



ANNUAL REPORT
2015/16

DIGITISATION

File-sharing in a matter of seconds, on-demand newspapers, robo-advisors – digital technologies have long since gained sway in private and business life. The digital transition is changing society and the global economy.

These new technologies are forcing companies to rethink their business models. They set the stage for innovations. They offer good growth opportunities. But they also threaten the more traditional approaches to doing business. In Switzerland, the conditions are ideal for the digital transformation of local companies: well-educated workers, high per capita income, worldwide networking, tremendous interest in mobile Internet connectivity, and the highest density of smartphone ownership.

This past fiscal year PwC Switzerland also made further investments in the digital transformation of its services. Through its merger with Strategy& in April 2014, PwC had already laid the groundwork for a unique, digital means of strategy consulting, one that closes the gap between the brainwork behind a strategy and its actual implementation. Last December PwC Switzerland took that initiative to the next level by collaborating with iBROWS to create the PwC's Experience Center in Zurich, a

creativity mill for digital solutions – where the basic ingredients of a strategy are processed to become tangible results. And this summer, by amalgamating its internal Digital Transformation, PwC's Experience Center, Cyber Security and Data & Analytics units into the new PwC Digital Services division, PwC Switzerland has unleashed additional internal synergies and optimised its palette of digital advisory offerings.

Thanks to this digital transformation and the valuable, high-quality work of its staff, PwC Switzerland was able to extend its lead as the number one firm in the industry. Its employees hail from 69 nations and contribute myriad views and new ideas to PwC Switzerland's business activities. And so PwC Switzerland can continue to attract and retain the best talents, who invest in targeted ways that will help PwC Switzerland to remain an attractive employer, as evidenced once again by its having been named "Employer of Choice" in its line of business.

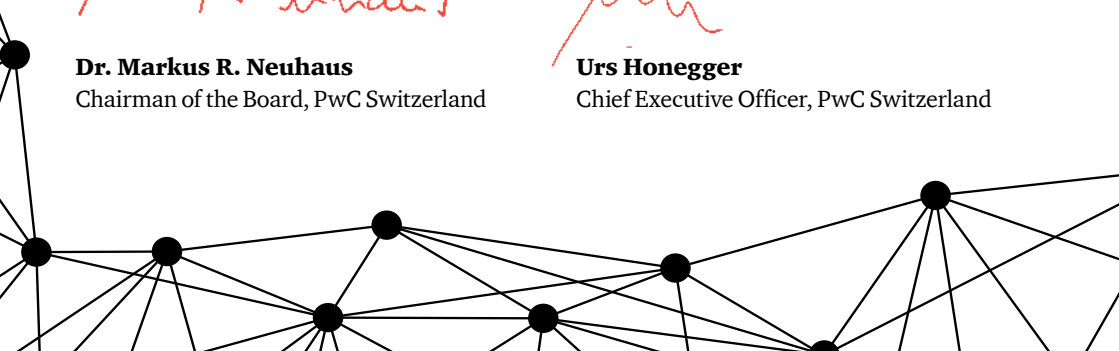
We are pleased to present you with our Annual Report 2015/16, which is dedicated to the theme of "Digitisation".



Dr. Markus R. Neuhaus
Chairman of the Board, PwC Switzerland



Urs Honegger
Chief Executive Officer, PwC Switzerland



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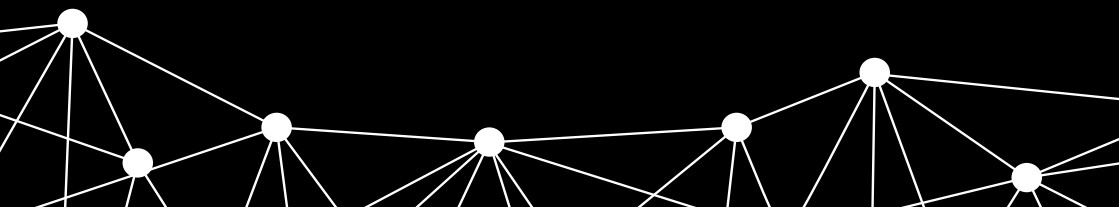
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We managed to further expand our leading position in the market in the past fiscal year. What helped us a lot in achieving that was our business strategy, which is based on five priorities: maintaining a strong market presence; broadening our strategic capabilities; adapting the business model flexibly to the market; intensively nurturing our corporate culture; and providing the highest quality services.

Reinforcing market presence

Guiding our clients successfully into the future is our main goal. Here, the key success factor is to be found in the tremendous know-how of our staff – 208,000 employees throughout the PwC Network in 157 countries work together in an effort to create even more value for our clients. And we adapt our services continuously to accommodate the latest developments in this ever-changing world. Thanks to the new PwC Experience Center, we can offer our clients a one-stop source for digital services – from the conceptualisation of corporate strategy through to realisation of tangible results, we accompany them on their path to the digital future.

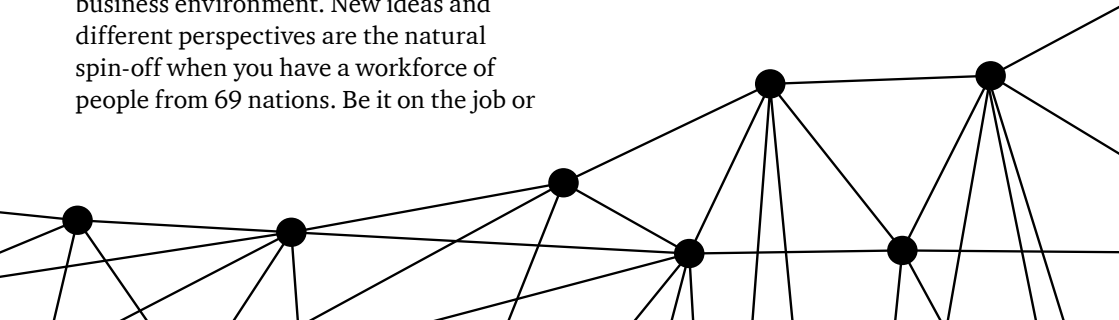
New ideas and perspectives for enhanced capabilities

It takes strategic skills and vast resources to stay number one in the assurance and advisory industry. The employees of PwC Switzerland make the difference for us. With our PwC Professional initiative, we support our people in their quest to inspire others and steer our clients through the twists and turns of a constantly changing business environment. New ideas and different perspectives are the natural spin-off when you have a workforce of people from 69 nations. Be it on the job or

in their leisure time – our people should be chock-full of energy for everything that is of importance to them. Our “Energy to grow your own way” initiative was introduced in July 2014 and addresses four specific dimensions of life: activity, attitude, relaxation and nutrition. And those elements are firmly anchored in our recruiting and advanced training processes.

Adapting the business model to market changes and client needs

The market is dynamic, its evolution unstoppable. We adapt to this transformation by questioning old practices and creating new, market-attuned structures. Effective as of 1 July 2016, we bundled the multidisciplinary capabilities of our Digital Transformation, PwC’s Experience Center, Cyber Security and Data & Analytics units to create the PwC Digital Services division. Today, changes are part of everyday life – in the positive sense. And by transforming ourselves, we can support our clients in an even more goal-oriented and expeditious manner.



Fostering and personifying the PwC Experience

In our endeavour to maximise the benefits for our clients and employees, our approach to daily work is dictated by the principles of the PwC Experience – the behavioural profile that defines us. The relationships we have with our clients, stakeholders and staff take centre stage. The PwC Experience is characterised by the quality of our interaction with clients and employees, the exchange of knowledge and experience, the attention we pay to individual expectations, and the creation of added value.

Quality assurance

Quality represents the very foundation of our work. PwC's entire business, the commitment of our employees, the value of our brand and the trust of our clients – all of this rests on the quality of the work we do. And in turn, that quality depends on the capabilities of our staff, their traits and the opportunities for personal advancement that we offer them. We therefore invest 9% of our net revenues each year in the training and continuing education of our employees.



