



First-Half results 2004

- 17 September 2004 -



- **Introduction**

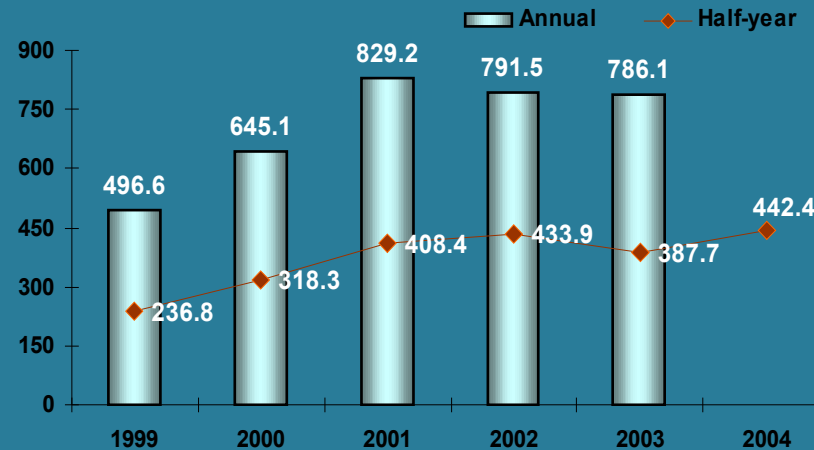


Compagnie Financière Tradition

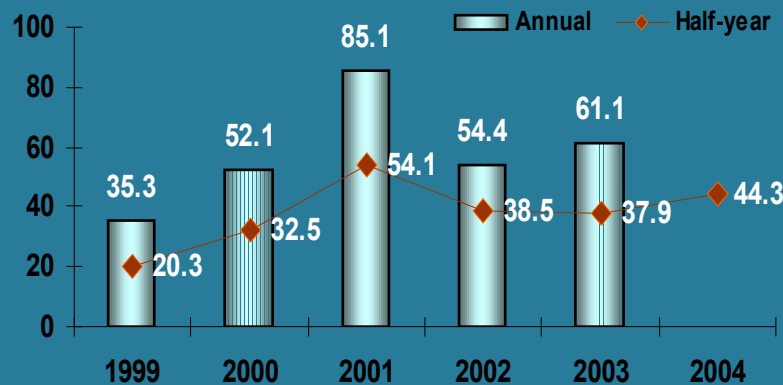


- **World's No. 3 interdealer broker,**
- **1,800 employees, including 1,350 brokers,**
- **A presence in sixteen countries; over 70% of revenues generated through the three major financial centres – London, New York and Tokyo,**
- **Corporate ethos built on development and innovation, with highly specialised expertise in an extensive range of market segments.**

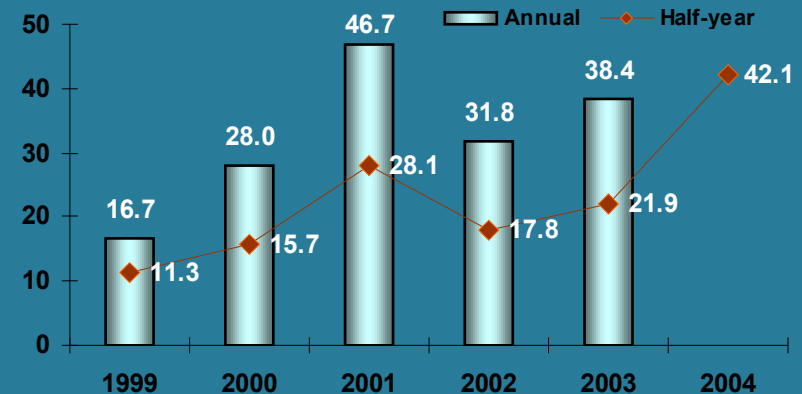
Key figures (CHF million)



Turnover:
CHF 442.4 million



Operating profit:
CHF 44.3 million



Net profit - Group share
CHF 42.1 million

Key figures



With solid fundamentals - a sharp rise in turnover, improved operating margin and Group share of net profit ahead - Compagnie Financière Tradition consolidated its position as

the world's No. 3 broker.

