



Media Release

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SIX achieves strong result and broad-based growth

- **Operating income up 8.9% in the 2013 financial year to CHF 1,582.7 million. All business areas contributed to this growth, particularly international transactions in the Payment Services business area.**
- **Adjusted for the proceeds from the sale of the Eurex holding in the previous year, EBIT increased by 38.4% to CHF 244.6 million. The EBIT margin was 15.5%**
- **Group net profit of CHF 210.2 million was up 45.5%, excluding the sales proceeds from the Eurex holding in the previous year.**
- **Consistent focus on client satisfaction and boosting business volumes**
- **SIX is reporting in accordance with the International Financial Reporting Standards (IFRS) for the first time. The previous year's figures have been adjusted for the purposes of comparison**

«2013 was an excellent financial year for SIX», says Urs Rügsegger, Group CEO SIX. «We achieved growth in all business areas and increased our profitability. It is clear that the strong result is attributable not only to the positive market environment but also to the consistent orientation of our service offering, and of our organization as a whole, towards national and international client requirements, together with a high level of cost discipline. This enabled us to reap the benefits of our strategy and the large number of associated measures we have implemented in recent years.»

SIX markedly improved its operating profit in the 2013 financial year. This was partly attributable to increased activity on the financial markets and an expansion in international business, primarily in the Payment Services business area. Operating income rose by 8.9% to CHF 1,582.7 million, of which 29.2% (previous year: 25.8%) was generated outside Switzerland. Thanks to the ongoing optimization of operating costs and a high level of cost discipline, operating expenses rose by 4.4%, which was proportionally less than growth. At CHF 196.2 million, operating profit was 56.2% higher than in the previous year.

Earnings before interest and tax (EBIT) came to CHF 244.6 million. Adjusted for net income of CHF 266.0 million from the sale of Eurex in the previous year, EBIT rose by 38.4% or CHF 67.9 million. The EBIT margin was 15.5%.

The Group net profit for 2013 is CHF 210.2 million (CHF 410.4 million in the previous year), which represents a decline of CHF 200.2 million. Compared with the previous year, after adjustment for the net income of CHF 266.0 million from the sale of Eurex, the increase in the Group net profit for 2013 was a pleasing CHF 65.7 million, or 45.5%. The loss of the contribution to profits of the Eurex holding, which was sold in 2012, was therefore largely compensated.



The net financial result amounts to CHF 24.0 million, compared with CHF 287.4 million in the previous year. The large profit in 2012 was primarily attributable to the sale of the Eurex holding. The net income from the sale of Eurex amounted to CHF 266.0 million, of which CHF 95.4 million was accounted for by the adjustment to the IFRS accounting standard.

The Board of Directors proposes payment of a dividend of CHF 5.00 (previous year: CHF 5.95) per share, which corresponds to a distribution of CHF 97.6 million.

Gratifying progress in all business areas

In the year under review, great attention was paid to strengthening client focus. Clients were more closely involved in the development of new, high-quality products and services that offer them clear added value. The Swiss National Bank has commissioned SIX to operate the trading platform for SNB money market transactions and the repo interbank market, and this will come into operation in May this year. Furthermore, in the post-trading area preparations are underway for connecting directly to the European TARGET2-Securities platform, which will thus connect the Swiss financial market to the euro capital markets. By centralizing all IT functions, SIX has paved the way for enabling the business areas to concentrate exclusively on their clients and markets.

In the **Swiss Exchange** business area, a higher level of activity on the financial markets compared with the previous year led to a 9.3% increase in the number of stock exchange transactions, to 34.5 million. Trading turnover increased by 12.5% overall, to CHF 1,004.4 billion. At 66.0%, the average market share in trading Swiss blue chip stock was slightly below the previous year's level (67.5%). In addition, the new Sponsored Funds segment was successfully launched in March 2013. Operating income rose by 4.1% to CHF 198.5 million, largely owing to the integration of Scoach Switzerland AG and also because of the trading segment. EBIT increased by 22.1% to CHF 94.9 million.

Growth in the **Securities Services** business area was mainly attributable to the rise in clearing transactions and higher deposit volumes in the custody business. In a fiercely competitive environment, it was possible to expand the share of the clearing market once again and boost the number of transactions by 31.1% to 240 million. Some 85% of clearing transactions originated from abroad. Deposit volumes (custody business) rose by 7.6% to CHF 2,892 billion thanks to new clients. Overall, the measures implemented in order to increase productivity had an impact. Operating income grew 6.6% to CHF 259.9 million, while EBIT increased 13.1% to CHF 31.5 million.

In the **Financial Information** business area, the higher revenues were primarily attributable to the strategically important areas of reference data business (+4.2%) and individual software solutions (Solutions, +5.7%). The market data business also grew (+7.1%), thanks mainly to the valuation information business (+12.8%). Overall, operating income increased 2.7% year on year to CHF 387.9 million. The Financial Information business area is back in profit, with an EBIT of CHF 8.2 million.

The **Payment Services** business area achieved the highest growth in 2013, with a 15% increase in operating income. This growth was attributable to the acquisition of the Austrian PayLife Bank GmbH and the international acquiring business. Sales of terminals set another new record. In the acquiring business, payments processed via SIX totaled CHF 50,648.9 million, or 20.5% more than in the previous year. In the processing business, the number of debit and credit card transactions went up



by 12.9% to 2,980.5 million. Operating income rose to CHF 743.6 million (+15%) and EBIT climbed 21.8% to CHF 89.6 million.