We managed to further expand our leading position in the market in the past fiscal year

3,022
Total
employees

61% Men
39% Women

33
Trainees

69
Nationalities

1,373
employees
Assurance

557
employees
Advisory

486
Part-time
employees
(16,4%)

779
employees
Tax & Legal
Services

280
employees
Internal Firm
Services

Average age: 35

9%
of revenues
invested in staff
training and
continuing
education

Over 4,000 Twitter
followers and
more than 7,000
Facebook fans

14 locations in
Switzerland and 1 in
the Principality of
Liechtenstein

Dr. Markus R. Neuhaus
Chairman



Urs Honegger
Delegate



Heinz Hartmann
Member



Alex Astolfi
Leader Assurance

Julie Fitzgerald
Leader Growth & Markets

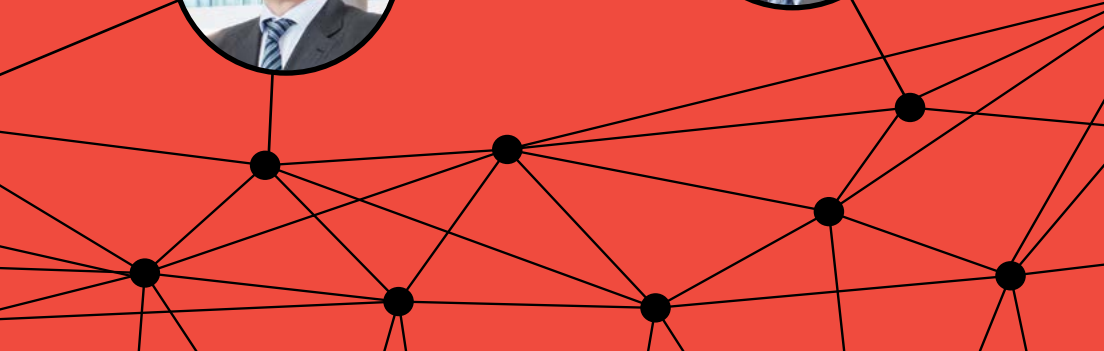
Andreas Staubli
Leader Tax & Legal Services

Urs Honegger
CEO

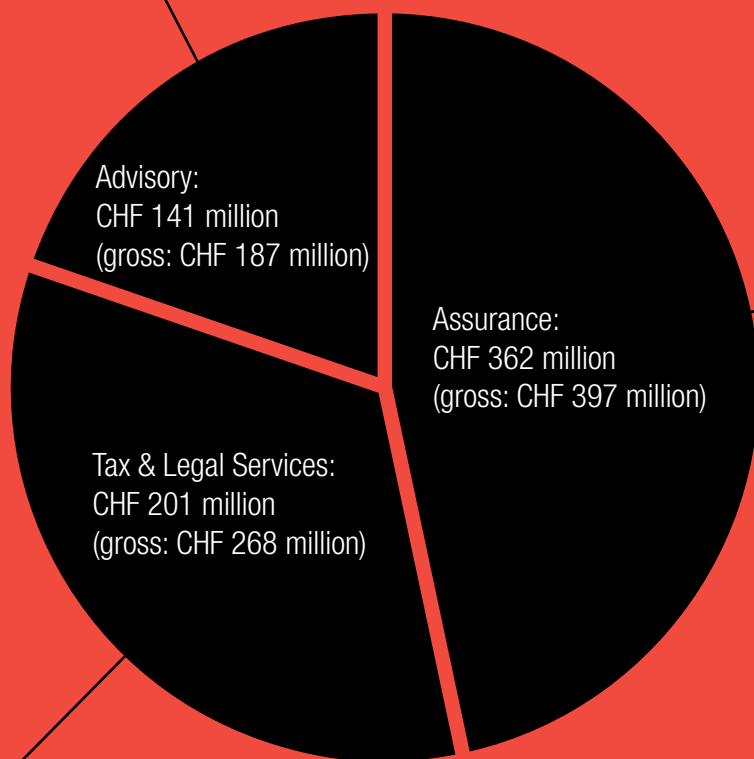
Heinz Hartmann
COO/CFO

Wolfgang Rieder
Leader Advisory

Matthias Jeger
Leader Quality & Regulatory Affairs



Revenues by line of service
net in million CHF



The Assurance service line of PwC Switzerland benefitted from the momentum in the market and recorded a 4% increase in net revenues to a total of CHF 362 million (gross: CHF 397 million, +4%). As a result, PwC Switzerland continues to be the clear number one in its core auditing business. With the latest technologies and new approaches to scrutiny, we ensure that the audit process is more reliable and efficient for our clients. Also, as the first Big 4 firm to do so, PwC Switzerland has reworked its audit report in a way that makes the findings more concrete and transparent.

NET REVENUES:
CHF 362 million
(gross: CHF 397 million)

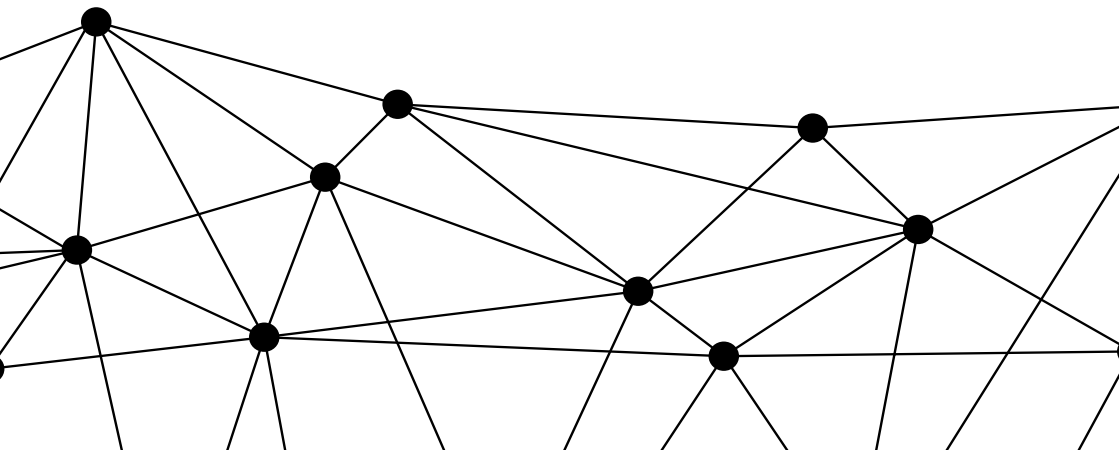
Assurance earned net services income of CHF 362 million (gross: CHF 397 million) in the 2015/16 fiscal year, thereby remaining the clear number one in this market. We won attractive new audit mandates in both the listed and unlisted corporate segments, while also strengthening our position even further in the area of small and medium-sized companies. Our range of offerings for clients in the financial services industry has broadened: issues surrounding regulation and risk management played a central role in this regard, with the technological aspects always being taken into consideration. Significant growth was also achieved in audit-related consulting, this mainly in connection with M&A transactions. The strategy behind these successes is based on our commitment to offer uncompromisingly high-quality audits, the engagement of our seasoned specialists, and the use of the latest technologies.

More efficient and more effective thanks to the digital revolution

As Switzerland's leading firm in the assurance field, our aim is to offer clients the most innovative auditing methods: through the application of data analysis and process intelligence, we have gained an important competitive advantage in the market. And our clients experience it. The quality and meaningfulness of the data and audit findings have been enhanced. The digital revolution is compelling our clients to rethink the way they handle information. Dealing with business-relevant information requires an end-to-end understanding of the entire value chain, of legal and regulatory obligations, and of the individual units that comprise an organisation. Those who have a firm grip on their business information heighten the efficiency and effectiveness of their processes and IT systems, ensure flawless compliance, optimise their risk management, save on costs and altogether gain a sustainable competitive edge. We rise to these challenges and new developments by constantly adapting our digital services, an effort that will be expanded even further in the year ahead.

New audit report: increased transparency, heightened trust

The new audit report is the answer of the International Auditing and Assurance Standards Board (IAASB) to the call for greater transparency that arose in the wake of the financial crisis. It contains more in-depth information on the material financial risks a company faces (Key Audit Matters) and explains the ways and means the auditor applied in addressing those factors. The aim here is to close the expectations gap between the auditing firm and the company's stakeholders – investors in particular. Our experience to date from 20 pilot audit reports of exchange-listed companies: the new audit report forces all parties involved to deal more intensely with the audit mandate as well as the credibility off and hence trust in, the audit.



PwC Switzerland's Tax & Legal service line recorded a 4% gain in net fee revenue to a total of CHF 201 million (gross: CHF 268 million, -3%), thereby expanding even further PwC's clear lead in the Swiss tax advisory business. Heightened transparency requirements, clarification of the OECD BEPS rules, the emergence of more concrete details on Corporate Tax Reform III and other international tax issues are causing structural realignment pressure, higher compliance costs, and risks – but also opportunities – for our clients. We support them in rising to meet these challenges and in their search for optimal solutions.

The net revenues of CHF 201 million (gross: CHF 268 million) million were mainly attributable to advice provided in regard to new rules, such as the OECD BEPS and the gradually crystallising provisions of Corporate Tax Reform III. We helped our clients in their search for solutions in these areas. There was also high demand for legal advice and assistance on matters relating to international value added tax. As a result we were able to reinforce and further expand our leading position in the field of regulatory and financial industry consulting.