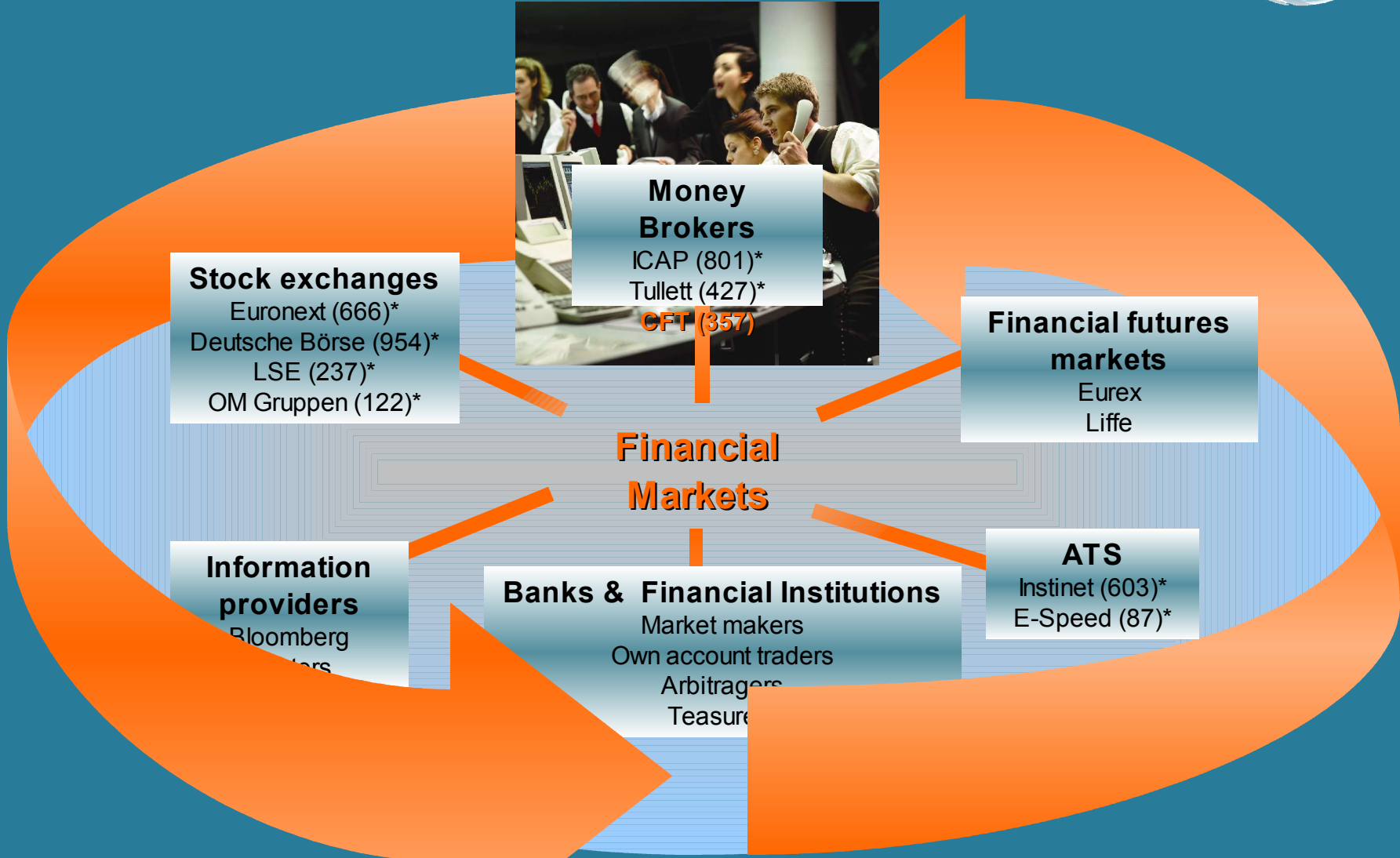


- **Our business**



Compagnie Financière Tradition

providing liquidity in financial markets



Stock exchanges
Euronext (666)*
Deutsche Börse (954)*
LSE (237)*
OM Gruppen (122)*

Money Brokers
ICAP (801)*
Tullett (427)*
CFT (357)

Financial futures markets
Eurex
Liffe

Information providers
Bloomberg
Reuters

Banks & Financial Institutions
Market makers
Own account traders
Arbitragers
Treasury

ATS
Instinet (603)*
E-Speed (87)*

* Based on latest published turnover in £m



In its role as a marketplace, Compagnie Financière Tradition offers a neutral and independent service by organising liquidity (financial instruments and transactions) for its clients.



Money Brokers
CFT



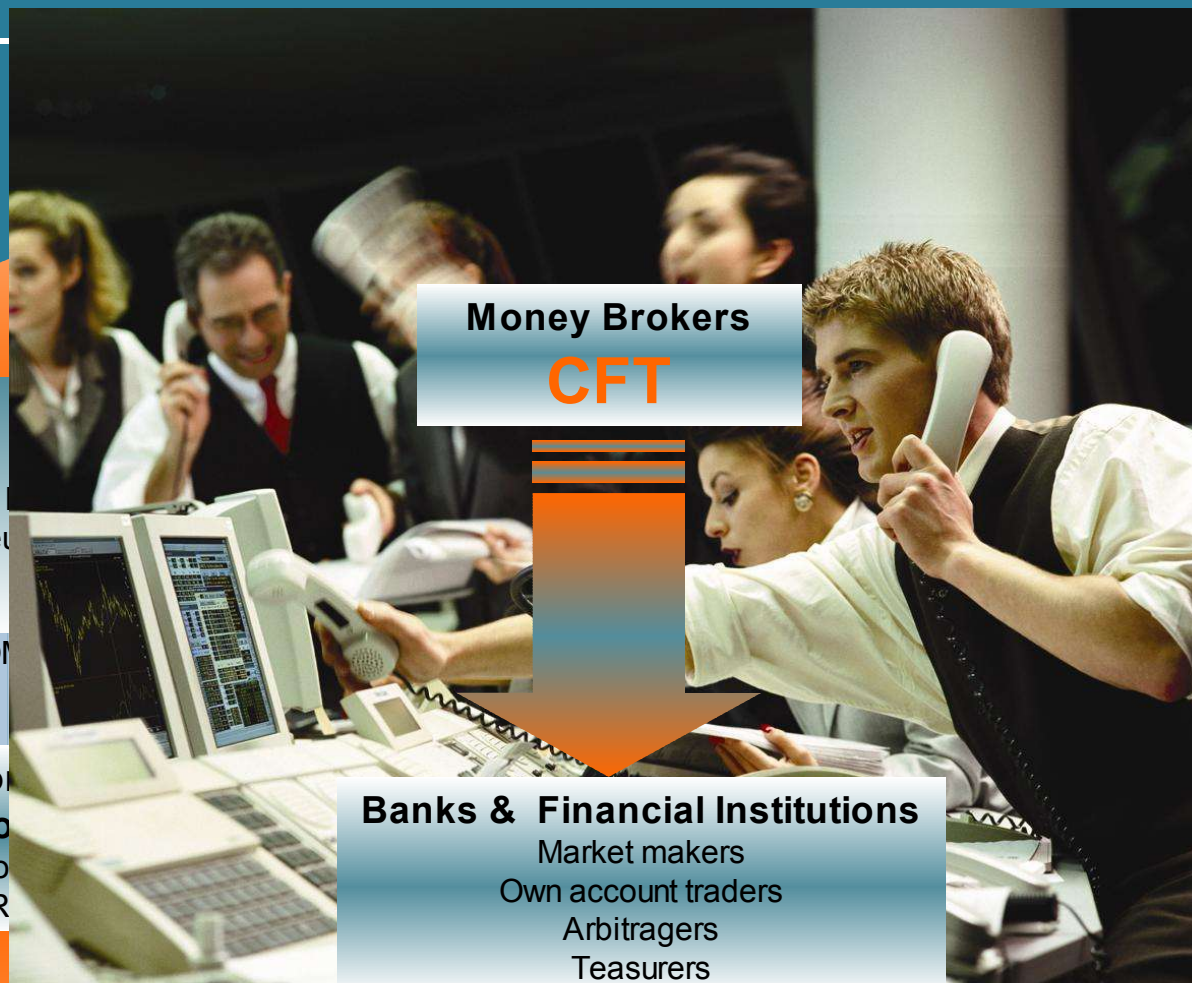
Banks & Financial Institutions
Market makers
Own account traders
Arbitragers
Treasurers

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Money Brokers

CFT

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Banks & Financial Institutions

Market makers

Own account traders

Arbitragers

Treasurers

Experience, a broad client network, and an expert understanding of their objectives are key factors underlying Compagnie Financière Tradition's success.

