

# SIX Swiss Exchange – Your gateway to the global financial markets



# Agenda

## About us

The benefits of listing

Why list on SIX Swiss Exchange?

Attractive regulatory framework

# SIX Swiss Exchange's comprehensive product offering

**More than 135 participants**

**Access to Liquidnet's liquidity pool**

**More than 300 listed equities**

**More than 2,700 traded equities**

**Over 1,100 SIX bond indices**

**Above 550 SIX equity indices**

**More than 1,560 listed CHF bonds**

**About 40,000 warrants and structured products**

**Over 3,800 international bonds**

**770 ETFs and ETPs**  
*10% market share in Europe*  
*CHF 80bn turnover ytd*

**Multi-currency trading platform**

**2 interoperable clearing houses**

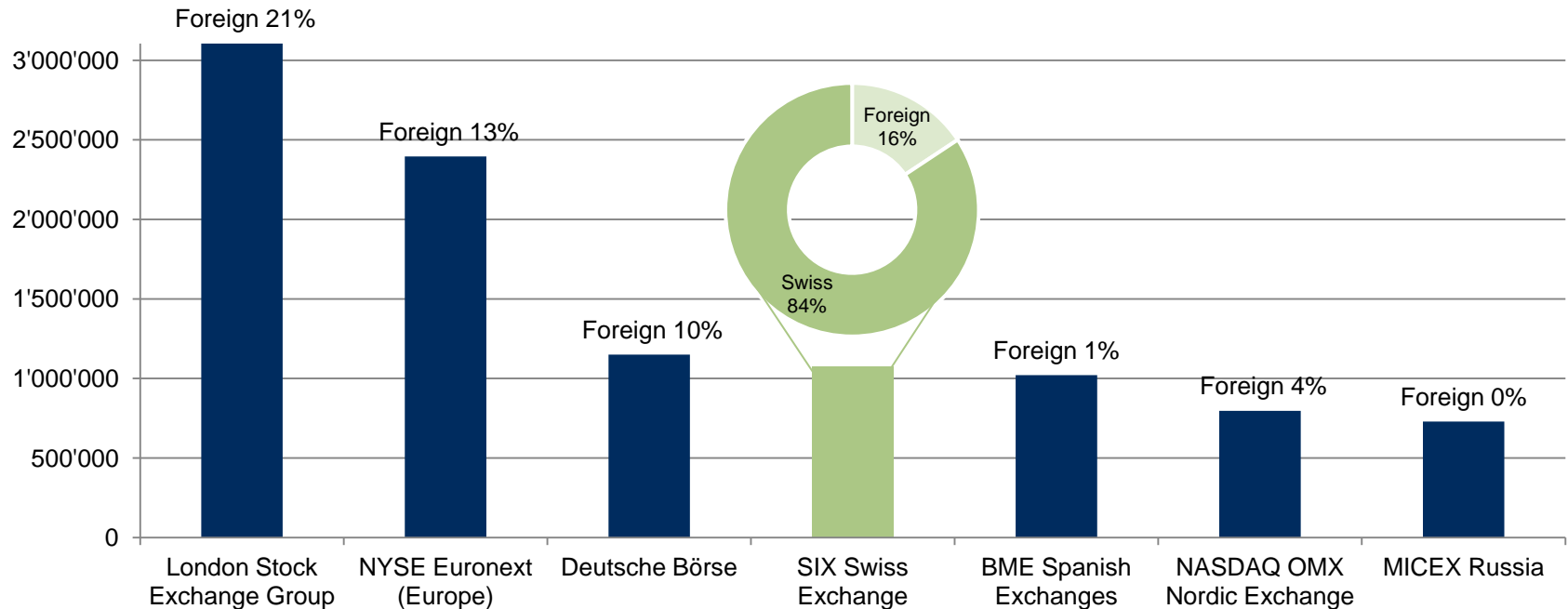
**3 different proximity service providers**