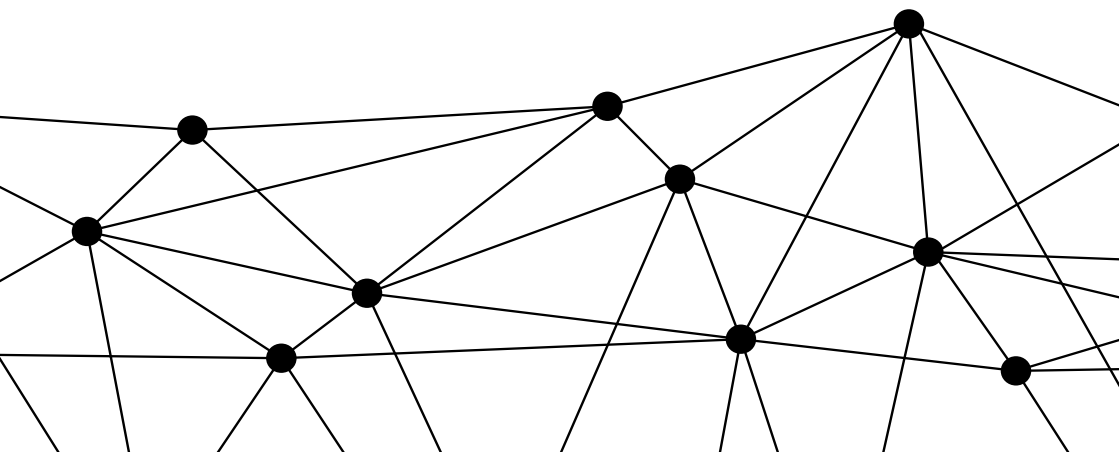
**NET REVENUES:
CHF 201 million
(gross: CHF 268 million)**

Complexity on the rise

The complexity of tax and legal issues has increased significantly in the past 12 months. Our clients, whether small or large businesses or private individuals, are faced with these daunting intricacies and seek help. We tackle the challenges and afford our mandators the leeway they need to focus on their core activities. The continuous expansion of our legal consulting division is also a top priority for us. We view these services as a key component of our multi-competence approach to consulting, which clients greatly appreciate for its holistic inclusion of financial, process and technology expertise. Our palette of services for small and medium-sized enterprises was also broadened in the past fiscal year – from the temporary deployment of experts to the identification and support of business software solutions, all of which helped us to respond even more effectively to the needs of entrepreneurs.

Digitisation in the tax and legal realm

The overall Back office and Compliance operations benefited from our new digitised processes, automations and services. Web accounting solutions with ABACUS data analyses and their display via Qlik, global mobility platforms like MyTaxes and MyVisas, as well as many additional software solutions all helped to support the business of our clients. For instance, we can now also ensure that value added tax can be properly administered digitally and automatically anywhere in the world. These digital offerings add a new dimension to our collaboration with clients and this development will also continue in the coming fiscal year.



The net revenue of PwC Switzerland's Advisory service line rose in the 2015/2016 fiscal year by 41% to CHF 141 million (gross: CHF 187 million, +14%). This increase was mainly attributable to the growth in demand for advice on the implementation of new/revised regulations and the realisation of digital transformations. With the acquisition of iBROWS and the launch of the PwC's Experience Center, PwC Switzerland has become a one-stop source of consulting and execution expertise in the field of digital services. As a result, we can support our clients on their entire digital transformation journey – from strategy through to implementation.

PwC Switzerland's Advisory division earned net services revenues of CHF 141 million (gross: CHF 187 million) in the 2015/16 fiscal year. The consulting business contributed the lion's share of this positive result. We offered our clients added support in the implementation of new or revised regulations and in transitioning successfully into the digital world. PwC Switzerland also recorded growth in its transaction-related business by accompanying clients through the due diligence processes that go hand-in-hand with mergers, acquisitions and divestitures (M&A).



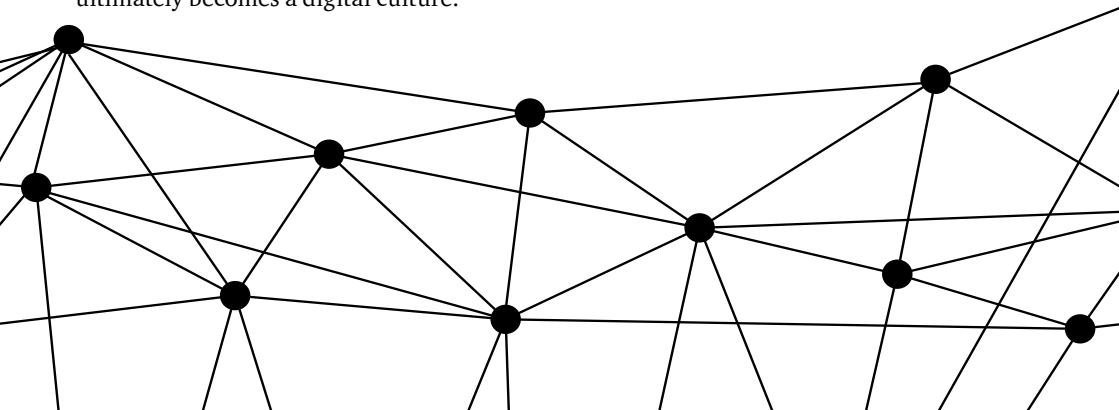
NET REVENUES:
CHF 141 million
(gross: CHF 187 million)

Digital across the board

In the healthcare industry, providers' redoubled focus on their core business activities has led to an increased need for transformation. The same applies in the pharmaceutical sector, where big data is being widely used in research and diagnosis – for example, in the sequencing of genes. New implementing ordinances that expand on existing regulations are also having a considerable impact on the financial services industry. In connection with their new digital technologies and services, banks need to adapt their products and delivery channels while simultaneously ensuring the highest degree of security. The determined effort to mitigate cyber risks has prompted FINMA to impose new regulatory requirements and preventative measures on banks. The insurance industry is also in a phase of transition and faces new challenges due to today's ever-changing customer needs and means of communication. With its PwC's Experience Center, PwC Switzerland has created a one-stop source of advice and realisation. Together with our clients, we can respond rapidly to the needs of the market and launch digitally based products, services and user experiences. And not least of all, we assist our clients in transforming their existing in-house practices into what ultimately becomes a digital culture.

From the seeds of strategy to the harvesting of benefits

Companies want and need a viable strategy that engenders sustainable success. Frequently, the greatest challenge here is not in defining the corporate strategy as such, but rather in implementing it successfully. PwC's merger with Strategy& (formerly, Booz & Company) has borne fruit in this regard in the past fiscal year too: together, we offer a unique combination – from conceptualisation to realisation, or in other words, “strategy through execution” – that indeed results in added value for our clients.

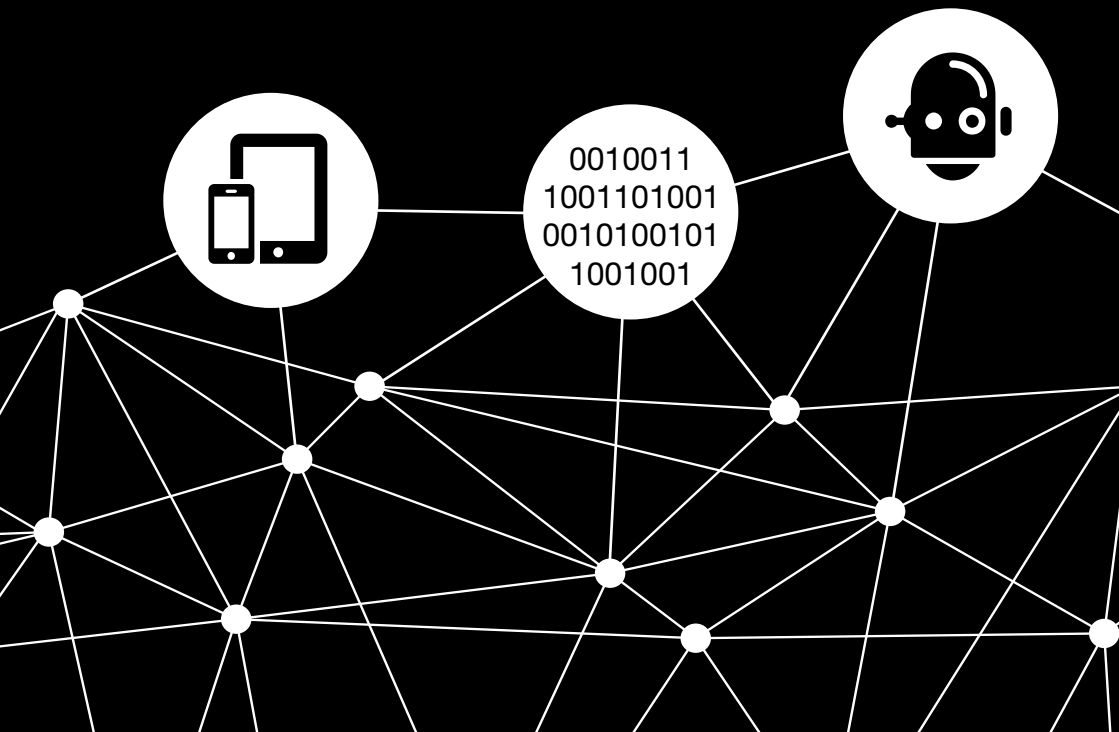


Technological evolution is a game-changer not just for our clients, but for us too. At PwC Switzerland, digital transformation has become a top management priority. This is not merely a matter of implementing new technologies. We want to take new paths that lead to the solution of complex problems. We want to create unique client experiences and shape business processes in ways that offer substantial efficiency gains.