Compagnie Financière Tradition

a tradition of development and innovation



CFT established

Listed on the stock exchange

CFT launched the Forward Rate Agreement

CFT initiated the first transactions on the OTC market for oil derivatives in London

First broker to open a representation office in China

Invested in innovative technology companies

CFT introduced the best hybrid voice/electronic broking model currency options market

1959

1973

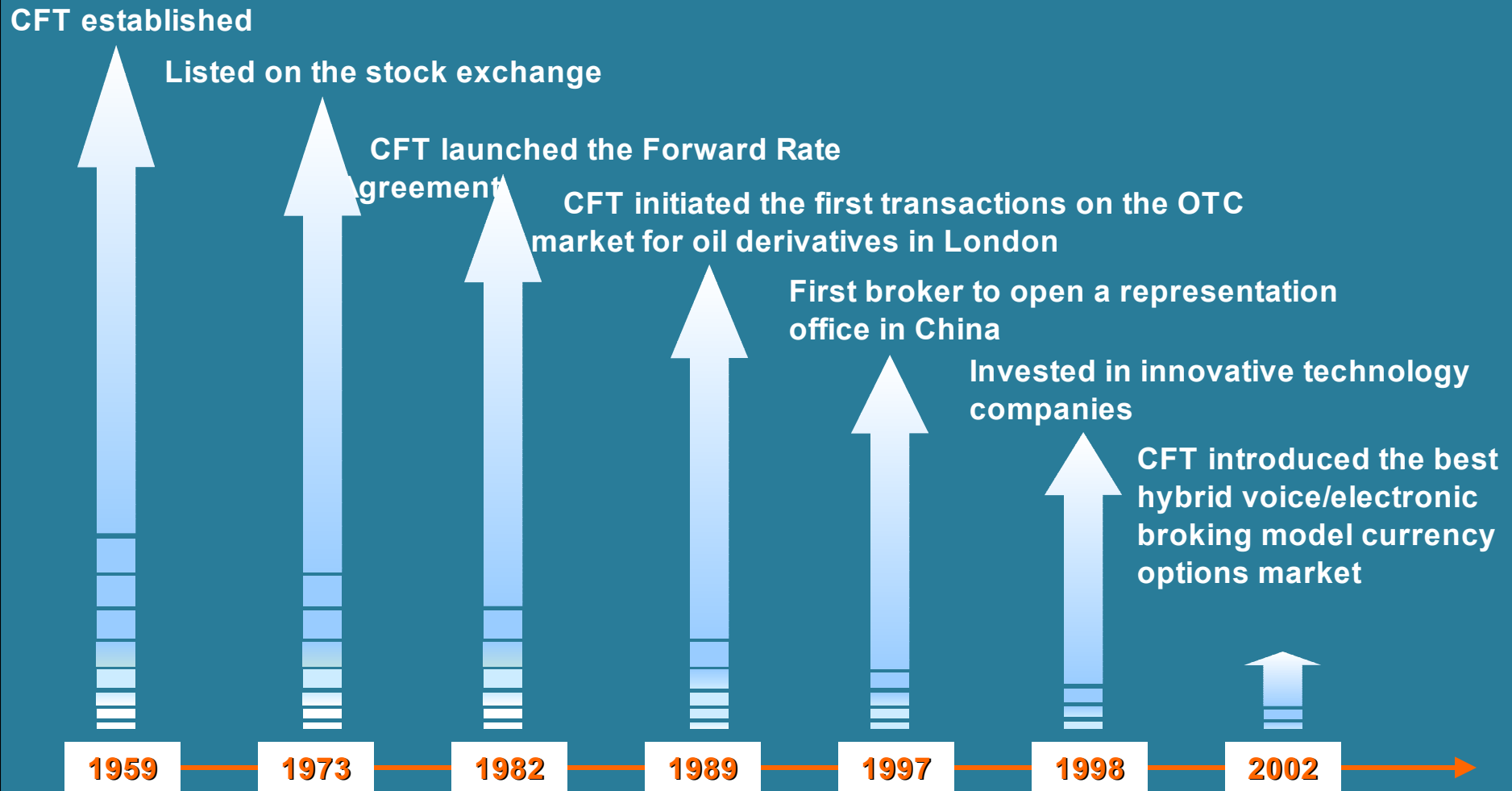
1982

1989

1997

1998

2002



Compagnie Financière Tradition

a tradition of development and innovation



Platform for financial products

www.gaitame.com

12:55:12 server:Streamingedge CDS ASIA

Financials c Autos/Air D

Links » Address <http://www.gaitame.com/>

