

Indicative Termsheet as of 16/06/2016

Yield Enhancement Certificate on SMI Stocks

Continuous Multi Barrier Observation on the weekly close

Final Fixing Date 24/06/2019; issued in CHF; listed on SIX Swiss Exchange AG

ISIN CH0317277017 | Swiss Security Number 31727701 | SIX Symbol CBELTQ

Investors should read the section "Significant Risks" below as well as the section "Risk Factors" of the relevant Programme.

This Product is a derivative instrument. It does not qualify as unit of a collective investment scheme pursuant to art. 7 et seqq. of the Swiss Federal Act on Collective Investment Schemes (CISA) and is therefore neither registered nor supervised by the Swiss Financial Market Supervisory Authority FINMA. Investors do not benefit from the specific investor protection provided under the CISA.

In addition, investors are subject to the credit risk of the Issuer and Guarantor, if any.

Until the Initial Fixing Date, the terms of this Termsheet are indicative and may be adjusted anytime. The issuer is not obliged to issue the product.

This document is not a prospectus within the meaning of article 1156 of the Swiss Code of Obligations (CO).

I. PRODUCT DESCRIPTION

Product description

This Product offers the Investor a Coupon Amount regardless of the performance of the Underlyings during the lifetime of the Product. If less than seven Barrier Events have occurred, the Investor will receive on the Redemption Date a Cash Settlement equal to the Denomination. Otherwise, the Redemption of the product will depend on the Number of Barrier Events, as described under "Redemption".

UNDERLYING

Underlying	Related Exchange	Bloomberg Ticker	Initial Fixing Level (100%)*	Barrier Level (59.00%)*
ABB LTD-REG	SIX Swiss Exchange AG	ABBN VX	CHF TBA	CHF TBA
ACTELION LTD-REG	SIX Swiss Exchange AG	ATLN VX	CHF TBA	CHF TBA
ADECCO SA-REG	SIX Swiss Exchange AG	ADEN VX	CHF TBA	CHF TBA
CIE FINANCIERE RICHEMONT- REG A	SIX Swiss Exchange AG	CFR VX	CHF TBA	CHF TBA
CREDIT SUISSE GROUP AG-REG	SIX Swiss Exchange AG	CSGN VX	CHF TBA	CHF TBA
GEBERIT AG-REG	SIX Swiss Exchange AG	GEBN VX	CHF TBA	CHF TBA
GIVAUDAN-REG	SIX Swiss Exchange AG	GIVN VX	CHF TBA	CHF TBA
JULIUS BAER GROUP LTD	SIX Swiss Exchange AG	BAER VX	CHF TBA	CHF TBA
LAFARGEHOLCIM LTD	SIX Swiss Exchange AG	LHN VX	CHF TBA	CHF TBA
NESTLE SA-REG	SIX Swiss Exchange AG	NESN VX	CHF TBA	CHF TBA
NOVARTIS AG-REG	SIX Swiss Exchange AG	NOVN VX	CHF TBA	CHF TBA
ROCHE HOLDING AG-GENUSSSCHEIN	SIX Swiss Exchange AG	ROG VX	CHF TBA	CHF TBA
SGS SA-REG	SIX Swiss Exchange AG	SGSN VX	CHF TBA	CHF TBA
SWATCH GROUP AG/THE-BR	SIX Swiss Exchange AG	UHR VX	CHF TBA	CHF TBA
SWISS LIFE HOLDING AG-REG	SIX Swiss Exchange AG	SLHN VX	CHF TBA	CHF TBA
SWISS RE AG	SIX Swiss Exchange AG	SREN VX	CHF TBA	CHF TBA

* will be determined on the Initial Fixing Date (levels are expressed in percentage of the Initial Fixing Level)

Subscription 08/06/2016 - 24/06/2016	First Exchange Trading Date 01/07/2016	Barrier Observation 24/06/2016 - 24/06/2019	Final Fixing Date 24/06/2019	Redemption Date 01/07/2019		

Underlying	Related Exchange	Bloomberg Ticker	Initial Fixing Level (100%)*	Barrier Level (59.00%)*
SWISSCOM AG-REG	SIX Swiss Exchange AG	SCMN VX	CHF TBA	CHF TBA
SYNGENTA AG-REG	SIX Swiss Exchange AG	SYNN VX	CHF TBA	CHF TBA
UBS GROUP AG-REG	SIX Swiss Exchange AG	UBSG VX	CHF TBA	CHF TBA
ZURICH INSURANCE GROUP AG-REG	SIX Swiss Exchange AG	ZURN VX	CHF TBA	CHF TBA