In order to achieve these ambitious goals, we are investing step-by-step in the digital transformation of our services. Beginning in 2014, PwC cemented the base for a revolutionary, innovative, digital strategy think tank through its merger with Strategy&. A successful strategy closes the gap between a vision and its actual realisation. For that reason, this past December PwC Switzerland

acquired iBROWS – one of the leading designers of Web and mobile applications – and together with them opened the PwC's Experience Center in Zurich, a creativity foundry for digital solutions. Also, as of 1 July 2016 we combined our Digital Transformation, PwC's Experience Center, Cyber Security and Data & Analytics units to form the PwC Digital Services division. Thanks to this integrated array of services, our clients will benefit from newly liberated synergies.

From innovation, to strategy, to realisation – the full spectrum of our digital transformation acumen. And we don't just keep that strategic and technological know-how under wraps. We offer it to our clients too; this in the form of advice that enables all of us to profit from the opportunities that lie ahead.

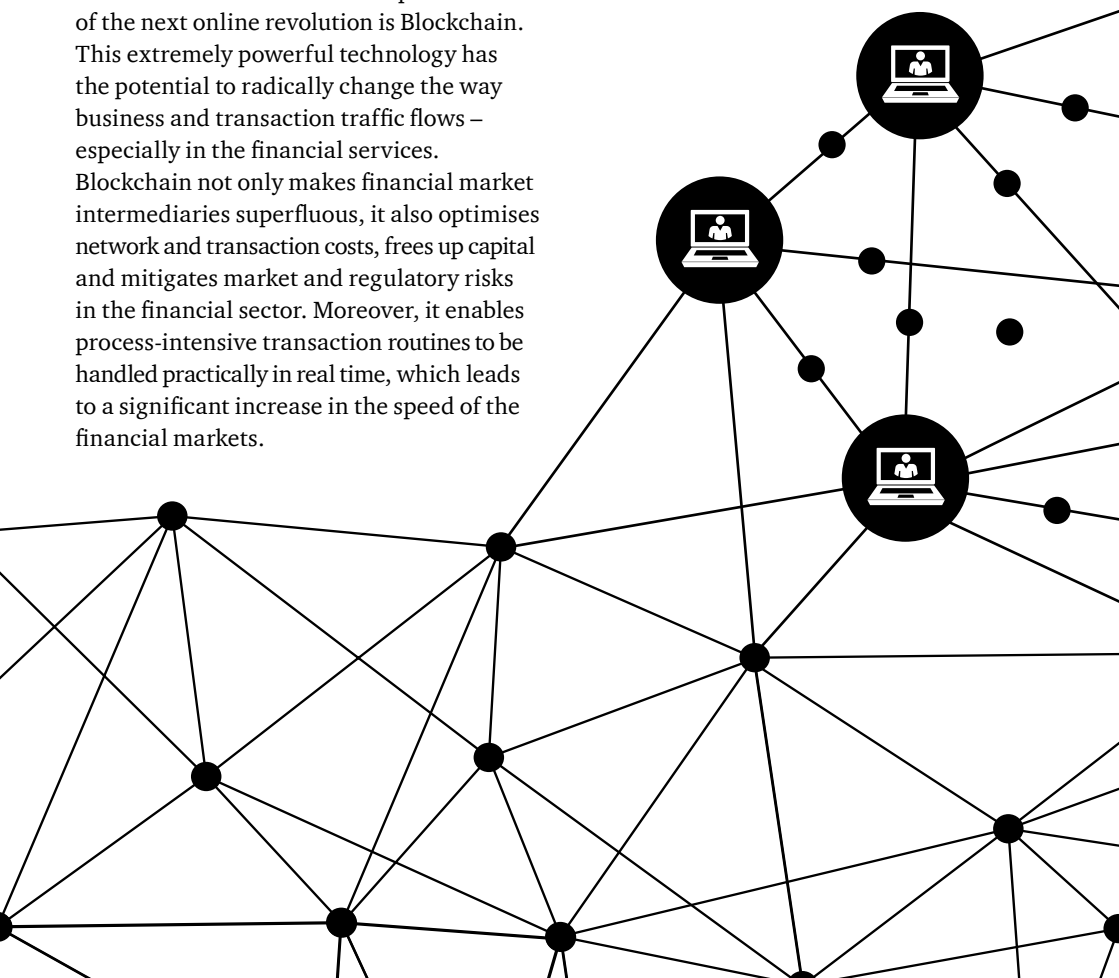


Strategy&*Revolutionising the financial industry with Blockchain*

When it comes to digital strategy consultation, innovation is both a chance and a challenge. To be innovative and remain so, a company needs to recognise industry dynamics and technological trends in their infancy and rapidly derive new possibilities from that insight. Successful digital experts have this ability.

One trend that is considered representative of the next online revolution is Blockchain. This extremely powerful technology has the potential to radically change the way business and transaction traffic flows – especially in the financial services. Blockchain not only makes financial market intermediaries superfluous, it also optimises network and transaction costs, frees up capital and mitigates market and regulatory risks in the financial sector. Moreover, it enables process-intensive transaction routines to be handled practically in real time, which leads to a significant increase in the speed of the financial markets.

Classic financial institutions are under pressure and are therefore investing sizeable amounts in this promising new technology. As is the case with many trailblazing innovations, it can still take a few years until Blockchain-based applications achieve their breakthrough. However, the enormous R&D effort under way in various business sectors, the cooperative attitude of many supervisory authorities, and the media interest in this new technology should accelerate its development significantly.



By proposing four hypotheses on the subject, we are stimulating the current debate and revealing what the Blockchain revolution is really all about: in the near future we expect Blockchains to evoke the same types of fundamental change as those that were brought about by the development of the Internet.

