

SME Export Indicator

Q2 2015

SMEs are facing up to the strong franc

The shock caused by the removal of the EUR/CHF exchange-rate floor has taken a toll on Swiss SMEs. The Switzerland Global Enterprise (S-GE) SME Export Outlook Index is now at its lowest level since its inception in 2010. The Credit Suisse Export Barometer, in contrast, is indicating that international demand continues to pick up. Swiss SMEs are determined to benefit from this despite the adverse exchange-rate situation. They do not want to withdraw from foreign markets, but are instead investing in product innovations and stepped-up marketing. In the meantime, Swiss SMEs say that they intend to safeguard profit margins by optimizing procurement, lowering production and wage costs, raising prices and entering new, more lucrative export markets.

The Credit Suisse Export Barometer, which tracks foreign demand for Swiss products, currently stands at a level of 0.98 and thus has stayed practically unchanged near the historical mean of 1.00, which thereby would imply an average export growth rate going forward. However, the barometer merely factors in international demand without taking exchange-rate developments into account. So although international demand is expanding at a rate in line with the long-term average, it does not mean that this will result in rising exports.

of the survey in the second quarter of 2010. Moreover, SME export prospects have dropped back below the expansion threshold of 50 on the scale of 0 to 100 for the first time since Q1 2012.

Of the Swiss small and midsize enterprises that participated in the S-GE SME export prospects survey, only 29.2% expect exports to increase in the quarter ahead, down from 48.6% in the prior quarter. Flat export volume is anticipated by 42.5% of SMEs, up from 38.0% at the start of Q1 2015. However, there is a smallest grouping of SMEs, 28.3%, that fear a decline in exports (up from 13.4% at the start of Q1 2015).

Figure 1

Credit Suisse Export Barometer

In standard deviations, expansion threshold = 0



Source: Swiss Customs Administration, OECD, Datastream, Credit Suisse

The Switzerland Global Enterprise (S-GE) SME Export Outlook Index, in contrast, clearly reflects the Swiss franc shock. In a quarter-on-quarter comparison, the index has plummeted from 65.4 points at the start of Q1 2015 to now just 46.6 points. The index reading was calculated by taking SME export sentiment for the second quarter of 2015 and combining that with actual exports in the prior quarter. Swiss SME export prospects have thus fallen to their lowest level since the inception

Figure 2

Switzerland Global Enterprise SME Export Outlook Index

Weighted value from Q2 2015 and Q1 2015, expansion threshold = 50



Source: Survey of a panel of more than 200 Swiss SMEs

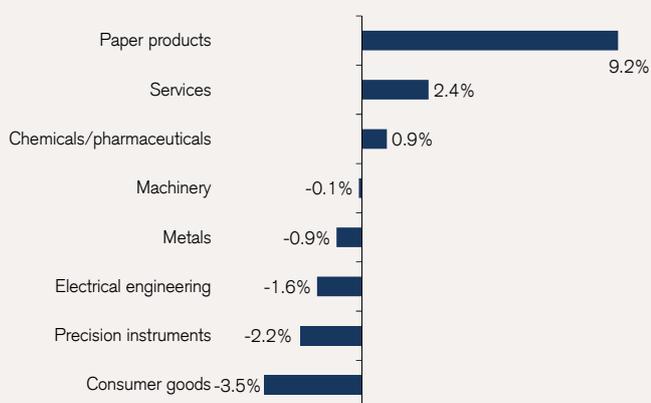
Significant differences from sector to sector

A breakdown of S-GE's SME export prospects survey results by sector reveals a heterogeneous picture. The services sector and the chemicals/pharmaceuticals industry are exhibiting imperviousness to an exchange-rate-driven export slowdown. Companies in the paper products industry actually even expect to see a significant increase in exports. However, that forecast should be taken with a grain of salt since the paper products sector had a very poor Q1 2015. The five other sectors surveyed all expect exports to decline. Consumer goods manufacturers in particular are heading pessimistically into the second quarter of 2015, as are companies in the precision instruments and electrical engineering sectors.