**Less than 800 microseconds latency on trading platform**

# SIX Swiss Exchange is a major European player

**Total market cap. in USDm\***

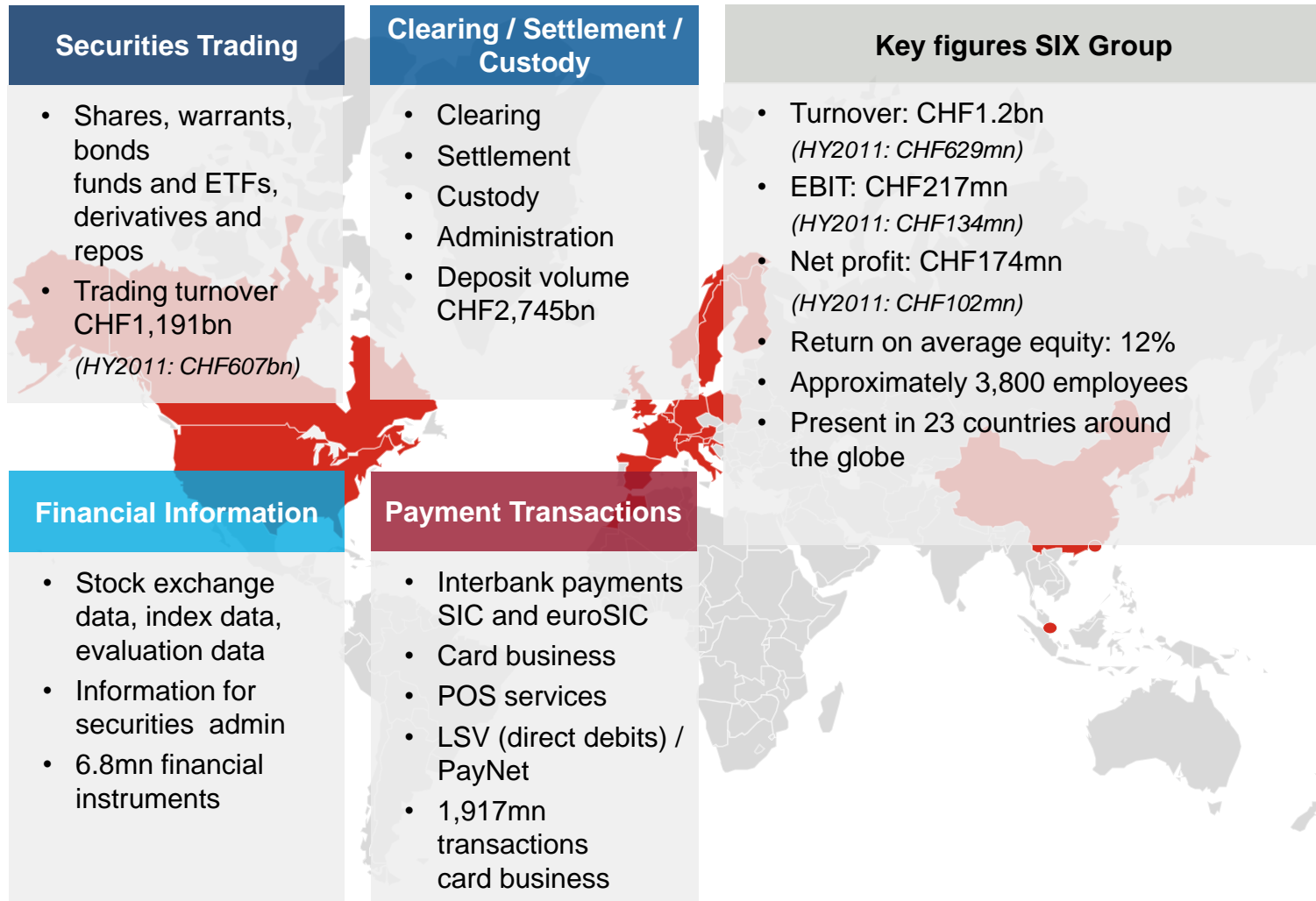


Total number of equities listed on SSX	306	100%
Primary listed	258	84%
Foreign equities	48	16%
- thereof US	19	6%
- thereof Europe	29	9%
Foreign currency traded	20	7%
Total market cap (USDbn)	1'073	

\* Free float of primary listed companies

Source: SIX Swiss Exchange, World Federation of Exchanges, Oct-2011

# SIX Swiss Exchange is part of internationally operating SIX Group...



# ... and offers comprehensive financial services within the Swiss Value Chain

**SIX GROUP** – the enabler of the Swiss Value Chain



## Swiss Value Chain



SIX Swiss Exchange completes its integral coverage of exchange-related business fields through joint ventures

# Agenda

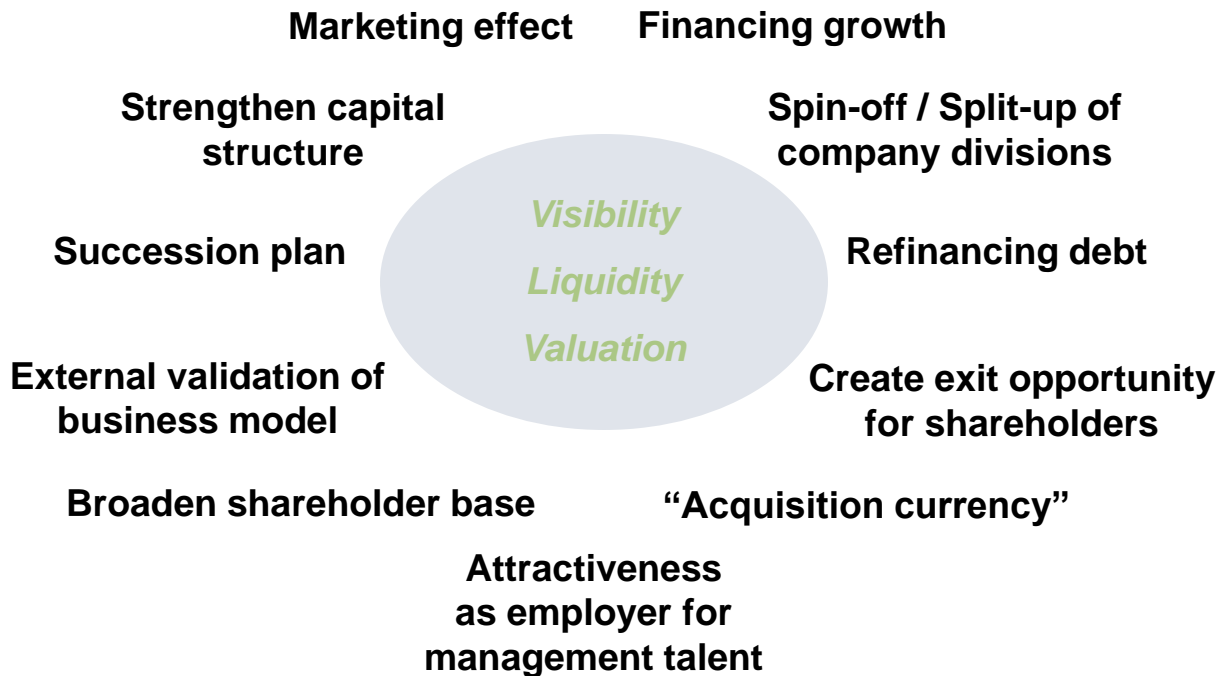
About us

## **The benefits of listing**

Why list on SIX Swiss Exchange?