Your contacts

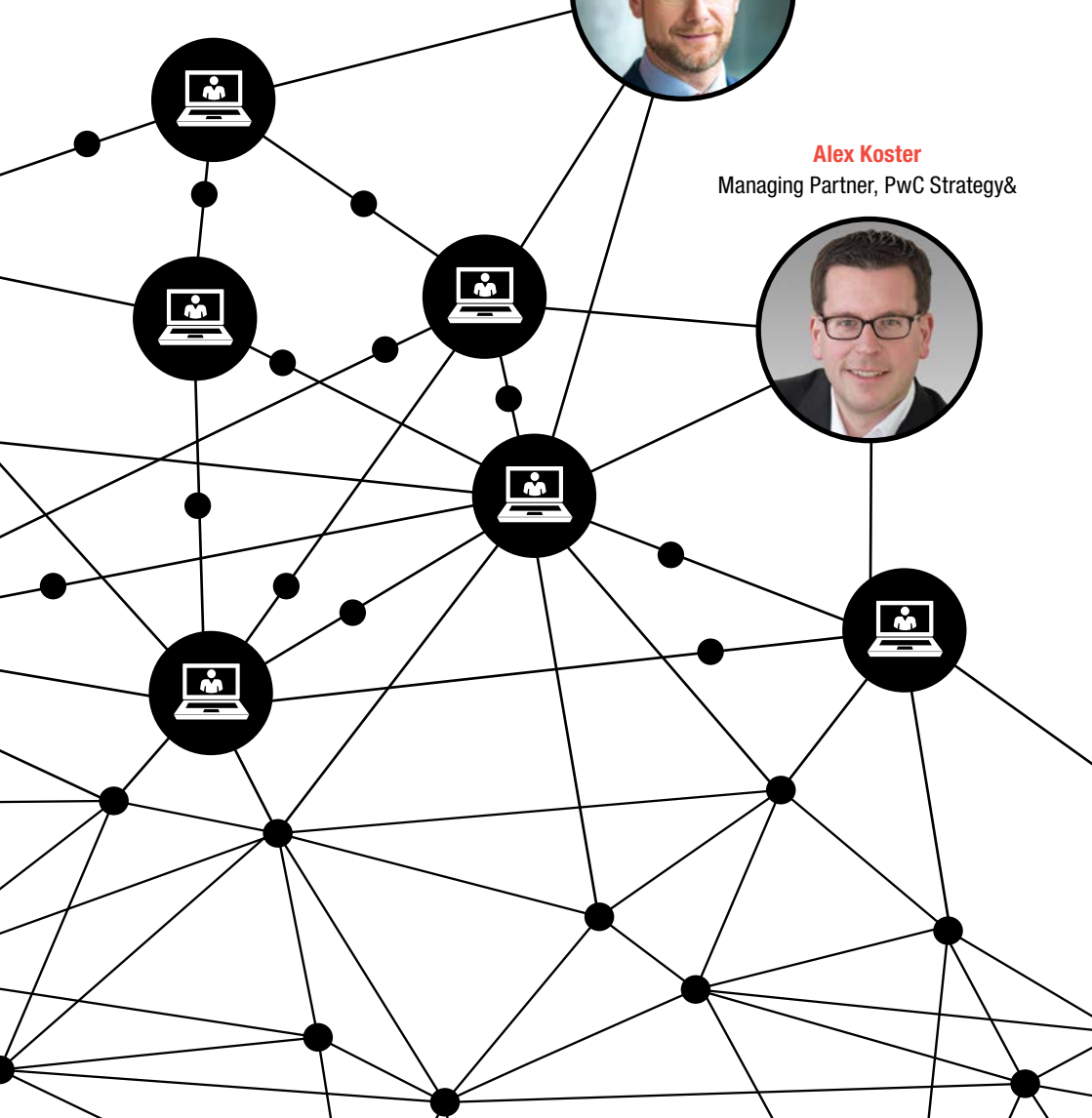
Daniel Diemers

Partner, PwC Strategy&



Alex Koster

Managing Partner, PwC Strategy&



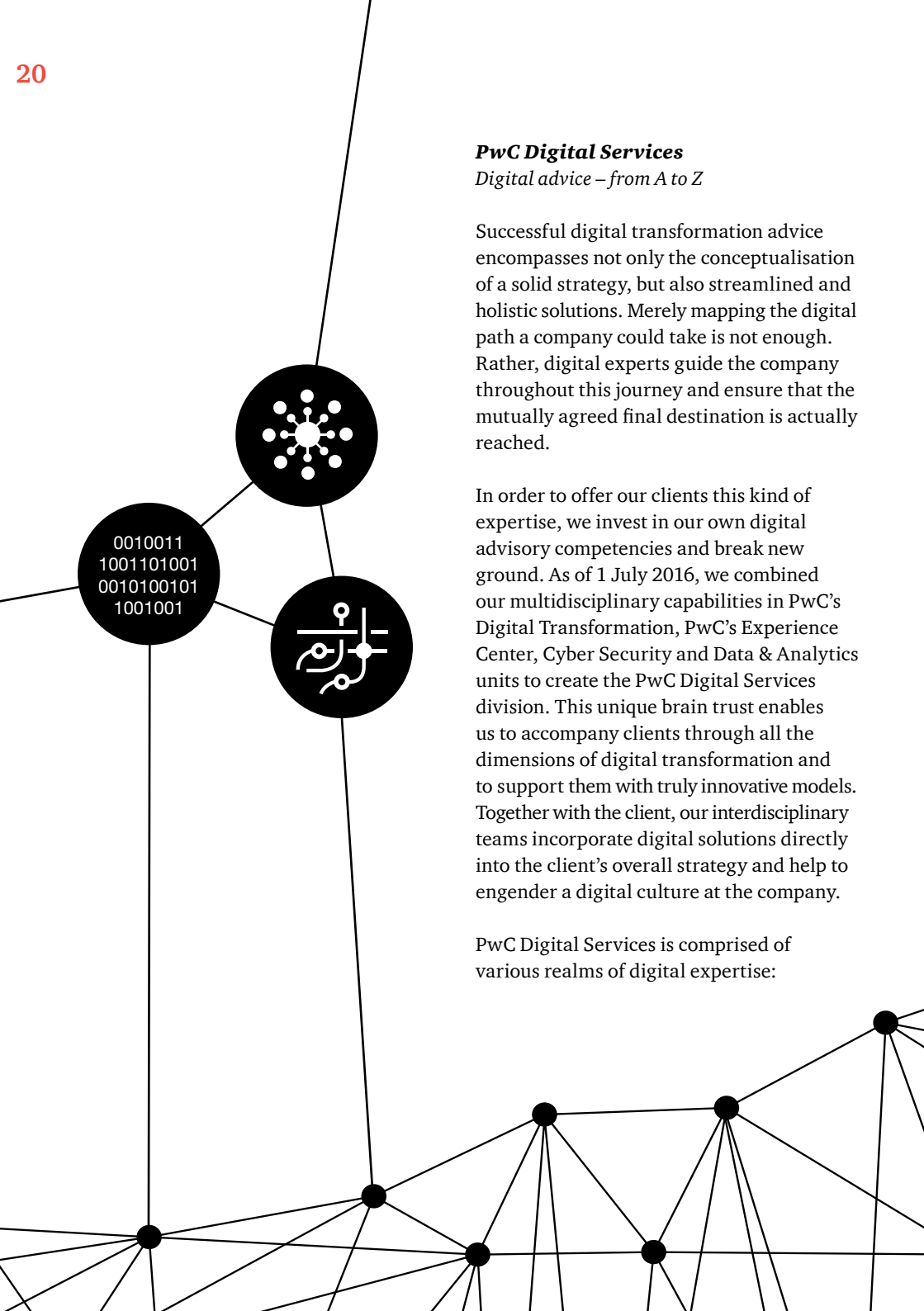
PwC Digital Services

Digital advice – from A to Z

Successful digital transformation advice encompasses not only the conceptualisation of a solid strategy, but also streamlined and holistic solutions. Merely mapping the digital path a company could take is not enough. Rather, digital experts guide the company throughout this journey and ensure that the mutually agreed final destination is actually reached.

In order to offer our clients this kind of expertise, we invest in our own digital advisory competencies and break new ground. As of 1 July 2016, we combined our multidisciplinary capabilities in PwC's Digital Transformation, PwC's Experience Center, Cyber Security and Data & Analytics units to create the PwC Digital Services division. This unique brain trust enables us to accompany clients through all the dimensions of digital transformation and to support them with truly innovative models. Together with the client, our interdisciplinary teams incorporate digital solutions directly into the client's overall strategy and help to engender a digital culture at the company.

PwC Digital Services is comprised of various realms of digital expertise:



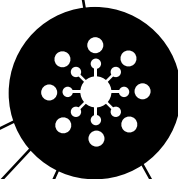
Digital Transformation & PwC's Experience Center

“Taking its earlier merger with Strategy& to the next level, last December PwC Switzerland added to its digital clout by acquiring iBROWS, a firm specialised in the fields of user experience, design and realisation of complex mobile and Web applications. Together with the Digital Transformation advisory team from PwC and Strategy&, the employees of iBROWS constitute the Zurich-based PwC's Experience Center. PwC's Experience Center approach represents PwC's digital accelerator – a combination of physical venues and digital talents from a network of more than 3,000 digital experts at 31 locations across the globe. This unique amalgamation of in-depth industry and transformation know-how, creative talents, new technologies and an innovative testing environment opens new doors: digital transformation – from strategy to realisation. With this approach, novel digital products and services can be tested and brought to market expeditiously.”

Your contact

Holger Greif

Leader Digital Transformation & PwC's Experience Center



Cyber security

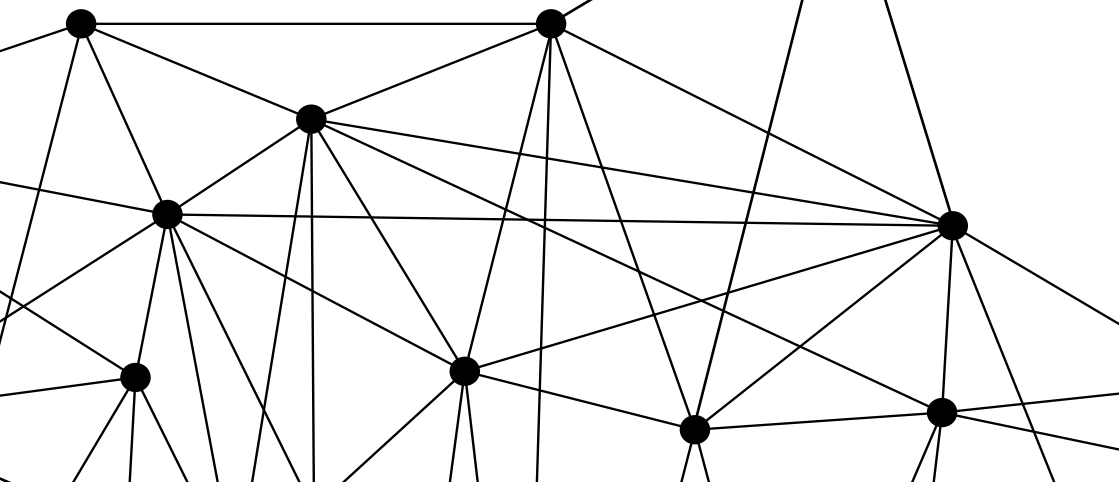
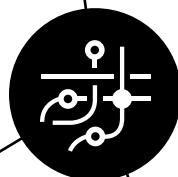
“Data and information safety and security are central challenges for companies when it comes to digitisation and data analysis. With robust solutions for safeguarding that priceless information and adhering to regulations, we protect our clients’ infrastructure and processes against the widest array of highly modern cyber threats. At the same time, we help clients come to grips with new technologies, such as the Cloud safely and in a rule-compliant manner. That fosters trust in the digital transformation. But cyber security is also a global challenge. Through digitisation, companies and governments are becoming ever more closely linked – and that heightens the risk and potential magnitude of cyber attacks. The problem will certainly not go away all on its own. Decision-makers from the governmental, legislative and judicial fields, as well as regulators and insurers must take affirmative action and work together strategically to develop new globally applicable rules on how cyber risks are to be countered.