PRODUCT DETAILS

Swiss Security Number	31727701
ISIN	CH0317277017
SIX Symbol	CBELTQ
Issue Price	100.00%
Issue Size	CHF 10'000'000 (can be increased at any time)
Denomination	CHF 1'000
Settlement Currency	CHF
Coupon Rate	4.00% p.a. The Coupon Rate is split in two components for Swiss taxation purposes: Interest Component 0.00% p.a. * Option Premium Component 4.00% p.a. *
Coupon Amount(s) and Coupon Payment Date(s)	The Coupon Amount(s) per Product will be paid in the Settlement Currency on the respective Coupon Payment Date(s). Following Business Day Convention applies. CHF 20.00 paid on 01/01/2017 CHF 20.00 paid on 01/07/2017 CHF 20.00 paid on 01/01/2018 CHF 20.00 paid on 01/07/2018 CHF 20.00 paid on 01/01/2019 CHF 20.00 paid on 01/07/2019

DATES

Subscription Start Date	08/06/2016
Subscription End Date	24/06/2016 14.00 CET Please note that the Subscription Period might be closed earlier.
Initial Fixing Date	24/06/2016 (or the day when the Subscription Period ends)
Issue Date	01/07/2016
First Exchange Trading Date	01/07/2016 (anticipated)
Last Trading Day/Time	24/06/2019 / Exchange market close
Final Fixing Date	24/06/2019 (subject to Market Disruption Event provisions)
Redemption Date	01/07/2019 (subject to Settlement Disruption Event provisions)

REDEMPTION

The Coupon Amount(s) per Product will be paid in any case at the respective Coupon Payment Date(s). In addition the Investor is entitled to receive from the Issuer on the Redemption Date per Product:

Scenario 1	If LESS THAN SEVEN Barrier Events have occurred, the Investor will receive a Cash Settlement in the Settlement Currency equal to: Denomination
Scenario 2	If SEVEN OR MORE Barrier Events have occurred, the Investor will receive a Cash Settlement in the Settlement Currency according to the following formula: $Denomination \times (100\% - (\text{Number of Barrier Events} - 6) \times 7.142\%)$

Initial Fixing Level	Official close of the respective Underlying on the Initial Fixing Date on the Related Exchange, as determined by the Calculation Agent.
Final Fixing Level	Official close of the respective Underlying on the Final Fixing Date on the Related Exchange, as determined by the Calculation Agent.
Barrier Event	A Barrier Event shall be deemed to occur if on any Barrier Observation Date the official close of at least one of the Underlyings is at or below the respective Barrier Level, as reasonably determined by the Calculation Agent. For the avoidance of doubt, there can be multiple Barrier Events and the Barrier Events will be monitored for each Underlying separately.
Barrier Observation Dates	Weekly, each Monday until 24/06/2019, starting as of 04/07/2016. If any of the Barrier Observation Dates is not a Business Day, the next following Business Day will apply.

