

Disclosure and Transparency

Ongoing Requirements on Frankfurt Stock Exchange



Agenda

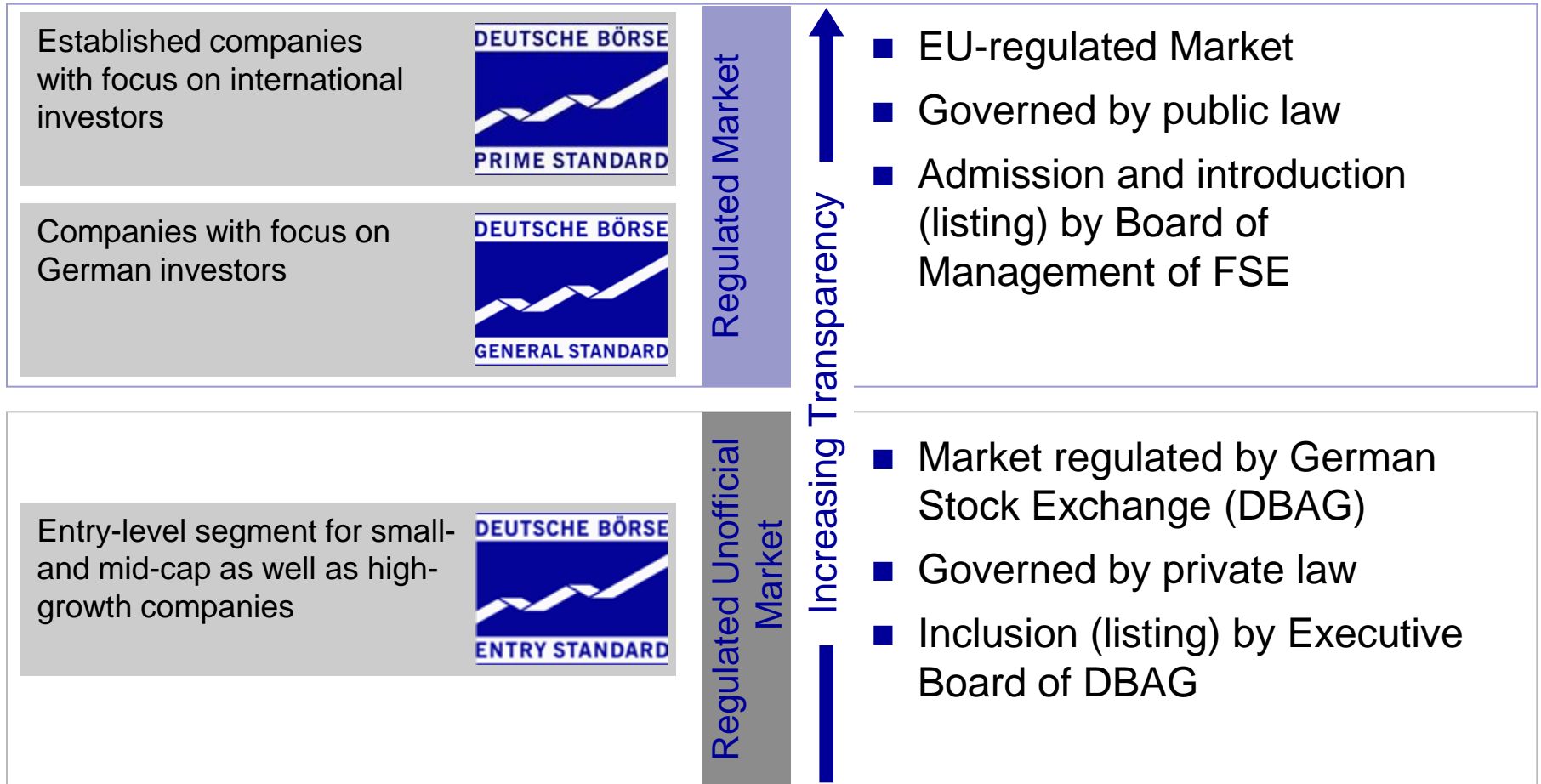
- Overview
- EU-regulated Markets:
 - General Standard
 - Prime Standard
- Rule Enforcement
- Exchange regulated Market: Entry Standard
- Advantages of high transparency

Overview



Overview

FSE market segments and target companies



EU-regulated Market: General Standard



EU-regulated Market: General Standard

Ongoing requirements (1)