外為どっとコム GAITAME .COM HOME | Next 総合口座ログイン | SITE MAP | POCKET ログイン

Next 総合口座
それぞれのスタイルに合わせた
3つの外貨投資 が一つの口座になりました。

資料請求
口座開設

選べる外貨投資
Next 総合口座

はじめての方は
こちらから

ゲームで学ぶ
バーチャルFX

リアルタイム!
マーケット情報

今の為替を知る
メルマガ登録

レポート充実
外国為替資料館

わげ
GAITAME.COM が選ばれる理由
24時間モバイル為替速報メール
為替取引に不可欠な国際金融情報
充実の高性能リアルタイムチャート
会員特典

Next 総合口座 パッケージ

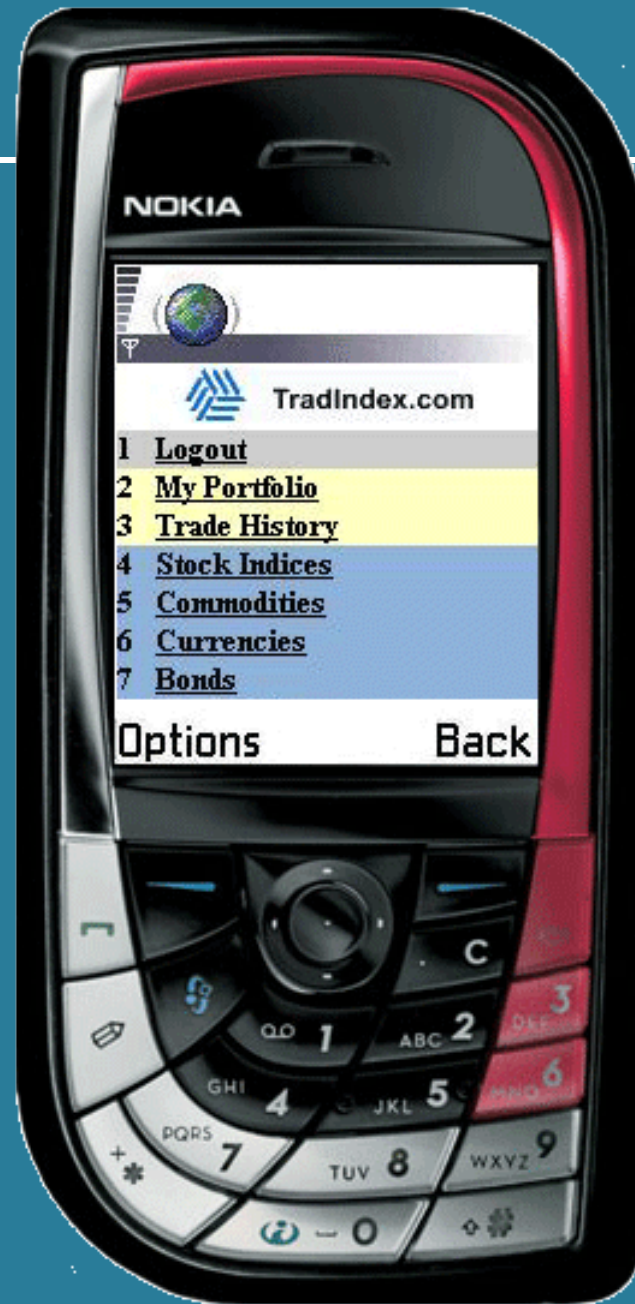
Safety Next 【信託保全】

FX 貯まる! 使える! 5%を
手数料の ポイントバック

2004年9月18日
申込 東京よみうりホール

木村 剛 登場
『どうなる日本!』
再生の鍵はどこにある!!!
名古屋・大阪でライブ中継実施!
詳細 大阪 名古屋

KAZUAKI KAWAGUCHI
2004/9/11



Tradindex.com

Economic environment H1 2004



Volatility trends since January 2003



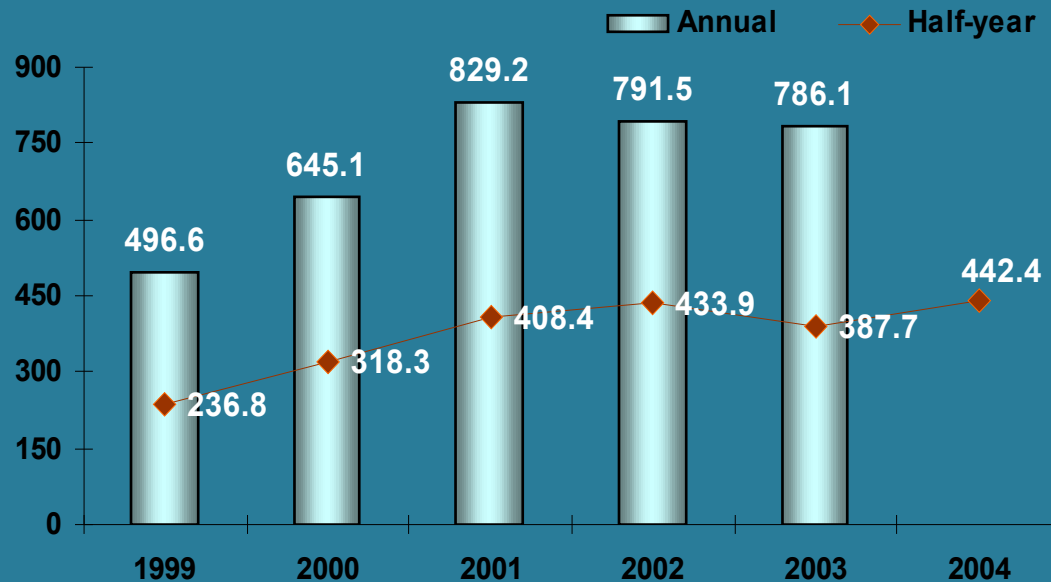
Volatility indexes in the equity and interest rate markets in % . 2003-2004