Attractive regulatory framework

# Going public: Taking a company to the next level



## Key factors when choosing a listing location:

- Favourable economic conditions
- Stability and security
- Strong financial asset base
- Visibility
- Liquidity
- (Peer) valuation
- Reliable trading platform
- Efficient listing process

When choosing a listing location, visibility is key: It increases liquidity and helps to sustainably maximize shareholder value



# Agenda

About us

The benefits of listing

**Why list on SIX Swiss Exchange?**

Attractive regulatory framework

# Switzerland is a highly competitive and attractive listing location



Competitive economy and stable political environment



Internationally experienced employees and flexible labour market



Easy access to authorities and market-friendly legislation



Competitive tax system



Outstanding quality of life



Located in the heart of Europe

Switzerland offers a stable political, economic and regulatory environment with outstanding entrepreneurial conditions

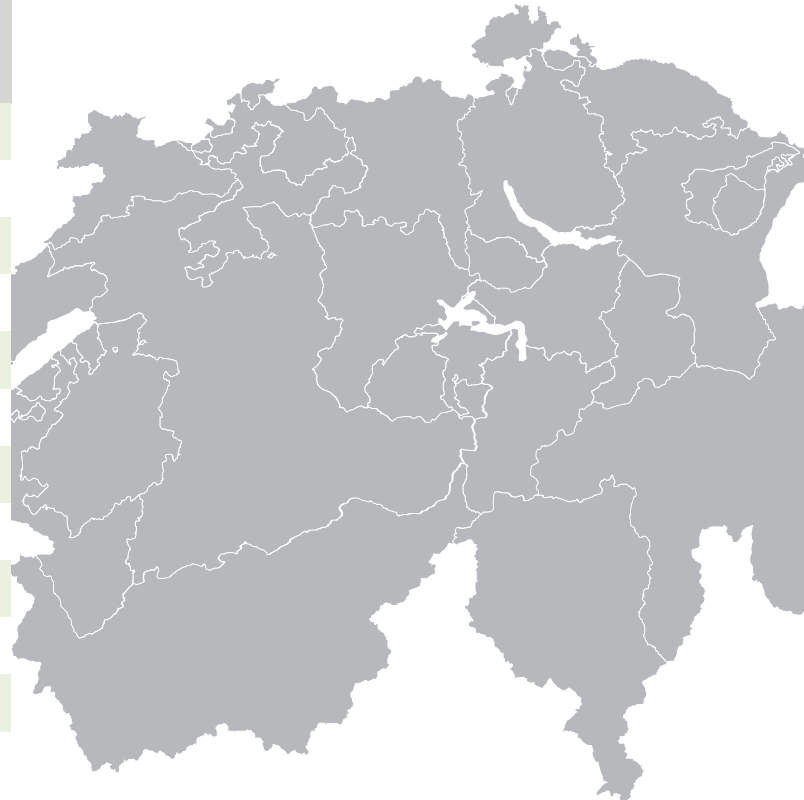
# Switzerland achieves top rankings in global competitiveness surveys

## WEF Competitiveness Report 2011-2012

### Rank

- 1 **Switzerland**
- 2 Singapore
- 3 Sweden
- 4 Finland
- 5 USA
- 6 Germany
- 7 Netherlands
- 8 Denmark
- 9 Japan
- 10 UK

Source: WEFForum.org, Sep 2011



## IMD – Scientific R&D

### Rank

- 1 Israel
- 2 **Switzerland**
- 3 USA
- 4 Germany
- 5 Sweden
- 6 Denmark
- 7 Japan
- 8 Singapore
- 9 Finland
- 10 Taiwan

Source: IMD World Competitiveness Yearbook 2011

Best global R&D facilities, outstanding innovation, excellent infrastructure and highest quality of life help to excel globally

# Financial power through assets managed in Switzerland

## International investor base

### Assets in deposits in Switzerland:

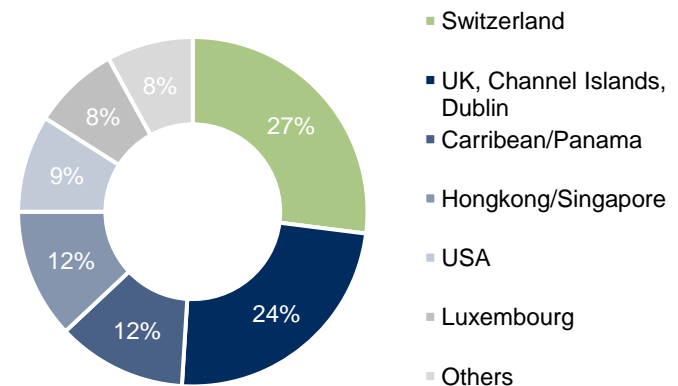
**CHF 3,930bn\***

- 52% owned by foreign clients
- 69% owned by institutional investors
- 66% invested in stocks and funds

\* Source: Swiss National Bank, Monthly Statistical Bulletin, Aug-2011

## Leading position worldwide in cross-border private banking

### Global offshore centers (market share in %)\*\*



\*\* Assets in deposits in Switzerland total CHF 3,930bn, with cross-border business accounting for CHF 2,100bn of this; cross-border assets worldwide total almost USD 7,800bn; Global assets total some USD 121,800bn, of which around 35% are in equities, 20% in bonds and 45% in cash and deposits  
Source: Boston Consulting Group, Global Wealth Report 2011

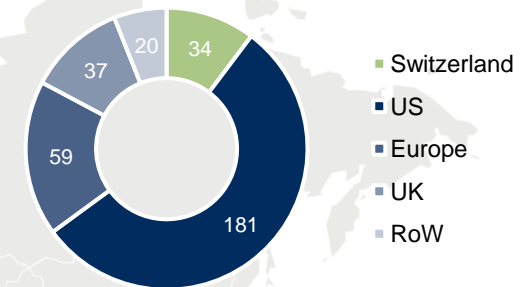
The Swiss financial center is globally leading and offers companies fertile ground for growth and prosperity