Figure 3

Export expectations in Q2 2015 by sector

Expected year-on-year growth in % according to a panel survey of more than 200 Swiss SMEs (weighted by company size)



Source: Switzerland Global Enterprise SME export prospects survey

Forty-seven percent of the SMEs surveyed are relying on product innovations (multiple answers possible) to boost their exports in the quarter ahead in the face of adverse exchange rates. Stepped-up marketing was the second-most-cited export driver, with 39% of the companies surveyed mentioning this factor; a quarter earlier it had been named the most important factor. A pickup in economic activity in export markets remained the third-most-cited factor, mentioned by 31% of the SMEs surveyed.

Those SMEs anticipating a decline in exports attribute this to mounting competitive pressure (53%). They also anticipate having to grant price concessions (50%). Concerns about an economic downturn evidently have receded: only 31% of the companies surveyed cited this factor.

Recipes for dealing with the weak euro

When asked about whether the strong Swiss franc against the euro and US dollar would exert a negative impact on their export volume, 67% of the SMEs surveyed responded, "yes." However, only the euro is viewed as posing a problem (66%); the US dollar has already appreciated considerably in the three months since the Swiss National Bank's decision to scrap the EUR/CHF exchange-rate floor.

Ninety-three percent of the SMEs surveyed said that they would take actions (or have taken actions since January 15, 2015) to enhance their export competitiveness. Optimizing procurement was the most promising recipe cited; 59% of the companies surveyed want to shore up their profit margins this way in the face of the weak euro. Lowering production costs was the second-most-cited tactic, mentioned by 47% of the SMEs surveyed. Other actions mentioned involve raising prices (28%), cutting wage costs (23%) or looking for new and more lucrative export markets (20%).

Withdrawing from foreign markets is not an alternative, in contrast. Only 2% of the SMEs surveyed are contemplating taking such a step.

Brightening economic activity in Europe mitigates the franc shock

Despite the change in currency exchange rates, the relative importance of export destinations has remained practically stable: 91% of the companies surveyed by S-GE intend to export to Europe over the next six months, the same percentage as last quarter (multiple answers possible). Germany remains the most important European export market – it will be an export destination for goods or services for 76% of the SMEs surveyed. France is in second place, with 56% of the SMEs surveyed citing that country, followed by Austria at 49% and Italy at 40%. Although the Swiss franc's overvaluation against the euro massively curtails prospects for exporting to Eurozone countries, this effect is at least partially offset by the more benign economic outlook for the Eurozone. Spain and Germany are particularly sending positive signals. A recovery in the Eurozone driven by these two countries would especially benefit Swiss exporters that have successfully positioned themselves in niches.

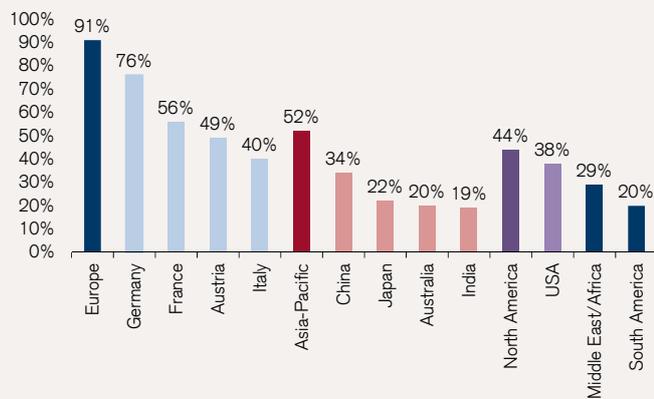
Prospects for exporting to the Asia-Pacific region remain subdued. Fifty-two percent of Swiss SMEs will export to this region over the next six months, meaning that it has lost some status (Q1 2015: 57%). Regardless of its stagnant production momentum, China remains the most important Asian export destination, with 34% of the SMEs surveyed citing that country. Japan, which is benefiting from the drop in energy prices and from accelerating economic momentum, now follows in second place at 22%, ahead of Australia at 20% and India at 19%.