- **First-half turnover 2004**



Turnover of CHF 442.4 million



**A rise of 14.1% at current
exchange rates
(13.7% at constant exchange rates)**

Turnover

A diversified portfolio of products



Money market and interest rate and currency derivatives

- Money market
- Interest rate derivatives
- Currency options

Securities and futures

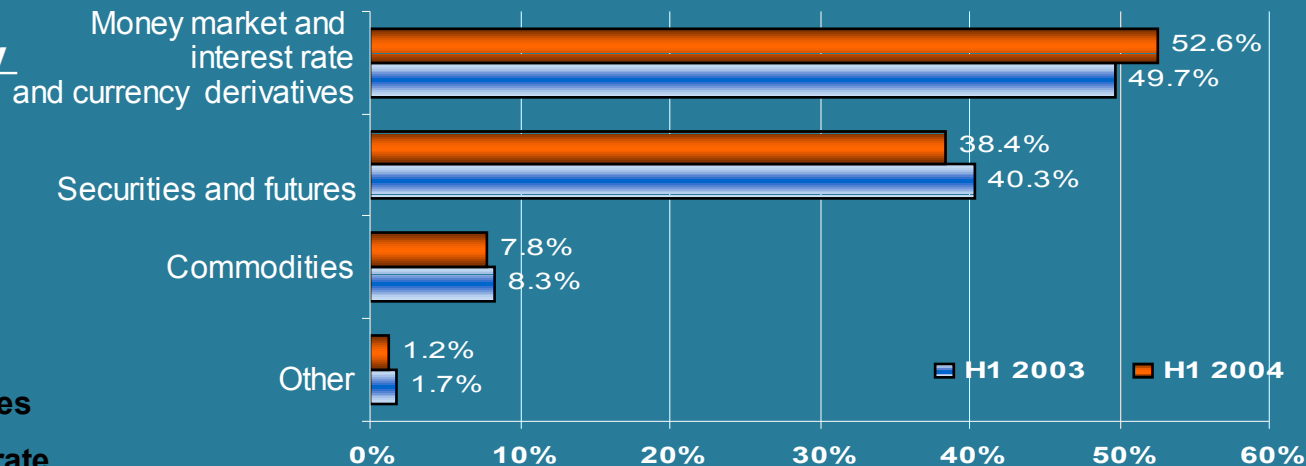
- Equity and equity derivatives
- Exchange-traded, interest rate and equity derivatives
- Government and corporate bonds
- Repos
- Credit derivatives

Commodities

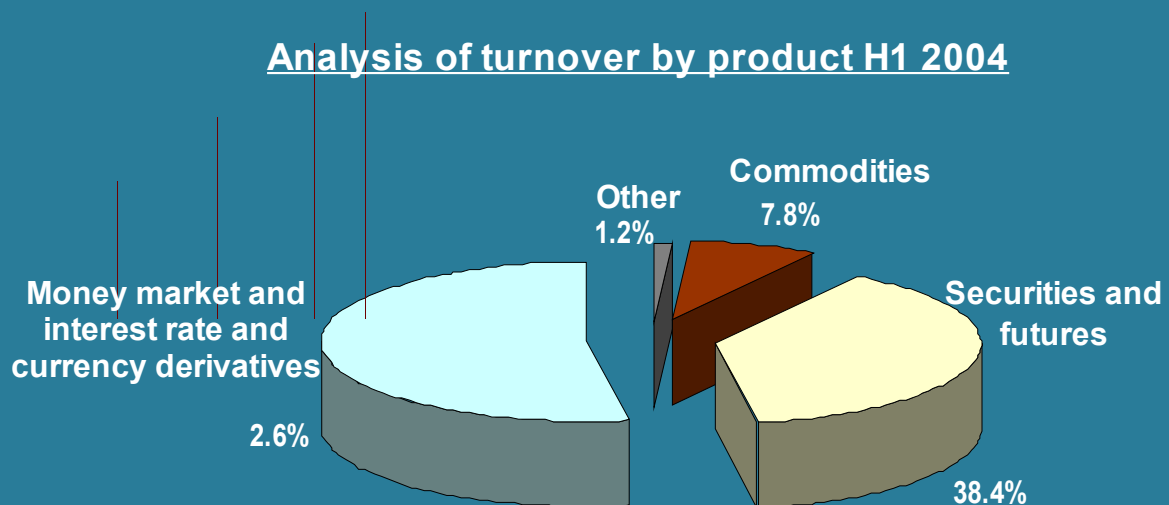
- Precious metal
- Energy (natural gas, electricity, oil, coal, weather derivatives)

Other

- Non-core businesses
- Internet activities for retail clients



Analysis of turnover by product H1 2004



Turnover

Product trends



| | |
|--|--|
| Money market and interest rate and currency derivatives 52.6% | H1 2004: CHF 232.5m H1 2003: CHF 192.6m H1 2004 / H1 2003: + 20.7% (+ 20.1% at constant exchange rates) |
| Securities and futures 38.4% | H1 2004: CHF 169.7m H1 2003: CHF 156.2m H1 2004 / H1 2003: + 8.6% (+ 8.2% at constant exchange rates) |
| Commodities and other activities 9.0% | H1 2004: CHF 40.2m H1 2003: CHF 38.9m H1 2004 / H1 2003: + 3.4% (+ 3.8% at constant exchange rates) |

Turnover

Product trends



| | |
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|--|--|



- Strong growth stimulus in interest rate derivatives business (+21.8% at constant exchange rates), thanks to recruitment of new teams in Asia - Pacific region and steady growth generated from New York and London.
- Robust currency options business at TFS-ICAP+Volbroker joint venture. Growth in London and New York activities.

| | |
|--|--|
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|--|--|

Turnover

Product trends



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| 9.0% | (+ 3.8% at constant exchange rates) |

- Futures and bond activities remained stable.
- Equities and equity derivatives business on the rise.