# International and financially potent institutional investors

## Top 20 international investors (by assets invested in Swiss Equities)

Rank	Investor Name	Equity Assets (US\$m)	Swiss Equity (US\$m)	Country
1	BlackRock Institutional Trust Company, N.A.	787'136	20'849	US
2	Norges Bank Investment Management (NBIM)	308'771	18'086	Norway
3	Capital Research Global Investors	348'518	11'485	US
4	Fidelity Management & Research Company	634'960	8'894	US
5	Dodge & Cox	123'438	8'690	US
6	Capital World Investors	398'831	8'547	US
7	Pictet Asset Management Ltd.	46'426	6'995	United Kingdom
8	Vanguard Group, Inc.	794'723	6'583	US
9	Harris Associates L.P.	60'275	5'794	US
10	Northern Cross LLC	35'471	5'021	US
11	Wellington Management Company, LLP	301'879	4'948	US
12	MFS Investment Management	129'046	4'650	US
13	PRIMECAP Management Company	69'650	3'617	US
14	Franklin Mutual Advisers, LLC	53'245	3'444	US
15	Templeton Investment Counsel, LLC	48'742	3'256	US
16	Government of Singapore Investment Corporation	18'448	3'182	Singapore
17	Investor AB	16'593	3'158	Sweden
18	Fidelity Worldwide Investment (UK) Ltd.	59'105	2'865	United Kingdom
19	TIAA-CREF	185'242	2'797	US
20	DWS Investment GmbH	51'199	2'432	Germany

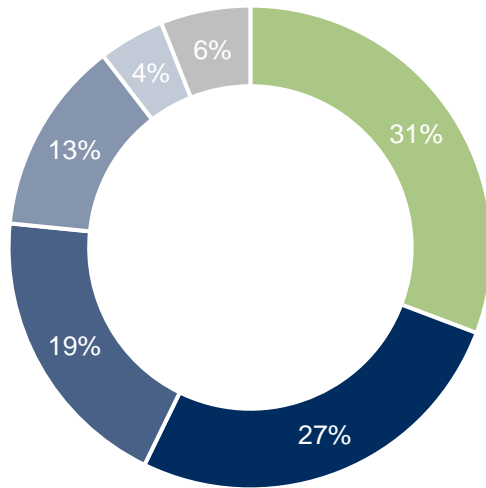
## International investor base (Swiss Equity in US\$bn)



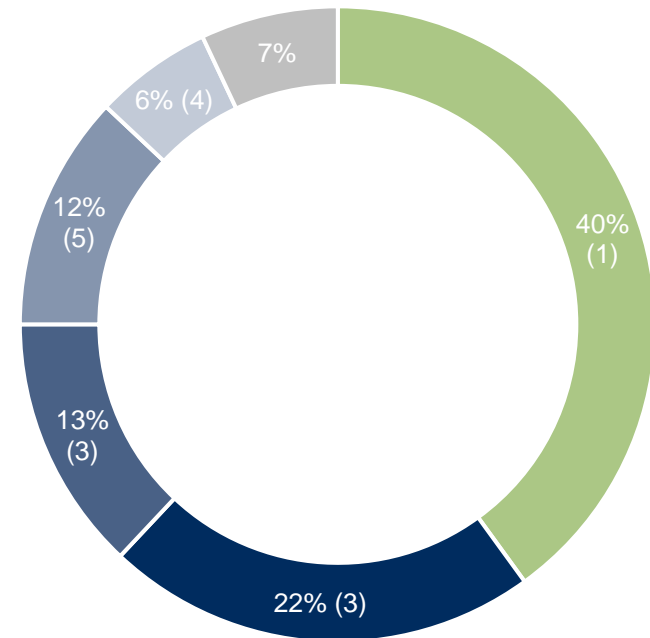
A total of 2,300 international institutional investors from 48 countries have more than US\$ 300bn invested in Switzerland

# SPI® industry breakdown indicates leading role in various industry sectors amongst European stock exchanges

Industry mcap as % of SPI®



Industry mcap as % of STOXX Europe TMI (Ranking)

