

## Media release

---

20.6.2008

### **Agreement between SWX Swiss Exchange and PSP Swiss Property AG**

**The SWX Swiss Exchange has reached an agreement with PSP Swiss Property AG regarding a violation of the provisions of the IFRS accounting standards in the company's 2007 consolidated financial statements. The deficiency identified by SWX relates to the failure to disclose an error correction.**

PSP Swiss Property AG, a company listed in the Real Estate Companies segment of the SWX Swiss Exchange, violated the provisions of IFRS (International Financial Reporting Standards) in its 2007 consolidated financial statements by not having disclosed as such an error correction in its cash flow statement in accordance with the authoritative provisions of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". The violation of this IFRS disclosure provision did not lead to a change in the company's assets and liabilities, financial position, and profits and losses reported in its 2007 consolidated financial statements.

In its 2006 cash flow statement, PSP Swiss Property AG erroneously accounted for certain sites and development properties available for sale. The error correction made during the preparation of the company's 2007 consolidated financial statements was, contrary to the actual circumstances, presented as a voluntary change of the accounting policy. As a result, investors were neither informed that an error had occurred nor what the cause of the error was. In consequence, a declaration that was of importance to investors' ability to assess the quality of the financial statements was withheld.

As a part of the present agreement, PSP Swiss Property AG properly disclosed this violation in its Q1 2008 financial report, which was published on 15 May 2008, and on its Website added to the company's previously published 2007 annual report a reference to the error correction. The company also committed to making a one-time donation of CHF 30,000 to the International Accounting Standards Committee Foundation (parent entity of the International Accounting Standards Board).

The Rules of Procedure of SWX permit investigations to be concluded by means of an agreement if, as a result, relevant information can be provided to the public faster or more precisely than would be the case with a properly concluded sanction proceeding.

Periodic reporting in compliance with applicable financial reporting and auditing provisions forms an integral part of the information that contributes to a properly functioning market in accordance with the provisions of the Stock Exchange Act and the Listing Rules. One of the tasks of SWX is to enforce the transparency provisions that apply to issuers.

Information on financial reporting regulations can be found at:

[http://www.swx.com/admission/being\\_public/financial\\_reporting\\_en.html](http://www.swx.com/admission/being_public/financial_reporting_en.html)

Previous agreements of SWX in connection with financial reporting can be found at:

[http://www.swx.com/admission/agreements/financial\\_reporting\\_en.html](http://www.swx.com/admission/agreements/financial_reporting_en.html)

Should you have any questions, please feel free to contact Werner Vogt, Head Media Relations.

Phone: +41(0)58 854 26 75

Fax: +41(0)58 854 27 10

E-mail: [pressoffice@swx.com](mailto:pressoffice@swx.com)

---

### **SWX Swiss Exchange**

*The SWX Swiss Exchange is one of the world's leading and most technologically advanced securities exchanges. It provides customers with first-rate securities exchange services and brings together participants, issuers and investors in an efficient and transparent marketplace. In addition to the broad palette of products it offers, the SWX Swiss Exchange's integrated, fully automatic trading, clearing and settlement system is indeed convincing: at the click of a mouse, orders are executed, cleared, settled and confirmed. [www.swx.com](http://www.swx.com)*

*The SWX Swiss Exchange is a subsidiary of Swiss Financial Market Services AG. On a worldwide scale, Swiss Financial Market Services AG offers first-rate services in the areas of securities trading, clearing and settlement, as well as financial market information and payment transactions.*