

## Media Release

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### **SIX Group holds its ground in a difficult environment**

**Results for the first half of 2009**

**SIX Group held up well during the first half of 2009 despite the difficult economic circumstances. As was to be expected, declining securities exchange turnover, the low level of interest rates and a drop in consumer spending had a negative effect on the company's first half financial results. Operating income eased to CHF 625.7 million and Group net income fell to CHF 127.2 million. Through the introduction of a new securities trading system as well as the targeted expansion of its international activities, SIX Group is resolutely heightening its competitiveness.**

During the first half of 2009, SIX Group made significant progress in the expansion of its international payment transactions business: SIX Card Solutions signed an agreement with First Data to acquire the latter company's Austrian card processing business. In addition, SIX Group – in collaboration with Swiss Euro Clearing Bank, Frankfurt – launched a new SEPA direct-debit service for the European market and, in Luxembourg, the new SIX Pay SA subsidiary processed its first card payments for financial IT services provider Cetrel S.A., in which SIX Group has held a 50% equity interest since the end of January 2009. The objective of this collaboration is to build up an international provider of cashless solutions for traders and financial services companies throughout Europe. Other notable events were the return of trading in Swiss blue chips from SWX Europe in London to SIX Swiss Exchange in Zurich, as well as the migration of market participants to the new enhanced-performance trading system of SIX Swiss Exchange and the realization of important projects relating to Link-up Markets, a joint venture between eight leading European central securities depositories.

#### **Results for the first six months of 2009**

Market conditions deteriorated significantly compared to the first half of 2008. The reticence of market participants to engage in securities transactions led to sharply lower first-half trading turnover and hence the volume of transactions

processed via downstream securities services. The price reductions introduced last year also had an impact on revenues. However, owing to the modest growth of business fields that are not as dependent on happenings in the securities markets, **income from commissions and services** declined versus the prior-year period by only 12.0% to CHF 530.4 million. As a consequence of today's low interest rates and very conservative investment activities, **interest income** fell from CHF 22.7 million to CHF 5.9 million. **Other income** increased during the first half to CHF 76.6 million, mainly due to a CHF 10.3 million valuation gain on non-consolidated financial interests. A positive effect was exerted by the first-time consolidation of the Cetrel the financial interest, which was acquired in early 2009. On the whole, **operating income** at the half-year mark declined by a modest 10.1% to CHF 625.7 million.

On the cost side, **operating expenses** rose by 7.1% versus the prior-year period to reach CHF 414.9 million. Various factors played a role in this regard. For one, the first-time consolidation of Cetrel accounted for an increase of roughly CHF 19.6 million or 5.1%. Also, the projects initiated within the framework of the company's internationalization strategy were pursued further, in particular the integration of the Fininfo Group, which was acquired in 2007. Moreover, major customer-related projects in the card business required an expansion of development resources. A positive contribution was made by the cost-savings program introduced this past spring. **Writedowns and valuation adjustments** were higher mainly as the result of the scheduled, IFRS-consistent amortization (-7.1% to CHF 53.2 million) of the goodwill associated with CETREL. The **consolidated net income** of SIX Group for the first half of 2009 amounted to CHF 127.2 million, a decline of CHF 78.3 million or 38.1% versus the very favorable prior-year period.

On average for the first six months of 2009, SIX Group's **workforce** grew from 3,254 to 3,480 fulltime equivalents, roughly one-third of which was attributable to acquisitions. The lion's share of this increase was attributable to the first-time consolidation of Cetrel. In view of the mounting number of unemployed youths in Switzerland, SIX Group continued to employ for a further year a half-dozen people who have already completed their apprenticeship but for whom no open in-house position could be found, this with the aim of facilitating their entry into professional life.

### **Development of the business fields**

In the **Securities Trading** business field, the rebound in global securities markets during the second quarter of 2009 did not lead to a recovery in trading activity. Total turnover remained clearly below the levels witnessed in the previous year, whereby the decline on SIX Swiss Exchange was less pronounced than on most of the other major European securities exchanges. For the first six months of the year, the Cash Markets division earned revenues in the amount of CHF 110.9 million (H1 2008: CHF 165.7 million). Due to lower

securities prices, the 13% decline to 19.2 million (H1 2008: 22.1 million) in the number of exchange trades led to a 45.4% decrease in total turnover (CHF 583.2 billion versus the CHF 1067.7 billion recorded in H1 2008). On Eurex, the derivatives exchange co-owned by SIX Group and Deutsche Börse, the number of contracts that changed hands stood 21% below the record number traded in the first half of 2008 (899.9 million versus 1.146 billion). A gratifying trend was to be observed in the financial data and index business of SIX Exfeed, which managed to achieve close to a 20% increase in revenues thanks to its new services and stable customer base.

The reduced trading volumes and historically low level of benchmark interest rates are having an impact on the clearing and settlement industry throughout the world. The results of the **Securities Services** business field were also influenced by the price reductions of more than CHF 12 million in its settlement business that have been in effect since the beginning of the year. First-half revenues totaled CHF 117.0, 13% lower than in the comparable prior-year period (CHF 135.1 million). Owing to a gratifying 7%+ increase in crossborder transactions, the number of settlement transactions almost equaled the prior-year total (15.4 million versus 16.6 million). The deposit volume rose slightly in the second quarter but, at CHF 2.6 billion, came in slightly below the prior-year reading of CHF 2.8 billion. As a result of the London Stock Exchange's linkage to SIX x-clear, the number of clearing transactions rose by nearly 40% from 12.2 to 17.0 million.