GENERAL INFORMATION

Issuer	Leonteq Securities AG, Zurich, Switzerland (Rating: n/a, Supervisory Authority: FINMA)
Lead Manager	Leonteq Securities AG, Zurich, Switzerland
Calculation Agent	Leonteq Securities AG, Zurich, Switzerland
Paying Agent	Leonteq Securities AG, Zurich, Switzerland
Distribution Fees	Up to 0.34% p.a. (incl. VAT, if any. Reference is made to section "Remunerations to Third Parties" herein and to the General Terms and Conditions of the Programme.)
Issuer Estimated Value ("IEV")	98.46% (reference is made to paragraph "Issuer Estimated Value and Total Expense Ratio" in section Additional Information/Disclaimer herein)
Total Expense Ratio ("TER")	0.51% p.a. (reference is made to paragraph "Issuer Estimated Value and Total Expense Ratio" in section Additional Information/Disclaimer herein)
Listing/Exchange	SIX Swiss Exchange AG; traded on SIX Structured Products Exchange AG Listing will be applied for.
Secondary Market	Daily price indications will be available from 09:15 - 17:15 CET on www.leonteq.com , Thomson Reuters [SIX Symbol]=LEOZ or [ISIN]=LEOZ and Bloomberg [ISIN] Corp or on LEOZ.
Quoting Type	Secondary market prices are quoted clean; accrued interest is NOT included in the prices.
Quotation Type	Secondary market prices are quoted in percentage.
Coupon Day Count Convention	30/360; Unadjusted; Accruing during each coupon period (including start and excluding end date).
Settlement Type	Cash Settlement
Minimum Investment	CHF 1'000
Minimum Trading Lot	CHF 1'000
Selling Restrictions	No action has been or will be taken to permit a public offering of the Products or possession or distribution of any offering material in relation to the Products in any jurisdiction, where such action for that purpose is required. Consequently, any offer, sale or delivery of the Products, or distribution or publication of any offering material relating to the Products, may only be made in or from any jurisdiction in compliance with applicable laws and regulations not imposing any obligations on the Issuing Parties or the Lead Manager. Possible limitations resulting from legal restrictions with regard to cross-border communication and cross-border business concerning the Products and related information remain reserved. Most important jurisdictions where the Products may not be publicly distributed are EEA, UK, Hong Kong and Singapore. The Products may not be offered or sold within the United States or to, or for the account or benefit of US persons (as defined in Regulation S). Detailed information on Selling Restrictions is published in the Programme which is available on www.leonteq.com .
Clearing	SIX SIS Ltd, Euroclear, Clearstream
Depository	SIX SIS Ltd
Public Offering	Switzerland
Form	Uncertificated Security / Book-entry
Governing Law / Jurisdiction	Swiss / Zurich

The definition "Issuing Party/Parties" as used herein, means the Issuer, as indicated in section "General Information".

TAXATION SWITZERLAND

Swiss Federal Stamp Duty	For Swiss stamp duty purpose, the Product is treated as analogous to a bond. Therefore, secondary market transactions are in principle subject to Swiss stamp duty (TK22).
Swiss Federal Income Tax (for private investors with tax domicile in Switzerland)	For private investors with tax domicile in Switzerland holding the Product as part of their private property, the Interest Component of the coupon on the respective payment date(s) is subject to the Federal Direct Tax. The Option Premium Component is considered as a capital gain and is therefore tax exempt for such Investors. The tax treatment regarding the cantonal and communal income taxes can differ from the tax treatment regarding the Federal Direct Tax. But in general the income tax treatments are corresponding.
Swiss Withholding Tax	The following part(s) of the Product is/are subject to the Swiss withholding tax: the Interest Component of the coupon on its respective payment date.
EU Savings Tax	For Swiss paying agents, the Product is not subject to the EU Savings tax.

For Investors resident in a state with whom Switzerland has concluded a bilateral agreement on a final withholding tax (currently in place with Austria and the United Kingdom) and provided the product is held in a custody account with a qualifying Swiss paying agent (deposit bank), any investment income or realised capital gains might be subject to the final withholding tax as laid out in the respective bilateral agreement. The applicable tax rate depends on the home country of the investor and the category of capital income or capital gain.

The tax information is a non-binding summary and only provides a general overview of the potential Swiss tax consequences linked to this Product at the time of issue. Tax laws and tax interpretation may change at any time, possibly with retroactive effect.

Investors and prospective Investors are advised to consult with their tax advisers with respect to the Swiss tax consequences of the purchase, ownership, disposition, lapse or exercise or redemption of a Product in light of their particular circumstances. The Issuing Parties and the Lead Manager hereby expressly exclude any liability in respect of any possible tax implications.

Information with regards to bond floor taxation

Updated bondfloor information, if a bondfloor is applicable to the Product (according to "Product Details" and "Taxation Switzerland" herein), can be found on the following web page of the Swiss Federal Tax Administration (FTA): www.ictax.admin.ch. The Investor must be aware that for tax purposes the value of the bond floor is converted into Swiss Francs (CHF) at inception/purchase as well as at sale/redemption of the Product, in case

the Product is denominated in another currency than CHF. Thus, the Investor is exposed to the foreign exchange risk with regard to the taxable income calculation and thus also the withholding tax calculation, if applicable.

