

Financial Report 2010



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### **Financial Statements of SIX Group AG 2010**

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# SIX Group Consolidated Financial Statements 2010

## 1. Introductory remarks

The consolidated financial statements reflect the financial performance as well as the financial position as at year ended 31 December 2010.

SIX Group continued to expand its international business in 2010. As a result, international business rose by 6.3% to CHF 364.7 million, or around 30% of operating income. In 2010 SIX Group generated a total operating income of CHF 1,220.5 million (previous year: CHF 1,211.3 million).

Net interest income declined from CHF 8.1 million to CHF 4.3 million on the back of lower average interest rates, while net commission and other services business income rose by 4.3% year-on-year, from CHF 1,056.7 million to CHF 1,102.2 million. Net trading income dropped by 84.1%, or CHF 32.1 million, to CHF 6.1 million; this came about largely because of valuation losses and lower income from financial investments resulting from the poorer year-on-year stock market performance in 2010.

Income from non-consolidated participations came to CHF -18.0 million (previous year: CHF -20.5 million). The future prospects of US Eurex subsidiary ISE took a further knock in 2010 as another value adjustment was made following the one in 2009. Given SIX Group's 15% share in Eurex's profits, this meant a CHF 53.5 million write-down on ISE's assets (2009: CHF 45.4 million). By contrast, income from non-consolidated participations rose by CHF 19.4 million.

During the year under review, operating expenses rose by 5.4% to CHF 874.7 million, while personnel expenses rose by 5.2% to CHF 579.6 million, primarily due to the expansion of the Group's international business. By the end of 2010, headcount had increased year-on-year to 3,781.4 full-time equivalents, a rise of 74.3, or 2%, from the 2009 figure of 3,707.1. The internationalization of the card business and increased project volumes led to other operating expenses rising to CHF 295.1 million (+5.8%). Gross income amounted to CHF 345.8 million, CHF 35.5 million, or 9.3%, below the prior-year value.

Depreciation and value adjustments rose by 5.8% to CHF 128.9 million as a result of the increased level of fixed and intangible assets from acquisitions. Taxes were 2.1% lower in 2010 than 2009 at CHF 42.9 million.

In 2010, SIX Group was able to generate a group net income of CHF 173.6 million before minority interest and will propose a dividend of CHF 4.35 per share (previous year CHF 4.35) to the general assembly of SIX Group AG.

## 2. Group balance sheet

in CHF 1,000	Note	31.12.2010	31.12.2009
<b>Assets</b>			
Liquid funds	1	530,844	842,708
Due from banks	1	364,936	358,571
Securities and precious metals trading portfolio	2	399,727	400,199
Non-consolidated participations	2, 4	504,132	579,264
Fixed assets	4	428,263	423,852
Intangible assets	4	50,442	72,031
Accrued income and prepaid expenses		37,094	38,066
Other assets	5	2,832,054	3,239,343
<b>Total assets</b>		<b>5,147,492</b>	<b>5,954,034</b>
Total subordinated amounts receivable		176	–
Total due from non-consolidated participations and qualified shareholders		161,527	188,124

in CHF 1,000	Note	31.12.2010	31.12.2009
<b>Liabilities and equity</b>			
Due to banks		17,148	21,753
Other due to clients		700	3,479
Accrued expenses and deferred income		193,361	260,750
Other liabilities	5	2,995,293	3,736,001
Value adjustments and provisions	9	137,521	127,516
<b>Total liabilities</b>		<b>3,344,021</b>	<b>4,149,499</b>
Share capital	10	19,522	19,522
Capital reserves		767,859	765,214
Treasury shares		-23,348	-23,348
Retained earnings		933,079	851,414
Foreign exchange translation differences		-107,230	-70,982
Group net income majority shareholders		169,910	215,125
<b>Equity majority shareholders</b>		<b>1,759,792</b>	<b>1,756,945</b>
Minority interest in equity		40,002	42,425
Minority interest in profit		3,677	5,165
<b>Equity minority shareholders</b>		<b>43,679</b>	<b>47,590</b>
<b>Total equity</b>		<b>1,803,471</b>	<b>1,804,535</b>
<b>Total liabilities and equity</b>		<b>5,147,492</b>	<b>5,954,034</b>
Total due to non-consolidated participations and qualified shareholders		47,865	104,594

in CHF 1,000	Note	31.12.2010	31.12.2009
<b>Off-balance sheet transactions</b>			
Contingent liabilities	13	140,592	156,167
Irrevocable facilities granted	13	8	12
Derivative financial instruments			
Positive replacement values	14	34,941	25,420
Negative replacement values	14	34,326	26,175
Notional amount	14	4,712,117	4,474,231
Fiduciary transactions	15	722	639

### 3. Group income statement

in CHF 1,000	Note	2010	2009 (restated)
Interest income		7,307	10,506
Interest expenses		-2,960	-2,404
<b>Net interest income</b>		<b>4,346</b>	<b>8,103</b>
Commission income	16	1,027,260	965,824
Commission expenses	16	-345,065	-337,125
Income from other services business	16	466,703	482,735
Expenses for other services business	16	-46,746	-54,748
<b>Net commission and other services business income</b>		<b>1,102,153</b>	<b>1,056,686</b>
<b>Net trading income</b>	17	<b>6,055</b>	<b>38,106</b>
Income from non-consolidated participations		-17,959	-20,479
Other ordinary income	18	130,641	131,117
Other ordinary expenses		-4,743	-2,211
<b>Net other income</b>		<b>107,938</b>	<b>108,427</b>
<b>Operating income</b>		<b>1,220,492</b>	<b>1,211,321</b>
Personnel expenses	19	-579,570	-551,139
Other operating expenses	20	-295,101	-278,825
<b>Operating expenses</b>		<b>-874,671</b>	<b>-829,963</b>
<b>Gross income</b>		<b>345,821</b>	<b>381,358</b>
Depreciation and write-offs	4	-128,157	-117,871
Valuation adjustments, provisions and losses		-749	-3,938
<b>Operating profit (sub-total)</b>		<b>216,914</b>	<b>259,549</b>
Extraordinary income	22	226	6,110
Extraordinary expenses	22	-670	-1,559
Taxes	23	-42,883	-43,810
<b>Group net income</b>		<b>173,588</b>	<b>220,289</b>
Minority interest in profit		-3,677	-5,165
<b>Group net income majority shareholders</b>		<b>169,910</b>	<b>215,125</b>

## 4. Group equity statement

### Group equity statement

in CHF 1,000	Share capital	Capital reserves	Treasury shares	Retained earnings	Translation differences	Total	Minority interest	Total
<b>1 January 2010</b>	19,522	765,214	-23,348	1,066,539	-70,982	1,756,945	47,590	1,804,535
Capital increases (+)/ reductions (-)	-	-	-	-	-	-	749	749
Change in consolidation scope	-	-	-	-	-	-	-	-
Acquisition of minority interest	-	-	-	-	-	-	-	-
Purchases of own equities	-	-	-	-	-	-	-	-
Dividend payments	-	2,644	-	-84,920	-	-82,276	-1,344	-83,620
Translation differences	-	-	-	-	-36,247	-36,247	-6,968	-43,216
Net actuarial gains and losses	-	-	-	-48,540	-	-48,540	-25	-48,565
<b>Group net income</b>				169,910		169,910	3,677	173,588
<b>31 December 2010</b>	19,522	767,859	-23,348	1,102,989	-107,230	1,759,792	43,679	1,803,471
<b>1 January 2009</b>	19,522	761,993	-23,348	1,007,892	-54,039	1,712,020	5,339	1,717,359
Effect of a restatement <sup>1</sup>	-	-	-	-89,795	-	-89,795	-	-89,795
<b>1 January 2009 restated</b>	19,522	761,993	-23,348	918,097	-54,039	1,622,225	5,339	1,627,564
Capital increases (+)/ reductions (-)	-	-	-	-	-	-	-	-
Change in consolidation scope	-	-	-	-	-	-	38,024	38,024
Purchases of own equities	-	-	-	-	-	-	-	-
Dividend payments	-	3,221	-	-103,466	-	-100,245	-1,309	-101,553
Translation differences	-	-	-	-	-16,943	-16,943	398	-16,545
Net actuarial gains and losses	-	-	-	36,784	-	36,784	-27	36,757
<b>Group net income</b>				215,125		215,125	5,165	220,289
<b>31 December 2009</b>	19,522	765,214	-23,348	1,066,539	-70,982	1,756,945	47,590	1,804,535

<sup>1</sup> Restated: Adjustment to SORIE method for pension funds.

### Treasury shares

	31.12.2010		31.12.2009	
	Number	Book value in CHF 1,000	Number	Book value in CHF 1,000
Total treasury shares	607,864	23,348	607,864	23,348

## 5. Group cash flow statement

in CHF 1,000	2010	2009 (restated)
Group net income	173,588	220,289
Depreciation and write-offs	128,157	117,871
Increase/(decrease) of valuation adjustments and provisions, excl. deferred tax and changes in consolidation scope	-34,222	-11,665
Increase of deferred tax provision and (increase) of deferred tax asset	-23,095	-18,326
(Income from the valuation of non-consolidated participations)	38,713	38,493
(Increase)/decrease of accrued income and prepaid expenses	972	-5,671
Increase/(decrease) of accrued expenses and deferred income	-67,389	-115,618
<b>Total internal financing</b>	<b>216,724</b>	<b>225,373</b>
(Increase)/decrease of securities and precious metals trading portfolio	473	-160,531
(Increase)/decrease of other assets, excl. deferred tax asset and value adjustments	425,671	-889,370
Increase/(decrease) of other liabilities	-730,072	1,341,633
<b>Cash flow from operating activities</b>	<b>-87,204</b>	<b>517,105</b>
(Purchases)/sales of fixed assets	-119,322	-120,643
(Purchases)/sales of other intangible assets	-6,762	-22,464
Net liquid funds due to (acquisition) and disposal of fully consolidated participations	-	-16,604
Net liquid funds due to incorporation of fully consolidated participations	-	50
(Acquisitions) of minority interests incl. goodwill	-	-353
Dividend payments to minority interests	-1,344	-1,309
(Acquisitions)/disposals of non-consolidated participations	-	-128,816
<b>Cash flow from investing activities</b>	<b>-127,428</b>	<b>-290,139</b>
Increase/(decrease) of share capital by minorities	749	-
Dividend payments to third parties	-82,276	-100,245
(Increase)/decrease of due from banks over 90 days	-1,490	-2,113
Increase/(decrease) of due to banks over 90 days	-10,619	-16,386
Increase/(decrease) of due to others	-2,780	-1,046
<b>Cash flow from financing activities</b>	<b>-96,417</b>	<b>-119,790</b>
Effects of foreign exchange translation differences on liquidity	-1,954	-2,299
<b>Increase/(decrease) of liquidity fund</b>	<b>-313,003</b>	<b>104,877</b>
Increase/(decrease) of liquid funds	-311,864	402,439
Increase/(decrease) of due from banks up to 90 days	4,874	-295,248
(Increase)/decrease of due to banks up to 90 days	-6,014	-2,313

## 6. Notes to the consolidated financial statements

### Comments concerning business activities and number of personnel

As of 1 January 2008, the former SWX Group, the former SIS Group and the former Telekurs Group merged to form SIX Group AG, domiciled in Zurich. SIX Group is owned by approximately 160 domestic and foreign banks that are also its customers. A shareholder pooling agreement, which prohibits the transfer of shares within the first five years, will bring stability to this ownership structure, which also corresponds to the present user structure.