Forty-four percent of the SMEs look set to export to North America over the next six months, a tad fewer than in the prior quarter (46%). However, the US economy remains the biggest growth engine and is likely to pick up more speed over the course of 2015. Moreover, the exchange-rate trend looks favorable: Credit Suisse expects the US dollar to appreciate against the Swiss franc this year.

Figure 4

Most important export markets for the half-year ahead

Most important destination countries according to a panel survey of more than 200 Swiss SMEs (multiple answers possible)



Source: Switzerland Global Enterprise SME export prospects survey

The SME Export Indicator for the third quarter of 2015 will be published on July 9, 2015.

Methodology

Credit Suisse Export Barometer

Change of methodology as of January 1, 2013: As of January 1, 2013 the growth threshold is set at the zero line. The long-term average growth of Swiss exports accordingly changes to 1 (zero line till then).

The Credit Suisse Export Barometer takes as its basis the dependence of Swiss exports on foreign export markets. In constructing the export barometer, we have drawn together important leading industry indicators in Switzerland's 28 most important export countries. These indicators generally have a forecast horizon of approximately one to two quarters. The values of these leading indicators are weighted on the basis of the share of exports that goes to each country. The export barometer consolidates this information to produce a single indicator. Since the values in question are standardized, the export barometer is calibrated in standard deviations. The zero line corresponds to the growth threshold. The long-term average growth of Swiss exports of approximately 5% is 1.

The chart on page 1 underlines the nature of the Credit Suisse export barometer as a forecasting tool: The correlation between export growth (6-month moving average) and the barometer with a lead time of one quarter is a good 0.82. In addition to providing forecasts for exports as a whole, the export barometer also makes forecasts about specific sectors or regions.

For more detailed information:

Credit Suisse (2009), External Trade Switzerland - Facts and Trends, Swiss Issues: Industries, available at:

www.credit-suisse.com/research

SME Export Indicator of Switzerland Global Enterprise

The concept behind the calculation of Switzerland Global Enterprise's SME export indicator is quite simple: SMEs indicate whether they expect growth, stagnation or a decline in exports in the current quarter compared with the previous one. The same question is put with regard to export expectations for the following quarter compared with the current one. To emphasize the forecast nature of the SME export indicator, expected export activity in the following quarter is weighted at 60% with exports in the current quarter being weighted at 40%. The SME export indicator can range from 0 to 100, whereby figures between 0 and 50 show an expected decline in exports and figures of 50 to 100 an expected rise in exports.

The SME export outlook indicator is based on a quarterly survey of a fixed panel of more than 200 Swiss SMEs. Participants represent the pharmaceuticals/chemicals industry, machinery, consumer goods, the metals industry, paper, electrical engineering, the precision instruments industry, as well as services. Participants provide further information on export volumes, for instance the reasons behind a change in their export volume, export markets, etc. This information gives an accurate picture of the export activities of Swiss SMEs.

For more detailed information:

www.s-ge.com/exportindikator

Contacts

Credit Suisse AG:

Lukas Gehrig, Credit Suisse Economic Research
Tel. +41 44 333 52 07, lukas.gehrig@credit-suisse.com

Switzerland Global Enterprise:

Sina Pries, Media Relations Manager
Tel. +41 44 365 52 08, spries@s-ge.com

Copyright

This publication may be reproduced, provided that the source is quoted. Copyright © 2014 Credit Suisse AG and Switzerland Global Enterprise. All rights reserved

Credit Suisse AG

Credit Suisse AG is one of the world's leading financial services providers and is part of the Credit Suisse group of companies (referred to here as 'Credit Suisse'). As an integrated bank, Credit Suisse offers clients its combined expertise in the areas of private banking, investment banking and asset management. Credit Suisse provides advisory services, comprehensive solutions and innovative products to companies, institutional clients and high-net-worth private clients globally, as well as to retail clients in Switzerland. Credit Suisse is headquartered in Zurich and operates in over 50 countries worldwide. The group employs approximately 45,800 people. The registered shares (CSGN) of Credit Suisse's parent company, Credit Suisse Group AG, are listed in Switzerland and, in the form of American Depositary Shares (CS), in New York. Further information about Credit Suisse can be found at www.credit-suisse.com.

