

Media Release

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CI Com SA fined by Sanction Commission

The Sanction Commission of SIX Swiss Exchange has imposed a fine of CHF 10,000 against CI Com SA for violating the applicable accounting standards Swiss GAAP FER. The sanction relates to missing disclosures regarding changes in two line items in the 2012 interim financial statements.

CI Com SA has violated the requirements of Swiss GAAP FER 12/5 "Interim Reporting" in its 2012 interim financial statements because the company failed to explain the increase of the loan from shareholders by CHF 300,000 (+150%) as well as the decrease of the financial expense by CHF 35,000 (-51%).

Financial statements line item	Half-year 2012	Half-year 2011	Change
	CHF	CHF	CHF (%)
Shareholders loan	500,000	200,000	+300,000 (+150%)
Financial expense	33,608	68,487	-34,879 (-51%)

From the 2012 interim financial statements, it was also not apparent for an investor that the decrease of the financial expense was caused by the cessation of foreign exchange losses.

The Sanction Commission has penalized this breach of the applicable Swiss GAAP FER with a fine of CHF 10,000 taking into consideration the severity of the breach and the degree of fault.

With regards to the violation of Swiss GAAP FER 18 "Tangible fixed assets", which was also alleged by SIX Exchange Regulation, the Sanction Commission did not identify any breach of the accounting standard. The omission of a current valuation of the investment property in the 2012 interim financial statements was a permitted simplification according to Swiss GAAP FER 12/4, because CI Com SA is a small company with a simple balance sheet structure.

The Sanction Commission further noted that CI Com SA did not violate its reporting obligations according to the Directive on Financial Reporting with regards to a change of business activity. CI Com SA has been through a period of continuous restructuring and the new business activity was not permanently determined. A repeated short-term change of the regulatory segment is not appropriate.



SIX Exchange Regulation regularly publishes the issued sanction decisions in anonymous form on:
http://www.six-exchange-regulation.com/enforcement/sanction_decisions_en.html

Appendix regarding the accounting standards

Periodic financial reporting is part of the information required to ensure a functioning market.

Information regarding financial reporting can be found at:

http://www.six-exchange-regulation.com/obligations/financial_reporting_en.html

Swiss GAAP FER 12 "Interim reporting" - Explanations

Swiss GAAP FER 12/5 requires that the notes must enable the reader to form a well-founded opinion of the development of activities and the course of business of the organisation. Therefore, all the notes must describe all factors, that have a significant impact on the financial position, the cash flows and the result of operations of the organisation during the reporting period.

Swiss GAAP FER 12 "Interim reporting" - Simplifications

Swiss GAAP FER 12/4 requires that the interim reporting be prepared on the basis of the same principles as the annual financial statements. Simplifications are permissible, taking into account the continuity in presentation and valuation as long as the overall picture of the course of business is not significantly distorted.

Swiss GAAP FER 18 "Tangible fixed assets" – Valuation of investment property

According to Swiss GAAP FER 18/14, tangible fixed assets held for investment purposes should subsequent to initial recognition be measured at actual value or cost less accumulated depreciation. Swiss GAAP FER 2/40 further states that actual values have to be adjusted on an ongoing basis.

Directive on Financial Reporting (DFR) – Reporting obligations regarding a change of business activity

According to articles 15 and 17 DFR, a company has to report immediately to SIX Exchange Regulation a change of business activity, which results in a company being reclassified as an investment or as a real estate company, respectively.

Should you have any questions, please feel free to contact Dr Alain Bichsel, Head Media Relations.

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SIX Exchange Regulation

SIX Exchange Regulation performs the functions assigned under Swiss federal law and enforces and monitors compliance with the rules laid down by the Regulatory Board. SIX Exchange Regulation imposes sanctions in so far as it is authorised to do so by the regulations, or submits sanction requests to SIX Swiss Exchange's Sanction Commission.

SIX Exchange Regulation's independence from SIX Swiss Exchange's operating business is guaranteed by its direct subordination to the Chairman of the Board of Directors of SIX Group. SIX Exchange Regulation consists of the divisions Listing & Enforcement, responsible for regulating issuers, and Surveillance & Enforcement monitoring trading.

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Sanction Commission

The Sanction Commission can impose sanctions in the case of violations of the Rule Books of SIX Swiss Exchange and Scoach Switzerland, the Listing Rules and the Additional Rules. It is composed of between five and eleven members. The Chairman of the Sanction Commission and half of its members are elected by the Regulatory Board, with the remaining members appointed by the Board of Directors of SIX.

SIX 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 is owned by its users (approximately 150 banks of various size and orientation) and, with its workforce of more than 3,500 employees and presence in 24 countries, generated an operating income of 1.14 billion Swiss francs and a Group net income of CHF 320.1 million in 2012.

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