



Compagnie Financière Tradition

Financial Results at 30 June 2005

Swiss GAAP



1. Introduction

- 2. Company and market developments in H1 2005
- 3. Financial results at 30 June 2005
- 4. Impact of conversion to IFRS
- 5. Stock market data
- 6. Outlook



Continued growth path in H1 2005

- **Revenues up again in H1 2005: +7.2% at constant exchange rates**
 - 4.2% rise at variable exchange rates
 - Development particularly strong in Asia (+26%), interest rate products (+7%) and commodities (esp. energy: +19%), as well as in new business segments (Gaitame in Japan)
- **8% operating margin (6.4% at 31.12.04 and 10% at 30.6.2004)**
 - 10.9% operating margin, excluding continental Europe and two diversification operations (SP Angel and FXDD)
- **Net profit for the period stable at CHF 24.5 million (excl. exceptional items)**
 - Group share of profit fell by CHF 1.9 million to CHF 18.6 million
- **Earnings per share of CHF 3.4 against CHF 3.8 (excl. exceptional items)**
- **Shareholders' equity grew to CHF 225.5 million (+CHF 9.8 million compared to 31.12.2004)**
- **Group priorities: improve operating performance and pursue selective business expansion (organic growth)**





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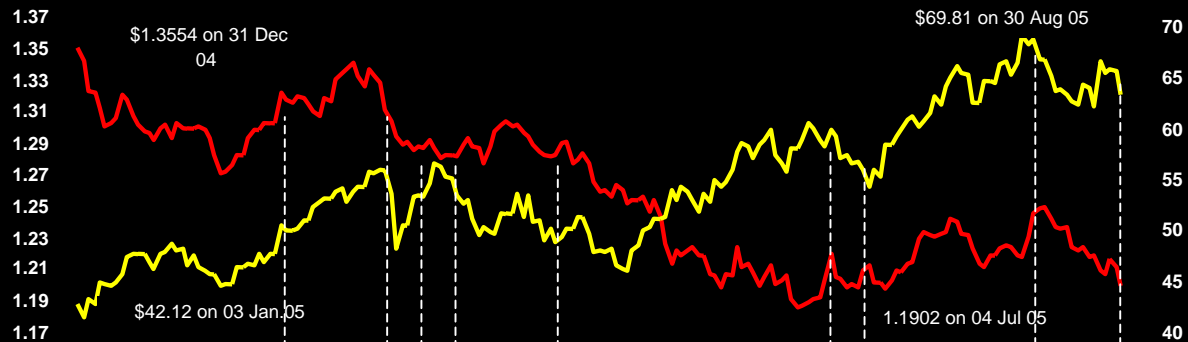
2005, capital transformations driving strategic developments in the sector

- **NASDAQ has become the top market for companies in the sector**
 - P/Es higher than on the LSE
 - Successful flotation of GFI in January 2005
- **The No. 1 interdealer brokerage in futures markets is now a listed company**
 - Largest private equity operation in the brokerage sector in 2004
 - Leverage of over 5 times EBITDA
 - Listed in summer 2005 with a market value in excess of CHF 4.5 billion
 - Domino effect expected in Europe
- **Strategic interest on the part of venture capitalists attracted by consolidation and convergence within the sector**
 - Initially interested by securities exchanges or technological concepts, these investors are now focusing on the brokerage sector
 - Approaches being made to Collins Stewart Tullett
 - The two sector leaders have seen their combined market cap top CHF 8.0 billion
- **First signs of strategic alliances between regulated and OTC markets**
 - Takeover of MTS by Euronext/Borsa Italiana

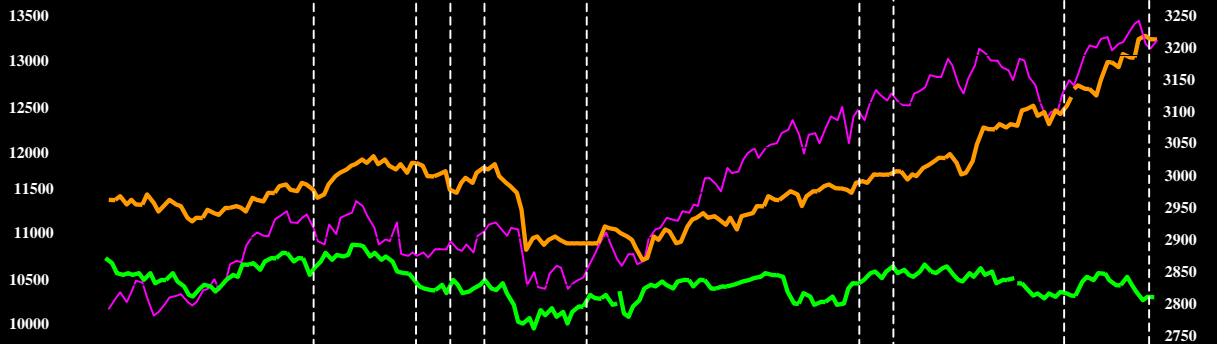




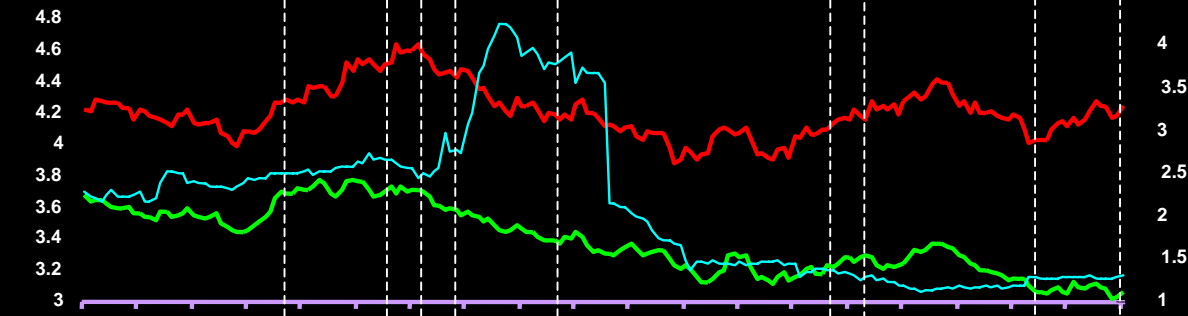
— EUR/USD (left axis)
— WTI Spot (right axis)