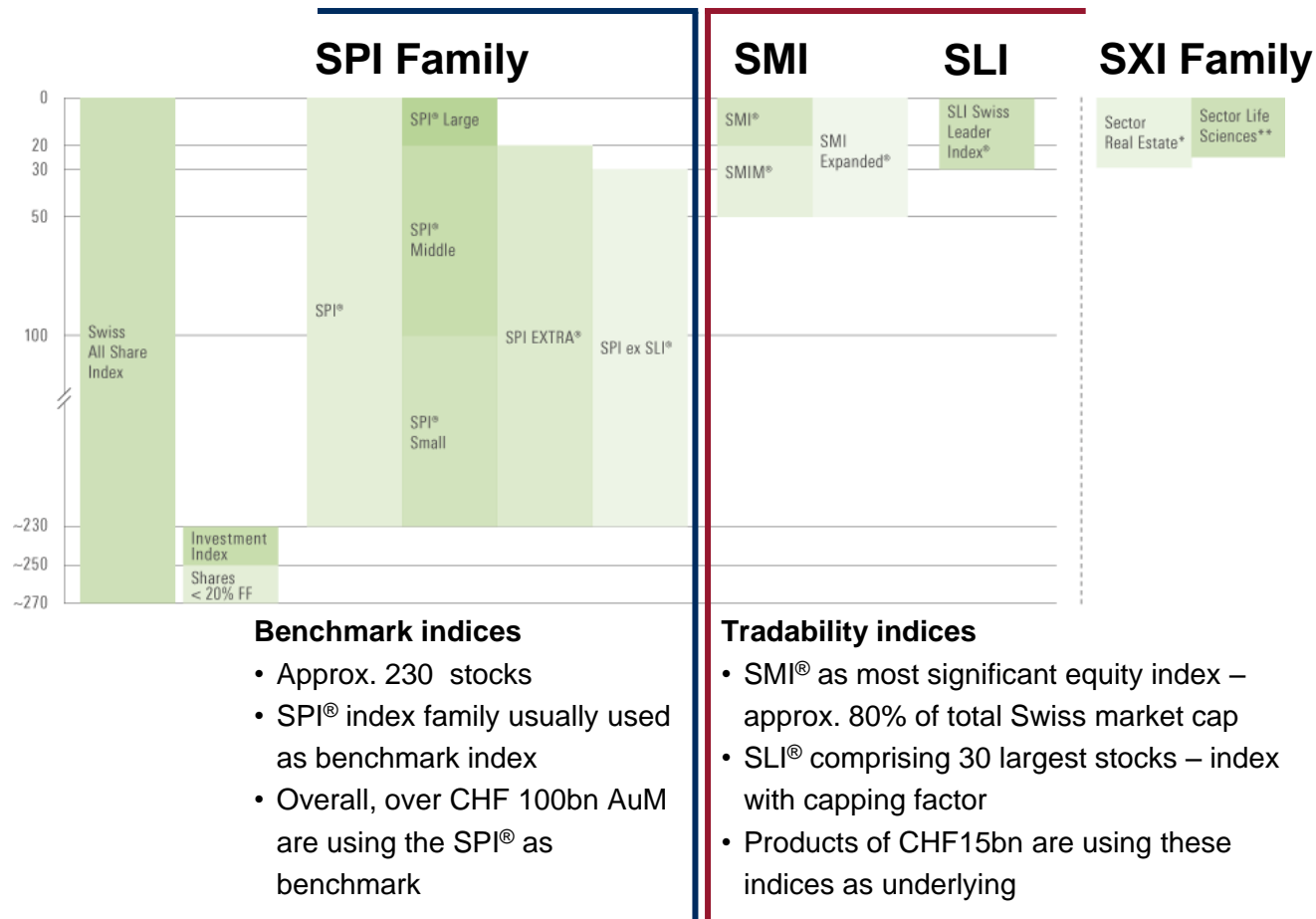


- Health Care
- Consumer Goods
- Financials
- Industrials
- Basic Materials
- Others

Source: SIX Swiss Exchange / STOXX Europe TMI, Nov-2011

# High visibility through large index universe

Well-known index universe as well as active ETF, structured products and derivatives markets help to increase visibility of SIX-listed equities



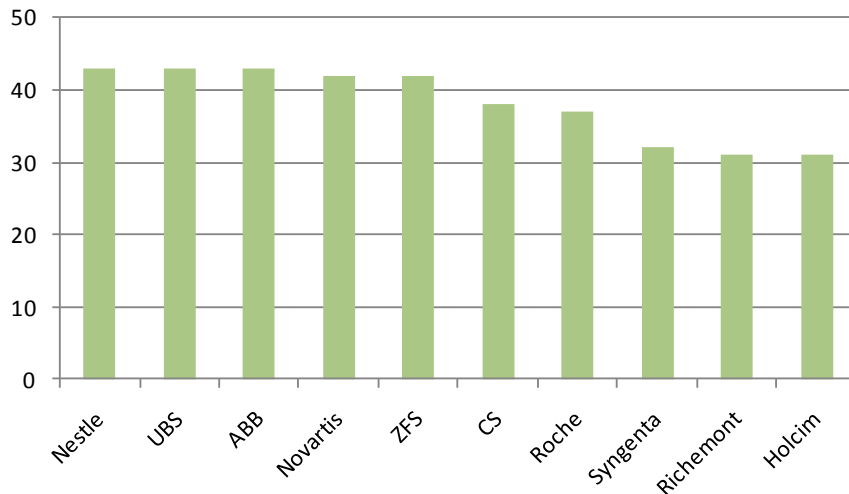
## STOXX

- STOXX, a joint venture between Deutsche Börse and SIX Group, is a global index provider
- The STOXX equity universe comprises approx. 55,000 stocks from all over the world
- It covers 95% of freefloat market cap of respective country or region
- It offers the 4<sup>th</sup>-largest underlying for ETFs globally

\* Sector Real Estate: SXI Real Estate®, SXI Real Estate® Shares, SXI Real Estate® Funds, SXI Swiss Real Estate®, SXI Swiss Real Estate® Shares, SXI Swiss Real Estate® Funds  
 \*\* Sector Life Sciences: SXI Life Sciences®, SXI Bio+Medtech®

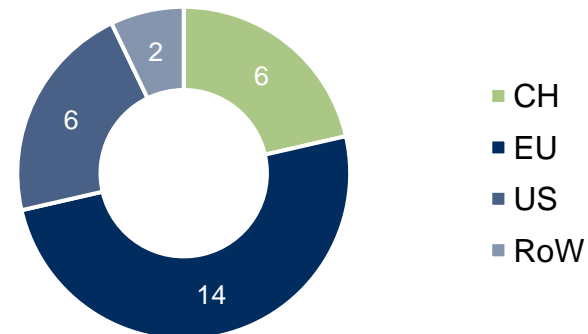
# High visibility through international research coverage

## Coverage of top 10 SLI companies



- Each SLI company is on average covered by 27 research houses
- A total of more than 120 different research analysts are covering SLI companies