PwC is actively engaged in Switzerland and throughout the world in forums and discussions on how to drive the inception of these social structures.”

Your contact

Reto Häni

Leader Cyber Security



Data & Analytics

“Data is the currency of digitisation. But raw data is frequently of little or no value – the same goes for the information it relates to. Here, the decisive factor for companies is to be able to glean insight and impulses from all those noughts and ones. We help our clients use the data findings in ways that are supportive to their digital strategy and generate additional benefits across their entire value chain. PwC’s Data Analysis team develops new, intelligent analytical systems that address a broad range of strategic and operational issues. Our aim is to provide decision-makers with relevant information on all of the aspects necessary to arrive at a well-founded decision. Simulations and modelling, statistical and quantitative analyses, as well as dealing with new methods like artificial intelligence – that constitutes the everyday work of our data experts.”

Our integrated approach in daily use

In the past fiscal year, PwC’s digital experts delved deeply into the topic of “personalised medicine”. Together with one of Germany’s largest networks of physicians, we developed a prognostic, self-learning data model and an interactive app. In future, these tools can be used to give patients with multiple sclerosis better advice and treatment. For PwC’s part, experts from our Data & Analytics and Digital Transformation units worked closely with each other to turn this new, comprehensive concept into reality. As part of its introductory phase in the coming year, our cyber experts will also be accompanying the project in order to address matters of relevance to data security.

Your contact

Christian Westermann

Leader Data & Analytics



0010011
1001101001
0010100101
1001001

 A network diagram consisting of several black circular nodes connected by thin black lines. One central node is larger and contains the binary code '0010011', '1001101001', '0010100101', and '1001001'. Other nodes are smaller and are distributed across the bottom and right side of the page.

DISCOVER WHAT SOME OF OUR NEW PARTNERS THINK ABOUT DIGITAL

Marc Secretan

Assurance, Geneva:

“I can hardly imagine getting through day-to-day business life without having digital tools at my disposal. In order to advise and support my clients in the most efficient way possible, I use a wide array of apps on my laptop, smartphone and tablet.”

Most frequently used apps:



Christian Buchert

Tax & Legal Services, Geneva and Zurich:

“For me, the digital transformation means faster and better communication possibilities that enable me to stay in touch with my clients and colleagues round the clock, regardless of where they might be at the moment.”

Most frequently used apps:



Louis Macchi

Tax & Legal Services, Lugano:

“Thanks to the digital transformation, today I have a stronger bond with my clients.”

Most frequently used apps:

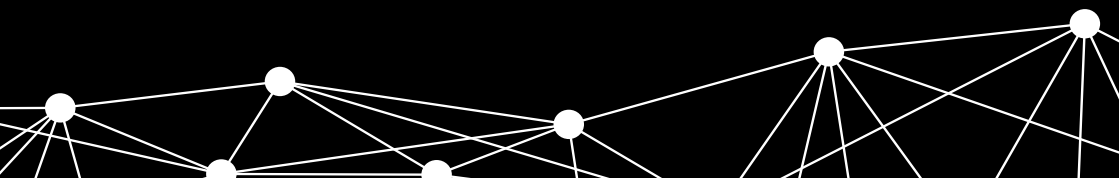


Reto Hänni

PwC Digital Services, Berne:

“As a cyber security expert, I make sure that companies and private individuals can safely tap the vast wellspring of digital possibilities.”

Most frequently used apps:



Nancy Sturzenegger

Tax & Legal Services, Geneva:

“What really matters to me? It’s getting information straight from the source, being right there and making something out of it! I do that by searching for new relationships online, checking and setting up connections on social networks, following clients’ business from my news apps and keeping my to-dos on my phone where they’re always with me!”

Most frequently used apps:

**Patrick Mäder**

Advisory, Zurich:

“The digital world is omnipresent in my life. Thanks to social networks, I can advise my clients anywhere in the world and nurture relationships with my friends and acquaintances.”

Most frequently used apps:

**Cristian Manganiello**

Assurance, Basel:

“Both in my professional and personal life I use various apps that help me to get the max out of the possibilities they offer. By doing so, I can lend optimal support to my clients on their path to success.”

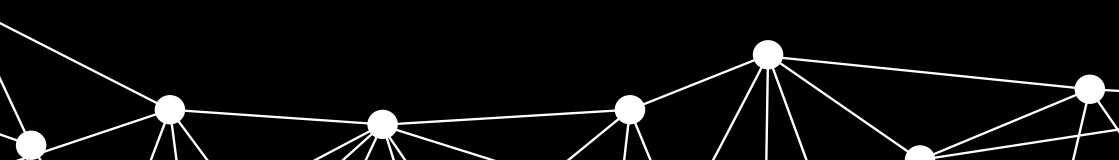
Most frequently used apps:

**Albert Fässler**

Advisory, Zurich:

“Digital aids have become indispensable in my life. Professionally, I advise biotech and pharmaceutical companies with respect to their digital strategy and IT-supported transformation – the potential in this area is enormous.”

Most frequently used apps:

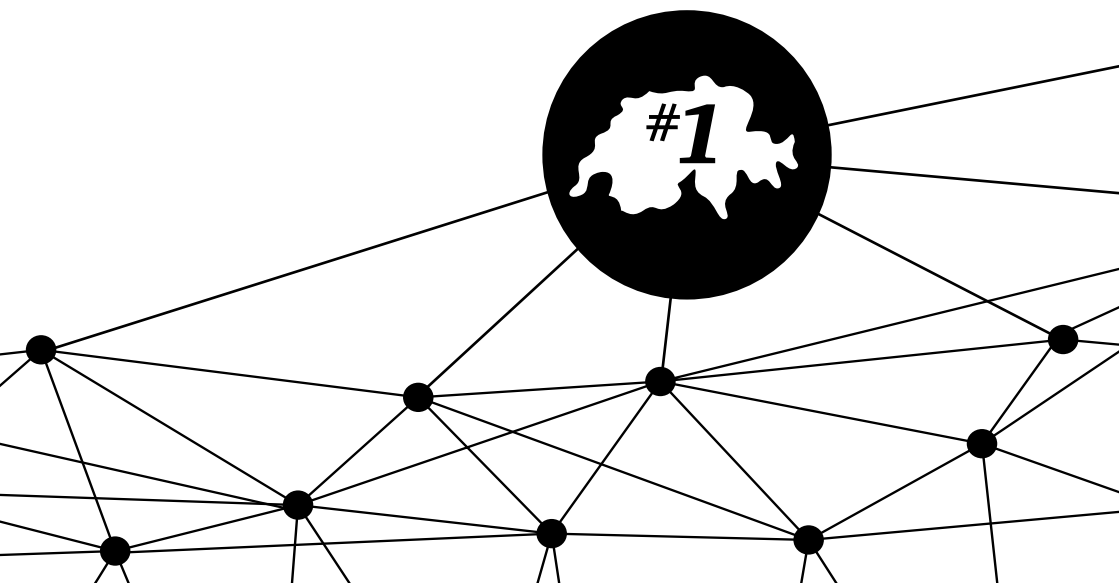


Despite – or perhaps due to – the challenging economic environment, we have extended our lead as number one in the Swiss market. Our Assurance, Tax & Legal and Consulting service lines cater to the needs of small and medium-sized companies from our 14 Swiss bureaus, one in Liechtenstein, and of course our global PwC network of firms. As the pre-eminent force in the market, we take on the responsibility for training new talents and champion a liberal labour market. We also strive to create advantageous working and social conditions, the key to Switzerland's attractiveness as a place for doing business.