— DJ Ind. (left axis)
— Nikkei 225 (left axis)
— DJ EuroStoxx 50 (right axis)



— US10yr Note%
— Bund 10yr%
— Spread US Auto BBB/ US Treas.Comp.-10yr %



Feb 16: Greenspan says « low long term interest rates is conondrum for Fed »

March 16: GM profit warning

April 9: Ford profit warning

April-May: downgrades of GM & Ford corporate bonds

July 11: London terror attacks

July 21: China revaluates the yuan

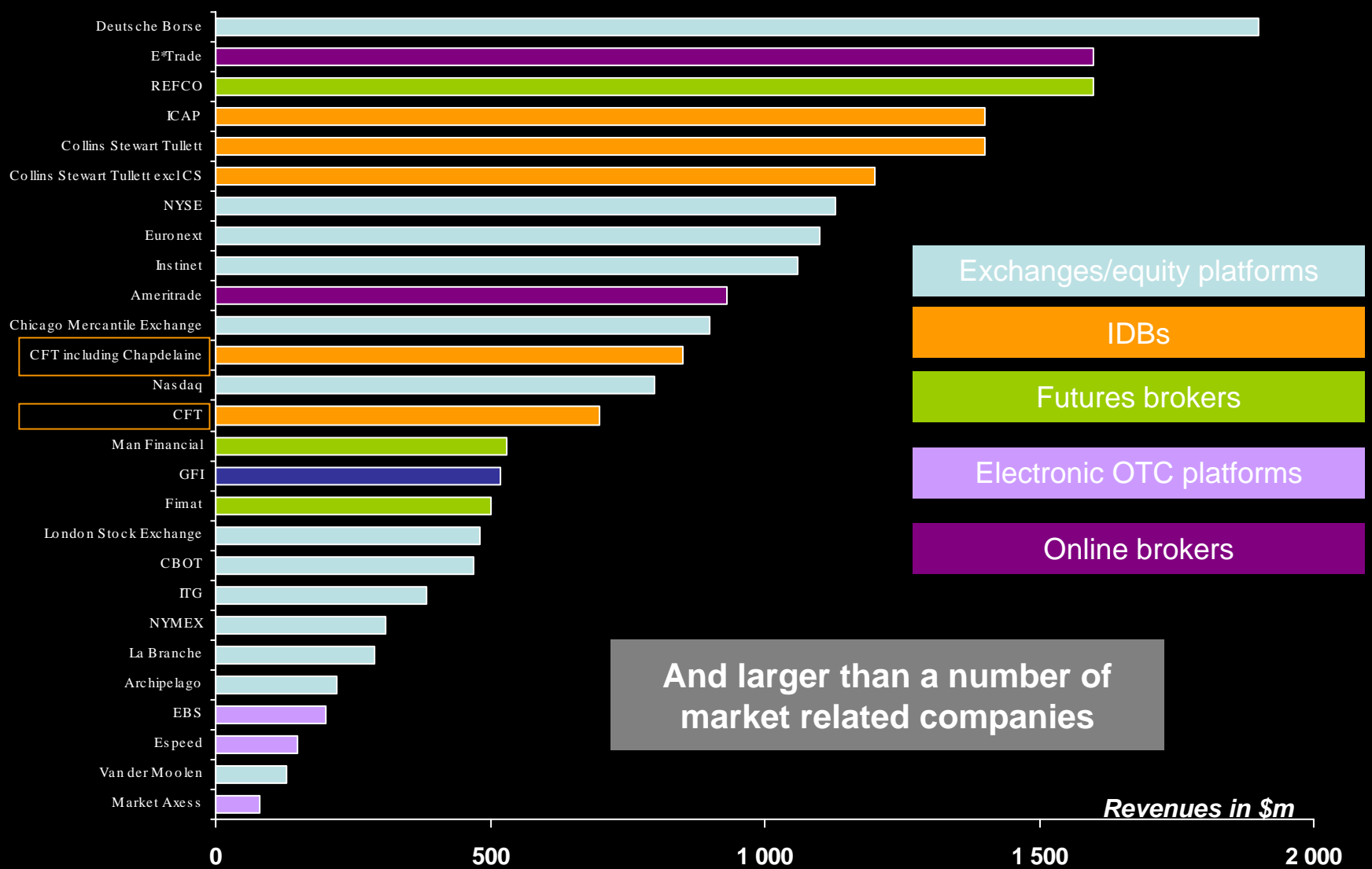
Aug 30: Record price for crude oil

Aug - Sept. 05 : hurricanes Katrina & Rita hit the USA



19,02% 859#870,7+928
 19,02% 859#870,7+928

Rivalling in size with exchanges



And larger than a number of market related companies

Revenues in \$m

0 500 1 000 1 500 2 000

Source: Projections based on H12005 revenues except for Icap, Man Financial and Fimat (latest FY figures) and Refco (Q1 2005) – Estimated figure for EBS