Switzerland Global Enterprise

Switzerland Global Enterprise is committed to promoting entrepreneurship and Switzerland as a business location around the world. As a Center of Excellence for Internationalization, we promote export, import, and investment, and help customers to tap new potential for their business and strengthen Switzerland as a business location, using our global network of experienced consultants and experts. We are a trusted and strong partner for our customers, the cantons, and the Swiss Government. More information can be found at: www.s-ge.com.

Risk warning

Every investment involves risk, especially with regard to fluctuations in value and return. If an investment is denominated in a currency other than your base currency, changes in the rate of exchange may have an adverse effect on value, price or income.

For a discussion of the risks of investing in the securities mentioned in this report, please refer to the following Internet link:

<https://research.credit-suisse.com/riskdisclosure>

This report may include information on investments that involve special risks. You should seek the advice of your independent financial advisor prior to taking any investment decisions based on this report or for any necessary explanation of its contents. Further information is also available in the information brochure "Special Risks in Securities Trading" available from the Swiss Bankers Association.

The price, value of and income from any of the securities or financial instruments mentioned in this report can fall as well as rise. The value of securities and financial instruments is affected by changes in spot or forward interest and exchange rates, economic indicators, the financial standing of any issuer or reference issuer, etc., that may have a positive or adverse effect on the income from or price of such securities or financial instruments. By purchasing securities or financial instruments, you may incur a loss or a loss in excess of the principal as a result of fluctuations in market prices or other financial indices, etc. Investors in securities such as ADRs, the values of which are influenced by currency volatility, effectively assume this risk.

Commission rates for brokerage transactions will be as per the rates agreed between CS and the investor. For transactions conducted on a principal-to-principal basis between CS and the investor, the purchase or sale price will be the total consideration. Transactions conducted on a principal-to-principal basis, including over-the-counter derivative transactions, will be quoted as a purchase/bid price or sell/offer price, in which case a difference or spread may exist. Charges in relation to transactions will be agreed upon prior to transactions, in line with relevant laws and regulations. Please read the pre-contract documentation, etc., carefully for an explanation of risks and commissions, etc., of the relevant securities or financial instruments prior to purchase.

Structured securities are complex instruments, typically involve a high degree of risk and are intended for sale only to sophisticated investors who are capable of understanding and assuming the risks involved. The market value of any structured security may be affected by changes in economic, financial and political factors (including, but not limited to, spot and forward interest and exchange rates), time to maturity, market conditions and volatility, and the credit quality of any issuer or reference issuer. Any investor interested in purchasing a structured product should conduct their own investigation and analysis of the product and consult with their own professional advisers as to the risks involved in making such a purchase.

Some investments discussed in this report have a high level of volatility. High volatility investments may experience sudden and large falls in their value causing losses when that investment is realized. Those losses may equal your original investment. Indeed, in the case of some investments the potential losses may exceed the amount of initial investment, in such circumstances you may be required to pay more money to support those losses. Income yields from investments may fluctuate and, in consequence, initial capital paid to make the investment may be used as part of that income yield. Some investments may not be readily realizable and it may be difficult to sell or realize those investments, similarly it may prove difficult for you to obtain reliable information about the value, or risks, to which such an investment is exposed. Please contact your Relationship Manager if you have any questions.

Past performance is not an indicator of future performance. Performance can be affected by commissions, fees or other charges as well as exchange rate fluctuations.