## Coverage of SLI companies by nationality of research house



## Selection of research houses



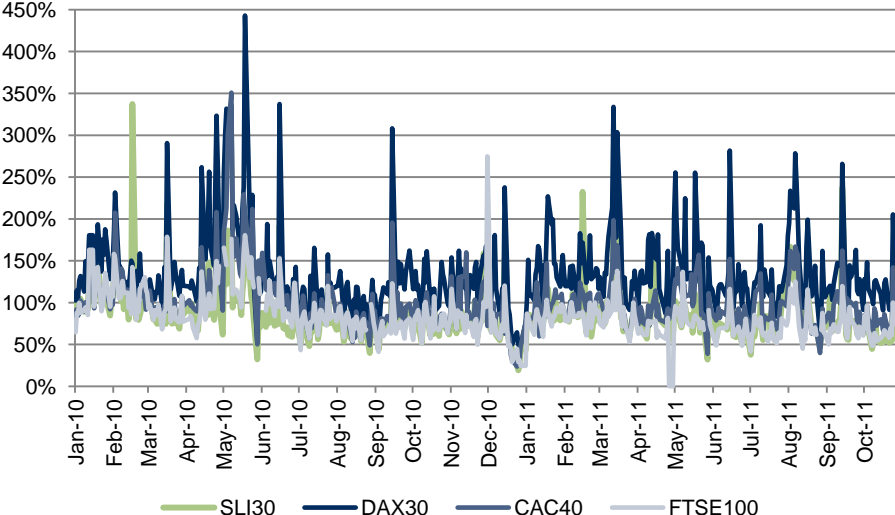
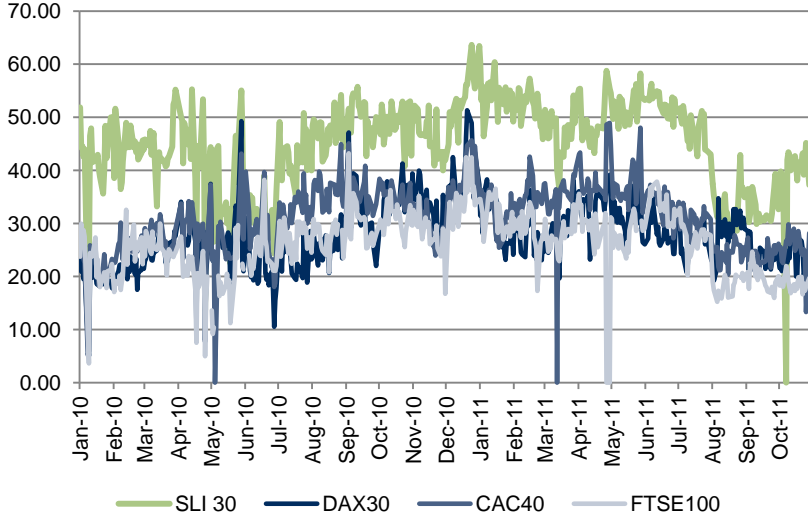
High visibility through an international investor base and numerous, globally active research houses as well as a large index universe



# Perfect trading conditions: High liquidity

**% of time at best size EBBO\***

**Turnover velocity\*\***



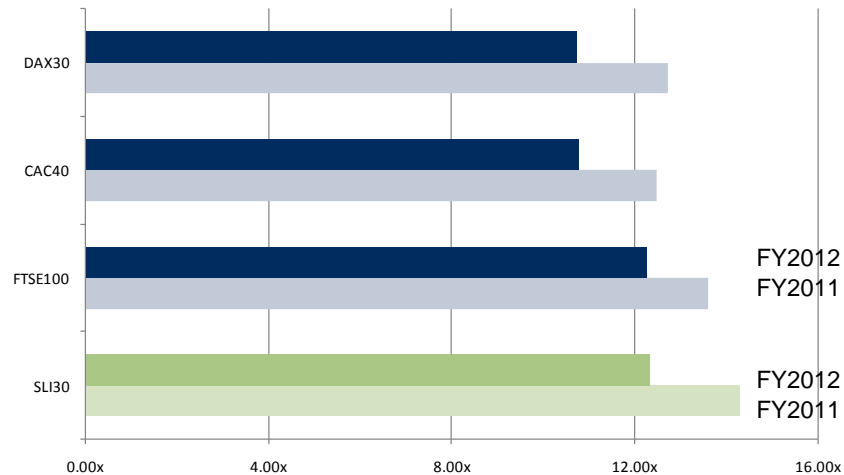
\* Size EBBO (European Best Bid and Offer) represents the percent of time the Market Center is at Best Bid and Offer with Greatest Size

\*\* Defined by "total market cap / total order book turnover"

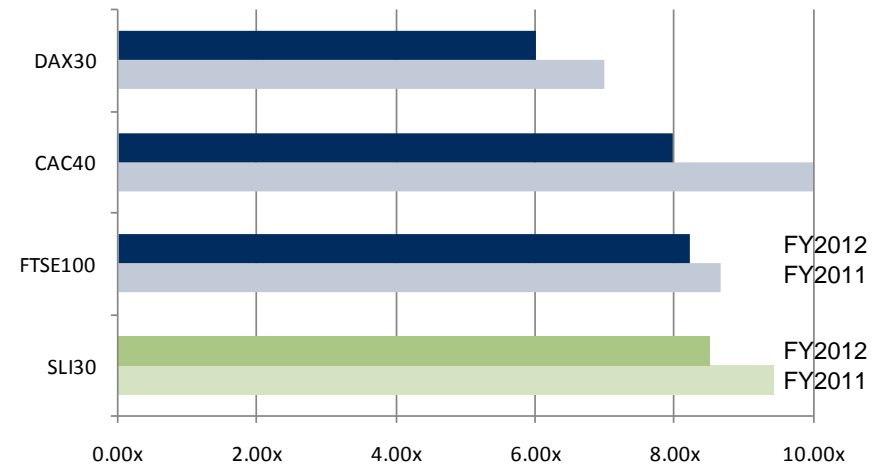
SIX Swiss Exchange's liquidity measures are better or at least comparable with other European listing locations

# SIX Swiss Exchange listed companies achieve higher valuations

## Average P/E



## Average EV/EBITDA



- A comparison between the average valuations of companies included in the various benchmark indices shows that SIX Swiss Exchange listed companies enjoy a higher valuation on the basis of
  - P/E-multiples for FY2011
  - P/E-multiples for FY2012 and
  - EV/EBITDA-multiples for FY2012

SIX Swiss Exchange offers high visibility that helps trading liquidity and thus companies to achieve better valuation multiples

# Agenda

About us

The benefits of listing

Why list on SIX Swiss Exchange?