19,02=%859#870,7+928
 19,028#59(32,87\$%79%

Company overview

A unique approach to retail market in its sector
 Global expertise in Internet technology, also transposed in the wholesale markets

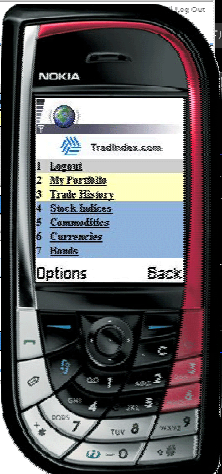
Launched FXDD.com in the U.S., launched in 2003 for online forex operations

A financial spread betting company in London, launched in 2003 Tradindex.com

Gaitame.com in Tokyo, launched in 2002

FXDD.com trading interface showing account details, market data, and charts.

TradIndex.com website showing account details and market data.



FX Voice website showing market data and charts.



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Simplified profit and loss account

Half-year results - CHF m

	H1 2005	H1 2004	Variation
Net turnover	460.8	442.4	+4.2%
Other net operating income	3.4		
Operating expenses	-427.1	-398.1	+7.3%
Operating profit	37.1	44.3	-16.4%
	8.0%	10.0%	
Net financial income*	4.3	-2.7*	
Tax + results on assoc. undertakings	-15.4	-16.3	
Goodwill amortisation	-1.4	-1.0	
Net profit excl. exceptional items	24.5	24.4	+0.4%
Group share excl. exceptional items	18.6	20.5	-9.5%
Net exceptional profit	-	21.0	
Net profit	24.5	45.4	
Group share	18.6	41.5	
Earnings per share in CHF	3.4	3.8**/7.7	

* After restatement of gains/losses on treasury shares in accordance with Swiss GAAP (2004)

** Excluding exceptional profit (loss)



Simplified profit and loss account at constant exchange rates

Half-year results at rate prevailing on 30.6.05 - CHF m

	H1 2005	H1 2004	Variation
Net turnover	474.4	442.4	+7.2%
Other net operating income	3.4		
Operating expenses	-439.5	-398.1	+10.4%
Operating profit	38.2	44.3	-13.7%
	8.0%	10.0%	
Net financial income*	4.0	-2.7*	
Tax and associated undertakings	-15.9	-16.3	
Goodwill amortisation	-1.4	-1.0	
Net profit excl. exceptional items	24.9	24.4	+1.9%
Group share excl. exceptional items	18.7	20.5	-8.7%
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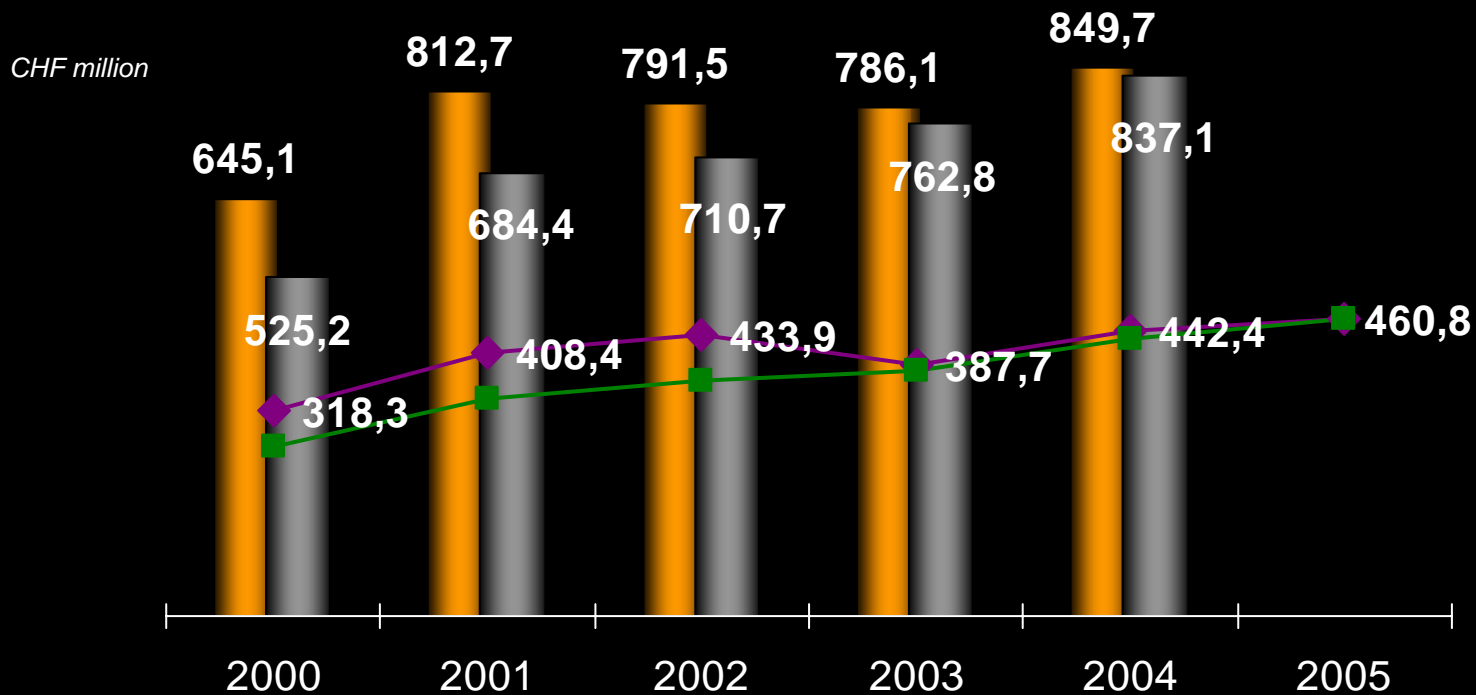
** Excluding exceptional profit (loss)