### Business activities

SIX Group covers the entire value chain of the financial market infrastructure, whose core element is the Swiss Value Chain. The service offering is divided into four business fields:

- The Securities Trading business field comprises the cash and derivatives market, distribution of information products, index calculations and the development and operation of electronic trading platforms. Issuers are offered listing on a globally recognized stock exchange via SIX Exchange Regulation.
- The Securities Services business field offers Swiss and international financial centers a largely automated infrastructure for the clearing and settlement of securities transactions. Interbank securities custody and administration services as well as services geared at public limited companies are also included in the offering.
- The Financial Information business field provides the full range of reference data on over five million financial instruments along with real-time market data with regard to all important trading centers.
- The Payment Transactions business field offers services and solutions for cashless payment processes: This includes payment execution between banks in Swiss francs and euros, operation of PayNet for the settlement of electronic invoices, card processing for issuers and acceptance of credit, debit and prepaid cards.

At present, SIX Group does not outsource any significant part of its business.

### Number of personnel

As at the end of the year, SIX Group employed 3,781 full-time equivalents (previous year: 3,707).

### Risk management

Risk management at SIX Group follows clear governance rules which are defined by the SIX Group Risk policy.

### Risk policy – clear responsibilities, separate authorities and transparency

The guiding principles and philosophy that govern the way SIX Group handles risks are defined in the SIX Group Risk Policy. The policy defines the related organization, structures, authorities and responsibilities in detail, and lays down the principles that apply to different types of risk, as well as the Group's willingness to take risk.

In the way in which SIX Group is organized, a clear distinction is made between responsibility for risk, risk management and risk monitoring. The Board of Directors is responsible for defining the Group's risk tolerance and monitoring the overall risk situation. The overall supervision of risk management and monitoring is delegated to the Board of Directors' Risk Committee. The Board of Directors itself approves the Risk Policy and delegates risk management tasks.

Risk management falls within the responsibilities of the members of the Group Executive Board (GExB). At Group level, the divisions are supported by a number of specialist functions: Corporate Development in the case of strategic risks, the Corporate Security Officer for security risks, the Compliance Officer, and the Finance & Risk division itself. Risk monitoring within SIX Group is undertaken independent of line management responsibilities. It is conducted by the Chief Risk Officer, who is also responsible for the risk monitoring methodology. Periodic reports on the Group's risk situation for all types of risk are submitted to both the GExB and the Board of Directors' Risk Committee.

#### **Types of risk and methodology**

The overall risks to which SIX Group is exposed are broken down according to the management needs of the Group. In addition to strategic, business, operational, financial market and reputational risks, the Group keeps separate track of compliance and project risks, as well as the risks attached to financial reporting. Risk management and risk monitoring of credit, market price and liquidity risks are recorded under financial market risks.

Within the divisions, risks are recorded in databases that allow them to be handled effectively as part of operations. In the Group's reporting of risk, individual risks are dealt with, in consideration of the company's risk tolerance, in accordance with the potential financial loss, their threat to the company's existence, their impact on the market and on our reputation, the likelihood of their occurrence and the urgency of the action they necessitate. These factors are documented in risk profiles and are reported to the Group Executive Board and the Board of Directors' Risk Committee.

The Board of Directors is responsible for determining the Group's risk tolerance. On the operational side risk tolerance is defined on the basis of required service level availability and spare capacities held.

The SIX x-clear AG and SIX SIS AG Group companies, which are part of SIX Securities Group AG (sub-holding company), are licensed Swiss banks. The separate Annual Report published by SIX Securities Group AG addresses capital adequacy requirements under Basel II and reports on its specific risk management activities.

#### **Strategic risks**

Given their long-term impacts, strategic risks are of key importance. SIX Group continuously assesses such risks. Corporate Development draws up strategic options and reviews the strategy together with the individual companies in the light of SIX Group's willingness to take risk. The strategy is revised annually and approved by the Board of Directors.

#### **Compliance risks**

Compliance with the relevant rules and regulations is part of everyday working life at SIX Group. The applicable principles are laid down in internal directives. Compliance at SIX Group has been set up in accordance with Swiss Financial Market Supervisory Authority (FINMA) Circular 2008/24. Legal & Compliance (L&C) centrally monitors adherence to the relevant rules and regulations. L&C is entitled to unrestricted access to all information and documents. Litigation cases and related risks are also dealt with by L&C. Internal systems and processes in individual areas of the business and operational units also undergo reviews by L&C. Staff awareness of problems is raised and they attend both basic and further training on a regular basis.

**Operational risks**

Particular attention is paid to operational risks. The stability and integrity of systems and processes is managed through a comprehensive program of risk prevention and risk monitoring, which is checked periodically by area and divisional management. Results are passed to the Chief Risk Officer, who reports the risks at an aggregated Group level to the Risk Committee of the Group Executive Board.

Risk management issues are subject to discussion and decision at Group Executive Board level. In emergencies or crises, operations are secured by our own business continuity management organization which is coordinated closely with business continuity planning in the Swiss financial sector as a whole.

**Project risks**

Projects are monitored continuously by a project management organization. Project risks that are large in scale, cross-divisional or relevant to the Group's strategy are monitored directly by the Group Executive Board.

**Risks attached to financial reporting**

Financial reporting risks and the corresponding risk-mitigation action are discussed at the regular Board of Directors' Risk Committee meetings. Risks and internal controls regarding the consolidated financial reporting are regularly assessed by management and Board of Directors.

SIX Securities Group AG (SIX Securities Group, which is a sub-group of SIX Group) fulfils the requirements for the partial disclosure of the eligible and required equity of FINMA Circular 2008/22. The required notes are disclosed in the consolidated financial statements of SIX Securities Group available on the Internet or at SIX Securities Group.

**Financial market risks**

Financial market risks exist for SIX Group with regard to liquidity, counterparties and market prices. SIX Group does not actively take interest rate and currency risks. Such risks are nonetheless encountered on a modest scale in the course of business and are managed conservatively.

The SIX Group operating model necessitates the holding of a high level of liquidity. Liquidity risks are systematically avoided by the active management of liquid funds, a forward-looking investment policy, daily monitoring of markets and customers, as well as clearly defined limits and strict internal monitoring procedures.

SIX Group manages counterparty risks with clear investment guidelines, limits and diversification. In the clearing and settlement business, members and participants are selected according to strict quality criteria. Counterparty creditworthiness is also subject to ongoing reviews. Meanwhile, SIX Group supervises trading activities on a real-time basis.

Market price risks relating to clearing activities are managed by risk-based margin models. These models are verified continually by means of back-testing and are also checked in regular stress tests.

### Reputational risks

As the company's good reputation is vital, potential damage to it is countered by the entire SIX Group organization by measures to ensure professionalism, integrity and reliability as well as compliance in all business activities.

The management of reputational risks includes all operational and strategic instruments at all levels of management of SIX Group, with a particular focus on financial reporting and the monitoring of key performance indicators. Although reputational risks are not measured quantitatively, the communications department closely monitors coverage of SIX Group in the press and media.

### Accounting policies and valuation principles

#### General policy

The consolidated financial statements of SIX Group are prepared in accordance with the directives of the Swiss Financial Market Supervisory Authority (FINMA), in particular the Provisions Governing Financial Statement Reporting for Swiss Banks, Stock Exchanges and other Financial Institutions (Bank Accounting Guidelines, BAG-FINMA), and the Swiss law. The consolidated financial statements present a true and fair view of the financial position and results of SIX Group.

As a sub-group, SIX Securities Group AG (SIX Securities Group) represents the main part of the banking and balance sheet business of SIX Group, the maturity structure of current assets and third-party liabilities, the analysis of domestic and foreign assets and liabilities, the analysis of assets by country or groups of countries and the analysis of balance sheet by currency are based on the consolidated financial statements of SIX Securities Group, which have been set up on separate accounting policies and valuation principles. Other companies of SIX Group are not included in the mentioned tables (note 12).

### Scope and principles of consolidation

The consolidated financial statements include all companies that are directly or indirectly controlled by SIX Group AG (generally more than 50% of voting interest or where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from their activities).

All assets and liabilities as well as income and expenses of the directly or indirectly controlled companies are fully consolidated. The annual closing date of the individual financial statements is 31 December. Intercompany income and expenses, including unrealized profits from internal transactions and intercompany receivables and payables, are eliminated.

Business combinations in transactions where SIX Group AG takes control of another entity are consolidated using the purchase method of accounting. The business combination of former SIS Group and Telekurs Group has been accounted for based on harmonized book values from former financial statements.

Companies acquired or disposed of during the year are included in the consolidated financial statements from the date of acquisition or until the date of disposal. Any minority interest in equity or profit is separated within the consolidated financial statement.

Investments in associated companies (generally investments in companies in which SIX Group AG holds between 20% and 50% of voting shares or over which it otherwise has significant influence) and joint ventures are non-consolidated participations and accounted for using the equity method.

All significant participation interests and the changes during the reporting period are listed in note 3 of the consolidated financial statements.

### Recognition and measurement

Assets and liabilities are generally recognized and measured under the historical cost convention, except for assets and liabilities for which other accounting policies are specified in accordance with BAG-FINMA.