PRODUCT DOCUMENTATION

The Indicative Termsheet includes the information required for a preliminary simplified prospectus pursuant to Article 5 of the Swiss Federal Act on Collective Investment Schemes ("CISA"). The Termsheet, which will be available no later than on the Issue Date, as well as the Final Termsheet include the information required for a definitive simplified prospectus pursuant to Article 5 CISA. The Termsheet contains a summary of information of the Product and is for information purposes only. **Only the Final Termsheet together with the Derivative Programme of the relevant Issuer valid as per the Initial Fixing Date containing all further relevant terms and conditions, as such is amended from time to time (the "Programme"), shall form the entire and legally binding documentation for this Product ("Product Documentation"),** and accordingly the Final Termsheet should always be read together with the Programme. Definitions used in the Final Termsheet, but not defined therein, shall have the meaning given to them in the Programme. **Even though translation into other languages might be available, it is only the Final Termsheet and Derivative Programme in English which are legally binding.**

Notices to Investors in connection with this Product shall be validly given in accordance with the terms and conditions of the Programme. In addition, any changes with regard to the terms and conditions of this Product will be published on the relevant Termsheet on www.leonteq.com under the section "Products" or, for listed products, in any other form as permitted by the rules and regulations of the SIX Swiss Exchange Ltd. Notices to Investors relating to the Issuing Parties will be published under the section "About us" on www.leonteq.com and/or on the web page of the respective Issuing Party.

During the whole term of this Product, the Product Documentation can be ordered free of charge from the Lead Manager at Brandschenkestrasse 90, P.O. Box 1686, CH-8027 Zurich (Switzerland), via telephone (+41-(0)58-800 1000*), fax (+41-(0)58-800 1010) or via e-mail (termsheet@leonteq.com). Please note that all calls made to numbers marked with an asterisk (*) are recorded. By calling such number, your consent to the recording is deemed given.

II. PROSPECTS FOR PROFIT AND LOSS

This Product falls within the category „Yield Enhancement“ which means that there is an upper limit to the profit an Investor can realize with this Product. At redemption the Investor could receive a maximum amount corresponding to the invested capital (excluding any transaction or other costs) plus any additional (guaranteed and/or conditional) payments such as coupon or participation payments, bonuses or others.

On the downside, especially if the Product has forfeited any contingent capital protection (like e.g. a barrier, strike), the Investor is exposed to the negative development of the Underlying(s). This might (even if a stop loss event has occurred) lead to a partial or even a total loss of the investment.

Please refer to the sections "Product Description" and "Redemption" for more detailed information on the characteristics of this Product.

III. SIGNIFICANT RISKS

RISK FACTORS RELATING TO THE PRODUCT

The Investor could lose the total capital invested if Barrier Events have occurred. However, the Investor will always receive the Coupon Amount for the Product irrespective of the redemption scenario applicable.

ADDITIONAL RISK FACTORS

Prospective Investors should ensure that they fully understand the nature of this Product and the extent of their exposure to risks and they should consider the suitability of this Product as an investment in the light of their own circumstances and financial condition. Products involve a high degree of risk, including the potential risk of expiring worthless. Potential Investors should be prepared in certain circumstances to sustain a total loss of the capital invested to purchase this Product. Prospective Investors shall consider the following important risk factors and see the section "Risk Factors" of the Programme for details on all other risk factors to be considered.

This is a structured product involving derivative components. Investors should make sure that their advisors have verified that this Product is suitable for the portfolio of the investor taking into account the investor's financial situation, investment experience and investment objectives.

The terms and conditions of the Product may be subject to adjustments during the lifetime of the Product as set out in the Programme.

Investors whose usual currency is not the currency in which the Product is redeemed should be aware of their possible currency risk. The value of the Product may not correlate with the value of the Underlying(s).

Market Risks

The general market performance of securities is dependent, in particular, on the development of the capital markets which, for their part, are influenced by the general global economic situation as well as by the economic and political framework conditions in the respective countries (so-called market risk). Changes to market prices such as interest rates, commodity prices or corresponding volatilities may have a negative effect on the valuation of the Underlying(s) or the Product. There is also the risk of market disruptions (such as trading or stock market interruptions or discontinuation of trading) or other unforeseeable occurrences concerning the respective Underlyings and/or their stock exchanges or markets taking place during the term or upon maturity of the Products. Such occurrences can have an effect on the time of redemption and/or on the value of the Products.

No dividend payment

This Product does not confer any claim to receive rights and/or payments of the underlying, such as dividend payments, unless explicitly stated herein, and therefore, without prejudice to any coupon or dividend payments provided for in this Termsheet, does not yield any current income. This means that potential losses in value of the Product cannot be compensated by other income.