19,02% 859#870,7+928

Turnover up 7.2% over H1 2004

- Annual
- Annual at constant exchange rates*
- Half year
- Half year at constant exchange rates*



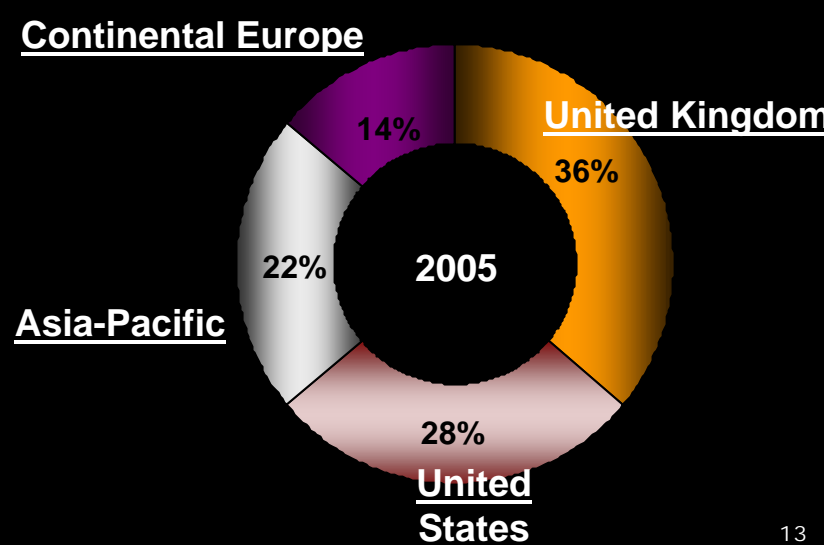
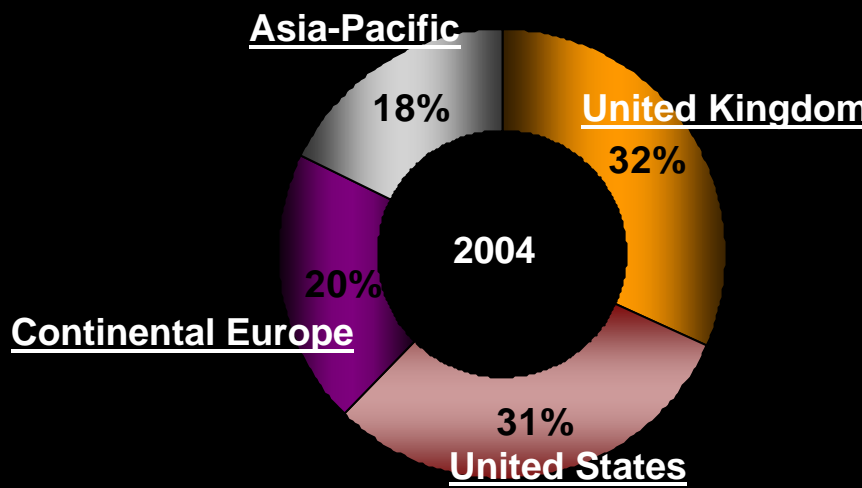
+4.2% at variable exchange rates
+7.2% at constant exchange rates