Financial market risks

Historical returns and financial market scenarios are no guarantee of future performance. The price and value of investments mentioned and any

income that might accrue could fall or rise or fluctuate. Past performance is not a guide to future performance. If an investment is denominated in a currency other than your base currency, changes in the rate of exchange may have an adverse effect on value, price or income. You should consult with such advisor(s) as you consider necessary to assist you in making these determinations.

Investments may have no public market or only a restricted secondary market. Where a secondary market exists, it is not possible to predict the price at which investments will trade in the market or whether such market will be liquid or illiquid.

Emerging markets

Where this report relates to emerging markets, you should be aware that there are uncertainties and risks associated with investments and transactions in various types of investments of, or related or linked to, issuers and obligors incorporated, based or principally engaged in business in emerging markets countries. Investments related to emerging markets countries may be considered speculative, and their prices will be much more volatile than those in the more developed countries of the world. Investments in emerging markets investments should be made only by sophisticated investors or experienced professionals who have independent knowledge of the relevant markets, are able to consider and weigh the various risks presented by such investments, and have the financial resources necessary to bear the substantial risk of loss of investment in such investments. It is your responsibility to manage the risks which arise as a result of investing in emerging markets investments and the allocation of assets in your portfolio. You should seek advice from your own advisers with regard to the various risks and factors to be considered when investing in an emerging markets investment.

Alternative investments

Hedge funds are not subject to the numerous investor protection regulations that apply to regulated authorized collective investments and hedge fund managers are largely unregulated. Hedge funds are not limited to any particular investment discipline or trading strategy, and seek to profit in all kinds of markets by using leverage, derivatives, and complex speculative investment strategies that may increase the risk of investment loss.

Commodity transactions carry a high degree of risk and may not be suitable for many private investors. The extent of loss due to market movements can be substantial or even result in a total loss.

Investors in real estate are exposed to liquidity, foreign currency and other risks, including cyclical risk, rental and local market risk as well as environmental risk, and changes to the legal situation.

Interest rate and credit risks

The retention of value of a bond is dependent on the creditworthiness of the Issuer and/or Guarantor (as applicable), which may change over the term of the bond. In the event of default by the Issuer and/or Guarantor of the bond, the bond or any income derived from it is not guaranteed and you may get back none of, or less than, what was originally invested.

Disclosures

The information and opinions expressed in this report (other than article contributions by Investment Strategists) were produced by the Research department of the Private Banking & Wealth Management division of CS as of the date of writing and are subject to change without notice. Views expressed in respect of a particular security in this report may be different from, or inconsistent with, the observations and views of the Credit Suisse Research department of Investment Banking division due to the differences in evaluation criteria.

Article contributions by Investment Strategists are not research reports. Investment Strategists are not part of the CS Research department. CS has policies in place designed to ensure the independence of CS Research Department including policies relating to restrictions on trading of relevant securities prior to distribution of research reports. These policies do not apply to Investment Strategists.

CS accepts no liability for loss arising from the use of the material presented in this report, except that this exclusion of liability does not apply to the extent that liability arises under specific statutes or regulations applicable to CS. This report is not to be relied upon in substitution for the exercise of independent judgment. CS may have issued, and may in the future issue, a trading idea regarding this security. Trading ideas are short term trading opportunities based on market events and catalysts, while company recommendations reflect investment recommendations based on expected total return over a 6 to 12-month period as defined in the disclosure section. Because trading ideas and company recommendations reflect different assumptions and analytical methods, trading ideas may differ from the company recommendations. In addition, CS may have issued, and may in the future issue, other reports that are inconsistent with, and reach different conclusions from, the information presented in this report. Those reports reflect the different assumptions, views and analytical methods of the analysts who prepared them and CS is under no obligation to ensure that such other reports are brought to the attention of any recipient of this report.

Analyst certification

The analysts identified in this report hereby certify that views about the companies and their securities discussed in this report accurately reflect their personal views about all of the subject companies and securities. The analysts also certify that no part of their compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

Knowledge Process Outsourcing (KPO) Analysts mentioned in this report are employed by Credit Suisse Business Analytics (India) Private Limited.

