

Media Release

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Group net income considerably higher than previous year

SIX expanded its international business volume and position in important markets in the 2011 business year. Operating income in 2011 was 3.0% higher at CHF 1,257.7 million, while Group net income rose by 25.9%, or CHF 45.0 million, to CHF 218.6 million thanks to special effects. However, the difficult market environment worldwide has affected the profitability of SIX – the operating result declined in particular since the fourth quarter of 2011, and the outlook for 2012 is cautious. After adjustments of the special effects, the operating result is actually 4.7% below that of the previous year.

Thanks to strong trading activities on the stock exchanges and the opening-up of the European clearing market, both the trading and the post-trading businesses recorded a good result. The difficult economic conditions and the strong Swiss franc left their marks on the Financial Information and Payment Services business areas in particular. The results saw a downturn in both of these business areas, particularly in the fourth quarter of the year 2011.

SIX continued to expand internationally in 2011, but due to the strong Swiss franc, this growth was not reflected in the operating income. This saw the international contribution decrease to CHF 321.1 million (2010: CHF 364.8 million) or approximately 25.5% of operating income (2010: 30.0%). Calculated in local currency, SIX grew 7%, predominantly in the cards business and in post-trading activities.

Operating result down on the previous year, considerable increase in Group net income

In 2011 operating income rose to CHF 1,257.7 million (+3.0% year-on-year). This can be ascribed to the higher income from our participations, as another value adjustment of approximately CHF 53.5 million was booked on the assets of Eurex subsidiary ISE in the previous year. While the Swiss Exchange and

Securities Services business areas saw substantial growth thanks to greater trading turnover and transaction numbers, the difficult economic conditions and strong Swiss franc left their mark on the Financial Information and Payment Services business areas. Their low income is largely due to currency losses and partially also to falling margins. Especially during the fourth quarter, which usually experiences large sales volumes, the cards business felt a significant drop in income.

It was possible to reduce operating expenses by CHF 30.8 million to CHF 843.8 million (a year-on-year decrease of 3.5%). Due to the reduction in the conversion rate of the pension fund, provisions for future pension obligations of CHF 27.7 million were released. Personnel expenses reduced to CHF 548.8 million as a result. After adjustments of the special effects, the operating result is actually 4.7% below that of the previous year. Investments in updating the financial infrastructure were also made by SIX in 2011, with investment volumes for infrastructure amounting to CHF 99.3 million. Group net income came to CHF 218.6 million, a year-on-year increase of 25.9% or CHF 45.0 million. The Board of Directors proposes to the General Meeting the payment of a dividend of CHF 5.00 (CHF 4.35 in the previous year) per share.

Development of the business areas

2011 trading volumes increased significantly, especially for Exchange Traded Funds (ETFs), and new issues of structured products reached an all-time high. The **Swiss Exchange** business area recorded a solid increase in operating income of 5.4% to CHF 244.6 million (2010: CHF 232.0 million). The Swiss Exchange business area recorded its second-best result ever, after the record year of 2007. The average share of the Swiss blue-chip trading market declined slightly to 67.4% (2010: 70.6%).

In 2011, the **Securities Services** business area pushed ahead with its internationalization strategy, opening up five new markets in the custody services space. After regulators gave the green light to expand the interoperability agreement, the division was able to offer clearing services in additional markets, with transactions originating abroad outnumbering those from Switzerland for the first time. Operating income rose by 2.6% to CHF 183.1 million (2010: CHF 178.3 million).

In the **Financial Information** business area, operating income dropped by 8.2% from CHF 340.4 million to CHF 312.4 million, which can be largely attributed to currency effects. This decline amounted to 3.1% in local currency; however, in the growth markets of Germany, the UK and the USA, solid growth rates between 8.8% and 18.3% were achieved. To ensure the reliability, capacity,

speed and flexibility of the financial information systems in the long term, the IT infrastructure of the Financial Information business area will be completely renewed, requiring a total investment of around CHF 100 million over the next four years.