* At 30 June 2005



Turnover by geographic region

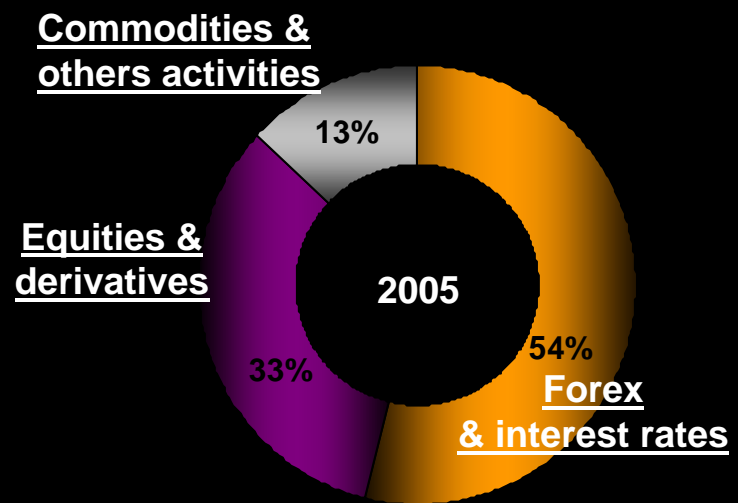
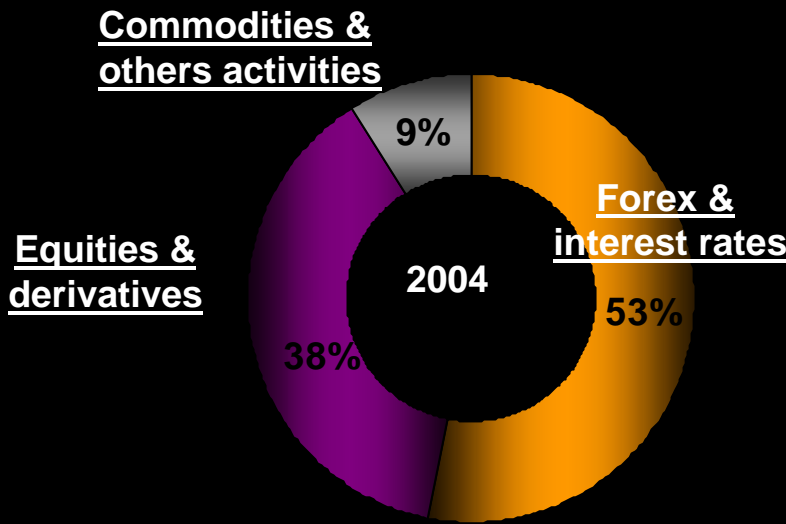
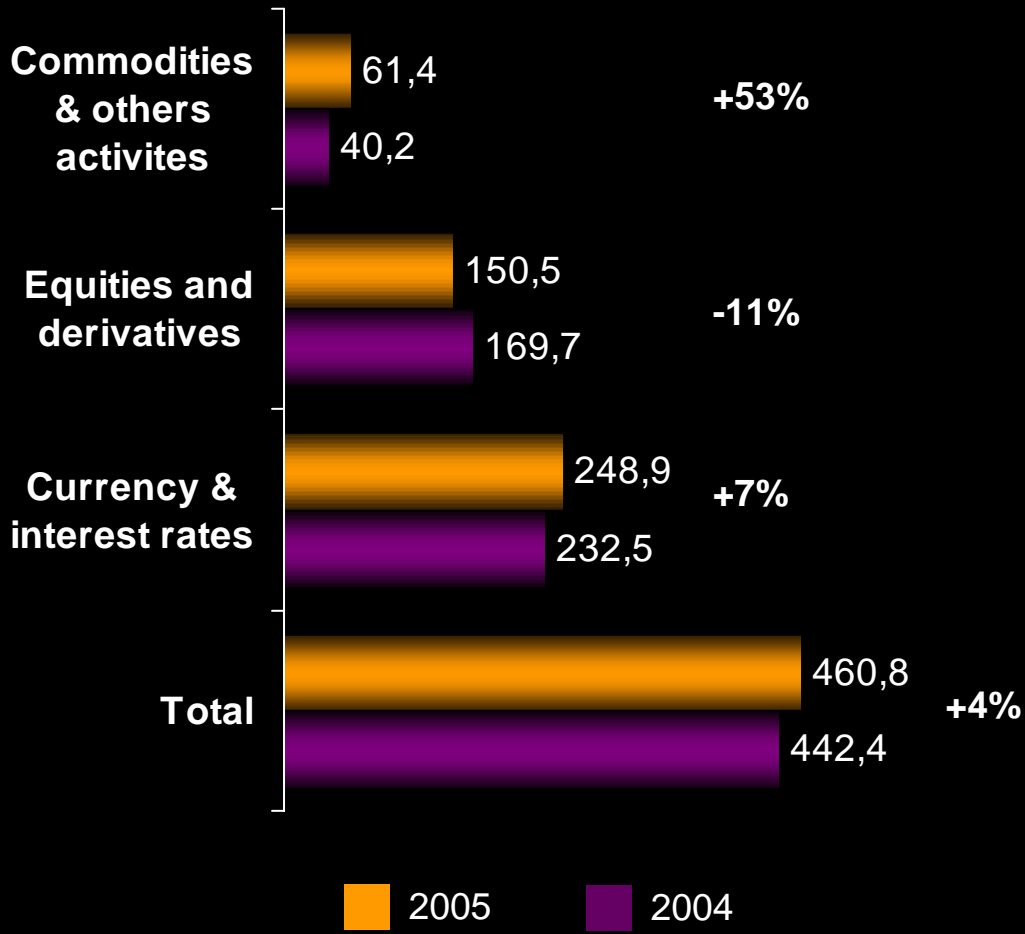
H1 turnover in 2004 and 2005 (CHF m and %)





Turnover by product segment

H1 turnover in 2004 and 2005 (CHF m and %)





Main factors influencing turnover

H1 turnover in 2004 and 2005 (CHF m and %)

<p>Money markets, and interest rate and currency derivatives</p> <p>54.0%</p>	<p>H1 2005 : CHF 248.9m H1 2004 : CHF 232.5m H1 2005 / H1 2004 : + 7.1% (+ 10.4% at constant exchange rates)</p>
<ul style="list-style-type: none"> ■ New teams drive strong improvement in money market products and interest rate derivatives in Asia-Pacific region (+13.5%) and UK (+6.0%). Business slows in continental Europe (-20.2%) ■ Currency options business up 23.5% at TFS-ICAP-Volbroker joint venture. Particularly strong performance in UK region (+37.7%). 	
<p>Commodities and other activities</p> <p>13.3%</p>	<p>H1 2005 : CHF 61.4m H1 2004 : CHF 40.2m H1 2005 / H1 2004 : + 52.8% (+ 57.5% at constant exchange rates)</p>





Main factors influencing turnover

H1 turnover in 2004 and 2005 (CHF m and %)

■ Buoyant activities in London, which now accounts for 38.1% of revenues in the sector, but were down in continental Europe and New York. The Asia - Pacific region generated 1.5% of business, against 0.9% at end-June 2004.



<p>Securities and derivatives 32.7 %</p>	<p>H1 2005 : CHF 150.5m H1 2004 : CHF 169.7m H1 2005 / H1 2004 : - 11.3% (- 9.0% at constant exchange rates)</p>
<p>Commodities and other activities 13.3%</p>	<p>H1 2005 : CHF 61.4m H1 2004 : CHF 40.2m H1 2005 / H1 2004 : + 52.8% (+ 57.5% at constant exchange rates)</p>



Main factors influencing turnover

H1 turnover in 2004 and 2005 (CHF m and %)

Money markets, and	S1 2005 : MCHF 248.9
---------------------------	-----------------------------

- Commodities rose 16.2% on the back of a 19.0% rise in energy activities. Energy activities were buoyed by the electricity and natural gas sectors in New York, and electricity in Frankfurt.
- Metals remained stable (+0.9%).
- Turnover on new activities catering to private investors rose to CHF 21.1m (2004: CHF 5.5m)
Consolidation of Gaitame.com, which accounted for CHF 12.0m of CFT consolidated turnover.