Transactions which are already committed but will be settled on a future date at a specified price are recognized as an asset or a liability on the commitment date using settlement date accounting.

### Foreign currency conversion

Transactions in foreign currencies are converted at the exchange rate at the time of the transaction. Foreign currency positions are converted at the daily exchange rate of the balance sheet date.

Balance sheets of foreign companies are converted at the exchange rate of the balance sheet date, income statements of foreign companies at the annual average exchange rate. Foreign exchange translation differences are generally included in trading income.

Foreign exchange translation differences from the recognition of revaluations of investments in associates based on the equity method are recognized directly in equity.

For the purpose of consolidation, the financial statements of units operating in a foreign currency are translated using the reporting date method.

The main exchange rates ruling at the balance sheet date in CHF are as follows:

Currency	31.12.2010	31.12.2009
EUR	1.2494	1.4873
GBP	1.4468	1.6607
USD	0.9349	1.0308
SEK	13.8985	14.4785

The main average annual exchange rates in CHF are as follows:

Currency	2010	2009
EUR	1.3828	1.5098
GBP	1.6108	1.6954
USD	1.0431	1.0845
SEK	14.4703	14.2432

### Specific accounting policies and valuation

All assets, liabilities and off-balance sheet transactions are valued individually (individual valuation). If the value of an asset or an off-balance sheet transaction is impaired, it will be valued on an individual basis and the impairment will be covered by an individual valuation adjustment.

#### Liquid funds, due from banks and liabilities

Liquid funds, amounts due from banks and liabilities are measured at their nominal value. Specific provisions for identified individual credit risks are presented in value adjustments and provisions.

#### Securities and precious metals trading portfolio

Securities and precious metals in the trading portfolio are measured at fair value. The fair value is usually based on the price for the asset on an efficient and liquid market or on a valuation model. The profit or loss from the valuation of the trading portfolio is recognized in trading income.

#### Advances and repurchase agreements with securities

Advances and repurchase agreements with securities are only entered into on the own account of SIX Group (principal). The securities which have been transferred are not recognized on or derecognized from the balance sheet unless the risks and rewards of ownership are also transferred.

Securities borrowing and lending transactions are treated like repurchase and reverse repurchase transactions, if they are covered with cash collateral and a daily margin settlement. Securities borrowing and lending transactions which are not covered with cash collateral are not recognized in the balance sheet but disclosed as off-balance sheet transactions. Cash collateral received is recognized with a corresponding obligation to return it and cash collateral delivered is derecognized with a corresponding receivable. Securities received in a lending or borrowing transaction are disclosed as off-balance sheet transactions if SIX Group has the right to resell or repledge them. Securities recognized on the balance sheet are measured at fair value in the trading portfolio.

Securities purchased under agreements to resell (reverse repurchase agreements) and securities sold under agreements to repurchase (repurchase agreements) are generally treated as collateralized financing transactions. In reverse repurchase agreements, the cash delivered is derecognized and a corresponding receivable is recorded in the balance sheet. In repurchase agreements, the cash received is recognized on the balance sheet with a corresponding obligation to return it. Securities received in a reverse repurchase agreement are disclosed as off-balance sheet transactions if SIX Group has the right to resell or repledge them.

Commissions from advances and repurchase agreements with securities are recognized in fee and commission income.

#### Non-consolidated participations

Investments in associated companies (generally investments in companies in which SIX Group AG holds between 20% and 50% of voting shares or over which it otherwise has significant influence) and joint ventures are accounted for using the equity method. The profit or loss from the valuation of the associated companies is recognized in income from non-consolidated participations. Other non-consolidated participations are valued at cost.

If the value of a non-consolidated participation is impaired, it will be valued on an individual basis and the impairment will be recognized as depreciation.

All significant participation interests and the changes during the reporting period are listed in note 3 of the consolidated financial statements.

#### Fixed assets

Fixed assets are carried at cost, less accumulated depreciation and accumulated impairment losses, and are periodically reviewed for impairment. Expenditures less than CHF 10,000 are recognized directly as expenses in the income statement.

Software development costs, including internally developed software, are recognized in fixed assets when they are identifiable, it is probable that future economic benefits will flow to the Group and the cost can be measured reliably.

Subsequent expenditure relating to any fixed asset is added to the carrying amount as far as the value of the assets is increased. All other subsequent expenditure is recognized as an expense in the period in which it incurs.

Fixed assets are depreciated on a straight-line basis over their estimated useful life. The useful life is estimated on the basis of the economic useful life of the asset.

The useful life for the fixed assets is estimated as follows:

Fixed assets	Estimated useful life
Land	Impairment test
Buildings (without land)	8–60 years
IT hardware	3–4 years
Technical installations	3–30 years
Leasehold improvements	Term-based
Software	3–5 years
Office equipment, fixtures and fittings	3–7 years
Other fixed assets	3–5 years

#### Intangible assets

Intangible assets include goodwill and other intangible assets such as customer lists, patents and licenses.

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of net identifiable assets of the acquired entity at the date of acquisition. Goodwill is amortized over a maximum of five years as well as tested for impairment on an annual basis and when a reasonable indication of impairment exists.

All other intangible assets are carried at cost, less accumulated depreciation and accumulated impairment losses and are periodically reviewed for impairment. Expenditures less than CHF 10,000 are recognized directly as expenses in the income statement.

Subsequent expenditure relating to another intangible asset is added to the carrying amount as far as the value of the assets is increased. Other subsequent expenditure is recognized as an expense in the period in which it incurs.

Other intangible assets are depreciated on a straight-line basis over their estimated useful life. Useful life is estimated on the basis of economic useful life of the asset.

The useful life for intangible assets is estimated as follows:

Intangible assets	Estimated useful life
Goodwill	max. 5 years
Patents and licenses	5–10 years
Other intangible assets	3–5 years

#### Other assets and liabilities

Other assets and liabilities include positive and negative replacement values of derivative instruments, inventory, other loans, receivables and liabilities.

Positive and negative replacement values of derivative instruments are measured at fair value. The fair value is usually based on the price for the asset on an efficient and liquid market or on a valuation model. The profit or loss from the valuation of derivative instruments is recognized in trading income.

Inventory is generally valued at the lower of cost and net realizable value. The cost method to calculate the value of inventory items which are ordinarily interchangeable is calculated using the first in, first out cost formula (FIFO). The cost method for items not ordinarily interchangeable is actual cost.

Point-of-sale terminals are valued using the standard cost method, measured on a yearly basis and calculated by the average of the costs of purchased terminals and the maintenance costs of returned terminals. Standard cost of rental terminals is revalued based on indicators such as purchase prices and maintenance costs.

Other assets and liabilities are generally measured at nominal value. Specific provisions for identified individual credit risks are presented in value adjustments and provisions.

### Employee benefit obligation

SIX Group sponsors a number of retirement benefit plans and welfare funds for its employees worldwide. To determine the impact on the consolidated financial statements, SIX Group applies the International Financial Reporting Standards (IFRS), as these standards already apply in many of the reporting units. The application of IFRS regarding the determination of the economic impact of employee benefit obligation to the financial statements has been decided in accordance with para. 29j–8 of the BAG-FINMA.

The retirement benefit plans include both defined benefit and defined contribution plans. Contributions to defined contribution plans are expensed when employees have rendered services in exchange for such contributions, generally in the year of contribution. The Group uses the projected unit credit actuarial method to determine the present value of its defined benefit plans and the related service cost and, where applicable, past service cost. The principal actuarial assumptions used by the actuary are set out in note 8.

Actuarial gains and losses are recognized directly in equity in the period in which they occur without effect to the income statement.

If an excess of the fair value of the plan assets over the present value of the defined benefit obligation cannot be recovered fully through refunds or reductions in future contributions, no gain is recognized solely as a result of deferral of past service cost in the current period.

### Value adjustments and provisions

If individual credit risks are identified on any loan or receivable in the assets, the impairment is recognized as a value adjustment. The specific credit risk of any individual loan or receivable is evaluated when a reasonable indication of impairment exists. A loan or receivable is impaired, when the debtor is unlikely to fulfill his obligations. Off-balance sheet transactions are included in this evaluation. The value adjustment is measured based on the difference between the recognized nominal amount of the loan or receivable and the recoverable amount considering any contractual agreed collateral at the liquidation value and any possibilities of the debtor for partial repayments of the loan or receivable. Recoveries of receivables written off in previous periods may be credited directly to the value adjustments. In addition to the identification and measurement of individual credit risk, a global individual valuation adjustment is performed for portfolios that exclusively consist of many smaller receivables (e.g. credit card receivables).

Provisions are recognized when SIX Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

### Treasury shares

Shares of SIX Group AG held by the Group are classified in equity as treasury shares and accounted for at cost. Results from the sale of treasury shares or dividend payments are recognized in the capital reserves.

### Equity

Capital reserves include any premium on shares issued. Retained earnings include the accumulated net income and actuarial gains or losses resulting from defined benefit plans. Foreign exchange translation differences from revaluations of investments in associates are included in translation differences.

### Taxes

Income tax payable on profits is recognized as an expense based on the applicable tax laws in each jurisdiction in the period in which profits arise.

Deferred tax liabilities are recognized for temporary differences between the carrying amounts of assets and liabilities in the balance sheet and their amounts as measured for tax purposes, which will result in taxable amounts in future periods. Deferred tax assets are recognized for temporary differences that will result in deductible amounts in future periods, but only to the extent it is probable that sufficient taxable profits will be available against which these differences can be utilized. The tax effects of income tax losses that can be carried forward are recognized as a deferred tax asset if it is probable that future taxable profit will be available against which those losses can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the asset will be realized or the liability will be settled based on enacted rates.

### Contingent liabilities, irrevocable facilities granted and fiduciary transactions

Contingent liabilities, irrevocable facilities granted and fiduciary transactions are measured at their nominal value. Specific provisions for identified individual credit risks are presented in value adjustments and provisions.

### Derivative financial instruments

Derivative financial instruments are primarily traded on the account of the customers of SIX Group relating to its banking business. Derivative financial instruments on the own account of SIX Group are used only for the hedging of foreign currency risk.

In the financial statements, all derivative financial instruments are treated as trading instruments, including the derivative financial instruments used for the hedging of foreign currency risk.