General information:

- Requirements are regulated by the Securities Trading Act (WpHG)
- Have to be fulfilled towards public authorities
- Monitoring and sanctioning is the sole responsibility of the Federal Financial Supervisory Authority (BaFin)
- In case of DRs: Issuer of underlying shares has to fulfil the reporting requirements

Detailed information on the internet:

- www.bafin.de > English > Companies > Listed companies

EU-regulated Market: General Standard

Ongoing requirements (2)

Main requirements:

- Annual financial reports, half-yearly financial reports and interim management statements (§§ 37v-37y Securities Trading Act)
 - Publication language pursuant to § 3b Securities Trading Reporting and Insider List Ordinance (WpAIV), German or English in most cases
- Ad hoc disclosure (§ 15 Securities Trading Act)
- Directors' Dealings (§ 15a Securities Trading Act)
- Insider lists (WpAIV)
- Major holdings of voting rights (§ 21 Securities Trading Act)
- Company takeovers (Securities Acquisition and Takeover Act (WpÜG))

EU-regulated Market: General Standard

Ongoing requirements (3)

Reports - Accounting Standards:

- IFRS, if issuer is obliged to prepare consolidated financial statements;
otherwise national GAAP
- Instead of IFRS also accepted for consolidated financial statements are currently:

US GAAP, Japanese GAAP

On a temporary basis:

GAAPs of China, Canada, South Korea and India
(for financial years beginning not later than December 31, 2011)

EU-regulated Market: Prime Standard



EU-regulated Market: Prime Standard

Ongoing requirements (1)

General information:

- Requirements are regulated by §§ 50 – 54 Exchange Rules for the FSE (BörsO)
- Have to be fulfilled towards FSE
- Monitoring and sanctioning is the sole responsibility of FSE
- Have to be met in addition to those requirements of General Standard

Detailed information on the internet:

- www.xetra.com > English Version > Admission to trading > Rules and Regulations for the FWB > Exchange Rules for the FWB

EU-regulated Market: Prime Standard

Ongoing requirements (2)

Overview:

- Annual financial reports
- Half-yearly financial reports
- Quarterly financial reports mandatory instead of interim management statements
 - Publication language of all financial reports both German and English, issuers with registered offices outside Germany may prepare their statements in English only
- Financial Calendar of corporate action events
- Analysts Meeting
- Ad hoc disclosures also in English

EU-regulated Market: Prime Standard

Ongoing requirements (3)

Reports:

- Accounting standards as in General Standard
- Annual financial reports shall be transmitted to FSE at the latest by 4 months after the end of financial year in electronic form
- Half-yearly financial reports and quarterly reports shall be transmitted to FSE within 2 months of the end of the reporting period in electronic form
- Electronic transmission is done via ERS – Exchange Reporting System

EU-regulated Market: Prime Standard

Ongoing requirements (4)

Beginning of reporting obligation

- As soon as the shares / DRs are admitted the issuer has the obligation to fulfil its reporting obligations, e.g.:
 - Financial year of the issuer = calendar year
 - Admission date: March 30, 2012
 - First report to be transmitted electronically:
annual financial report for 2011
 - Deadline for transmission: April 30, 2012

EU-regulated Market: Prime Standard

Ongoing requirements (5)