Commodities and other activities 13.3%	H1 2005 : CHF 61.4m H1 2004 : CHF 40.2m H1 2005 / H1 2004 : + 52.8% (+ 57.5% at constant exchange rates)
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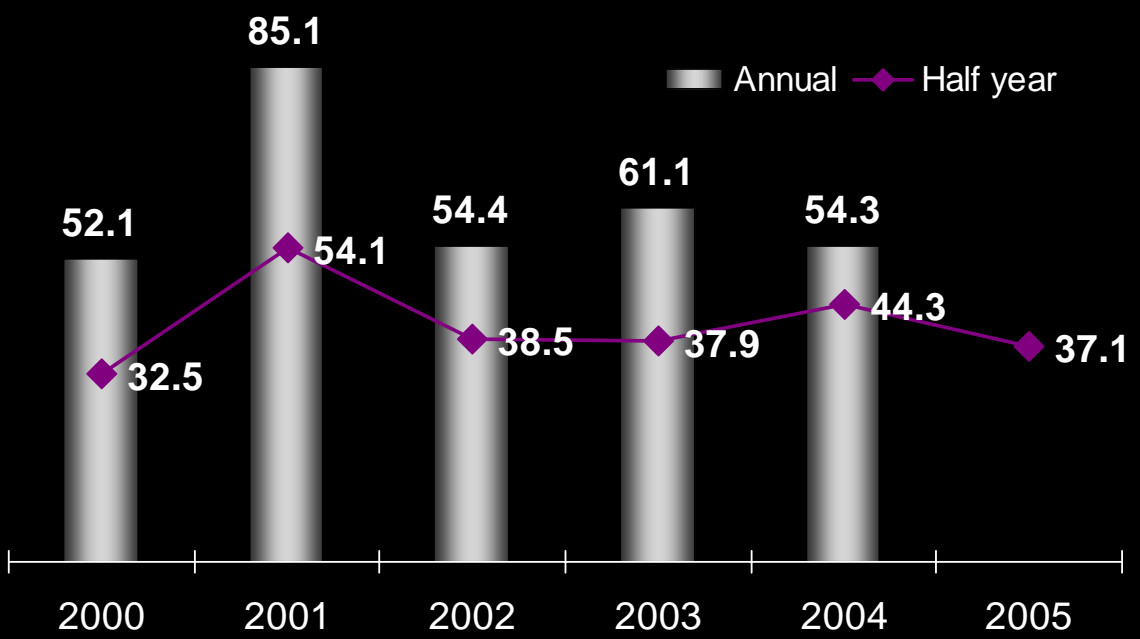




19,02% 859#870,7+928
19,0248459(32,87\$%,79%

Operating margin: 8.0%

Operating profit 2000-2005 (CHF m)



Operating margin:
8.0% at 30.6.2005
6.4% at 31.12.2004
10.0% at 30.6.2004



Analysis of operating margin

As % of consolidated turnover

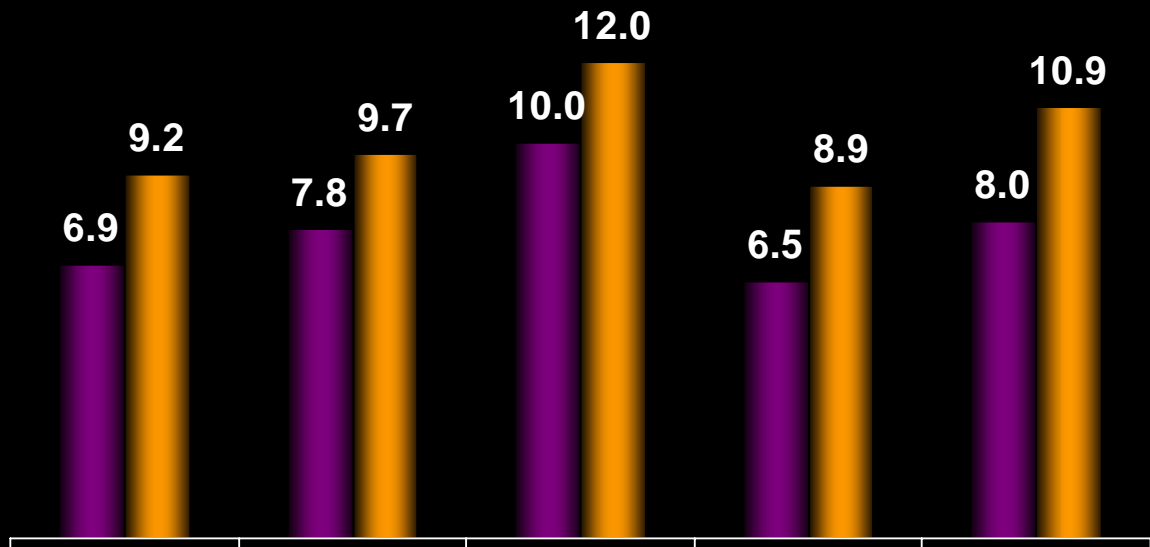
	H1/2005	FY/2004	H1/2004
Personnel costs - operational	61.4	61.8	60.1
Personnel costs - administrative	7.2	7.0	6.7
Telecoms & Data	7.2	7.7	7.2
Business development	5.6	5.7	5.5
Premises	2.2	2.1	2.1
Amortisation	1.4	1.3	1.2
Other net expenses	7.0	8.0	7.2
Operating margin	8.0	6.4	10.0