The positive and negative replacement values of trading instruments are measured at fair value. The fair value is usually based on the price for the asset on an efficient and liquid market or on an evaluation model. The profit or loss from the valuation of trading instruments is recognized in trading income.

Derivative financial instruments for which hedge accounting is applied are measured equal to the hedged financial instrument. The profit or loss from the valuation of derivative financial instruments for which hedge accounting is applied is recognized in the income statement equal to the profit and loss from the revaluation of the hedged financial instrument.

### Changes in accounting policies

In 2010 there have been no material changes in accounting policies.

Due to improved allocation of income and expenses and in order to enhance comparability, several comparative figures in the group income statement for 2009 have been reclassified to conform to the current year.

### Events subsequent to the balance sheet date

There has been no material events subsequent to the balance sheet date which would require an adjustment to the consolidated financial statements.

## 6.1 Information on the Group balance sheet

### 1 Liquid funds and due from banks

#### Liquid funds

in CHF 1,000	31.12.2010	31.12.2009
Cash	714	1,490
Deposits with Swiss postal accounts	1,983	194
Giro account with Swiss National Bank	6,952	395
Giro account with a central giro institution	521,195	840,628
<b>Total</b>	<b>530,844</b>	<b>842,708</b>

#### Due from banks

in CHF 1,000	31.12.2010	31.12.2009
Due from banks up to 90 days	356,752	351,878
Due from banks over 90 days	8,183	6,693
<b>Total</b>	<b>364,936</b>	<b>358,571</b>

### 2 Breakdown of securities and precious metals trading portfolio and non-consolidated participations

#### Securities and precious metals trading portfolio

in CHF 1,000	31.12.2010	31.12.2009
Debt instruments – quoted	302,007	284,705
Equity stock	97,720	115,495
<b>Total</b>	<b>399,727</b>	<b>400,199</b>

#### Non-consolidated participations

in CHF 1,000	31.12.2010	31.12.2009
With quoted value	–	–
Without quoted value	504,132	579,264
<b>Total</b>	<b>504,132</b>	<b>579,264</b>

### 3 Information about significant participations

#### Fully consolidated participations

Company	Domicile	Business area	Currency	Share capital in 1,000	Equity interest in %	
					31.12.2010	31.12.2009
SIX Group AG	Zurich	Holding company	CHF	19,521.9	100.0	100.0
SIX Group Services AG	Zurich	IT services	CHF	52,500.0	100.0	100.0
SIX Management AG	Zurich	Management services	CHF	100.0	100.0	100.0
Telekurs Holding AG	Zurich	Holding company	CHF	45,000.0	100.0	100.0

#### Securities Trading

Indexium AG	Zurich	Distribution of index families	CHF	100.0	50.1	50.1
SIX Exfeed AG	Zurich	Distribution of financial information	CHF	1,100.0	100.0	100.0
SIX Swiss Exchange AG	Zurich	Stock exchange and stock exchange services	CHF	10,000.0	100.0	100.0
SIX Swiss Exchange Effektenmatcher AG	Zurich	Stock exchange services	CHF	100.0	100.0	100.0
SWX Europe Holdings Ltd	London	Holding company	GBP	2,792.9	100.0	100.0
SWX Europe Ltd	London	Stock exchange	GBP	0.1	100.0	100.0
virt-x (LPS) Ltd <sup>2</sup>	Jersey	inactive	GBP	–	–	100.0

#### Securities Services

SIX SAG AG	Olten	Share register	CHF	100.0	100.0	100.0
SIX Securities Group AG	Zurich	Holding company	CHF	26,000.0	100.0	100.0
SIX SIS AG	Olten	Settlement and custody	CHF	26,000.0	100.0	100.0
SIX SIS International AG	Zurich	Settlement and custody	CHF	100.0	100.0	100.0
SIX SIS Nominee U.K. AG	Olten	Nominee	CHF	100.0	100.0	100.0
SIX Systems AG	Olten	Service provider	CHF	2,500.0	100.0	100.0
SIX Terravis AG <sup>1</sup>	Zurich	Real estate information portal	CHF	100.0	100.0	100.0
SIX x-clear AG	Zurich	Clearing	CHF	30,000.0	100.0	100.0

<sup>1</sup> Change of name  
– SIX Terravis AG former SIX Swiss Infrastructure & Exchange AG

<sup>2</sup> Change of group structure  
– Börsen-Informationen AG has been liquidated in December 2010  
– Ecovision AB has been merged in May 2010  
– Fininfo Limited has been deconsolidated in July 2010  
– SIX Finanzinformation AB has been merged in June 2010  
– SIX Telekurs Nordic AB has been merged in August 2010  
– virt-x (LPS) Ltd has been deconsolidated in August 2010

## Fully consolidated participations (continued)

Company	Domicile	Business area	Currency	Share capital in 1,000	Equity interest in %	
					31.12.2010	31.12.2009
<b>Financial Information</b>						
Ecovision AB <sup>2</sup>	Gothenburg	inactive	SEK	–	–	100.0
Europerformance	Nanterre Cedex	Financial information services	EUR	45.0	94.4	94.4
Finaccess SIX Telekurs	Casablanca	Financial information services	MAD	8,547.5	55.0	55.0
Fininfo Limited <sup>2</sup>	London	Financial information services	GBP	–	–	100.0
Rolotec AG	Biel	Development and engineering of software	CHF	200.0	75.0	75.0
SIX Finansinformation AB <sup>2</sup>	Stockholm	Financial information services	SEK	–	–	100.0
SIX Telekurs AG	Zurich	Financial information services	CHF	5,000.0	100.0	100.0
SIX Telekurs Belgium SA	Brussels	Financial information services	EUR	505.1	100.0	100.0
SIX Telekurs Denmark A/S	Copenhagen	Financial information services	DKK	1,600.0	100.0	100.0
SIX Telekurs Deutschland GmbH	Frankfurt am Main	Financial information services	EUR	511.3	100.0	100.0
SIX Telekurs España SA	Madrid	Financial information services	EUR	423.8	100.0	100.0
SIX Telekurs Finland Oy	Helsinki	Financial information services	EUR	8.0	100.0	100.0
SIX Telekurs France	Paris	Financial information services	EUR	961.8	100.0	100.0
SIX Telekurs Hong Kong Ltd	Hong Kong	inactive	HKD	4,000.0	100.0	100.0
SIX Telekurs Italia s.r.l.	Milan	Financial information services	EUR	100.0	100.0	100.0
SIX Telekurs Japan Ltd	Tokyo	Financial information services	JPY	40,000.0	100.0	100.0
SIX Telekurs Luxembourg SA	Bertrange	Financial information services	EUR	31.3	100.0	100.0
SIX Telekurs Monaco S.A.M	Monaco	Financial information services	EUR	150.0	100.0	100.0
SIX Telekurs Nederland B.V.	Amsterdam	Financial information services	EUR	249.6	100.0	100.0
SIX Telekurs Nordic AB <sup>2</sup>	Stockholm	Financial information services	SEK	–	–	100.0
SIX Telekurs Norway AS	Oslo	Financial information services	NOK	500.0	100.0	100.0
SIX Telekurs Singapore Pte. Ltd	Singapore	Financial information services	SGD	25.0	100.0	100.0
SIX Telekurs Sweden AB	Stockholm	Financial information services	SEK	100.0	100.0	100.0
SIX Telekurs U.K. Ltd	London	Financial information services	GBP	500.0	100.0	100.0
SIX Telekurs USA Inc.	Stamford USA	Financial information services	USD	2,045.0	100.0	100.0
STK Nordic AB	Stockholm	Financial information services	SEK	100.0	100.0	100.0
Telekurs (France) SAS	Paris	Financial information services	EUR	32,400.0	100.0	100.0

<sup>2</sup> Change of group structure

- Börsen-Information AG has been liquidated in December 2010
- Ecovision AB has been merged in May 2010
- Fininfo Limited has been deconsolidated in July 2010
- SIX Finansinformation AB has been merged in June 2010
- SIX Telekurs Nordic AB has been merged in August 2010
- virt-x (LPS) Ltd has been deconsolidated in August 2010

## Fully consolidated participations (continued)

Company	Domicile	Business area	Currency	Share capital in 1,000	Equity interest in %	
					31.12.2010	31.12.2009
<b>Payment Transactions</b>						
C6 Ré	Luxembourg	Reinsurance	EUR	3,200.0	100.0	100.0
CETREL SA	Luxembourg	Integrated payment solutions	EUR	4,713.0	50.0	50.0
CETREL Securities SA	Luxembourg	Financial information services	EUR	1,500.0	100.0	100.0
FS-B S.à.r.l.	Luxembourg	Real estate	EUR	13,790.0	100.0	100.0
FS-T S.à.r.l.	Luxembourg	Real estate	EUR	3,500.0	100.0	100.0
PayNet International AG	Zurich	E-billing services	CHF	4,000.0	100.0	100.0
SIX Austria Holding GmbH	Wien	Holding company	EUR	35.0	100.0	100.0
SIX Card Solutions AG	Zurich	Integrated payment solutions	CHF	100.0	100.0	100.0
SIX Card Solutions Austria GmbH	Wien	Integrated payment solutions	EUR	35.0	100.0	100.0
SIX Card Solutions Deutschland GmbH	Hamburg	Integrated payment solutions	EUR	25.0	100.0	100.0
SIX Card Solutions Luxembourg SA	Leudelange	Integrated payment solutions	EUR	255.0	100.0	100.0
SIX Card Solutions Payment GmbH	Hamburg	Integrated payment solutions	EUR	102.3	100.0	100.0
SIX Card Solutions Sweden AB	Johanneshov	Integrated payment solutions	SEK	500.0	100.0	100.0
SIX Card Solutions UK Ltd	Twickenham	Integrated payment solutions	GBP	0.0	100.0	100.0
SIX Card Solutions USA Corp	Delaware	Integrated payment solutions	USD	0.0	100.0	100.0
SIX Interbank Clearing AG	Zurich	Interbank payment services	CHF	1,000.0	75.0	75.0
SIX Multi Solutions AG	Zurich	Voucher and payment services	CHF	100.0	100.0	100.0
SIX Multipay AG	Zurich	Merchant acquiring services	CHF	6,500.0	100.0	100.0
SIX Pay SA <sup>4</sup>	Luxembourg	Merchant acquiring services	EUR	1,040.0	100.0	100.0
SIX Paynet AG	Zurich	E-billing services	CHF	1,000.0	100.0	100.0
Swisskey AG	Zurich	inactive	CHF	100.0	100.0	100.0
Telekurs Card Services SA	Zurich	inactive	CHF	100.0	100.0	100.0