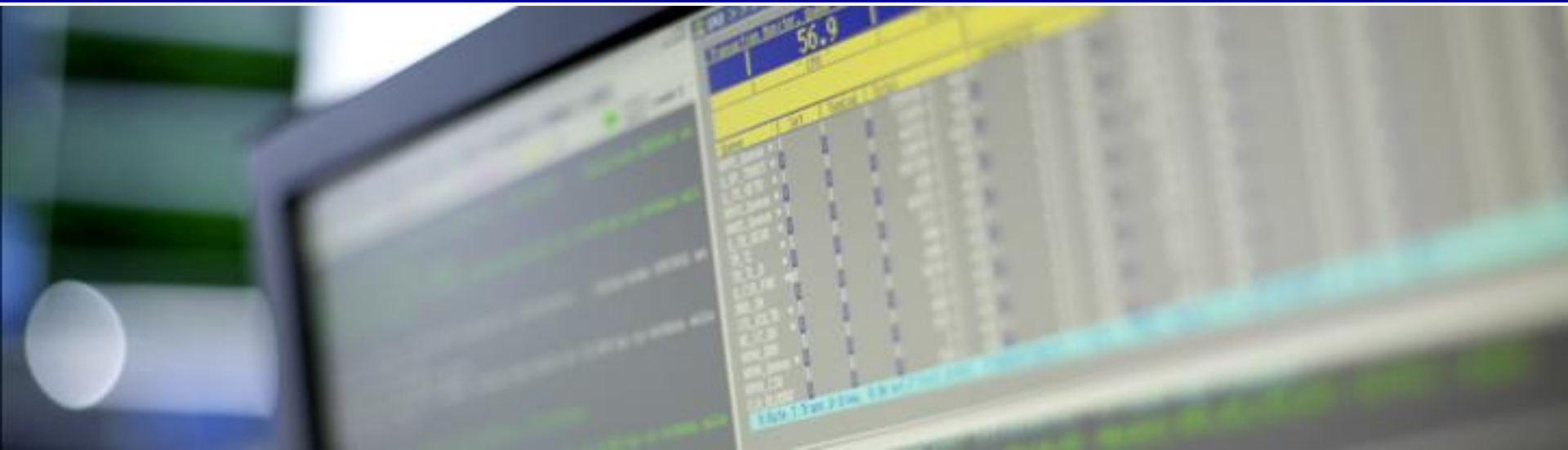
Excursus: ERS

- Information according to §§ 50-54 BörsO has to be disclosed electronically via Exchange Reporting System (ERS)
- General information about ERS:
 - Deutsche Börse tool for follow-up obligations and IR since 2003
 - Interface for issuers
 - Issuer can either deliver his data directly or through a service provider
 - Data is then disclosed to the public through the website of Deutsche Börse at very short notice

Detailed information about ERS on the internet

- www.xetra.com > English Version > Listing > Being Public Services > Exchange Reporting System

Rule Enforcement



Rule Enforcement

Board of Management of FSE

- The Board of Management of FSE is supervising the compliance of duties that follow from the admission to the Prime Standard for the issuer.
- If an issuer cannot fulfil the requirements in the time allowed, the admission can be revoked.
- Breaches of duties can be published by FSE.
- Breaches of duties are reported to the Disciplinary Committee of FSE.

Rule Enforcement Disciplinary Committee

- The disciplinary committee has the possibility to impose a reprimand or a fine if the issuer breaches the duties he has due to his admission to the Prime Standard
 - Fine up to € 250,000
 - Malice or negligence
- Composition of the disciplinary committee and proceedings of the disciplinary committee are regulated in the regulations of the disciplinary committee (issued by the Hessian Ministry of Economy, Transport and State Development).
- In case of conflicts: recourse to administrative court.