Important disclosures

CS policy is to publish research reports, as it deems appropriate, based on developments with the subject company, the sector or the market that may have a material impact on the research views or opinions stated herein. CS policy is only to publish investment research that is impartial, independent, clear, fair and not misleading.

The Credit Suisse Code of Conduct to which all employees are obliged to adhere, is accessible via the website at:

https://www.credit-suisse.com/governance/doc/code_of_conduct_en.pdf

For more detail, please refer to the information on independence of financial research, which can be found at:

https://www.credit-suisse.com/legal/pb_research/independence_en.pdf

The analyst(s) responsible for preparing this research report received compensation that is based upon various factors including CS's total revenues, a portion of which is generated by Credit Suisse Investment Banking business.

Additional disclosures

United Kingdom: For fixed income disclosure information for clients of Credit Suisse (UK) Limited and Credit Suisse Securities (Europe) Limited, please call +41 44 333 33 99.

For information regarding disclosure information on Credit Suisse Investment Banking rated companies mentioned in this report, please refer to the Investment Banking division disclosure site at:

<https://rave.credit-suisse.com/disclosures>

For further information, including disclosures with respect to any other issuers, please refer to the Private Banking & Wealth Management division Disclosure site at:

<https://www.credit-suisse.com/disclosure>

Global disclaimer / important information

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other

jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject CS to any registration or licensing requirement within such jurisdiction.

References in this report to CS include Credit Suisse AG, the Swiss bank, its subsidiaries and affiliates. For more information on our structure, please use the following link:

http://www.credit-suisse.com/who_we_are/en/

NO DISTRIBUTION, SOLICITATION, OR ADVICE: This report is provided for information and illustrative purposes and is intended for your use only. It is not a solicitation, offer or recommendation to buy or sell any security or other financial instrument. Any information including facts, opinions or quotations, may be condensed or summarized and is expressed as of the date of writing. The information contained in this report has been provided as a general market commentary only and does not constitute any form of regulated financial advice, legal, tax or other regulated service. It does not take into account the financial objectives, situation or needs of any persons, which are necessary considerations before making any investment decision. You should seek the advice of your independent financial advisor prior to taking any investment decisions based on this report or for any necessary explanation of its contents. This report is intended only to provide observations and views of CS at the date of writing, regardless of the date on which you receive or access the information. Observations and views contained in this report may be different from those expressed by other Departments at CS and may change at any time without notice and with no obligation to update. CS is under no obligation to ensure that such updates are brought to your attention. **FORECASTS & ESTIMATES:** Past performance should not be taken as an indication or guarantee of future performance, and no representation or warranty, express or implied, is made regarding future performance. To the extent that this report contains statements about future performance, such statements are forward looking and subject to a number of risks and uncertainties. Unless indicated to the contrary, all figures are unaudited. All valuations mentioned herein are subject to CS valuation policies and procedures. **CONFLICTS:** CS reserves the right to remedy any errors that may be present in this report. Credit Suisse, its affiliates and/or their employees may have a position or holding, or other material interest or effect transactions in any securities mentioned or options thereon, or other investments related thereto and from time to time may add to or dispose of such investments. CS may be providing, or have provided within the previous 12 months, significant advice or investment services in relation to the investments listed in this report or a related investment to any company or issuer mentioned. Some investments referred to in this report will be offered by a single entity or an associate of CS or CS may be the only market maker in such investments. CS is involved in many businesses that relate to companies mentioned in this report. These businesses include specialized trading, risk arbitrage, market making, and other proprietary trading. **TAX:** Nothing in this report constitutes investment, legal, accounting or tax advice. CS does not advise on the tax consequences of investments and you are advised to contact an independent tax advisor. The levels and basis of taxation are dependent on individual circumstances and are subject to change. **SOURCES:** Information and opinions presented in this report have been obtained or derived from sources which in the opinion of CS are reliable, but CS makes no representation as to their accuracy or completeness. CS accepts no liability for a loss arising from the use of this report. **WEBSITES:** This report may provide the addresses of, or contain hyperlinks to, websites. Except to the extent to which the report refers to website material of CS, CS has not reviewed the linked site and takes no responsibility for the content contained therein. Such address or hyperlink (including addresses or hyperlinks to CS's own website material) is provided solely for your convenience and information and the content of the linked site does not in any way form part of this report. Accessing such website or following such link through this report or CS's website shall be at your own risk.