<sup>4</sup> Change in share capital

– SIX Pay SA realized a share capital increase of TEUR 40 in December 2010

## Associated companies

Company	Domicile	Business area	Currency	Share capital in 1,000	Equity interest in %	
					31.12.2010	31.12.2009
<b>Securities Trading</b>						
Börsen-Informationen AG <sup>2</sup>	Basel	Facilitation of financial community	CHF	–	–	33.3
Eurex Zürich AG <sup>3</sup>	Zurich	Stock exchange	CHF	10,000.0	15.0	15.0
Scoach Holding SA	Luxembourg	Stock exchange and stock exchange services	EUR	100.0	49.9	49.9
STOXX AG	Zurich	Distribution of index families	CHF	1,000.0	49.9	49.9
Swiss Fund Data AG	Zurich	Bond information platforms	CHF	850.0	29.4	29.4
<b>Securities Services</b>						
AccuMatch AG	Zurich	inactive	CHF	300.0	70.0	70.0
Link-Up Capital Markets S.L.	Madrid	Harmonisation of post-trade securities processing	EUR	4.9	11.8	17.5
<b>Payment Transactions</b>						
SECB Swiss Euro Clearing Bank GmbH	Frankfurt am Main	Clearing House	EUR	9,200.0	25.0	25.0

<sup>2</sup> Change of group structure

- Börsen-Informationen AG has been liquidated in December 2010
- Ecovision AB has been merged in May 2010
- Fininfo Limited has been deconsolidated in July 2010
- SIX Finansinformation AB has been merged in June 2010
- SIX Telekurs Nordic AB has been merged in August 2010
- virt-x (LPS) Ltd has been deconsolidated in August 2010

<sup>3</sup> Voting share

- Eurex Zürich AG has a voting share of 50%

## 4 Changes in non-consolidated participations, fixed and intangible assets

in CHF 1,000	Reporting year								
	Accumulated cost value at previous year end	Accumulated depreciation and value adjustment at previous year end	Net book value at previous year end	Changes in consolidation scope	Additions	Disposals, translation differences	Depreciation and write-offs	Equity valuation	Net book value at year end
<b>Non-consolidated participations</b>									
accounted for by equity method	648,413	-70,853	577,560	-	-	-36,419	-	-38,713	502,429
accounted for at cost	1,704	-	1,704	-	-	-	-	-	1,704
<b>Total non-consolidated participations</b>	<b>650,117</b>	<b>-70,853</b>	<b>579,264</b>	<b>-</b>	<b>-</b>	<b>-36,419</b>	<b>-</b>	<b>-38,713</b>	<b>504,132</b>
Land and buildings									
for business activities	611,632	-392,660	218,972	-	14,357	-5,189	-14,123	-	214,017
Software	555,960	-418,674	137,286	-	69,126	-2,296	-51,989	-	152,127
Financial leasing assets	6,603	-3,357	3,246	-	-	-287	-2,414	-	545
Other fixed assets	271,802	-207,454	64,348	-	35,839	-3,121	-35,492	-	61,574
<b>Total fixed assets</b>	<b>1,445,996</b>	<b>-1,022,144</b>	<b>423,852</b>	<b>-</b>	<b>119,322</b>	<b>-10,893</b>	<b>-104,019</b>	<b>-</b>	<b>428,263</b>
Goodwill	322,103	-297,103	24,999	-	3,075	-409	-6,857	-	20,808
Other intangible assets	58,945	-11,913	47,032	-	6,762	-6,880	-17,282	-	29,634
<b>Total intangible assets</b>	<b>381,048</b>	<b>-309,017</b>	<b>72,031</b>	<b>-</b>	<b>9,838</b>	<b>-7,289</b>	<b>-24,139</b>	<b>-</b>	<b>50,442</b>
in CHF 1,000						31.12.2010		31.12.2009	
Fire insurance value of buildings						398,296		385,078	
Fire insurance value of other fixed assets						384,077		395,650	
Commitments: future leasing instalments arising from operational leases						31,272		41,978	

## 5 Other assets and liabilities

in CHF 1,000	31.12.2010	31.12.2009
Receivables clearing and settlement (banks)	2,391,928	2,687,645
Receivables clearing and settlement (others)	110,222	263,354
Trade receivables	240,651	184,347
Activated benefits from pension funds	–	24,764
Positive replacement values	9,069	5,691
Inventory	4,901	4,404
Deferred tax assets	32,590	17,294
Indirect tax assets	10,533	11,996
Other assets up to 1 year	16,427	15,011
Other assets over 1 year	15,734	24,837
<b>Total other assets</b>	<b>2,832,054</b>	<b>3,239,343</b>
Liabilities clearing and settlement (banks)	2,474,756	2,782,500
Liabilities clearing and settlement (others)	370,438	776,604
Trade liabilities	57,965	95,342
Negative replacement values	8,453	6,446
Indirect tax liabilities	29,526	33,709
Other liabilities up to 1 year	46,837	21,471
Other liabilities over 1 year	7,317	19,930
<b>Total other liabilities</b>	<b>2,995,293</b>	<b>3,736,001</b>

## 6 Pledged or assigned assets to secure own commitments and assets subject to reservation of title

in CHF 1,000	Book value of assets		Effective commitment	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
Assets which are pledged	14,023	15,506	–	–
Assets which are subject to reservation of title	–	–	–	–

## 7 Advances and repurchase agreements with securities

in CHF 1,000	31.12.2010	31.12.2009
Book value of receivables from cash deposits in securities borrowing and reverse-repurchase agreements	1,540,970	1,334,771
Fair value of collateral in connection with securities lending or securities borrowed in connection with securities borrowing or received securities in connection with reverse-repurchase agreements, for which the right to sell or repledge is unlimited	1,617,459	1,515,349
Fair value of resold or repledged securities in this context	76,489	180,579

## 8 Retirement benefit plans and welfare funds

### Actuarial assumptions – Switzerland

Switzerland	2010	2009
Discount factor	2.50%	3.25%
Interest rate for projected pension	2.50%	3.25%
Long-term return	4.00%	4.00%
Salary trend	2.00%	2.00%
Pension trend	0.25%	0.25%
Retirement age		
– Men	63/65	63/65
– Women	63/65	63/65

Probability of staff drawing at age:	2010 (LLP 2005)		2009 (LLP 2005)	
	Men	Women	Men	Women
20	22.51%	20.79%	22.5%	20.8%
25	18.44%	18.03%	18.4%	18.0%
30	12.74%	15.48%	12.7%	15.5%
35	9.31%	12.33%	9.3%	12.3%
40	6.90%	9.76%	6.9%	9.8%
45	5.57%	7.74%	5.6%	7.7%
50	4.14%	6.28%	4.1%	6.3%
55	3.00%	4.47%	3.0%	4.5%
60	1.57%	1.57%	1.6%	1.6%
65/64	0.00%	0.00%	0.0%	0.0%

## Actuarial assumptions – France

France	2010	2009
Discount factor	4.75%	5.00%
Social charges	42.2–47.5%	42.2–47.5%
Salary trend	3.0–4.0%	3.0–4.0%
Inflation rate	2.00%	2.00%
Retirement age		
– Executives	62/64	62/64
– Non-Executives	60/62	60/62
Probability of staff drawing at age:	2010	2009
Less than 29 years	22.0%	22.0%
30–34 years	13.0%	13.0%
35–39 years	7.0%	7.0%
40–44 years	3.0%	3.0%
45–49 years	1.0%	1.0%
50 years and above	0.0%	0.0%

## Actuarial assumptions – Austria

Austria	2010	2009		
Discount factor	4.25%	4.90%		
Salary trend	3.70%	3.70%		
Term of service	2010	2009	2010	2009
	Probability of payment		Probability of fluctuation	
0	9.4%	9.4%	0.0%	0.0%
1	7.8%	7.8%	0.0%	0.0%
2	5.0%	5.0%	15.0%	15.0%
3–4	6.2%	6.2%	50.0%	50.0%
5–9	5.0%	5.0%	70.0%	70.0%
10–14	5.0%	5.0%	80.0%	80.0%
15–20	3.6%	3.6%	100.0%	100.0%
from 21	0.0%	0.0%	0.0%	0.0%

## Actuarial assumptions – Luxembourg

Luxembourg	2010	2009
Discount factor	4.50%	5.00%
Expected return on assets	4.00%	4.00%
Salary trend	3.25%	3.25%
Increase of contribution ceiling	3.00%	3.00%
Increase of salary index	2.50%	2.50%
Retirement age		
– Men	65	65
– Women	65	65

## Amount recognized in the balance sheet

in CHF 1,000	31.12.2010	31.12.2009
Present value of unfunded obligations	–6,246	–7,039
Present value of funded obligations	–1,048,276	–908,465
<b>Total present value of obligations</b>	<b>–1,054,522</b>	<b>–915,505</b>
Present value of net assets	1,019,179	943,994
<b>Surplus/(deficit)</b>	<b>–35,343</b>	<b>28,489</b>
Past service cost not recognized in the balance sheet	–9,875	–11,091
<b>Amount recognized in the balance sheet</b>	<b>–45,218</b>	<b>17,398</b>
thereof activated benefits from pension funds	–	24,764
thereof provisions for pension funds	–45,218	–7,366

## Breakdown of pension costs

in CHF 1,000	2010	2009
Current expenditure related to service years	45,877	40,536
Interest on present value of obligations	30,670	31,479
Expected net return on investments	–38,609	–33,795
Past service cost	–1,523	–1,217
<b>Pension costs included in personnel expenses</b>	<b>36,415</b>	<b>37,004</b>

## Actuarial gains and losses recognized in equity

in CHF 1,000	2010	2009
Cumulative amount at 1 January	68,085	115,122
Recognized during the period	61,967	-47,037
<b>Cumulative amount at 31 December</b>	<b>130,052</b>	<b>68,085</b>

## Actual revenue from pension plan assets

in CHF 1,000	2010	2009
Expected net return on investments	38,609	33,795
Actuarial gains or (losses)	-6,232	47,191
<b>Actual revenue</b>	<b>32,377</b>	<b>80,986</b>