Credit Risk of Issuing Parties

Investors bear the credit risk of the Issuing Parties of the Product. The Products constitute unsubordinated and unsecured obligations of the relevant Issuing Party and rank pari passu with each and all other current and future unsubordinated and unsecured obligations of the relevant Issuing Party. The insolvency of an Issuing Party may lead to a partial or total loss of the invested capital.

Potential Investors should note that the Issuer is not rated by the credit rating agencies, i.e. there is no credit rating for the Issuer.

Secondary Market

The Issuer and/or the Lead Manager or any third party appointed by the Issuer, as applicable, intends, under normal market conditions, to provide bid and offer prices for the Products on a regular basis (if specified in the section "General Information"). However, the Issuer and/or the Lead Manager, as applicable, make no firm commitment to provide liquidity by means of bid and offer prices for the Products, and assume no legal obligation to quote any such prices or with respect to the level or determination of such prices. In special market situations, where the Issuer and/or the Lead Manager is/are unable to enter into hedging transactions, or where such transactions are very difficult to enter into, the spread between the bid and offer prices may be temporarily expanded, in order to limit the economic risks of the Issuer and/or the Lead Manager.

Illiquidity Risk

One or, if applicable, more of the Underlyings might be or become illiquid over the life time of the Product. Illiquidity of an Underlying might lead to larger bid/offer spreads of the Product and/or to an extended time period for buying and/or selling the Underlying respective to acquire, unwind or dispose of the hedging transaction(s) or asset(s) or to realise, recover or remit the proceeds of such hedging transaction(s) or asset(s) which might implicate a postponed redemption or delivery and/or a modified redemption amount, as reasonably determined by the Calculation Agent.

ADDITIONAL INFORMATION / DISCLAIMER

Prudential Supervision

Leonteq Securities AG, Zurich has a securities dealers licence issued by the FINMA and is under the supervision by the FINMA.

Conflict of Interests

The Issuing Parties and/or the Lead Manager and/or any third party appointed by them, as the case may be, may from time to time, as principal or agent, have positions in, or may buy or sell, or make a market as well as be active on both sides of the market at the same time in any securities, currencies, financial instruments or other assets underlying the products to which this document relates. The Issuer's and Lead Manager's and/or the appointed third party's trading and/or hedging activities related to this transaction may have an impact on the price of the Underlying and may affect the likelihood that any relevant Barrier Level, if any, is reached.

Remunerations to Third Parties

Depending on the circumstances the Issuer and/or Lead Manager may sell this Product to financial institutions or intermediaries at a discount to the Issue Price or reimburse a certain amount to such financial institutions or intermediaries (reference is made to section "General Information" herein).

In addition, for certain services rendered by distribution partners and to increase quality and services relating to the Products, the Issuer and/or Lead Manager may from time to time pay trailer fees to such third parties.

Distribution fees are disclosed under "Distribution Fees" in section "General Information" herein.

Further information is available on request.

Issuer Estimated Value and Total Expense Ratio

The Issuer Estimated Value (the "IEV") and the Total Expense Ratio (the "TER") are calculated by the Issuer and/or the Lead Manager or any third party appointed by the Issuer, as applicable, on the Initial Fixing Date, or at the beginning of the subscription period and will not be updated during the lifetime of the Product. The TER corresponds to the difference between the Issue Price of the Product and the IEV and is comprised of the expected issuer margin and the Distribution Fee, if such is applicable (as stated in section "General Information" herein). The issuer margin covers amongst others the costs for the structuring, market making and settlement of the Product as well as the expected issuer revenues. The Issue Price (including the IEV and the TER) as well as the bid and offer prices of the Product are calculated based on internal pricing models of the Issuer and/or the Lead Manager or any third party appointed by the Issuer, as applicable.

Payment of a Coupon

If the Product stipulates the payment of a Coupon, the Investor is only entitled to receive the respective coupon payment, if he has purchased/not sold the Product at the latest on the Business Day preceding the respective Coupon Ex-Date for the then prevailing price.

No Offer

The indicative Termsheet is primarily provided for information purposes and does not constitute a recommendation, an offer or a solicitation of an offer to buy financial products.

No Representation

The Issuer, the Lead Manager and any third party appointed by them make no representation or warranty relating to any information herein which is derived from independent sources.

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