**Attractive regulatory framework**

# Major regulatory advantages over other listing locations

**Self-regulated  
listing regime**

**No requirement for  
Management Certificates**

**Acceptance of various  
accounting standards**

**No obligation to  
maintain insider lists**



**No quarterly  
financial reporting**

**Flexible board composition**  
*(no mandatory employee representation,  
only one director to be Swiss resident)*

**Short and efficient  
listing process**

**Reasonable  
remuneration reporting**

Swiss Code of Obligation (Swiss company law)

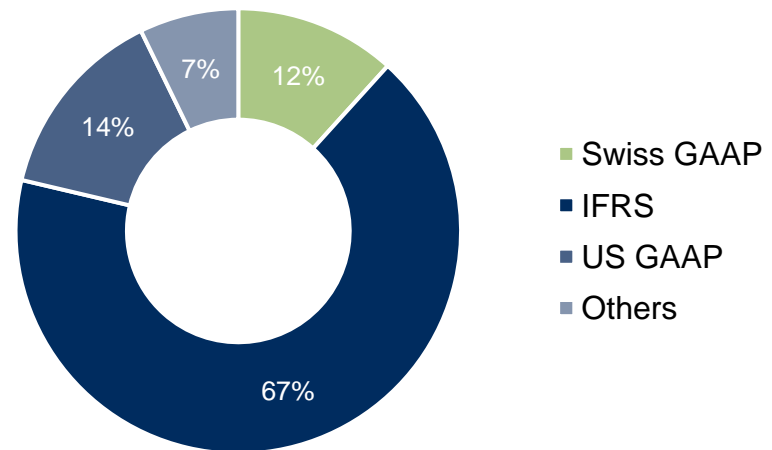
# Self-regulated listing regime in Switzerland

**Regulation and administration of securities trading is entrusted to SIX Exchange  
Regulation by delegation of regulatory competencies**

## Characteristics

- Efficient and smooth listing process
- Acceptance of various accounting standards
- Listing possible in a variety of currencies (3% of all equities listed in US\$)
- Well balanced regulation, taking into account the regulatory needs of all market participants
- Market participants well represented in the regulatory process (“Regulatory Board”)
- Specialized know-how
- Other location-specific advantages in international competition

## Accounting standards



SIX Swiss Exchange offers a regulatory environment that is in line with international standards on investor protection, yet attractive for issuers

# Listing requirements

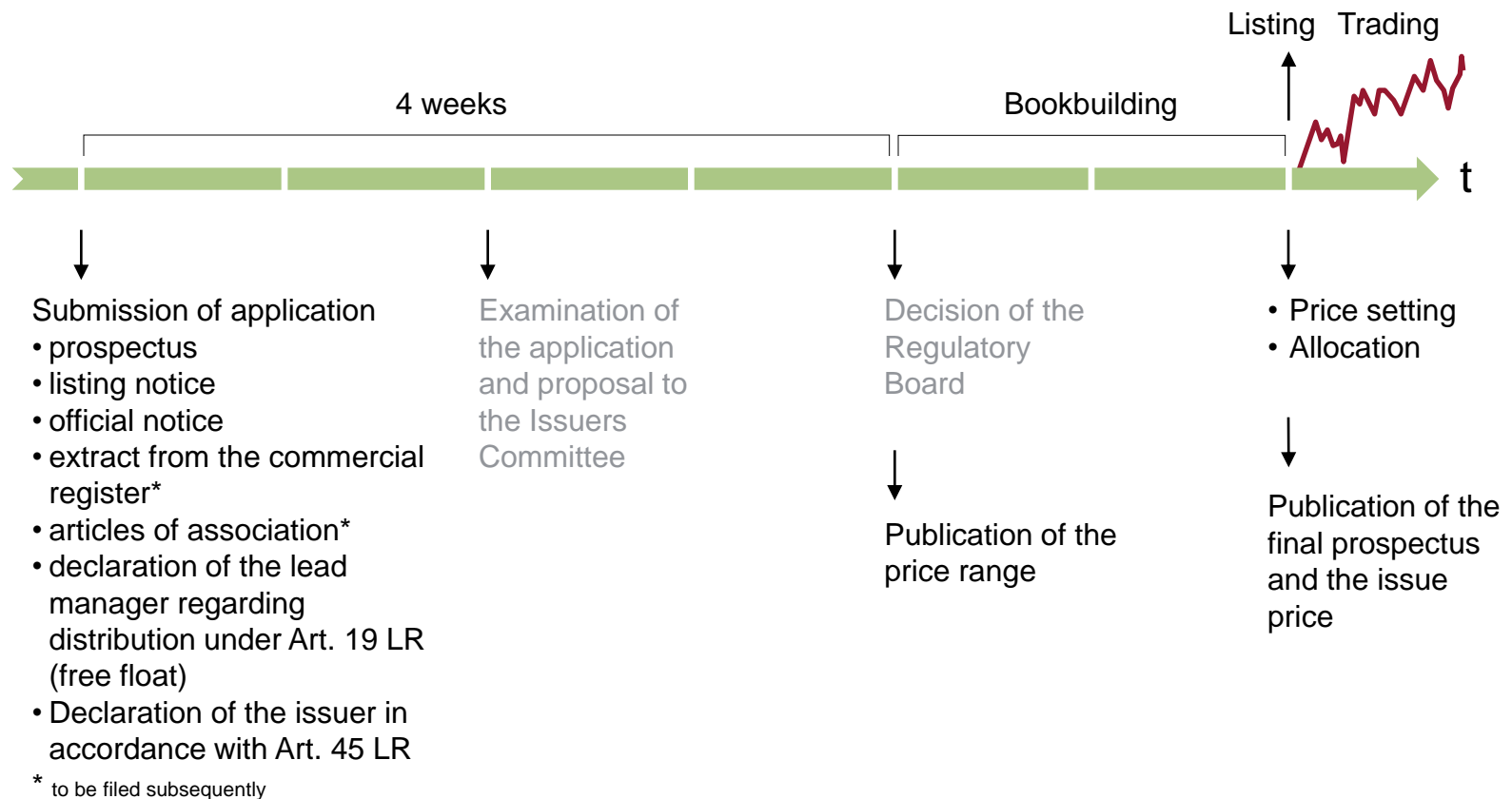
Standard Requirements	Main Standard*	Domestic Standard	Standard for Investment Companies	Standard for Real Estate Companies	Standard for Depository Receipts
Accounting standards	IFRS, US-GAAP**	Swiss GAAP ARR, IFRS, US-GAAP	IFRS, US-GAAP	Swiss GAAP ARR**, IFRS	IFRS**
Track record	3 years	2 years	-	-	3 years
Free float	25%	20%	25%	25%	25%
Min. market cap Free float (CHF)	25 m	5 m	25 m	25 m	25 m
Equity capital (CHF)	25 m	2.5 m	25 m	25 m	25 m