Despite the ongoing consolidation in the financial industry, as well as further cost-cutting measures at banks and a negative trend in foreign currency relationships, revenues generated in the first half of 2009 by the **Financial Information** business field were only marginally lower than the comparable prior-year total (CHF 205.3 million versus CHF 209.6 million). Exchange-rate adjusted, those revenues were in fact roughly 3% higher than in the previous year. The continuing sharp increase in the amount of price-related and security-specific data requires a further increase in processing capacity. The integration of the Fininfo Group, which was acquired in 2007, is progressing according to plan.

In the **Payment Transactions** business field, which is comprised of the Multipay and Cards & Payments divisions, the expansion of a leading international range of products for card-based payment transactions and the related electronic payment systems is being resolutely pursued. During the first six months of 2009, the global economic slowdown led to lower per-transaction credit card amounts and thus to a modest 3.6% revenue decline to CHF 153.9 million for the Multipay division. Thanks to its growing foreign business and the initial consolidation of CETREL-related transactions, the Cards & Payments division processed a total of 802 million transactions in the first half of 2009, a 16.2% increase over the 690 million handled in H1 2008. Accordingly, revenues rose by 22.6% from CHF 98.0 to CHF 120.1 million.

## **Outlook**

SIX Group is going on the assumption that the uncertainties in the financial markets and among consumers will persist during the second half of 2009. Despite its broadly diversified array of business activities and determination to contain costs, SIX Group does not reckon that it will be possible over the course of the second half to narrow the gap between this year's and last year's results.

Income statement (in MCHF)	H1 2009	H1 2008	Difference in CHF	Difference in %
Net interest income	5.9	22.7	-16.9	-74.14
Net income from commissions and other services	530.4	602.9	-72.5	-12.03
Net trading income	12.9	4.4	8.5	191.90
Other ordinary income	76.6	66.3	10.3	15.49
<b>Operating income</b>	<b>625.7</b>	<b>696.3</b>	<b>-70.6</b>	<b>-10.14</b>
Personnel expenses	-268.1	-252.9	-15.2	-6.03
General and administrative expenses	-146.8	-134.4	-12.4	-9.22
<b>Operating expenses</b>	<b>-414.9</b>	<b>-387.2</b>	<b>-27.6</b>	<b>-7.13</b>
<b>Gross income</b>	<b>210.8</b>	<b>309.1</b>	<b>-98.2</b>	<b>-31.79</b>
Depreciation/amortization, valuation adjustments	-53.2	-49.7	-3.5	-7.06
<b>Net operating result</b>	<b>157.6</b>	<b>259.4</b>	<b>-101.8</b>	<b>-39.24</b>
Taxes, extraordinary items	-30.4	-53.9	23.5	-43.65
<b>Group net income</b>	<b>127.2</b>	<b>205.5</b>	<b>-78.2</b>	<b>-38.08</b>

Balance sheet (in MCHF)	30.06.2009	1.1.2009*	Difference in CHF	Difference in %
Due from banks	491.2	651.7	-160.5	-24.63
Non-consolidated financial interests	494.2	480.7	13.5	2.80
Fixed assets	396.9	365.4	31.4	8.61
Other assets	3,749.1	2,972.3	776.8	26.13
<b>Total assets</b>	<b>5,131.3</b>	<b>4,470.2</b>	<b>661.2</b>	<b>14.79</b>
Due to banks	55.7	35.8	19.9	55.54
Accrued expenses and deferred income	292.0	356.0	-63.9	-17.96
Other liabilities	3,075.6	2,450.8	624.8	25.49
<b>Total liabilities</b>	<b>3,423.4</b>	<b>2,842.6</b>	<b>580.8</b>	<b>20.43</b>
Share capital and capital reserves	758.1	758.2	0.0	0.00
Retained earnings & other reserves	903.1	864.1	39.0	4.52
Minority interests	46.7	5.3	41.4	775.50
<b>Shareholders' equity</b>	<b>1,708.0</b>	<b>1,627.6</b>	<b>80.4</b>	<b>4.94</b>
<b>Total liabilities &amp; shareholders' equity</b>	<b>5,131.3</b>	<b>4,470.2</b>	<b>661.2</b>	<b>14.79</b>

<sup>1)</sup> Adjustment and new form of presentation of the balance sheet as at 01.01.2009; results from taking an economic view of the pension plan assets and liabilities are booked directly to

shareholders' equity.

The **Interim Report** 2009 of SIX Group is available in English on [http://www.six-group.com/about/publications/interim\\_report\\_en.html](http://www.six-group.com/about/publications/interim_report_en.html).

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

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### **SIX Group**

SIX Group operates Switzerland's financial market infrastructure and offers on a global scale comprehensive services in the areas of securities trading, clearing and settlement, as well as financial information and payment transactions. The company, which emanated from the merger of the SWX Group, Telekurs Group and SIS Group at the start of 2008, is owned by its users (160 banks of various size and orientation) and, with its workforce of approximately 3,600 employees and presence in 23 countries, generates annual revenues in excess of 1.5 billion Swiss francs. [www.six-group.com](http://www.six-group.com)