Swiss Exchange

Media release

12 June 2012

SIX Swiss Exchange AG
Selnaustrasse 30
Postfach 1758
CH-8021 Zürich
T +41 58 399 5454
F +41 58 499 5455
www.six-swiss-exchange.com

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

SIX Swiss Exchange supports abolition of control premiums on corporate takeovers

SIX Swiss Exchange supports the Federal Council in its plan to abolish the control premiums in cases of corporate takeovers. Control premiums violate the principle of equal treatment and transparency under stock exchange legislation and are for this reason contrary to the protection of minority shareholders in corporate takeovers. In addition, control premiums weaken the Swiss financial centre in terms of international competition.

SIX Swiss Exchange supports the Federal Council in doing away with the so-called control premium (Art. 32 (4) SESTA) as part of its ongoing revision of the Stock Exchange Act. The applicable Stock Exchange Act provides that any shareholder who exceeds the threshold of 33 1/3% of the voting rights of a listed company is required to make a public offer to purchase all other listed equities. This principle of equal treatment is accorded paramount significance under stock exchange legislation.

The price of the offer must correspond to no less than the stock exchange price and may be no higher than 25% below the highest price than the bidder paid for equities of the takeover target in the last twelve months. The consequence is that the bidder may, to a limited extent, pay the selling major shareholders a higher price for their shares prior to publication of his public offer to purchase than that offered to the minority shareholders in his public offer to purchase.

Payment of a control premium runs counter to the principle of equal treatment of shareholders since minority shareholders are placed in a worse position by having to accept a price that is up to 25% lower. What may be a control premium for some therefore amounts to a control discount for the majority. The offer for a takeover takes place each time prior to the public offer to the exclusion of the majority of the shareholders and is thus unjustifiable in relation to the remaining market participants. This regularly leads to legal disputes, further undermining fairness in the context of takeovers. SIX Swiss Exchange considers it to be inappropriate, for reasons of contractual freedom, to deviate any longer from the legal stock exchange principle of the equal treatment of shareholders and thus to accept a weaker position for minority shareholders.

The option of paying a control premium is also, in comparison with other European countries, unique. Pursuant to the EU takeover offer guideline, EU member states may not allow for any control premiums under their national laws. This fact has the effect of being a disadvantage for Switzerland in terms of location due to the ever increasing competition among financial centres. Furthermore, foreign investors do not understand the payment of a control premium, permitted in Switzerland, because of the inconsistency with other legal systems. This has a negative effect on their investment behaviour and as a result, impedes the flow of liquidity to Switzerland.

As a cornerstone of the infrastructure of the Swiss financial centre, SIX Swiss Exchange is an efficient and transparent reference market. It strives to create the best possible trading conditions. The same regulations for all market participants are a requirement for this. However, this requirement is not met by maintaining the control premium.

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

Telephone:	+41 58 399 2675
Fax:	+41 58 499 2710
E-mail:	pressoffice@six-group.com

SIX Swiss Exchange is a leading regulated securities exchange in Europe and unrivalled in the life science area. SIX Swiss Exchange forms the efficient and transparent reference market for trading in its attractive segments of equities, bonds, Exchange Traded Funds (ETFs) and Exchange Traded Products (ETPs).
SIX Swiss Exchange calculates a wide range of indices – including Switzerland's foremost equity index, the SMI®, further benchmarks such as the SLI® and SPI® as well as industry, bond and customer indices. With holdings in Scoach, STOXX, Swiss Fund Data and Indexium, it is involved in successful joint ventures that benefit all financial market players. www.six-swiss-exchange.com

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 3,900 employees and presence in 25 countries, generated an operating income of 1.26 billion Swiss francs and a Group net income of CHF 218.6 million in 2011. www.six-group.com