In the **Payment Services** business area, 2011 was marked by a period of integration. As well as migrating the card transactions from PayLife, the market leader for cashless payments in Austria, both of the payment transfer divisions, Multipay and Cards & Payments, were merged to further increase efficiency and market presence in the cards business. Not only the currency effects and the decrease in turnover in the retail industry took their toll on the cards business, but also the drop in tourism from abroad and falling margins. The business area was able to post a growth of 2.9% in local currency. Deteriorating economic conditions together with the strong Swiss franc led to slower growth, as operating income fell by 0.7% to CHF 399.7 million.

Beginning 23 April 2012, all business areas of SIX Group will appear under the single brand SIX. With a new appearance and a strong brand, SIX expects to push forward with additional growth momentum.

Outlook

SIX expects the difficult economic conditions to continue throughout the coming year. The outlook remains subdued for both the trading volumes on SIX Swiss Exchange and the cards business during 2012. In addition, there will be no income from the Eurex participation in 2012. SIX therefore expects a significantly lower operating result, but thanks to consistent cost management and valuation gains from the sale of Eurex, a Group net income at a similar level to that of the previous year can still be expected.

Should you have any questions, please feel free to contact Dr. Alain Bichsel, 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 is owned by its users (150 banks of various size and orientation) and, with its workforce of more than 3,900 employees and presence in 23 countries, generated an operating income of 1.26 billion Swiss francs and a Group net income of CHF 218.6 million in 2011.

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Balance sheet (in CHF m)	31.12.2011	31.12.2010	Dev.	Dev. %
Due from banks	362.1	364.9	-2.9	-0.8
Non-consolidated participations	551.9	504.1	47.7	9.5
Fixed assets	417.6	428.3	-10.7	-2.5
Other assets	4,435.7	3,850.2	585.5	15.2
Assets	5,767.1	5,147.5	619.6	12.0
Due to banks	0.5	17.1	-16.7	-97.2
Accrued expenses and deferred income	170.9	193.4	-22.5	-11.6
Other liabilities	3,685.6	3,133.5	552.1	17.6
Liabilities	3,856.9	3,344.0	512.9	15.3
Capital and reserves	1,649.7	1,589.9	59.8	3.8
Group net income majority shareholders	218.9	169.9	49.0	28.8
Equity minority shareholders	41.6	43.7	-2.0	-4.7
Equity	1,910.2	1,803.5	106.7	5.9
Liabilities and equity	5,767.1	5,147.5	619.6	12.0

Income statement (in CHF m)	2011	2010	Dev.	Dev. %
Net interest income	9.2	4.3	4.8	111.0
Net commission and other services business income	1,067.8	1,102.2	-34.3	-3.1
Net trading income	6.5	6.1	0.5	7.6
Net other income	174.1	107.9	66.2	61.3
Operating income	1,257.7	1,220.5	37.2	3.0
Personnel expenses	-548.8	-579.6	30.8	-5.3
Other operating expenses	-295.1	-295.1	0.0	0.0
Operating expenses	-843.8	-874.7	30.8	-3.5
Gross income	413.8	345.8	68.0	19.7
Depreciation, value adjustments, provisions, losses	-132.7	-128.9	-3.8	2.9
Operating profit (sub-total)	281.1	216.9	64.2	29.6
Taxes, extraordinary income and expenses	-62.6	-43.3	-19.2	44.4
Group net income	218.6	173.6	45.0	25.9
Minority interest in profit	0.3	-3.7	4.0	-109.5
Group net income majority shareholders	218.9	169.9	49.0	28.8

* Restated: Several prior year figures have been adjusted due to improved allocation of income and expenses.

Key figures SIX	2011	2010	Dev. %
Workforce in full-time equivalents on 31.12.	3,867.3	3,781.4	2.3
Return on equity ¹ (in %)	11.8	9.6	22.3
Equity ratio (in %)	33.1	35.0	-5.5
Operating income per employee ² (on a full-time equivalent basis)	328.9	326.0	0.9

¹ Equity = average equity between 31.12.2009 and 31.12.2010

² Calculated on number of employees based on the average number of full-time equivalents between 1.1. and 31.12.