

Media release

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SWX Swiss Exchange issues reprimand against Industrieholding Cham AG

The SWX Swiss Exchange has issued a reprimand against Industrieholding Cham AG for breaching the provisions of the IFRS accounting standards in connection with the company's 2006 financial statements. The reprimand concerns the improper treatment of properties intended for sale and the resulting incorrect amounts reflected on the balance sheet and cash flow statement.

Industrieholding Cham AG, which is listed in the main segment of the SWX Swiss Exchange, breached the provisions of IFRS in its 2006 consolidated financial statements by treating self-developed properties intended for sale as fixed assets rather than inventories.

The development and subsequent sale of properties has represented a normal business activity for Industrieholding Cham AG in recent years. IAS 40p9(a) stipulates that property held for sale in the ordinary course of business or in the process of construction for such sale must be treated as inventories in accordance with IAS 2. In consequence, the company's erroneous classification of these properties intended for sale as fixed assets led to materially incorrect amounts being reflected on the balance sheet (fixed assets instead of current assets) and cash flow statement (investing activities instead of operating activities) of its 2006 consolidated financial statements.

After considering all aspects of the matter, SWX has issued a reprimand against Industrieholding Cham AG in the case at hand.

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.

Information on financial reporting regulations can be accessed at:
http://www.swx.com/admission/being_public/accounting_en.html

Previous sanctions imposed by SWX in connection with financial reporting can be accessed at:
http://www.swx.com/admission/being_public/sanctions/accounting_en.html

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SWX Swiss Exchange

The SWX Swiss Exchange, a part of the SWX Group, 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.

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