Turnover

Product trends



| | |
|--|--|
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|--|--|

- Energy products grew 9.8% : increase of electricity and natural gas turnover and decrease of oil turnover.
- Stable turnover on precious metals.
- Growth of activities involving new technologies.

| | |
|--|--|
| Commodities and other activities 9.0% | H1 2004: CHF 40.2m H1 2003: CHF 38.9m H1 2004 / H1 2003: + 3.4% (+ 3.8% at constant exchange rates) |
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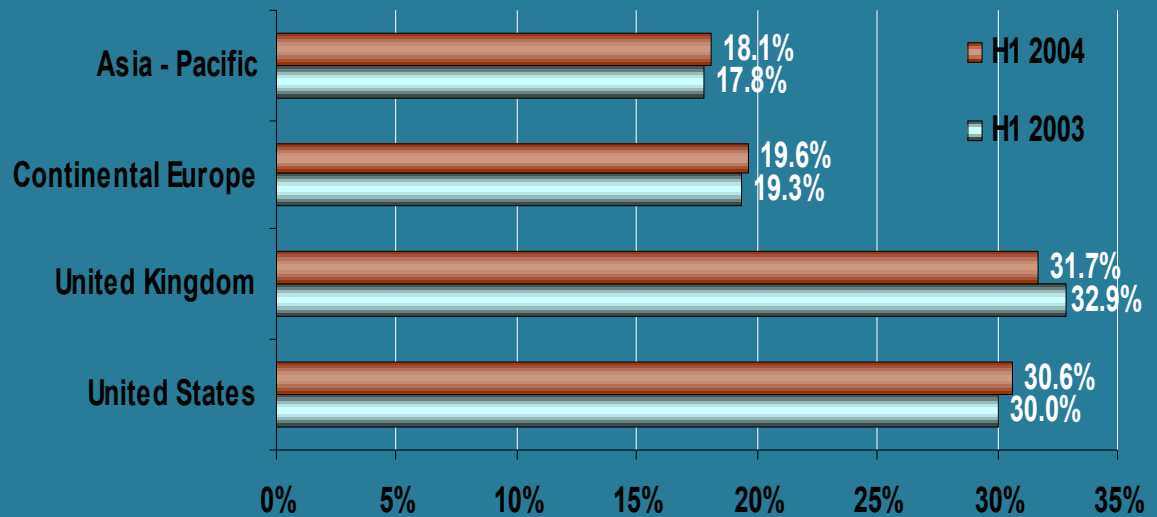


Turnover

A balanced geographic spread



The sharp rise in first-half turnover reflects the Group's balanced growth in both products and geographic spread.



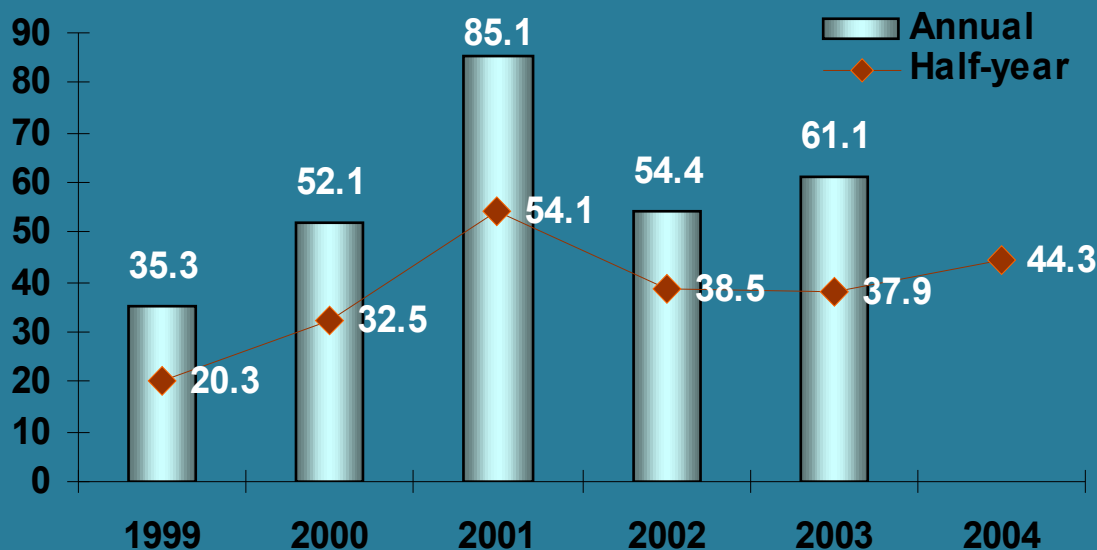


- **First-half operating results 2004**





Operating profit



**Operating profit up 16.9%
at CHF 44.3 million**

Operating profit



| <i>CHF million</i> | H1 2004 | H1 2003 | % change |
|-------------------------------|----------------|----------------|---------------------|
| Net turnover | 442.4 | 387.7 | 14.1 |
| Other operating income | - | 0.1 | - 100 |
| Operating income | 442.4 | 387.8 | 14.1 |
| Operating expenses | - 398.0 | - 349.9 | 13.7 |
| Operating profit | 44.3 | 37.9 | 16.8 |
| Operating margin | 10.0% | 9.8% | n/a |

Operating profit



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**Operating margin reached 10%
of consolidated turnover.**