Continental Europe and certain diversification operations weighed on operating margin

As % of operating profit 2002-2005

■ CFT Total ■ CFT adjusted



2002 2003 H1/2004 2004 H1/2005

Impact on margin
Revenue weighting

←	←	←	←	←
-2.1	-1.9	-2.0	-2.4	-2.9
18%	18%	19%	18%	14%

**Margin improves to 10.9%
excl. continental Europe and SP Angel / FXDD**



Several measures impacted profitability in first half 2005

- **Operating performance impacted by loss-making operations – measures undertaken**
 - Objective: tightly rein in loss-making operations and press ahead with improving margins in core business.
 - Example: restructuring costs of CHF 4.0 million for the Paris desk early in the year weighed on H1 operating margin
 - Recently developed activities are still loss-making but are now turning around. Example: SP Angel (purchased in 2004) and FXDD (developed in 2003) generated an operating loss of CHF 3.2 million in H1 2005
- **Group focuses on strategic activities and halts launch of new diversification initiatives**
- **Competitive pressure on our teams forced salary adjustments to maintain our position**
- **Continued selective recruitment of teams to strengthen our position on target markets**



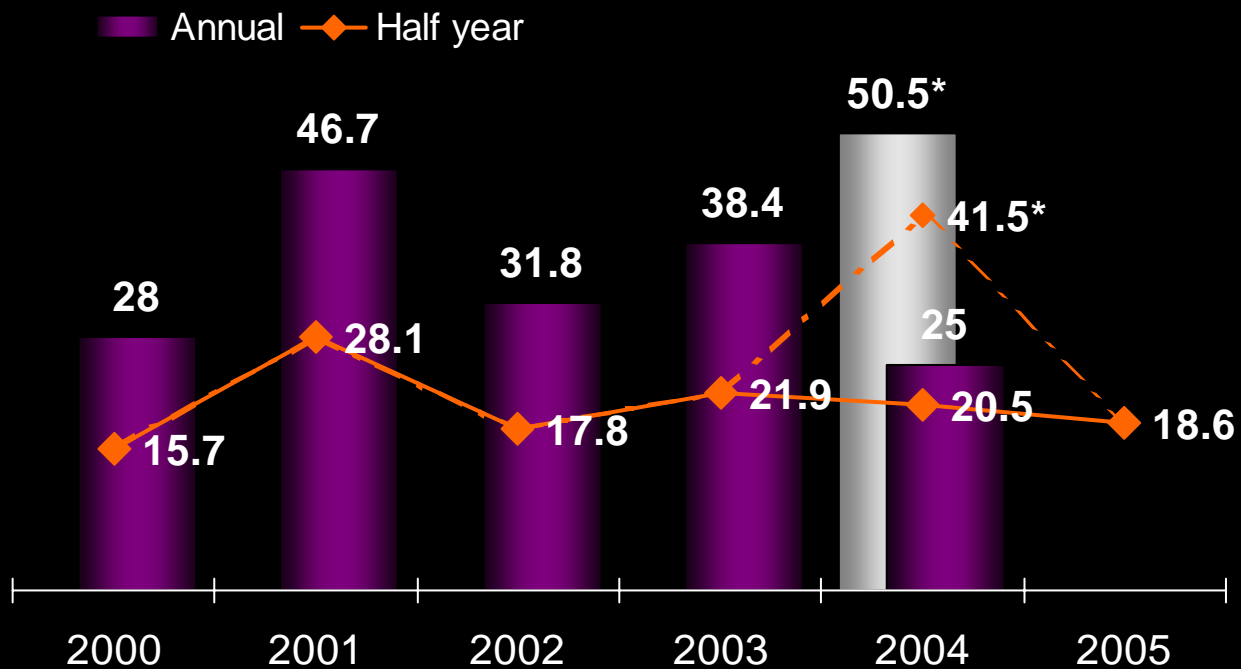


19,02 = % 859 # 870,7 + 928

19,02 859 (32,87) % 79%

Group share of net profit: CHF 18.6m

Group share of net profit 2000-2005 (CHF m)



**Excluding exceptionals
(disposal of buildings in 2004):
CHF -1.9m (H1 04 / H1 05)**



* Incl. exceptional income from disposal of buildings in Lausanne



Analysis of financial income

Half-year – CHF m

	2005	2004	Remarks
Net financial interest	734	272	Interest charges of CHF 1,693 at 30.6.05
Other financial income	706	-89	Security lending TAsiel: 416
Exchange rate gains (losses)	2,206	-2,520	
+/- on marketable securities	419	128	
Revenues from marketable securities	16	-	
Provisions on investments	254	-450	Dissolution IFX provision (500)
Net financial income	4,335	-2,659	

Net financial income for H1 2004 was restated in accordance with GAAP FER 24 to exclude a net gain of CHF 537,000 previously booked under this item.