## Changes in the present value of obligation

in CHF 1,000	2010	2009
Present value of obligation at 1 January	-915,505	-850,265
Interest on present value of obligations	-30,670	-31,469
Current expenditure related to service years	-45,877	-40,536
Employee contributions	-25,495	-16,168
Past service cost	306	12,308
Benefits paid	17,137	14,178
Business combination	-	-3,400
Actuarial gains or (losses)	-55,735	-153
Effect of movement in exchange rates	1,317	-
<b>Present value of obligation at 31 December</b>	<b>-1,054,522</b>	<b>-915,505</b>

## Changes in the present value of net assets

in CHF 1,000	2010	2009
Present value of net assets at 1 January	943,995	826,587
Expected net return on investments	38,609	33,795
Employer contributions	34,560	33,544
Employee contributions	25,685	16,168
Transfer amount	–	–
Benefits paid	–17,347	–14,179
Business combination	–	889
Actuarial gains or (losses)	–6,232	47,190
Effect of movement in exchange rates	–89	–
<b>Present value of net assets at 31 December</b>	<b>1,019,179</b>	<b>943,995</b>

## Movements in amounts shown in balance sheet

in CHF 1,000	2010	2009
Pension asset/(liability) at 1 January	17,398	–23,678
Pension costs for the period	–36,401	–37,003
Employer contributions	34,379	33,544
Expense recognized in equity	–61,966	47,037
Effects of business combination	–	–2,501
Effect of movement in exchange rates	1,372	–
<b>Pension asset/(liability) at 31 December</b>	<b>–45,218</b>	<b>17,398</b>
thereof activated benefits from pension funds	–	24,764
thereof provisions for pension funds	–45,218	–7,366

## Attributable time value of pension plan assets per class

in CHF 1,000	2010	2009
Own shares	–	–
Third-party shares	245,397	263,788
Own bonds	–	–
Third-party bonds	445,332	459,411
Properties used by the Group	–	–
Properties not used by the Group	108,487	86,514
Other	219,963	134,281
<b>Total pension plan assets</b>	<b>1,019,179</b>	<b>943,994</b>

## Experience adjustments

in CHF 1,000	2010	2009
Pension plan debts 31 December with assumption 1 January	-972,359	-894,156
Experience adjustments on defined benefit obligation (gain)/loss	-19,382	-13,916
Estimated pension plan assets 31 December with assumption 1 January	1,024,853	895,845
Experience adjustments on plan assets gain/(loss)	-6,232	47,190

## Best estimate of contributions of next year

in CHF 1,000	2010	2009
Employer contributions	34,605	32,101
Beneficiary contributions	25,483	21,816

## 9 Value adjustments and provisions

in CHF 1,000	Balance at end of previous year	Changes in consolidation scope	Usage conforming with purpose	Recoveries, overdue interest, translation differences, reclasses	New provisions charged to income statement	Releases to income statement	Changes through equity	Balance at end of current year
Provisions for deferred tax	82,827	-	-	7,577	-	-14,767	-13,637	61,999
Provisions for pension funds	7,366	-	-	-26,136	2,021	-	61,967	45,218
Value adjustments and provisions for default risks (collectibility and country risks)	9,498	-	-2,039	-816	2,904	-3,136	-	6,410
Restructuring provision	13,157	-	-3,719	-2,117	572	-129	-	7,765
Other provisions	24,166	-	-1,854	-311	9,130	-8,592	-	22,539
<b>Total value adjustments and provisions</b>	<b>137,014</b>	<b>-</b>	<b>-7,612</b>	<b>-21,803</b>	<b>14,627</b>	<b>-26,624</b>	<b>48,330</b>	<b>143,931</b>
Less value adjustments directly set off against assets	-9,498	-	2,039	816	-2,904	3,136	-	-6,410
<b>Total value adjustments and provisions in liabilities</b>	<b>127,516</b>	<b>-</b>	<b>-5,573</b>	<b>-20,987</b>	<b>11,723</b>	<b>-23,488</b>	<b>48,330</b>	<b>137,521</b>

The restructuring provision includes provisions for the estimated restructuring costs of companies integrated into SIX Group during the past years (personnel expenses due to restructuring, adjustments of existing IT systems etc.). Other provisions include provisions for contractually agreed repair work on rented buildings, pending legal cases and product guarantees. All provisions are valued based on estimates of economic risk.

## Impaired loans and receivables

in CHF 1,000	31.12.2010	31.12.2009
Total amount of debt (other assets)	6,215	9,429
Estimated liquidation value of collateral	-91	-
Net amount of debt	6,124	9,429
Individual value adjustments	6,032	8,753

## 10 Company capital and shareholders with voting rights exceeding 5%

	31.12.2010			31.12.2009		
	Total nominal value (in CHF 1,000)	Number of shares (in 1,000)	Capital with right to dividend (in CHF 1,000)	Total nominal value (in CHF 1,000)	Number of shares (in 1,000)	Capital with right to dividend (in CHF 1,000)
<b>Company capital</b>						
Share capital	19,522	19,522	19,522	19,522	19,522	19,522
<b>Total company capital</b>	<b>19,522</b>		<b>19,522</b>	<b>19,522</b>		<b>19,522</b>
Authorized capital	-	-	-	-	-	-
Conditional capital	-	-	-	-	-	-

	31.12.2010			31.12.2009		
	Nominal value (in CHF 1,000)	Capital share (in %)	Voting share (in %)	Nominal value (in CHF 1,000)	Capital share (in %)	Voting share (in %)
<b>Significant shareholders and groups of shareholders with pooled voting rights</b>						
<b>Direct owners of capital</b>						
UBS AG, Zurich and Basel	3,380	17.3	17.3	3,380	17.3	17.3
Credit Suisse, Zurich <sup>1</sup>	2,500	12.8	12.8	2,500	12.8	12.8

<sup>1</sup> Includes indirect ownership of capital of Clariden Leu AG and Neue Aargauer Bank AG.

**11 Aggregate amount of receivables from and payables to affiliated companies  
as well as credits to governing bodies**

in CHF 1,000	31.12.2010	31.12.2009
Receivables from affiliated companies	15,166	7,393
Payables to affiliated companies	173,005	115,412
Credits to governing bodies	–	–

## 12 Analysis of assets and liabilities of SIX Securities Group

The following tables are based on the consolidated financial statements of the sub-group of SIX Securities Group AG (SIX Securities Group), as this subgroup represents the main part of the banking and balance sheet business of SIX Group. Other companies of SIX Group are not included.

The consolidated financial statements of SIX Securities Group have been set up on separate accounting policies and valuation principles (for the following balance sheet of SIX Securities Group). This leads to inconsistencies between the allocation of accounts in the financial statements of SIX Group and SIX Securities Group (e.g. receivables from and liabilities to banks are allocated to other assets and liabilities in the financial statements of SIX Group and to due from banks in the financial statements of SIX Securities Group).

### Balance sheet (SIX Securities Group)

in CHF 1,000	31.12.2010	31.12.2009
<b>Assets</b>		
Liquid funds	528,208	841,204
Due from banks	2,383,674	2,650,747
Due from customers	66,369	97,331
Securities and precious metals trading portfolio	–	3,350
Financial investments	1,071	1,071
Non-consolidated participations	10,819	6,253
Fixed assets	48,347	50,281
Accrued income and prepaid expenses	17,107	1,185
Other assets	13,096	104,174
<b>Total assets</b>	<b>3,068,690</b>	<b>3,755,596</b>

in CHF 1,000	31.12.2010	31.12.2009
<b>Liabilities and equity</b>		
Due to banks	2,474,338	2,782,429
Other due to clients	107,507	4,998
Accrued expenses and deferred income	15,467	22,508
Other liabilities	70,699	547,613
Value adjustments and provisions	49,810	50,181
<b>Total liabilities</b>	<b>2,717,821</b>	<b>3,407,729</b>
Share capital	26,000	26,000
General legal reserves	34,910	34,910
Retained earnings	266,956	262,004
Group net income	23,002	24,952
<b>Total equity</b>	<b>350,869</b>	<b>347,866</b>
<b>Total liabilities and equity</b>	<b>3,068,690</b>	<b>3,755,596</b>



## Analysis of domestic and foreign assets and liabilities (SIX Securities Group)

in CHF 1,000	31.12.2010		31.12.2009	
	Domestic	Foreign	Domestic	Foreign
<b>Assets</b>				
Liquid funds	7,012	521,195	575	840,628
Due from banks	1,936,069	447,605	1,643,448	1,007,299
Due from customers	66,175	194	97,331	–
Securities and precious metals trading portfolio	–	–	3,350	–
Financial investments	1,071	–	1,071	–
Non-consolidated participations	8,309	2,509	3,074	3,179
Fixed assets	48,347	–	50,281	–
Accrued income and prepaid expenses	17,107	–	1,185	–
Other assets	13,096	–	104,174	–
<b>Total assets</b>	<b>2,097,187</b>	<b>971,503</b>	<b>1,904,490</b>	<b>1,851,106</b>
<b>Liabilities</b>				
Due to banks	1,734,568	739,770	1,927,438	854,992
Other due to clients	107,506	1	4,998	–
Accrued expenses and deferred income	15,467	–	22,508	–
Other liabilities	54,101	16,599	534,741	12,872
Value adjustments and provisions	49,810	–	50,181	–
Share capital	26,000	–	26,000	–
General legal reserves	34,910	–	34,910	–
Retained earnings	266,956	–	262,004	–
Group net income	23,002	–	24,952	–
<b>Total liabilities</b>	<b>2,312,320</b>	<b>756,370</b>	<b>2,887,732</b>	<b>867,864</b>

