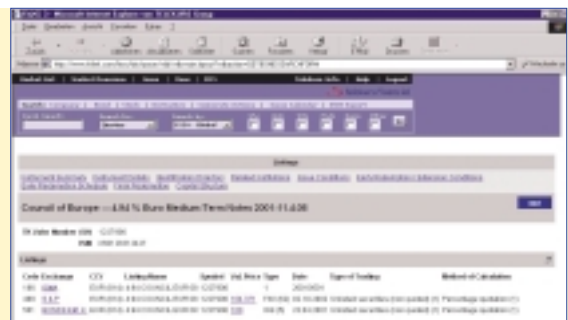
- trade data from exchanges, contributors and electronic brokers
- descriptive data on European fixed income securities
- corporate actions

Added value

Through an alliance between Telekurs Financial and Standard & Poor's, a leading provider of independent evaluations to the U.S. fixed income marketplace, our European Bond Pricing service is designed to meet the demand of increased transparency and consistency in pricing methodologies.

The service uses Telekurs Financial's market, descriptive and corporate actions-type data along with Standard & Poor's pricing expertise to provide evaluated security prices for more than 20,000 international fixed income instruments (predominantly European but including some Latin American and Asian debt), consisting of bonds, CDs, forwards, convertibles, notes, derivatives and floating rate notes. These instruments are based on Telekurs Financial's comprehensive database.

Standard & Poor's uses descriptive data to establish the structure and credit to reach an evaluation of the fixed income securities. These bonds are priced in the light of market conditions and compared to market data for that issue and other related securities.



Benefits

- Easy access/delivery through our products
- Independent prices from globally recognized providers - Standard & Poor's / Telekurs Financial
- Reduces cost and time of collecting dealer quotes
- Prices available on bonds each business day
- Prices consistent to current market events and changes
- Ability to challenge prices and discuss methodology with bond evaluators
- Local client support from all subsidiaries of Telekurs Financial and S&P New York / London

Systems / Model / Approach

“Integrated Evaluation System” (IES) is an integrated pricing, portfolio maintenance, and delivery system designed to take full advantage of Standard & Poor’s internal and external information sources. IES integrates key databases throughout Standard & Poor’s.

“Global Pricing Systems” (GPS) is a pricing tool developed by the evaluation team to incorporate the descriptive data of Telekurs Financial into pricing models driven by the trade data. Both IES and GPS enable the evaluation professionals to use a combination of market models and handquotes to accurately reflect market values.

Market models are used to price large numbers of bonds with similar characteristics. Employing spreads off base curves, sector spreads, relative coupon spreads, and call spreads, market models reflect our opinion of the market for bonds within that model. The pricing system enables us to create many different models to help us manage the complexities of the marketplace.

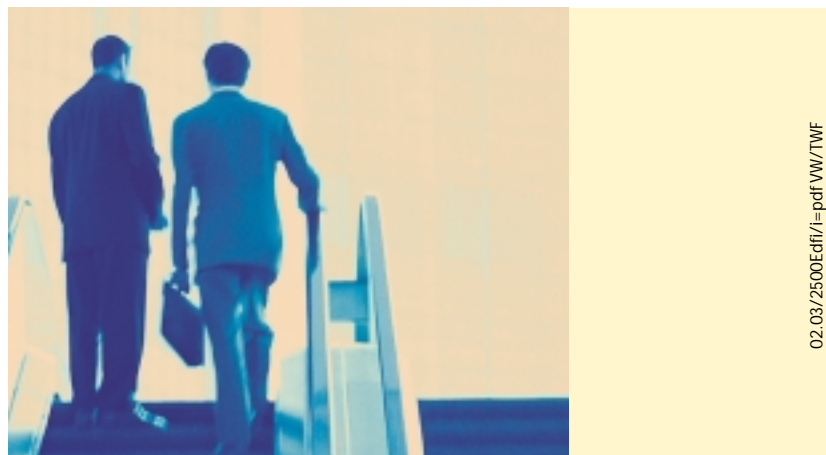
Where Standard & Poor’s perceives a bond as being a “non-market” bond (bonds where it is difficult to make comparisons to bonds actually traded), Standard & Poor’s employs either a Cash Flow Approach, an Asset Valuation Approach or a combination of both. These approaches are used to determine the “inherent value” of a bond in the absence of any reliable market comparison. When an inherent value approach is employed, the methodology is made available to our institutional clients. This includes the credit information, assumptions, “cap rates”, etc. When there is a non-rated bond that Standard & Poor’s perceives to be below investment grade, the price will move less with day-to-day market movements and more with changes in the perceived credit quality of the bond. Standard & Poor’s can internally group non-rated bonds by perceived credit quality.

In providing this information, Standard & Poor’s creates an opportunity for our clients to provide feedback and update information as it becomes available.

Delivery

through existing products:

- Valordata Feed via VDFS
- Enhanced Valuation Price Service (EVPS) via FinSource
- Display products (FinXS, Finvest, Finbase)



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For more information about European Bond Pricing, please contact your local sales representative or call Mr. Markus Benz, phone ++41 (0) 1 279 53 31, e-mail: markus.benz@telekurs.com

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