Segment information (in CHF million)	2013	2012	Dev.	Dev. %
Operating income				
Swiss Exchange	198.5	190.7	7.8	4.1
Securities Services	259.9	243.9	16.1	6.6
Financial Information	387.9	377.8	10.1	2.7
Payment Services	743.6	646.7	96.9	15.0
Corporate and elimination	-7.2	-5.7	-1.6	-27.3
Total operating income	1'582.7	1'453.3	129.4	8.9
Earnings before interest and tax (EBIT)				
Swiss Exchange	94.9	77.8	17.1	22.1
Securities Services	31.5	27.8	3.6	13.1
Financial Information	8.2	-14.2	22.5	158.0
Payment Services	89.6	73.6	16.0	21.8
Corporate	20.4	277.8	-257.4	-92.7
Total EBIT	244.6	442.7	-198.1	-44.8

Serving the Swiss financial center

SIX operates vital infrastructure, such as the Swiss Interbank Clearing system (SIC) and the Settlement Communication System (SECOM), on behalf of the Swiss financial center. As a central counterparty for securities clearing, SIX also has an important risk management function through the bank SIX x-clear AG. The Swiss National Bank (SNB) designates these three facilities as systemically relevant. In 2013 SIX won a tender process against international competition and will develop and operate a trading platform for SNB money market transactions and the repo interbank market from May 2014 onwards. The repo business is the Swiss National Bank's most important monetary instrument for influencing the money supply and short-term money market interest rates.

From RRV-FINMA to IFRS

By converting to the IFRS accounting standard, SIX is primarily taking into account the increasingly international focus of its business model. The transparency of financial reporting is also being increased.

As part of the switch to IFRS, the previous year's figures were adjusted for the purposes of comparison. The Group net profit for 2012 rose by CHF 90.3 million under IFRS to CHF 410.4 million, compared with CHF 320.1 million under RRV-FINMA.



Transition Group net profit 2012 (in CHF m)		2012
Group net profit according to BAG-FINMA	Adjustments	320.1
Gain on disposal of Eurex investment	Net financial result	95.4
First-time adoption of IAS 19 revised	Personnel expenses	-11.3
Amortization of goodwill	Depreciation, amortization and impairment	6.0
Other IFRS adjustments	Various	0.2
Group net profit according to IFRS		410.4

The largest adjustment is due to the reassessment of the currency corrections that were previously recognized in equity for the Eurex holding. The sales proceeds from the Eurex holding increased by CHF 95.4 million as a result. The fact that scheduled amortization of goodwill is no longer permitted under IFRS has reduced depreciation and amortization by CHF 6.0 million. On the other hand, personnel expenses rose by CHF 11.3 million as a result of the first application of IAS 19 revised.

Outlook

SIX is expecting the market environment to remain competitive in the current year, with continuing pressure on margins. The first two months of this year have seen higher volumes in the securities business. SIX regards this as a positive sign for the rest of the year and is forecasting further growth. The corporate focus is still on increasing client satisfaction as well as boosting business volumes. SIX aims to continue winning over clients with high-quality, reliable products and innovative solutions, thus giving them targeted help to become more competitive.



Key figures SIX (in CHF million)	2013	2012	Dev. %
Income statement			
Total operating income	1'582.7	1'453.3	8.9
Total operating expenses	-1'386.6	-1'327.7	4.4
Operating profit	196.2	125.6	56.2
Share of profit of an associate	24.4	29.7	-17.7
Net financial result	24.0	287.4	-91.7
Earnings before interest and tax (EBIT)	244.6	442.7	-44.8
Earnings before interest and tax (EBIT) w/o sale of Eurex	244.6	176.7	38.4
Group net profit	210.2	410.4	-48.8
Group net profit w/o sale of Eurex	210.2	144.4	45.5
Balance sheet			
Total Assets	7'985.0	7'943.5	0.5
Total liabilities	5'800.3	5'665.3	2.4
Total equity	2'184.7	2'278.2	-4.1
Cash flows			
Cash flow from operating activities	232.1	1'384.3	-83.2
Cash flow from investing activities	-435.7	571.0	-176.3
Cash flow from financing activities	-291.5	-96.7	201.5
Workforce (in full-time equivalents)			
Swiss Exchange	262.1	237.9	10.2
Securities Services	378.8	438.3	-13.6
Financial Information	1'166.2	1'208.9	-3.5
Payment Services	1'319.5	975.3	35.3
Corporate	650.7	693.7	-6.2
Total SIX	3'777.3	3'554.0	6.3
Key ratios			
Earnings per share (in CHF)	10.87	21.54	-49.5
EBIT margin (in %)	15.45	30.46	-49.3
EBIT margin (in %) w/o sale of Eurex	15.45	12.16	27.1
Return on equity (in %, average ¹)	9.4	19.7	-52.1
Return on equity (in %, average ¹) w/o sale of Eurex	9.4	6.9	36.1
Equity ratio (in %, average ¹)	77.4	81.8	-5.4

¹ Average balance sheet items in the reporting period

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

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**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 140 banks of various size and orientation) and, with its workforce of more than 3,700 employees and presence in 23 countries, generated an operating income of 1.58 billion Swiss francs and a Group net profit of CHF 210.2 million in 2013.

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