



Media release

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SIX increases its results in the first half of 2014 thanks to significant operational progress

- **Operating income in the first half of 2014 rose by 18.0% to CHF 881.0 million. All business areas contributed to this growth.**
- **Earnings before interest and tax (EBIT) increased by 29.5% to CHF 151.0 million, driven by a better net financial result, higher income from operating activities and strict cost discipline.**
- **Group net profit amounted to CHF 130.7 million (+40.4%).**

«SIX posted considerably better results in the first half of 2014», says Urs Rügsegger, SIX Group CEO. «This increase was possible because of the successful implementation of initiatives over the last two years. All business areas generated higher operating income and therefore growth compared with the same period last year.»

Higher activity on the financial markets and an expansion of the international business in Payment Services led in the first half of 2014 to an 18.0% increase in operating income to CHF 881.0 million. The Austrian PayLife Bank, which was acquired at the end of September 2013, contributed 16.1% to this growth. Operating expenses rose 17.6% to CHF 755.6 million, primarily due to the integration of PayLife Bank. However, because costs grew disproportionately to operating income, operating profit increased by 20.2% to CHF 125.4 million.

The net financial result rose to CHF 11.5 million (previous year CHF 0.3 million) due to positive investment performance. Earnings before interest and tax (EBIT) improved by 29.5% or CHF 34.4 million to CHF 151.0 million. In addition to the net financial result, higher income from operating activities and strict cost control each made equal contributions to this improvement. The EBIT margin climbed from 15.6% to a very good 17.1%.

The Group net profit was CHF 130.7 million (CHF 93.1 million in the previous year), which represents a sharp increase of CHF 37.6 million or 40.4%.

Performance of the business areas

In the **Swiss Exchange** business area, a higher level of trading activity compared with the same period last year led to a 6.0% increase in the number of stock exchange transactions to 18.9 million. Together with higher prices, this resulted in a 6.5% rise in stock exchange trading volume to CHF 575.0 billion. Due to price reductions in trading and listing, operating income increased only slightly,



rising by 0.8% to CHF 101.9 million. EBIT increased by 11.4% to CHF 54.7 million. At 66.6%, the average market share in trading Swiss blue chip stock was slightly lower year-on-year (68.0%).

The **Securities Services** business area posted robust growth in the first half. Due to stronger volumes on international stock exchanges, cross-border settlement transactions were higher, too, rising 13.1% to 5.8 million transactions. In clearing services, SIX was able to offer its customers access to additional stock exchanges. As a result, the number of transactions in the first half grew by 42.7 million to 154.3 million. This 38% increase illustrates the consequent expansion of business volume beyond country borders. Thanks to positive market trends, the deposit volume, at CHF 3,013 billion, was 8.1% higher year-on-year. Operating income rose 7.3% to CHF 138.7 million, whereas EBIT increased 36.7% to CHF 23.1 million. This improvement reflects the cost-cutting measures that were implemented in the prior year.

The **Financial Information** business area posted a 2.5% year-on-year increase in operating income to CHF 196.8 million. This is primarily attributable to the reference data business in Switzerland. Thanks to stronger volumes, lower costs and a better net financial result, profitability was sharply higher. EBIT rose to CHF 21.9 million, which compares to only a break-even result in the first half of 2013 caused by impairments.

The **Payment Services** business area achieved the highest growth, posting a 39.1% increase in operating income. This growth is largely the result of the acquisition of the Austrian PayLife Bank. Adjusted for this effect, organic growth amounted to 2.2%. In acquiring, payments processed via SIX totaled CHF 33.0 billion, or 42.7% more than in the previous year. In the processing business, the number of debit and credit card transactions in the first half went up by 11.4% to 1.5 billion. Operating income increased by 39.1% to CHF 453.8 million, whereas EBIT declined by 8.9% to CHF 42.2 million. This is attributable to strong pressure on margins in the Swiss acquiring business as well as restructuring costs and write-offs incurred in connection with the integration of PayLife Bank.

SIX expects that the environment will continue to be challenging. Both economic as well as regulatory and political pressure on the financial sector will remain high. For SIX this means, among other things, that there is strong pressure on margins. This environment requires, first, strict cost control, and second, innovative, customer-specific solutions. SIX anticipates that the positive trend in the first half of the year will continue until the end of 2014.

Segment information (in CHF m)	01.01.- 30.06.2014	01.01.- 30.06.2013	Dev.	Dev. %
Operating income				
Swiss Exchange	101.9	101.1	0.8	0.8
Securities Services	138.7	129.3	9.4	7.3
Financial Information	196.8	192.1	4.7	2.5
Payment Services	453.8	326.2	127.6	39.1
Corporate and elimination	-10.2	-1.9	-8.3	n/a
Total operating income	881.0	746.7	134.3	18.0
Earnings before interest and tax (EBIT)				
Swiss Exchange	54.7	49.1	5.6	11.4
Securities Services	23.1	16.9	6.2	36.7
Financial Information	21.9	0.0	21.9	n/a
Payment Services	42.2	46.4	-4.1	-8.9
Corporate	9.1	4.3	4.9	n/a
Total EBIT	151.0	116.6	34.4	29.5

Key figures SIX (in CHF m)	2014	2013	Dev. %
Income statement	January - June	January - June	
Total operating income	881.0	746.7	18.0
Total operating expenses	-755.6	-642.4	17.6
Operating profit	125.4	104.4	20.2
Share of profit of associate	14.1	11.9	18.4
Net financial result	11.5	0.3	n/a
Earnings before interest and tax (EBIT)	151.0	116.6	29.5
Group net profit	130.7	93.1	40.4
Balance sheet	30 June	31 December	
Total assets	10'098.1	7'985.0	26.5
Total liabilities	7'850.2	5'800.3	35.3
Total equity	2'248.0	2'184.7	2.9
Workforce (in full-time equivalents)	30 June	31 December	
Total SIX	3'819.8	3'777.3	1.1
Key ratios	January - June	January - June	
Earnings per share (CHF)	6.83	4.81	42.1
EBIT margin (%)	17.1	15.6	9.8
Return on equity (% , average ¹)	11.8	8.5	38.0
Equity ratio ² (% , average ¹)	71.8	82.0	-12.4

¹Average balance sheet items in the reporting period

²Total equity/(total adjusted liabilities + total equity); total adjusted liabilities (2014: CHF 870.6 million/2013: CHF 478.1 million) equal total average liabilities (2014: CHF 6,825.2 million/2013: CHF 5,976.5 million) less average payables from clearing & settlement (2014: CHF 5,863.0 million/2013: CHF 5,408.7 million) less average negative replacement values from clearing & settlement (2014: CHF 91.6 million/2013: CHF 89.7 million). The decrease in the equity ratio in comparison to previous year is mainly due to the increase in the total adjusted liabilities which is primarily caused by the increase in the balance sheet position trade and other payables.



The SIX **2014 Interim Report** is available in English at www.six-group.com/interim-report

If you have any further questions, please contact Stephan Meier, 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 24 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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