## Analysis of assets by country/groups of countries (SIX Securities Group)

in CHF 1,000	31.12.2010		31.12.2009	
	Absolute	% share	Absolute	% share
<b>Europe</b>	<b>2,899,357</b>	<b>94.5</b>	<b>3,597,056</b>	<b>95.8</b>
Switzerland	2,097,187	68.3	1,907,493	50.8
Eurozone	722,525	23.5	1,062,694	28.3
Great Britain	46,208	1.5	109,600	2.9
Others	33,438	1.1	517,269	13.8
<b>North/Central America</b>	<b>46,668</b>	<b>1.5</b>	<b>51,723</b>	<b>1.4</b>
Canada	46,168	1.5	51,034	1.4
USA	479	0.0	43	0.0
Others	21	0.0	646	0.0
<b>South America</b>	<b>512</b>	<b>0.0</b>	<b>289</b>	<b>0.0</b>
Argentina	245	0.0	289	0.0
Brazil	266	0.0	–	–
<b>Africa</b>	<b>12,560</b>	<b>0.4</b>	<b>3,407</b>	<b>0.1</b>
South Africa	12,560	0.4	3,407	0.1
<b>Asia</b>	<b>72,540</b>	<b>2.4</b>	<b>79,072</b>	<b>2.1</b>
Japan	43,595	1.4	61,708	1.6
Hong Kong	10,393	0.3	8,260	0.2
Others	18,553	0.6	9,105	0.2
<b>Australia</b>	<b>37,053</b>	<b>1.2</b>	<b>24,049</b>	<b>0.6</b>
Australia	27,770	0.9	16,725	0.4
New Zealand	9,284	0.3	7,324	0.2
<b>Total assets</b>	<b>3,068,690</b>	<b>100.0</b>	<b>3,755,596</b>	<b>100.0</b>

## Analysis of balance sheet by currency (SIX Securities Group)

in CHF 1,000	CHF	EUR	USD	GBP	Others	Total
<b>Assets</b>						
Liquid funds	7,012	521,195	–	–	–	528,208
Due from banks	1,484,293	30,671	471,455	102,450	294,805	2,383,674
Due from customers	66,369	–	–	–	–	66,369
Securities and precious metals trading portfolio	–	–	–	–	–	–
Financial investments	1,071	–	–	–	–	1,071
Non-consolidated participations	9,115	1,704	–	–	–	10,819
Fixed assets	48,347	–	–	–	–	48,347
Accrued income and prepaid expenses	17,107	–	–	–	–	17,107
Other assets	9,585	807	1,871	317	516	13,096
<b>Total balance sheet assets</b>	<b>1,642,899</b>	<b>554,377</b>	<b>473,326</b>	<b>102,766</b>	<b>295,321</b>	<b>3,068,690</b>
Delivery claims from spot exchange deals, forward exchange deals and currency options transactions	–	–	–	–	–	–
<b>Total assets</b>	<b>1,642,899</b>	<b>554,377</b>	<b>473,326</b>	<b>102,766</b>	<b>295,321</b>	<b>3,068,690</b>
<b>Liabilities</b>						
Due to banks	1,138,335	515,596	444,692	82,320	293,396	2,474,338
Other due to clients	77,927	14,006	1	14,468	1,105	107,507
Accrued expenses and deferred income	15,467	–	–	–	–	15,467
Other liabilities	11,755	22,808	29,348	5,371	1,417	70,699
Value adjustments and provisions	49,810	–	–	–	–	49,810
Share capital	26,000	–	–	–	–	26,000
General legal reserves	34,910	–	–	–	–	34,910
Retained earnings	266,956	–	–	–	–	266,956
Group net income	23,002	–	–	–	–	23,002
<b>Total balance sheet liabilities</b>	<b>1,644,163</b>	<b>552,410</b>	<b>474,041</b>	<b>102,159</b>	<b>295,917</b>	<b>3,068,690</b>
Delivery claims from spot exchange deals, forward exchange deals and currency options transactions	–	–	–	–	–	–
<b>Total liabilities</b>	<b>1,644,163</b>	<b>552,410</b>	<b>474,041</b>	<b>102,159</b>	<b>295,917</b>	<b>3,068,690</b>
<b>Net position per currency</b>	<b>–1,264</b>	<b>1,968</b>	<b>–715</b>	<b>607</b>	<b>–596</b>	<b>–</b>
Net position previous year	–2,167	1,794	672	–387	89	–

## 6.2 Information on the Group off-balance sheet transactions

### 13 Contingent liabilities and irrevocable facilities granted

in CHF 1,000	31.12.2010	31.12.2009
Other contingent liabilities – unsecured	140,553	156,167
Guarantees to secure credits and performances	39	–
<b>Total contingent liabilities</b>	<b>140,592</b>	<b>156,167</b>
Payment commitments related to the deposit guarantee	8	12
<b>Total irrevocable facilities granted</b>	<b>8</b>	<b>12</b>

SIX Swiss Exchange AG has committed itself in a letter of comfort to providing Eurex Clearing AG, Frankfurt, with 15% of the financial resources it needs to fulfill its obligations as a clearing house. The commitment for events prior to 1 January 2005 is 20%. The commitment is limited to a maximum amount of EUR 105 million.

In compliance with the regulatory requirements of the Financial Services Authorities (FSA), SIX Swiss Exchange AG has committed itself to providing SWX Europe Holdings Ltd with sufficient financial resources at all times.

### 14 Derivative financial instruments

in CHF 1,000	Trading instruments			"Hedging" instruments		
	Positive replacement values	Negative replacement values	Notional amount	Positive replacement values	Negative replacement values	Notional amount
Interest rate swaps	–	71	15,743	–	–	–
Foreign exchange forward contracts	510	222	113,645	–	–	–
Equity instruments forward contracts	34,431	34,032	4,582,729	–	–	–
<b>Total before netting agreements</b>						
<b>Current year</b>	<b>34,941</b>	<b>34,326</b>	<b>4,712,117</b>	–	–	–
Previous year	25,420	26,175	4,474,231	–	–	–
				Positive replacement values	Negative replacement values	
<b>Total after netting agreements</b>						
<b>Current year</b>				<b>9,069</b>		<b>8,453</b>
Previous year				5,691		6,446

## 15 Fiduciary transactions

in CHF 1,000	31.12.2010	31.12.2009
Fiduciary deposits with third-party banks	722	639
<b>Total fiduciary transactions</b>	<b>722</b>	<b>639</b>

## 6.3 Information on the Group income statement

### 16 Net commission and other services business income

in CHF 1,000	2010	2009 (restated)
Commission revenues	310,101	290,051
Transaction processing income	263,044	217,493
Trading fee income	276,896	292,622
Admission and license fees	53,207	49,906
Deposit and administration fees	124,013	115,752
<b>Total commission income</b>	<b>1,027,260</b>	<b>965,824</b>
Deposit and administration fees paid	-105,242	-91,495
Commission and other fees expenses	-165,753	-161,402
Telecommunication, office and administration services paid to third parties	-74,070	-84,227
<b>Total commission expenses</b>	<b>-345,065</b>	<b>-337,125</b>
Exchange information and financial services	419,210	438,656
Card services	47,494	44,079
<b>Total income from other services business</b>	<b>466,703</b>	<b>482,735</b>
Information and data procurement	-46,746	-54,748
<b>Total expenses for other services business</b>	<b>-46,746</b>	<b>-54,748</b>
<b>Total net commission and other services business income</b>	<b>1,102,153</b>	<b>1,056,686</b>

### 17 Net trading income

in CHF 1,000	2010	2009 (restated)
Net securities income	6,348	35,601
Net foreign exchange income	-293	2,505
<b>Total net trading income</b>	<b>6,055</b>	<b>38,106</b>

## 18 Other ordinary income

in CHF 1,000	2010	2009 (restated)
Terminal sale and rental income	34,943	41,865
Projects, development and other market services income	31,843	36,510
Corporate services income	30,440	26,166
IT and facility infrastructure services income	15,507	14,007
Others	17,907	12,569
<b>Total other ordinary income</b>	<b>130,641</b>	<b>131,117</b>

## 19 Personnel expenses

in CHF 1,000	2010	2009 (restated)
Salaries: attendance fees and retainers to governing bodies, salaries and benefits	-456,734	-428,598
Social costs	-95,000	-92,286
Other personnel expenses	-27,836	-30,254
<b>Total personnel expenses</b>	<b>-579,570</b>	<b>-551,139</b>

## 20 Other operating expenses

in CHF 1,000	2010	2009 (restated)
Facility expenses	-33,116	-37,269
IT, machinery, furniture and other operational equipment	-45,957	-37,644
Advertising and marketing expenses	-17,195	-17,830
Consulting, fees and other services	-131,291	-127,437
Expenses for inventory	4,265	-424
Indirect taxes	-19,254	-16,515
Other fees	-2,500	146
Other operational expenses	-50,054	-41,852
<b>Total other operating expenses</b>	<b>-295,101</b>	<b>-278,825</b>

## 21 Operating income and expenses divided into domestic and foreign

in CHF 1,000	2010		2009 (restated)	
	Domestic	Foreign	Domestic	Foreign
Interest income	6,990	317	9,997	510
Interest expenses	-2,619	-341	-2,185	-218
<b>Net interest income</b>	<b>4,370</b>	<b>-24</b>	<b>7,811</b>	<b>291</b>
Commission income	912,903	114,357	865,730	100,094
Commission expenses	-308,859	-36,206	-314,457	-22,667
Income from other services business	215,277	251,426	228,032	254,703
Expenses for other services business	-37,782	-8,965	-30,639	-24,110
<b>Net commission and other services business income</b>	<b>781,540</b>	<b>320,613</b>	<b>748,666</b>	<b>308,020</b>
<b>Net trading income</b>	<b>5,827</b>	<b>228</b>	<b>37,229</b>	<b>876</b>
Income from non-consolidated participations	-17,959	-	-20,484	4
Other ordinary income	85,887	44,754	96,381	34,736
Other ordinary expenses	-3,902	-841	-1,311	-900
<b>Net other income</b>	<b>64,026</b>	<b>43,913</b>	<b>74,586</b>	<b>33,840</b>
<b>Operating income</b>	<b>855,763</b>	<b>364,729</b>	<b>868,293</b>	<b>343,028</b>
Personnel expenses	-420,108	-159,463	-397,812	-153,326
Other operating expenses	-214,875	-80,226	-212,915	-65,910
<b>Operating expenses</b>	<b>-634,983</b>	<b>-239,689</b>	<b>-610,727</b>	<b>-219,236</b>
<b>Gross income</b>	<b>220,780</b>	<b>125,041</b>	<b>257,566</b>	<b>123,792</b>

## 22 Extraordinary income and expenses

in CHF 1,000	2010	2009 (restated)
Gains from disposals of fixed and intangible assets	226	210
Gains from disposals of fully consolidated participations	0	5,900
<b>Total extraordinary income</b>	<b>226</b>	<b>6,110</b>
Losses from disposals of fixed and intangible assets	-670	-1,559
<b>Total extraordinary expenses</b>	<b>-670</b>	<b>-1,559</b>

## 23 Taxes

in CHF 1,000	2010	2009 (restated)
Expenses for current income and capital taxes	-65,977	-59,167
Net allocations to provisions for deferred taxes	23,095	15,357
<b>Total taxes</b>	<b>-42,883</b>	<b>-43,810</b>
Recognized deferred tax benefits on losses carried forward	3,172	4,304
Non-recognized deferred tax benefits on losses carried forward	31,905	36,561

## 24 Income from and expenses to related parties

Significant income from and expenses to non-consolidated participations, qualified shareholders and affiliated companies are listed below. All transactions have been conducted at prevailing market prices.

