



Media Release

10 April 2015

SIX Exchange Regulation
SIX Swiss Exchange Ltd
Selnaustrasse 30
P.O. Box 1758
CH-8021 Zurich
www.six-exchange-regulation.com

Media Relations:
T +41 58 399 2227
F +41 58 499 2710
pressoffice@six-group.com

SIX Exchange Regulation reaches an agreement with NEBAG AG

SIX Exchange Regulation has reached an agreement with NEBAG AG in connection with a breach of the International Financial Reporting Standards (IFRS) in the 2014 interim financial statements. The identified deficiencies relate to the presentation of the financial statements and the fair value disclosures. The company will correct the errors in the 2014 annual financial statements and in the 2015 interim financial statements and will make a payment of CHF 5,000 to the IFRS Foundation as part of the agreement.

In the 2014 IFRS interim financial statements NEBAG AG has recognised operating expenses in connection with its business as an investment company of CHF 0.4 million as financial expenses below the financial result and the operating result. As a consequence of this error the financial and operating results were overstated by 4.4% and 4.6%, respectively. However there is no impact on the net result or on the net asset value. Due to the classification error, the financial and operating results of previous periods were also overstated. Furthermore a convertible bond of CHF 2.4 million with a short maturity was presented in non-current assets instead of current assets. The error did not influence total assets, but non-current assets were overstated by 8.6% and current assets were understated by 4.2%.

Thereby the company violated the regulations of IAS 1, which require a reliable and relevant presentation of the statement of comprehensive income and determine, that assets due within twelve months are presented as current assets.

Furthermore the company did not disclose information about fair value hierarchy levels as required by IAS 34 and IFRS 13 in its 2014 interim financial statements. The missing information relates to financial assets and investments measured at fair value.

NEBAG AG will disclose and correct the errors in the 2014 annual financial statements and in the 2015 interim financial statements. In addition the company will make a payment of CHF 5,000 to the IFRS Foundation as part of the agreement.

Overall there is an accumulation of errors, but not a serious breach of the listing regulations. The investigation against NEBAG AG is concluded with an agreement being reached as this course of action



resulted in a more timely public disclosure than would have been the case with a duly completed sanction procedure.

Agreements to date in connection with financial reporting can be found at:

http://www.six-exchange-regulation.com/enforcement/media_releases/agreements/financial_reporting_en.html

Appendix regarding the financial reporting standards

Periodic financial reporting is part of the information required under the Stock Exchange Act and the Listing Rules to ensure a functional market. As part of this process, issuers must comply with the applicable financial reporting standards.

Information about financial reporting can be found at:

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

The following accounting standards were relevant in assessing the case in question

According to IAS 1p99 the expenses recognised in profit or loss shall be classified in a manner to provide relevant and reliable information. IAS 1p85 requires that additional subtotals must be relevant for the understanding of the financial performance. Regarding the balance sheet classification, assets to be realised within 12 months after the reporting period shall be presented as current assets in accordance with IAS 1p66(c).

The fair value disclosures are governed in IFRS 13p91-99. In interim financial statements, at least the information required by IAS 34p16A(j) shall be disclosed. An integral part of these disclosures is the categorisation of the fair value measurements to the levels of fair value hierarchy.

Should you have any questions, please feel free to contact Stephan Meier, Head Media Relations.

Phone: +41 58 399 3290
Fax: +41 58 499 2710
E-mail: pressoffice@six-group.com

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.

www.six-exchange-regulation.com

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 4,000 employees and presence in 25 countries, generated an operating income of 1.8 billion Swiss francs and a Group net profit of CHF 247.2 million in 2014.

www.six-group.com