Distribution of research reports

Except as otherwise specified herein, this report is prepared and issued by Credit Suisse AG, a Swiss bank, authorized and regulated by the Swiss Financial Market Supervisory Authority. **Australia:** This report is distributed in Australia by Credit Suisse AG, Sydney Branch (CSSB) (ABN 17 061 700 712 AFSL 226896) only to "Wholesale" clients as defined by s761G of the Corporations Act 2001. CSSB does not guarantee the performance of, nor make any assurances with respect to the performance of any financial product referred herein. **Bahrain:** This report is distributed by Credit Suisse AG, Bahrain Branch, authorized and regulated by the Central Bank of Bahrain (CBB) as an Investment Firm Category 2. **Dubai:** This information is distributed by Credit Suisse AG, Dubai Branch, duly licensed and regulated by the Dubai Financial Services Authority (DFSA). Related financial products or services are only available to customers who qualify as either a Professional Client or a Market Counterparty under the DFSA rules and who have sufficient financial experience and understanding to participate in financial markets and satisfy the regulatory criteria to be a client. **France:** This report is distributed by Credit Suisse (France), authorized by the Autorité de Contrôle Prudenciel et de Résolution (ACPR) as an investment service provider. Credit Suisse (France) is supervised and regulated by the Autorité de Contrôle Prudenciel et de Résolution and the Autorité des Marchés Financiers. **Germany:** Credit Suisse (Deutschland) AG, authorized and regulated by the Bundesanstalt fuer Finanzdienstleistungsaufsicht (BaFin), disseminates research to its clients that has been prepared by one of its affiliates. **Gibraltar:** This report is distributed by Credit Suisse (Gibraltar) Limited. Credit Suisse (Gibraltar) Limited is an independent legal entity wholly owned by Credit Suisse and is regulated by the Gibraltar Financial Services Commission. **Guernsey:** This report is distributed by

Credit Suisse (Channel Islands) Limited, an independent legal entity registered in Guernsey under 15197, with its registered address at Helvetia Court, Les Echelons, South Esplanade, St Peter Port, Guernsey. Credit Suisse (Channel Islands) Limited is wholly owned by Credit Suisse AG and is regulated by the Guernsey Financial Services Commission. Copies of the latest audited accounts are available on request.

Hong Kong: This report is issued in Hong Kong by Credit Suisse AG Hong Kong Branch, an Authorized Institution regulated by the Hong Kong Monetary Authority and a Registered Institution regulated by the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). **India:** This report is distributed by Credit Suisse Securities (India) Private Limited ("Credit Suisse India," CIN no. U67120MH1996PTC104392), regulated by the Securities and Exchange Board of India (SEBI) under SEBI registration Nos. INB230970637; INF230970637; INB010970631; INF010970631, INP000002478, with its registered address at 9th Floor, Ceejay House, Plot F, Shivsagar Estate, Dr. Annie Besant Road, Worli, Mumbai 400 018, India, Tel. +91-22 6777 3777. For details on the business activities and disciplinary history of Credit Suisse India, please refer to the Section III and Section IV of the Disclosure Document available at <https://www.credit-suisse.com/media/pb/docs/in/privatebanking/services/disclosure-portfolio-management.pdf>.

Italy: This report is distributed in Italy by Credit Suisse (Italy) S.p.A., a bank incorporated and registered under Italian law subject to the supervision and control of Banca d'Italia and CONSOB, and also distributed by Credit Suisse AG, a Swiss bank authorized to provide banking and financial services in Italy.