The Swiss economy: solid and resilient

One year after the abandonment of the euro/franc cap, the Swiss economy is recovering gradually from the shock. The feared recession has failed to emerge. At 0.9%, real GDP growth in 2015 fell far short of the SECO's original forecast of 2.1%. The economy has indeed been weakened and internationally oriented Swiss companies are faced with a challenging set of variables. But for the coming two years, the expert group of the federal government continues to reckon with a slow revival in economic activity (GDP growth in 2016: 1.5%; 2017: 1.8%). Great Britain's opt-out from the EU ("Brexit") brings with it significant

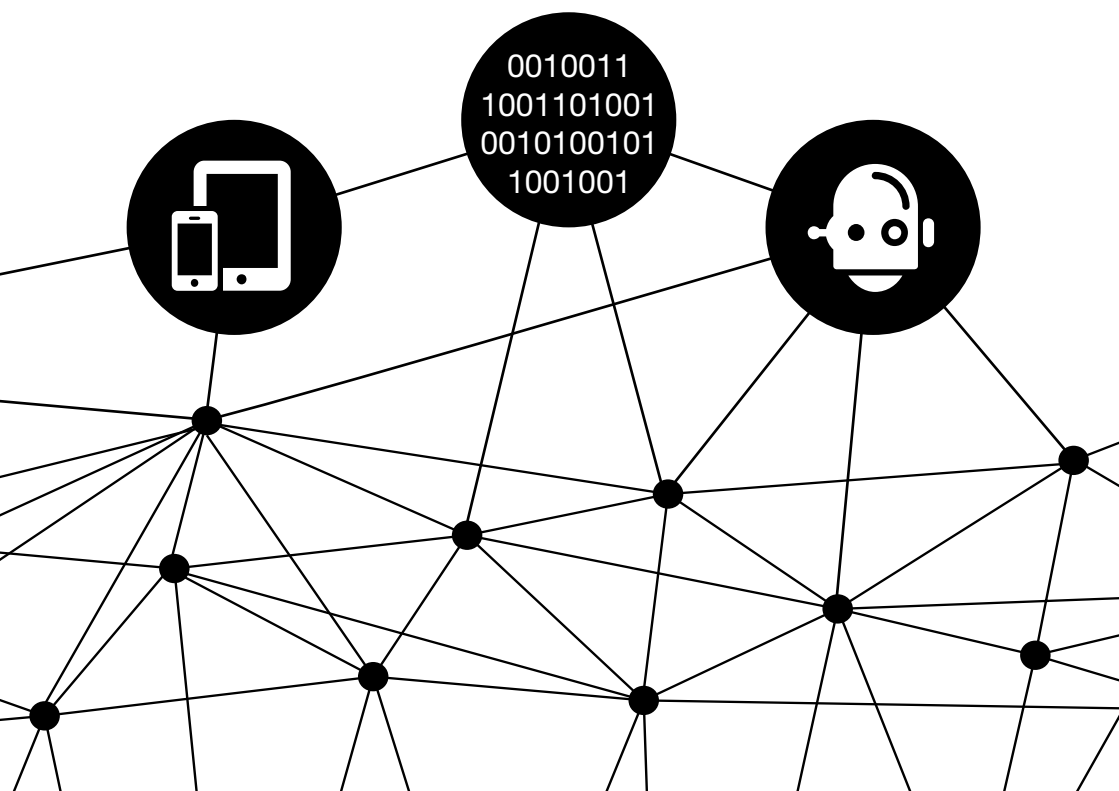
implications for businesses: economic, political and legal uncertainties as well as a lack of trust will shape the months ahead until the details of the exit are clarified. Only weak growth impulses are expected to come from the global economy. Nonetheless, our annual "CEO Survey" reveals that 16% of those corporate heads are "very confident" and 50% are "confident" that their companies will grow over the next twelve months. They see opportunities for growth mainly in other countries, e.g. Germany (56%), the USA (53%) and China (44%). In the opinion of most, technological advances will also open up new possibilities and growth potential for companies.



Digital transformation: a chance for every industry

New technologies are a matter of course in day-to-day business – they have penetrated practically every niche and characterise the typical Swiss workplace. So it comes as no surprise that, compared to last year, companies have increased their technology investments outside the IT budget by roughly 21%. However, the results of our “Global Digital IQ” survey show that businesses still have tremendous potential for using digitisation to create real added value. Swiss companies need to keep pace with the digital transformation and the acceleration caused by innovative technologies and their novel uses.

We, too, have expanded and strengthened our own digital competencies in the past fiscal year. With the acquisition of iBROWS, a designer of Web and mobile applications, we can now offer our clients streamlined solutions for their digital transformation – from innovation, to strategy, to hard-and-fast realisation. Together with our Digital Services team, iBROWS constitutes our new PwC’s Experience Center in Zurich. By having consolidated its internal Digital Transformation, PwC’s Experience Center, Cyber Security and Data & Analytics units into PwC Digital Services, PwC Switzerland has unleashed additional internal synergies and optimised its array of digital services.

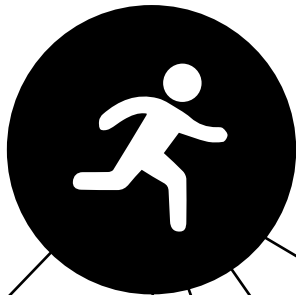


Strengthen the community and foster the advancement of PwC Switzerland as an integrative organisation – these are two of the key objectives of our Corporate Responsibility activities. To that end, we attach great importance to our in-house “Energy to grow your own way” programme, our partnership with Pro Juventute and our pro-bono work on behalf of a large number of charitable institutions. And not least of all, we promote a flexible and individualised approach to work for our employees. We strive to ensure that the comportment of our people and PwC Switzerland as a whole has a positive impact on our surroundings.

Investing in our energy and our future

Having enough energy for everything that’s important to us – both business-wise and in private life. This is what we want to offer our clients as well as our staff, and in doing so also engage with society. Our “Energy to grow your own way” programme takes a holistic approach that centres on activity, attitude, relaxation and nourishment. These elements flow into a wide array of activities:

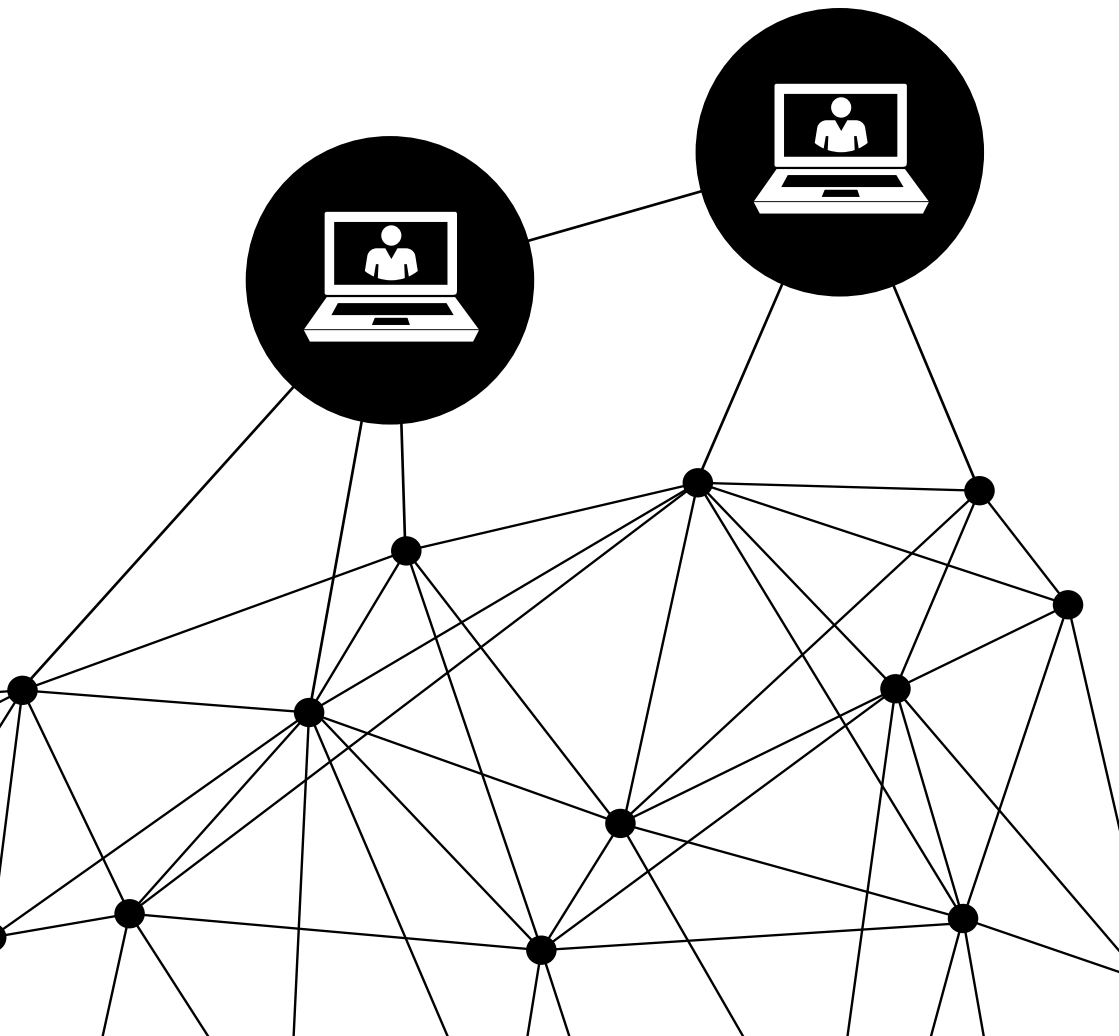
they shape our recruiting efforts, our continuing education courses and our understanding of leadership. Our people invested much sweat and energy on behalf of Pro Juventute by running the 2015 “Greifen-seelauf“, where they racked-up not only kilometre after kilometre, but also contributions to that good cause. This is just one of the ways that PwC Switzerland invests in the energy of its employees and, by partnering with Pro Juventute, demonstrates its commitment to the children and youth of Switzerland. Pro bono publico activities are also an important component of our corporate strategy. Thanks to our voluntary work, non-profit organisations can deploy their limited wherewithal where it counts most, i.e. in achieving a noticeable improvement in the lives of less-privileged people in our society.



