

ADMISSION BOARD COMMUNIQUÉ NO. 16/2006 OF 21 DECEMBER 2006

Amendment of the Additional Rules for the Listing on the SWX «EU-Compatible» Segment and the Directive on the Procedure for the Listing on the SWX «EU-Compatible» Segment

Decision of the Admission Board: 1 November 2006

Entry into force: 20 January 2007

I. BACKGROUND

Effective 1 July 2005, the new segmentation concept for the shares included in the Swiss Market Index (SMI) was introduced on SWX and virt-x. In the Additional Rules for the Listing on the SWX "EU-Compatible" Segment ("AR EU") and the Directive on the Procedure for the Listing on the SWX "EU-Compatible" Segment ("DLEU") it was determined at the time that, similar to EU law (Art. 4 (2) (g) of the EU Prospectus Directive¹), no prospectus need be drawn up for equity securities issued in connection with a conversion or the exchange of other securities or as the result of the exercise of rights conferred by other securities, provided the new equity securities are of the same class as the equity securities already listed on the "EU-Compatible" segment of SWX.² This prospectus dispensation applies regardless of whether the new equity securities represent an amount in excess of 10% of the previously listed share capital. This provision is most frequently applied in the case of shares emanating from a convertible bond issue.

II. CHANGES AND RATIONALE

Art. 11 Point 7 AR EU as well as the materially identical ref. no. 6 Point 2 DLEU, which free issuers from drawing up a listing prospectus for the equity securities emanating from a convertible bond issue at the time of their actual creation and admission to trading, are to be abrogated without replacement. Through the abrogation of the aforementioned provisions, the differing concepts of Swiss corporate and securities exchange laws as compared to EU law are being taken into account. Because EU law ties the prospectus obligation to the *admission to trading*, not however to the *listing* of securities as is the case in Switzerland, there exists under Swiss law – for lack of a corresponding obligation – no need to specifically exclude the prospectus obligation for equity securities emanating from a convertible bond issue at the time of admission to trading. As regards Swiss circumstances, these provisions are extrinsic.

1) Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC.

2) Art. 11 Point 7 AR EU; ref. no. 6 Point 2 DLEU.

This abrogation makes it clear that issuers whose shares are listed on the SWX “EU-Compatible” segment must always publish an SWX-compliant listing prospectus for capital increases of 10% or more from conditional capital issued in connection with convertible bonds. This prospectus will be examined only by the SWX.

The abrogation in effect requires that the conditional capital designated for “formal” listing must in all cases be related to a specific financial instrument (convertible bond issue, employee stock ownership plan); a listing for “inventory purposes” is not permissible. Therefore, within the framework of applying for the “formal” listing of conditional capital, the material terms and conditions of the specific instrument must be disclosed.

III. ENTRY INTO FORCE

The changes to the Additional Rules and the Directive shall enter into force on **20 January 2007**.

The printed versions will be supplied with the next delivery of change pages for the “Admission of Securities” manual. However, the amended AR EU and DLEU are available immediately on the Internet at:

AR EU:

http://www.swx.com/download/admission/regulation/rules/addrules_eu_compatible_en.pdf

DLEU:

http://www.swx.com/download/admission/regulation/guidelines/swx_guideline_20070120-2_en.pdf

Admission Board Communiqués are available on the Internet in English, German and French at http://www.swx.com/admission/regulation/messages/2006_en.html