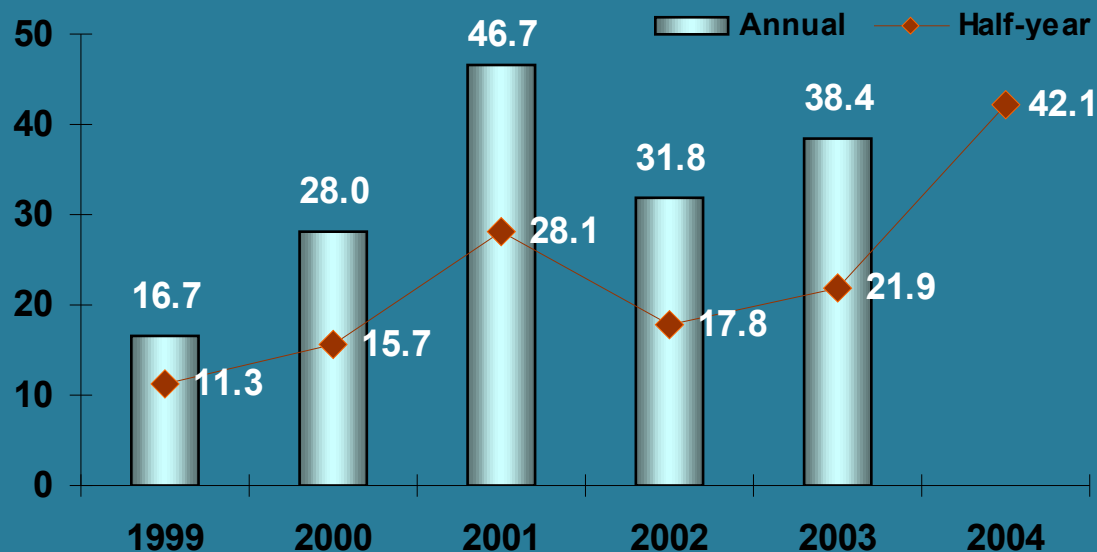


- **First-half net profit 2004**





Net profit - Group share



**Net profit - Group share up
by CHF 42.1 million**

Net profit - Group share



| <i>CHF million</i> | H1 2004 | H1 2003 | % |
|---------------------------------|----------------|----------------|--------------|
| Operating profit | 44.3 | 37.9 | 16.9 |
| Financial income | - 2.1 | 5.2 | - |
| Profit before tax | 42.2 | 43.1 | - 2.1 |
| Exceptional items | 21.0 | - | - |
| Tax | - 16.5 | - 15.9 | - |
| Associated undertakings | 0.2 | - 0.3 | - |
| Goodwill amortisation | - 1.0 | - 0.2 | - |
| Consolidated net profit | 46.0 | 26.7 | 72.3 |
| Net profit - Group share | 42.1 | 21.9 | 92.9 |

Net profit - Group share



■ Financial income

| <i>CHF million</i> | H1 2004 | H1 2003 | % |
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Net profit - Group share



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| Operating profit | 44.3 | 37.9 | 16.9 |
| Financial income | - 2.1 | 5.2 | - |
| <i>CHF thousand</i> | | | |
| Income from investments | - | - | - |
| Net capital gains on investments and marketable securities | 665 | 1,627 | - |
| Interest and exchange gains and losses | - 2,337 | 3,587 | - |
| Provision on investments | - 450 | - | - |
| TOTAL | - 2,122 | 5,214 | 72.3 |
| Net profit - Group share | 42.1 | 21.9 | 92.9 |



Net profit - Group share



■ Exceptional items

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Net profit - Group share



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Gross profit of CHF 27.5 million on the sale of its 2 Lausanne buildings to Financière Vermeer BV, in June 2004, for a price of CHF 35.0 million, against a net book value of CHF 7.5 million.

After taking account of a tax charge of CHF 6.5 million, CFT earned **a net profit on the sale of CHF 21.0 million.**

Net profit - Group share



■ Tax expense

| <i>CHF million</i> | H1 2004 | H1 2003 | % |
|---------------------------------|----------------|----------------|--------------|
| Operating profit | 44.3 | 37.9 | 16.9 |
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Net profit - Group share



■ Tax expense

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| Profit before tax | 42.2 | 43.1 | - 2.1 |
| Exceptional items | 21.0 | - | - |
| Tax | - 16.5 | - 15.9 | - |
| Profit before tax | 69.7 | 43.1 | 70.7 |
| Tax | 23.0* | 15.9 | 26.1 |
| <i>Effective tax rate (excl. buildings)</i> | <i>39.0%</i> | <i>36.9%</i> | <i>36.9%</i> |
| <i>Average standard tax rate</i> | <i>36.8%</i> | <i>33.6%</i> | |

The first-half consolidated tax charge was CHF 22,960,000, including a tax charge of CHF 6,463,000 on profit on the disposal of Lausanne buildings offset against exceptional profit.

The effective tax rate, including tax on this profit, was 33% (average standard tax rate: 31,6%).

Net profit - Group share



| <i>CHF million</i> | H1 2004 | H1 2003 | % |
|---------------------------------|----------------|----------------|--------------|
| Operating profit | 44.3 | 37.9 | 16.9 |
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| Net profit - Group share | 42.1 | 21.9 | 92.9 |



- **Balance sheet at 30.06.2004**



Consolidated balance sheet

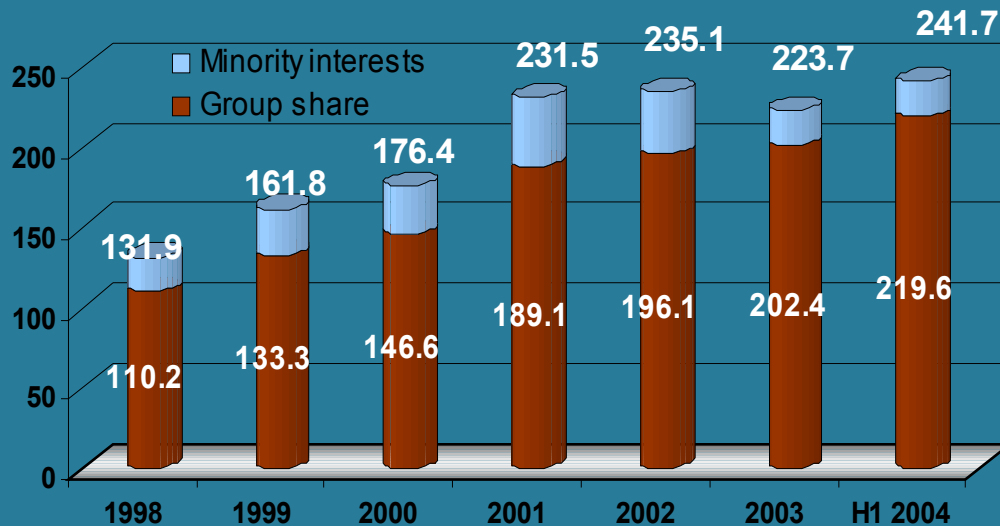


| ASSETS | | | LIABILITIES | | |
|--------------------------------|--------------|--------------|------------------------------------|--------------|--------------|
| <i>CHF million</i> | 30.06.04 | 2003 | <i>CHF million</i> | 30.06.04 | 2003 |
| Cash and mark. securities | 199.0 | 232.1 | Financial debts | 56.3 | 67.0 |
| Trade debtors | 123.7 | 93.3 | Other short term debts and accrual | 267.9 | 208.7 |
| Other receivables and accruals | 179.8 | 108.6 | Cont. & loss provisions | 12.9 | 12.6 |
| Current assets | 502.5 | 434.0 | Total creditors | 337.1 | 288.3 |
| Financial fixed assets | 20.7 | 18.9 | Shareholders' equity - Gs | 219.6 | 202.5 |
| Tangible fixed assets | 29.5 | 33.2 | Minority interests | 22.1 | 21.2 |
| Intangible fixed assets | 26.1 | 25.9 | | | |
| Fixed assets | 76.3 | 78.0 | Shareholders' equity | 241.7 | 223.7 |
| TOTAL ASSETS | 578.8 | 512.0 | TOTAL LIABILITIES | 578.8 | 512.0 |

