

Media Release

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SIX Exchange Regulation reaches an agreement with Perfect Holding SA

SIX Exchange Regulation has reached an agreement with Perfect Holding SA in connection with a breach of the accounting standards (IFRS) in the 2016 interim financial statements. The identified deficiency relates to the translation of goodwill arising from the acquisition of a foreign operation. As part of the agreement, the company has committed itself to correct the error in both the 2017 interim and annual financial statements and to make a payment of CHF 5,000 to the IFRS-Foundation.

In 2012, Perfect Holding SA acquired Oxygen Aviation Ltd, domiciled in Horsham (UK), as a foreign subsidiary and recognised the resulting goodwill in its balance sheet. However, contrary to the requirements of IAS 21, Perfect Holding SA did not treat this goodwill as an asset of the foreign operation. As a result, Perfect Holding SA did not carry this goodwill in British Pounds (GBP) and thus no translation into the group's presentation currency Swiss Francs (CHF) occurred. This omission led to an overstatement by CHF 447 thousand of (i) the carrying value of goodwill, (ii) total assets and (iii) total equity in the IFRS interim financial statements as of 30 June 2016.

Financial statement position	Amounts as stated in the 2016 IFRS interim financial statements	Corrected amounts after translating goodwill from GBP to CHF	Effect
Goodwill	KCHF 3'984	KCHF 3'537	KCHF -447 (-11.2%)
Total assets	KCHF 8'883	KCHF 8'436	KCHF -447 (-5.0%)
Total equity	KCHF 5'889	KCHF 5'442	KCHF -447 (-7.6%)

As part of the agreement, Perfect Holding SA has committed itself to correct and disclose the error in both the 2017 interim and annual financial statements and to henceforth translate the goodwill from this acquisition in accordance with the requirements of IAS 21. In addition, the company will make a payment of CHF 5,000 to the IFRS-Foundation as part of the agreement.



The investigation opened by SIX Exchange Regulation against Perfect Holding SA in connection with the 2016 IFRS interim financial statements has been terminated with the conclusion of the agreement; notably, as the error is not considered as a serious violation of the listing rules and as this course of action results in a more timely public information than would have been the case with a duly completed sanction proceeding.

This and previous publications of agreements in connection with financial reporting can be found at: <https://www.six-exchange-regulation.com/en/home/publications/explorer/communiqués.html>

Obligations concerning financial reporting

Periodic financial reporting is part of the information required under the Financial Market Infrastructure 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 on the field of financial reporting can be found at:

<https://www.six-exchange-regulation.com/en/home/issuer/obligations/financial-reporting.html>

Relevant accounting standards in assessing the case in question:

According to IAS 21p47, any goodwill arising on the acquisition of a foreign operation shall be treated as asset of the foreign operation. Thus, it shall be expressed in the functional currency of the foreign operation and shall, according to IAS 21p39(a), be translated at the closing rate into the presentation currency.

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

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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.

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SIX

SIX operates the infrastructure underpinning the Swiss financial sector and offers a comprehensive range of services around the world in the fields of securities trading and settlement, financial information and payment transactions. The company is owned by its users (approximately 130 banks of various orientation and size). Its workforce of over



4,000 employees and presence in 25 countries throughout the world generated operating income of CHF 1.8 billion and a Group net profit of CHF 221,1 million in 2016.

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