\* Special rules apply to young companies

\*\* In addition to other internationally accepted national accounting standards (only for foreign issuers)

Two main regulatory standards give potential issuers comprehensive access to SIX Swiss Exchange

# Efficient listing process



Responsibility of recognized representatives (pursuant to Art. 43 LR)

Responsibility of SIX Swiss Exchange (SIX Exchange Regulation)

SIX Swiss Exchange offers a highly efficient listing process of maximum 4 weeks

# Ongoing listing requirements






Primary listing – issuer duties	
Being public	
Recurring duties	Event-related duties
<b>Financial reporting</b> <ul style="list-style-type: none"> <li>• Audited annual and unaudited interim reports*</li> <li>• No quarterly reporting</li> </ul>	<b>Ad hoc publicity</b> <ul style="list-style-type: none"> <li>• Disclosure of price-sensitive facts</li> </ul>
<b>Corporate Governance</b> <ul style="list-style-type: none"> <li>• Principle of “Comply or Explain”</li> <li>• Exceptions Art. 663b CO</li> </ul>	<b>Disclosure of Management transactions</b> <ul style="list-style-type: none"> <li>• Members of the board of directors, the executive committee or related parties</li> <li>• Manager has duty to notify company within 2 business days</li> </ul>
<b>Regular reporting obligations</b> <ul style="list-style-type: none"> <li>• Main contacts</li> <li>• Dividends</li> <li>• Capital structure changes etc.</li> </ul>	<b>Disclosure of shareholdings (acc. to SESTA 20)</b> <ul style="list-style-type: none"> <li>• Duty to disclose if thresholds of 3, 5, 10, 15, 20, 25, 33<sup>1/3</sup>, 50 or 66<sup>2/3</sup>% exceeded</li> </ul>

\* IFRS, US GAAP and Swiss GAAP ARR plus other internationally accepted national accounting standards

Reasonable ongoing listing requirements keep overall costs of being public on a comparatively low level



# Listing fees comparison

					
<b>Overall IPO advisor costs</b>	Average gross spread: approx. 4–5%	Average gross spread: approx. 5–7%	Average gross spread: approx. 4–5%	Average gross spread: approx. 5–7%	Average gross spread: approx. 6–8%
<b>Listing fees</b>	Minimum: CHF 18,000  Maximum: CHF 98,000	€ 5,500*	£ 6,389 – 369,689	n. a. (depending on market cap of company)	Minimum: € 10,000  Maximum: € 3,000,000  (for domestic issuers; €500,000 for non domestic issuers that do not qualify for the Euronext 100 index)
<b>Annual fees</b>	Minimum: CHF 6,000  Maximum: CHF 56,000	€ 10,000*	£4,200 – 41,400*		Minimum: € 2,800  Maximum: € 50,000 assuming one category of shares

\* only regulated market

## Secondary listing on SIX Swiss Exchange (for foreign companies only)

- More relaxed listing requirements and obligations than primary listing (Art. 12 ff. LR)
- Min. capitalisation of shares in circulation: CHF 10mn
- Listing fee: Flat rate of CHF 5,000

Source: Stock Exchange websites,  
E&Y “Comparison of Global Stock Exchanges”

# SIX Swiss Exchange – Issuer Relations

Contact: +41 58 399 22 45 / ipo@six-swiss-exchange.com

**Marco Estermann**

Head Issuer Relations

+41 58 399 2406

marco.estermann@six-group.com

**Konstantin Dombrowski**

Senior Relationship Manager

+41 58 399 4640

konstantin.dombrowski@six-group.com

**Andrea von Bartenwerffer**

Senior Relationship Manager

+41 58 399 2941

andrea.vonbartenwerffer@six-group.com

**Lidia Pititto**

Event Manager

+41 58 399 2245

lidia.pititto@six-group.com

# Thank you

SIX Swiss Exchange – Your gateway to the global financial markets

# Disclaimer

- None of the information contained herein constitutes an offer to buy or sell a financial instrument that is traded on SIX Swiss Exchange Ltd. SIX Swiss Exchange Ltd is liable neither for the completeness and accuracy of the information given, nor for any loss incurred as a result of action taken on the basis of information provided in this or any other SIX Swiss Exchange Ltd publication. SIX Swiss Exchange Ltd expressly reserves the right to alter prices or product composition at any time.
- SIX Swiss Exchange Ltd is a joint-stock company under Swiss law. It operates a securities exchange which is licensed and supervised by the Swiss Federal Banking Commission. SIX Swiss Exchange Ltd is a stock exchange recognised in France, Italy, the Netherlands and the United Kingdom. It may also operate in Austria, Finland, Germany, Sweden, Belgium and Luxembourg.
- ® SIX Group, SIX Swiss Exchange, SPI, Swiss Performance Index (SPI), SPI EXTRA, SPI ex SLI, SMI, Swiss Market Index (SMI), SMI MID (SMIM), SMI Expanded, SXI, SXI LIFE SCIENCES, SXI Bio+Medtech, SLI, SLI Swiss Leader Index, SBI, SBI Swiss Bond Index, VSMI and SWX Immobilienfonds Index are registered or deposited trademarks of the SIX Group Ltd or of SIX Swiss Exchange Ltd, and their usage is subject to licence.
- © SIX Swiss Exchange Ltd, November 2011