Consolidated shareholders' equity



- Consolidated shareholders' equity of CHF 241.7 million



Shareholders' equity/
total assets:
41.8%

Net cash position
at 30.06.2004:
CHF 142.7 million



- **Share performance**



Share performance



Compagnie Financière Tradition share

- **Stock N°** : 1,248,815
- **Listing** : SWX Zurich
- **Number of shares** : 5,401,369
- **Nominal value** : CHF 2.50
- **Share capital** : CHF 13.6 million
- **Outstanding** : 27.49%
- **P/E 2003** : 15.2x
- **2003 Dividend** : CHF 5.0
- **Yield 2003** : 4.7%*

* At 7 September 2004

Share performance



A annualised growth of stock price of 42.8%* since 31.12.96

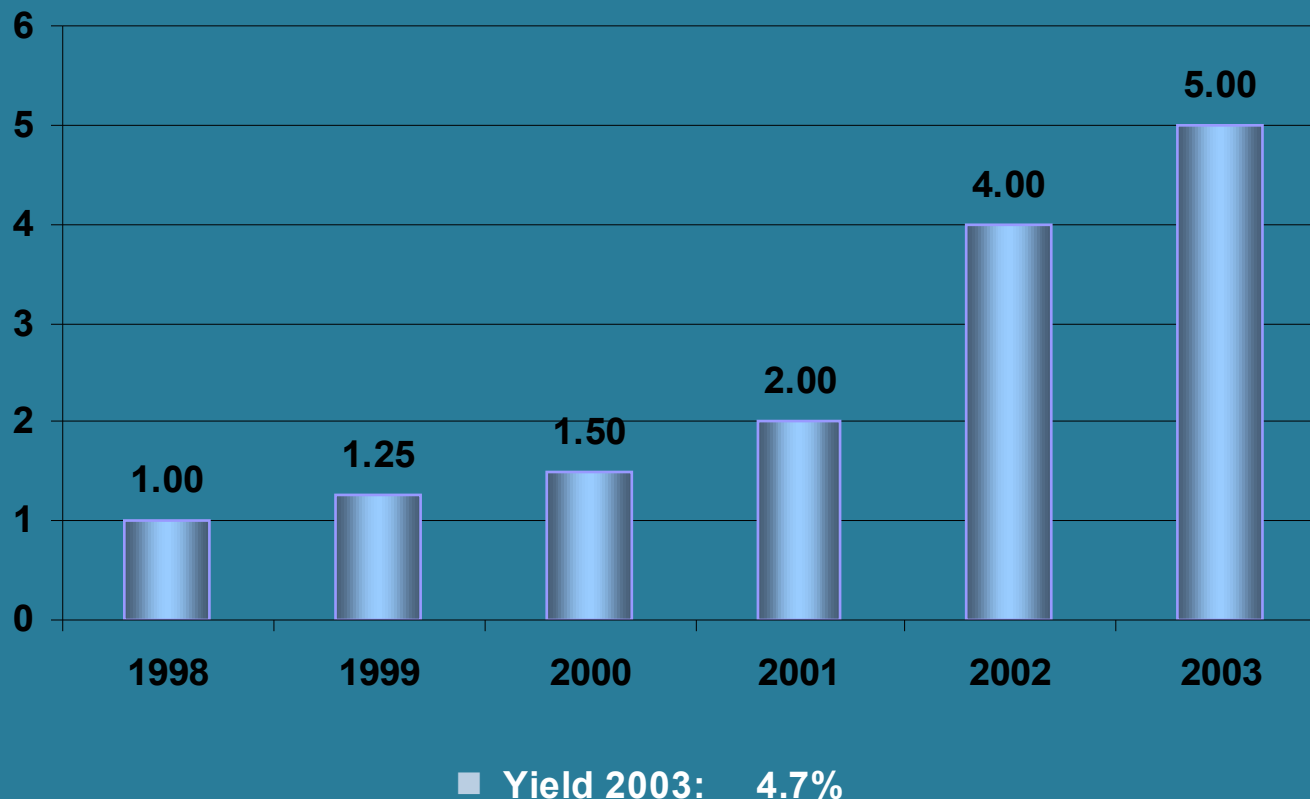


| | Since 31.12.01* | Since 31.12.96 | Annualised growth 96-04* |
|---|-----------------|-------------------|--------------------------|
| CFT | + 24.3% | + 1,626.2% | + 42.8% |
| SMI | - 14.3% | * + 39.6% | + 4.3% |
| <i>* At 8 September 2004, based on a CFT share price of 108.8 and an index level of 5,502.5</i> | | | |



High dividend policy

Dividend per share* (CHF)



* Based on a share of CHF 2.50 nominal value



- **Outlook**



Outlook



- **Maintain organic growth of 5% over the medium-term,**
- **Improve operating margin with target of 15% in the medium-term:**
 - **Increase flexibility of broker remuneration structure ,**
 - **General reduction in brokers' pay-out ratios in an industry marked by medium-term consolidation,**
 - **Continue to cut costs of data and telecoms.**
- **But at the same time pursue a highly aggressive policy for team recruitment in light of current merger operations,**
- **Enhance development of Compagnie Financière Tradition's new innovative technology businesses, particularly on the Internet.**



First-Half results 2004

- 17 September 2004 -