Japan: This report is solely distributed in Japan by Credit Suisse Securities (Japan) Limited, Financial Instruments Dealer, Director-General of Kanto Local Finance Bureau (Kinsho) No. 66, a member of the Japan Securities Dealers Association, Financial Futures Association of Japan, Japan Investment Advisers Association, and Type II Financial Instruments Firms Association. Credit Suisse Securities (Japan) Limited will not distribute or forward this report outside Japan.

Jersey: This report is distributed by Credit Suisse (Channel Islands) Limited, Jersey Branch, which is regulated by the Jersey Financial Services Commission. The business address of Credit Suisse (Channel Islands) Limited, Jersey Branch, in Jersey is: TradeWind House, 22 Esplanade, St Helier, Jersey JE2 3QA.

Luxembourg: This report is distributed by Credit Suisse (Luxembourg) S.A., a Luxembourg bank, authorized and regulated by the Commission de Surveillance du Secteur Financier (CSSF).

Qatar: This information has been distributed by Credit Suisse Financial Services (Qatar) L.L.C, which has been authorized and is regulated by the Qatar Financial Centre Regulatory Authority (QFCRA) under QFC No. 00005. All related financial products or services will only be available to Business Customers or Market Counterparties (as defined by the Qatar Financial Centre Regulatory Authority (QFCRA)), including individuals, who have opted to be classified as a Business Customer, with liquid assets in excess of USD 1 million, and who have sufficient financial knowledge, experience and understanding to participate in such products and/or services.

Singapore: This report has been prepared and issued for distribution in Singapore to institutional investors, accredited investors and expert investors (each as defined under the Financial Advisers Regulations) only, and is also distributed by Credit Suisse AG, Singapore Branch to overseas investors (as defined under the Financial Advisers Regulations). Credit Suisse AG, Singapore Branch may distribute reports produced by its foreign entities or affiliates pursuant to an arrangement under Regulation 32C of the Financial Advisers Regulations. Singapore recipients should contact Credit Suisse AG, Singapore Branch at +65-6212-2000 for matters arising from, or in connection with, this report. By virtue of your status as an institutional investor, accredited investor, expert investor or overseas investor, Credit Suisse AG, Singapore Branch is exempted from complying with certain compliance requirements under the Financial Advisers Act, Chapter 110 of Singapore (the "FAA"), the Financial Advisers Regulations and the relevant Notices and Guidelines issued thereunder, in respect of any financial advisory service which Credit Suisse AG, Singapore branch may provide to you.

Spain: This report is distributed in Spain by Credit Suisse AG, Sucursal en España, authorized under number 1460 in the Register by the Banco de España.

Thailand: This report is distributed by Credit Suisse Securities (Thailand) Limited, regulated by the Office of the Securities and Exchange Commission, Thailand, with its registered address at 990 Abdulrahim Place Building, 27/F, Rama IV Road, Silom, Bangrak, Bangkok Tel. 0-2614-6000.

United Kingdom: This report is issued by Credit Suisse (UK) Limited and Credit Suisse Securities (Europe) Limited. Credit Suisse Securities (Europe) Limited and Credit Suisse (UK) Limited, both authorized by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority, are associated but independent legal entities within Credit Suisse. The protections made available by the Financial Conduct Authority and/or the Prudential Regulation Authority for retail clients do not apply to investments or services provided by a person outside the UK, nor will the Financial Services Compensation Scheme be available if the issuer of the investment fails to meet its obligations.

UNITED STATES: NEITHER THIS REPORT NOR ANY COPY THEREOF MAY BE SENT, TAKEN INTO OR DISTRIBUTED IN THE UNITED STATES OR TO ANY US PERSON.

This report may not be reproduced either in whole or in part, without the written permission of Credit Suisse. Copyright © 2015 Credit Suisse Group AG and/or its affiliates. All rights reserved.