Exchange regulated Market: Entry Standard



Exchange regulated Market: Entry Standard

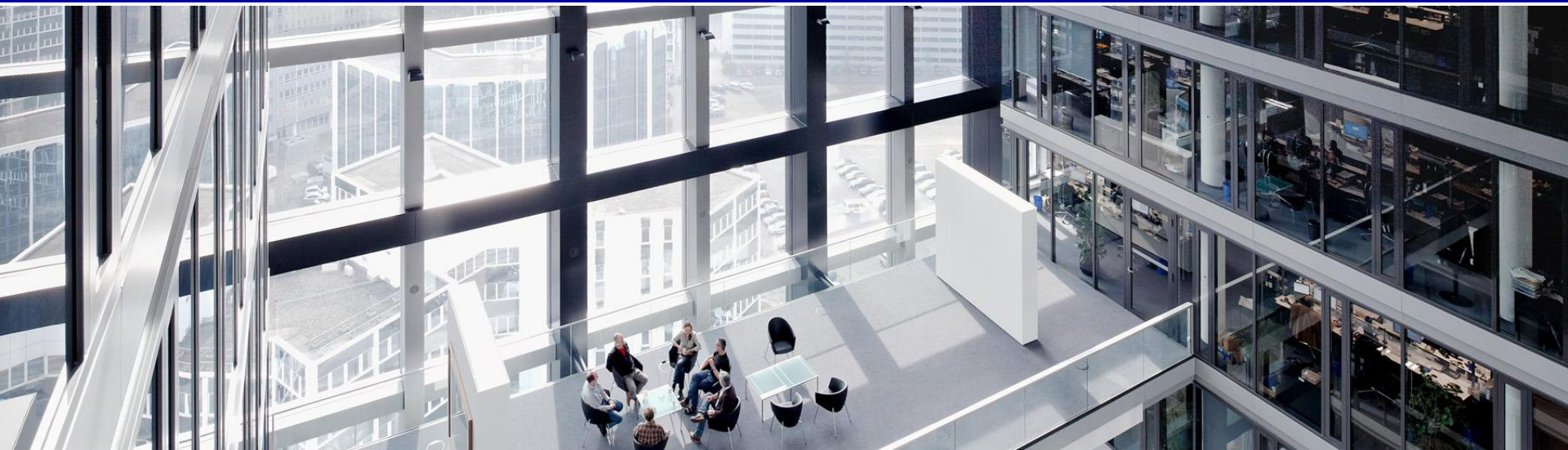
Ongoing requirements

The applying participant has to ensure that the following facts and details are published on the website of the issuer:

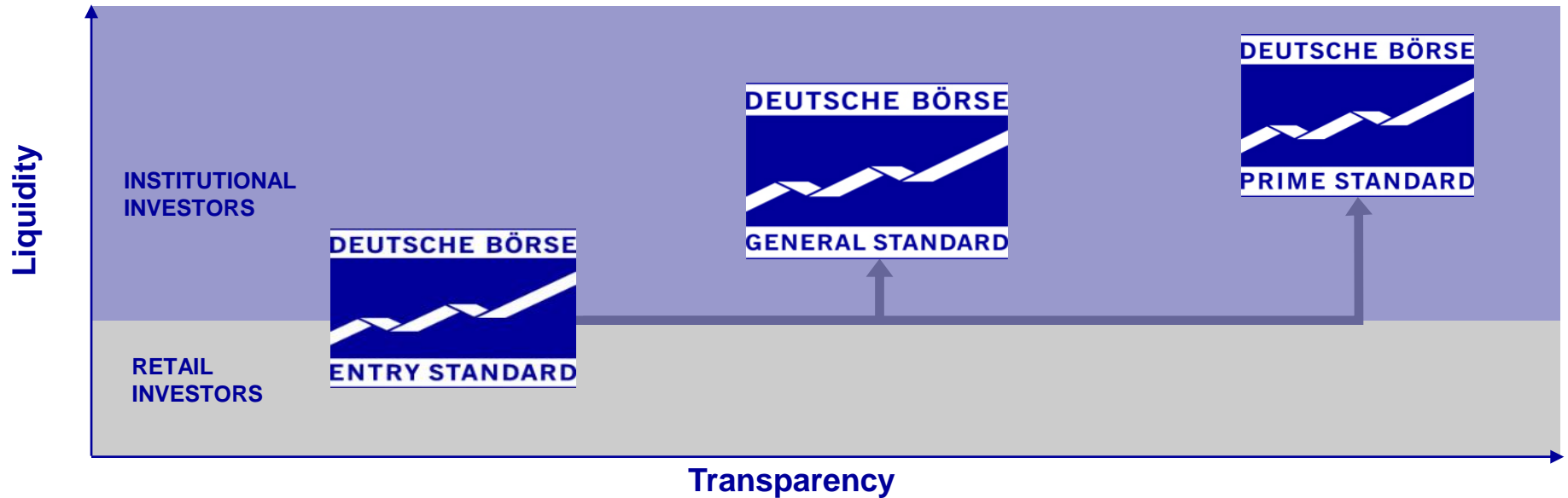
- Annual financial reports: Audited (consolidated) financial statements together with consolidated management report of the issuer according to national accounting principles (national GAAP) valid for the issuer or according to International Financial Reporting Standards (IFRS) within 6 months after the end of the reporting period
- Interim report by the issuer within 3 months after the first half of each financial year
- Disclosure of price sensitive information
- Company profile – to be updated every year
- Corporate calendar including all important dates such as the issuer's mandatory events (e.g. general meeting) or further activities (e.g. presentation to analysts or investor)

- Contractual penalty or termination of inclusion in case of violations of obligations