Fostering flexibility and diversity

The future of our workaday world will be heavily influenced by digitisation. Modern technologies will change how, where and when our people work and interact with clients. In connection with our Inclusion & Diversity Strategy 2020, we are seeking technologies that fulfil to an even greater extent the needs of our client and employees.

PwC Switzerland now offers a range of flexible worktime options: for example, a freely allocable annual amount of time on the job, or perhaps teleworking as an alternative. By means of the latter, employees can work anywhere in the world and take part in virtual meetings – not to mention spare the environment by reducing the amount they travel.



In the past financial year, PwC Switzerland achieved record net fee revenue growth of CHF 63 million. This corresponds to a sales increase of 10%. All lines of service contributed to this positive performance by significantly expanding their net fee revenue year-on-year. Advisory was once again the driving force, improving its net fee revenue by 41%. Gross fee revenue grew 4% in the 2015/2016 financial year.

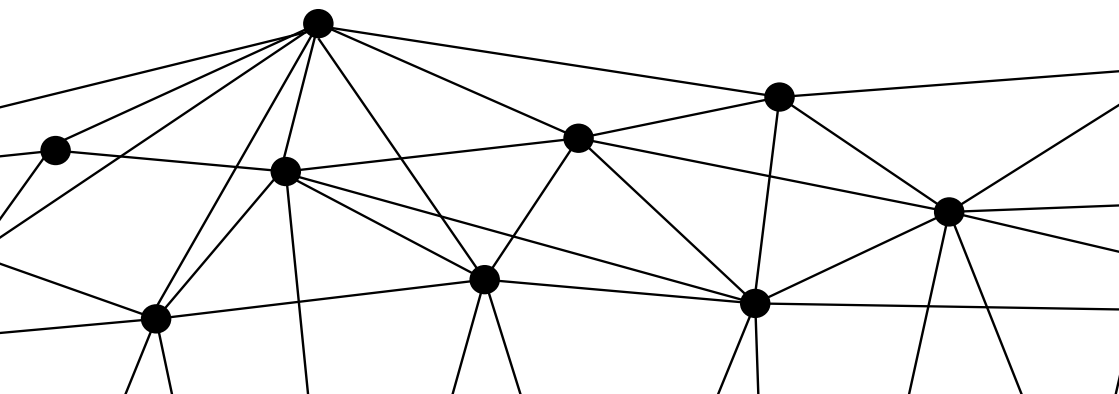
At CHF 852 million, the gross fee revenue of PwC Switzerland exceeded the prior-year level by CHF 31 million. The gross calculation also includes fee revenue generated and actively managed by PwC Switzerland, by partners and employees of other PwC companies or service providers for PwC Switzerland mandates. The net fee revenue adjusted for these factors amounted to CHF 704 million, corresponding to a sales increase of 10%.

Service line results

Assurance continued to post the strongest sales, with gross fee revenue increasing to CHF 397 million (+4%). The service line's net fee revenue was also up 4% to CHF 362 million. Assurance therefore contributed 47% (gross), or 51% (net), to the total sales

revenue of PwC Switzerland, increasing services for customers in the financial sector. Regulatory matters and risk management were key issues – with technological aspects continuing to play a role. Audit-related Advisory services also grew significantly, mainly as a result of M&A activity.

The gross fee revenue for Tax & Legal Services fell by CHF 8 million to CHF 268 million. Tax & Legal Services did, however, increase net fee revenue by CHF 8 million to CHF 201 million, corresponding to 4% growth. More stringent transparency rules, tightening OECD BEPS regulations, and the practical ramifications of Corporate Tax Reform III, in addition to other international tax developments, are leading to pressure for structural change, increased compliance costs, as well as risks and



opportunities for PwC Switzerland's clients. Tax & Legal Services accounted for 31% of the total gross sales of PwC Switzerland and 29% of total net sales.

Advisory once again sharply improved both gross and net sales figures, with gross fee revenue up CHF 23 million to CHF 187 million, corresponding to 14% growth. The service line increased net fee revenue by an impressive CHF 41 million to CHF 141 million, corresponding to 41% growth. PwC Switzerland's growth was primarily due to advisory services for the implementation of regulations or with respect to digital transformation. Transaction activities also contributed to growth within the line of service. Advisory contributed 22% to the gross total revenue of PwC Switzerland, and 20% to its net total revenue.

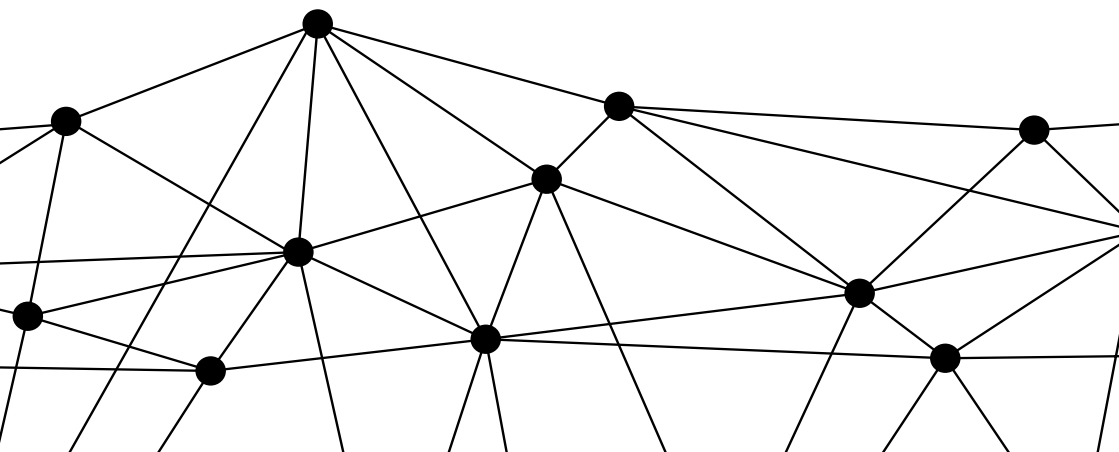
Results by industry group

PwC Switzerland achieved its biggest (gross) sales growth of 14% in the finance sector (banks, asset management, insurance). The company also posted pleasing sales

increases in the public sector (+12%) as well as in the Technology, Telecommunications, Media and Entertainment grouping (+5%). Following a strong increase in the prior year, gross service fee revenue in the Retail and Consumer Goods, Life Sciences, Energy and Industrial Manufacturing grouping was 4% lower in the past financial year. The figures for the prior year were adjusted due to changes within the industry groups and customer segments.

Key indicators

To manage its performance, PwC relies not only on financial indicators, but also on a set of key performance indicators (KPIs). These cover the three dimensions of Customers, Employees and the Company. With the help of these indicators, PwC assesses how well it reaches its strategic goals.



... by service line (gross)

	2014/15 in CHF m	2015/16 in CHF m	Change in CHF m	Change in %	in % of total
Assurance	381	397	16	4	47
Tax & Legal Services	276	268	-8	-3	31
Advisory	164	187	23	14	22
Total	821	852	31	4	100

... by service line (net)

	2014/15 in CHF m	2015/16 in CHF m	Change in CHF m	Change in %	in % of total
Assurance	348	362	14	4	51
Tax & Legal Services	193	201	8	4	29
Advisory	100	141	41	41	20
Total	641	704	63	10	100

... by industry group (gross)

	2014/15 in CHF m	2015/16 in CHF m	Change in CHF m	Change in %	in % of total
Industrial Manufacturing, Retail and Consumer Goods, Life Sciences, Energy, Other	443	426	-17	-4	50
Banking, Asset Management and Insurance	263	301	38	14	35
Public Sector	58	65	7	12	8
Technology, Telecommunications, Infocomm and Media	57	60	3	5	7
Total	821	852	31	4	100

Number of employees*

	30.06.2015	30.06.2016	Change	Change in %	in % of total
Assurance	1,327	1,373	46	3	46
Tax & Legal Services	758	779	21	3	26
Advisory	374	557	183	49	18
IFS	274	280	6	2	9
Apprentices	34	33	-1	-3	1
Total	2,767	3,022	255	9	100

* Excluding Stagiaire/Trainees and Contractors



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At PwC, our purpose is to build trust in society and solve important problems. We're a network of firms in 157 countries with more than 208,000 people who are committed to delivering quality in assurance, advisory and tax services. Within PwC Switzerland more than 3,000 employees and partners in 14 locations in Switzerland and one in the Principality of Liechtenstein help to create the value organisations and individuals are looking for. Find out more and tell us what matters to you by visiting us at www.pwc.ch.

PwC refers to the PwC network and/or one or more of its member firms, each of which is a separate legal entity. Please see www.pwc.com/structure for further details.