### Transactions with non-consolidated participations

in CHF 1,000	2010	2009 (restated)
Commission income	158,602	158,567
Income from other services business	1,111	1,249
Other ordinary income	20,101	26,004
<b>Total income from non-consolidated participations</b>	<b>179,814</b>	<b>185,819</b>
Commission expenses	-35,697	-54,050
Expenses for other services business	-20	-
Other ordinary expenses	-	-
<b>Total expenses to non-consolidated participations</b>	<b>-35,717</b>	<b>-54,050</b>

## Transactions with qualified shareholders and affiliated companies

in CHF 1,000	2010	2009 (restated)
Interest income	3,616	1,013
Commission income	132,155	135,317
Income from other services business	118,730	46,534
Other ordinary income	2,707	1,561
<b>Total income from qualified shareholders and affiliated companies</b>	<b>257,209</b>	<b>184,425</b>
Interest expenses	-676	-1,446
Commission expenses	-41,539	-52,041
Other ordinary expenses	-365	-1,218
<b>Total expenses to qualified shareholders and affiliated companies</b>	<b>-42,580</b>	<b>-54,705</b>

#### 6.4 Additional information according to requirements of the fourth and the seventh EU directive

The consolidated financial statements of Telekurs (France) SAS including its subsidiaries (Telekurs France Group), and the consolidated financial statements of Telekurs Sweden AB including its subsidiaries (Telekurs Sweden Group), are integrated into the consolidated financial statements of SIX Group following the accounting policies and valuation principles of SIX Group.

For Telekurs France Group and Telekurs Sweden Group, no separate consolidated financial statements will be published. Therefore, following the fourth and the seventh directive of the European Union (EU), additional consolidated information about Telekurs France Group and Telekurs Sweden Group are summarized below:

##### Telekurs France Group

in CHF 1,000	2010	2009
Total fixed assets	12,214	18,805
Operating income	90,881	97,165
Net income	14,783	16,487
Total equity	68,847	57,269
Number of personnel (full-time equivalents)	409	460

##### Telekurs Sweden Group

in CHF 1,000	2010	2009
Total fixed assets	4,286	2,444
Operating income	24,485	23,963
Net income	2,675	1,906
Total equity	23,205	16,546
Number of personnel (full-time equivalents)	123	134

## 7. Report of the Group auditor

To the General Meeting of SIX Group AG, Zurich  
Zurich, 4 March 2011

### **Report of the statutory auditor on the consolidated financial statements**

As statutory auditor, we have audited the accompanying consolidated financial statements of SIX Group AG, which comprise the balance sheet, income statement, cash flow statement and notes for the year ended 31 December 2010.

### **Board of Directors' responsibility**

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

### **Auditor's responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the consolidated financial statements for the year ended 31 December 2010 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with Swiss banking law and comply with Swiss law.

**Report on other legal requirements**

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

Ernst & Young Ltd

Thomas Schneider  
Licensed audit expert  
(Auditor in charge)

Iqbal Khan  
Licensed audit expert

# Financial Statements of SIX Group AG

## 1. Balance sheet

in CHF 1,000	31.12.2010	31.12.2009 (restated*)
<b>Assets</b>		
Liquid funds <sup>1</sup>	161,770	188,189
Securities trading portfolio	393,814	373,863
Receivables – Group	550,056	177,773
Receivables – Third parties	4,281	1,658
Accrued income and prepaid expenses	3,171	2,139
<b>Total current assets</b>	<b>1,113,093</b>	<b>743,622</b>
Loans – Group and shareholders	248,600	242,969
Loans – Third parties	14,000	34,119
Intangible assets	4,211	5,264
Participations	1,000,032	994,102
<b>Total non-current assets</b>	<b>1,266,843</b>	<b>1,276,453</b>
<b>Total assets</b>	<b>2,379,936</b>	<b>2,020,075</b>

in CHF 1,000	31.12.2010	31.12.2009 (restated*)
<b>Liabilities and equity</b>		
Liabilities – Group and shareholders	818,732	530,176
Liabilities – Third parties	18,593	18,572
Accrued expenses and deferred income	2,597	4,639
<b>Total liabilities</b>	<b>839,922</b>	<b>533,387</b>
Share capital	19,522	19,522
General legal reserve	783,825	783,825
Reserve for treasury shares	23,348	23,348
Retained earnings	555,073	422,406
Net income	158,246	217,587
<b>Total equity</b>	<b>1,540,014</b>	<b>1,466,689</b>
<b>Total liabilities and equity</b>	<b>2,379,936</b>	<b>2,020,075</b>

<sup>1</sup> Liquid funds contain positions at shareholder banks as well.

\* In 2010 the chart of accounts has been harmonized within SIX Group. Due to improved comparability certain prior year figures have been restated.

## 2. Income statement

in CHF 1,000	2010	2009 (restated*)
Income from participations	197,512	199,310
Financial income	28,410	60,277
Other operating income	14,210	5,081
Extraordinary income	–	97
<b>Total income</b>	<b>240,133</b>	<b>264,765</b>
Financial expenses	–11,278	–28,220
Depreciation and write-offs	–1,053	–
Value adjustments, provisions and losses	–56,653	–
Other operating expenses	–13,598	–17,573
<b>Total expenses</b>	<b>–82,582</b>	<b>–45,793</b>
<b>Net income before taxes</b>	<b>157,551</b>	<b>218,972</b>
Taxes	695	–1,385
<b>Net income</b>	<b>158,246</b>	<b>217,587</b>

\* In 2010 the chart of accounts has been harmonized within SIX Group. Due to improved comparability certain prior year figures have been restated.

### 3. Notes to the financial statements

#### Equity statement

in CHF 1,000	Share capital	General legal reserve	Reserves for treasury shares	Retained earnings	Total
<b>1 January 2010</b>	19,522	783,825	23,348	639,993	1,466,668
Allocation to reserves for treasury shares	–	–	–	–	–
Dividend payments	–	–	–	–84,920	–84,920
Net income	–	–	–	158,246	158,246
<b>31 December 2010</b>	19,522	783,825	23,348	713,319	1,540,014
<b>1 January 2009</b>	19,522	783,825	23,348	525,872	1,352,567
Allocation to reserves for treasury shares	–	–	–	–	–
Dividend payments	–	–	–	–103,466	–103,466
Net income	–	–	–	217,587	217,587
<b>31 December 2009</b>	19,522	783,825	23,348	639,993	1,466,688

#### Treasury shares

	31.12.2010		31.12.2009	
	Number	Book value (in CHF 1,000)	Number	Book value (in CHF 1,000)
Held directly	10	–	10	–
Held by subsidiaries	607,854	23,348	607,854	23,348

#### Allocation of retained earnings (Board of Directors' proposal)

in CHF 1,000	2010	2009
<b>Profit carried forward from previous year</b>	555,073	422,406
Net income	153,246	217,587
<b>Available retained earnings for distribution</b>	713,319	639,993
Dividend CHF 4.35 per registered share of CHF 1 nominal value (previous year CHF 4.35)	–84,920	–84,920
<b>Profit carried forward to the following year</b>	628,399	555,073

## Participations

in CHF 1,000	Share capital in 1,000	Share in % 31.12.2010	Share in % 31.12.2009
SIX Exfeed AG, Zurich	CHF 1,100	100.0	100.0
SIX Management AG, Zurich	CHF 100	100.0	100.0
SIX Pay SA, Luxembourg	EUR 1,040	100.0	100.0
SIX Securities Group AG, Zurich	CHF 26,000	100.0	100.0
SIX Swiss Exchange AG, Zurich	CHF 10,000	100.0	100.0
SIX Terravis AG, Zurich	CHF 100	100.0	100.0
Telekurs Holding AG, Zurich	CHF 45,000	100.0	100.0
Indexium AG, Zurich	CHF 100	50.1	50.1
CETREL SA, Luxembourg	EUR 4,713	50.0	50.0
STOXX AG, Zurich	CHF 1,000	49.9	49.9

## Pledged or assigned assets to secure own commitments and assets subject to reservation of title

in CHF 1,000	31.12.2010	31.12.2009
Assets which are pledged (liquid funds)	14,023	15,462

## Off-balance sheet transactions

### Contingent liabilities

in CHF 1,000	31.12.2010	31.12.2009
Guarantees and other contingent liabilities (in favor of participations)	85,290	100,000
Guarantees and other contingent liabilities (in favor of third parties)	p.m.	p.m.
Joint liability from consolidated value-added tax filing status	p.m.	p.m.

### Derivative financial instruments

in CHF 1,000	31.12.2010	31.12.2009
<b>Foreign exchange forward contract</b>		
Notional amounts	113,645	161,905
Positive (or negative) replacement values, net	287	-755
Of which already recognized in the balance sheet	287	-755

### Risk assessment

Information about the execution of a risk assessment is contained in the notes to the consolidated financial statements.

## 4. Report of the statutory auditor

To the General Meeting of SIX Group AG, Zurich  
Zurich, 4 March 2011

### **Report of the statutory auditor on the financial statements**

As statutory auditor, we have audited the accompanying financial statements of SIX Group AG, which comprise the balance sheet, income statement and notes for the year ended 31 December 2010.

### **Board of Directors' responsibility**

The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

### **Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements for the year ended 31 December 2010 comply with Swiss law and the company's articles of incorporation.

**Report on other legal requirements**

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Ernst & Young Ltd

Thomas Schneider  
Licensed audit expert  
(Auditor in charge)

Iqbal Khan  
Licensed audit expert

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