Advantages of high transparency



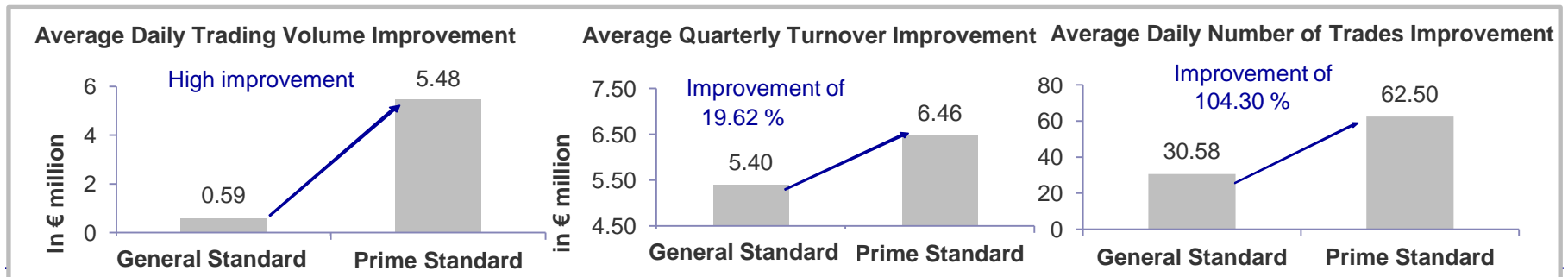
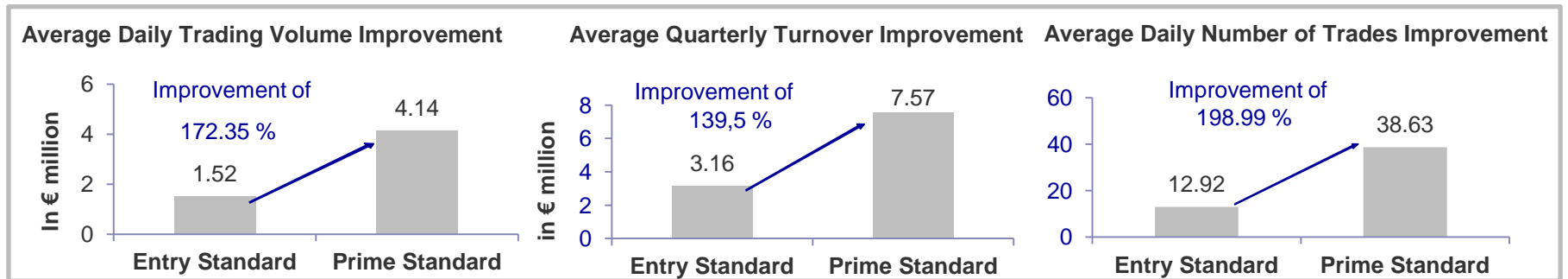
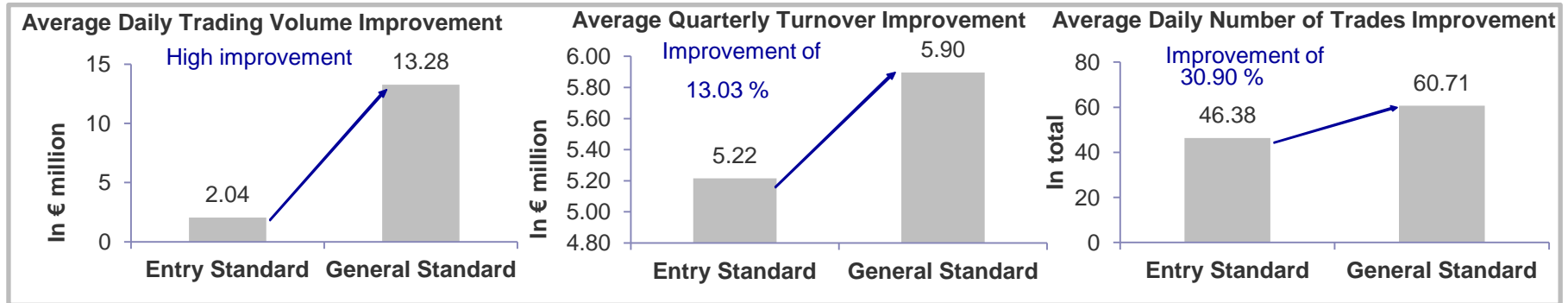
Advantages of high transparency



- Raises investor confidence
- Higher investor visibility and analyst coverage
- Higher stock liquidity and lower price volatility
- Inclusion in selection indices of Deutsche Börse

Advantages of high transparency

Higher trading volumes*



Source: bloomberg, March 2011

* The data represents the mean values of transfers, in the period Jan. 2008 to Dec. 2011