Tax rate

CHFm and %

	H1/2005	FY/2004	H1/2004
Profit before tax	41.4	52.6	41.7
Standard tax rate	32.1%	34.7%	37.2%
Group effective tax rate	36.8%	44.0%	39.6%

**Effective tax rate of 36.8%
an improvement on 2004:
weaker impact of non-deductible expenses and
exceptional items in 2004**



Simplified balance sheet

CHF m

	HY/2005	FY/2004	Variation
Liquid assets and investments	199.1	195.3	+2.0%
Brokerage receivables	145.8	105.3	+38.5%
Other rec'bles, accrued inc. + ppd expense	418.1	241.3	+173.3%
Fixed assets	74.8	73.9	+1.2%
Total assets	837.8	615.8	36.1%
Bank borrowings	83.3	49.3	+69.0%
Other debts	93.3	70.2	+32.9%
Accrued exp. + deferred income	420.5	264.7	+58.9%
Contingency and loss provisions	15.1	15.8	-4.4%
Shareholders' equity – Group	206.5	204.6	+0.9%
Minority interests	19.0	11.2	+69.6%
Total liabilities	837.8	615.8	36.1%
Shareholders' equity/total balance sheet	26.9%	35.0%	



Net cash position

CHFm

	HY/2005	FY2004	Variation
Cash and call deposits	137.4	124.6	+12.8%
Short-term deposits	34.6	31.2	+3.4%
Investment securities	27.1	39.5	-12.4%
Short-term bank borrowings	-83.3	-49.3	-34.0%
Net cash inflow (outflow)	115.8	146.1	-30.3%

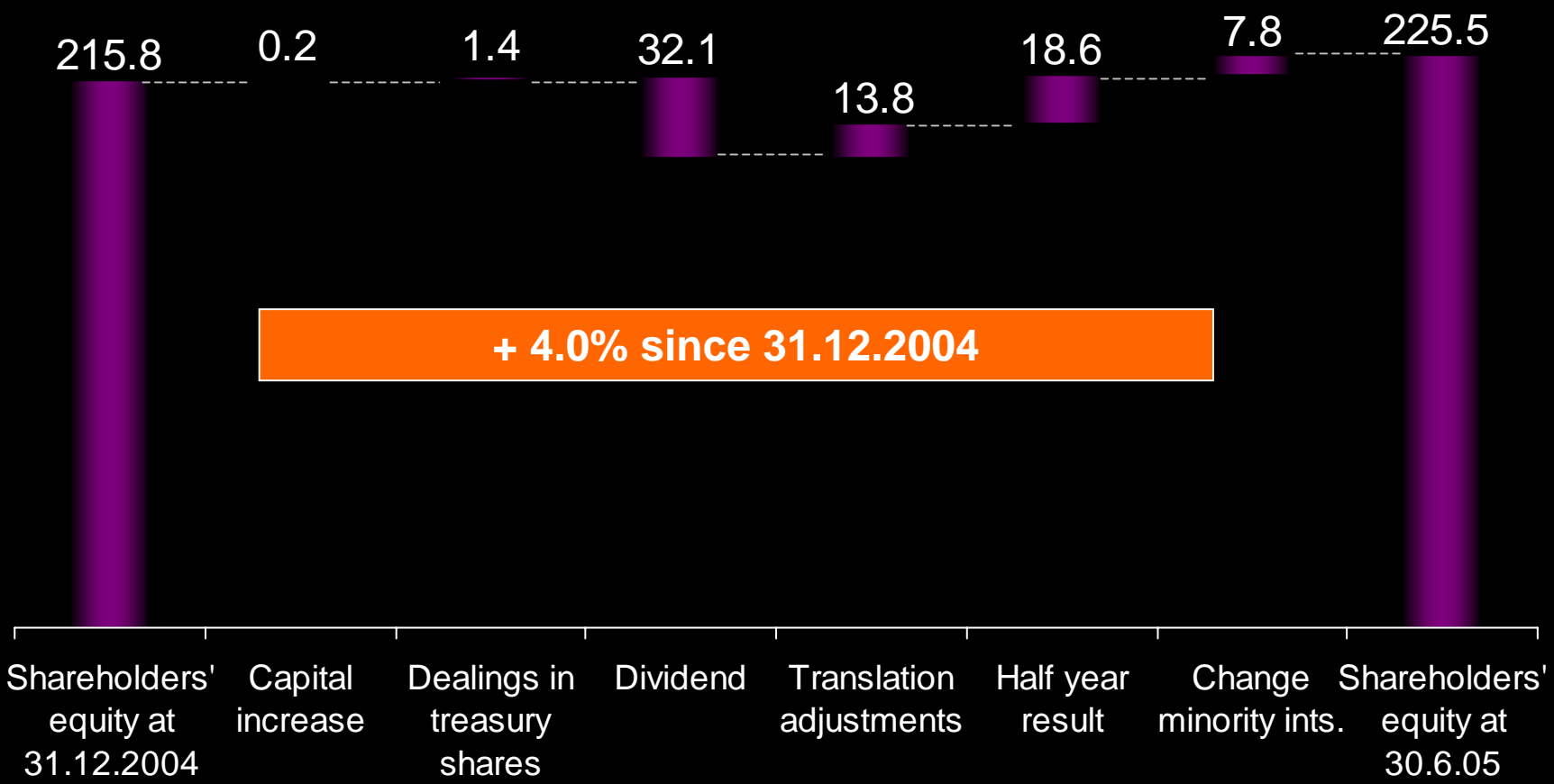


19,02 = % 859 # 870,7 + 928

19,0248 # 59 (32,87) % ,79%

Movements in shareholders' equity

Movements in shareholders' equity 31.12.2004 – 30.6.2005 (CHFm)





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General comments

- Compagnie Financière Tradition's first-time adoption of IFRS in financial statements for year ending 31 December 2005
- Application of transitional provisions (see next page)
- Purpose of this presentation: restatement of accounts at 31.12.2004 and main impact
 1. Opening balance sheet at 1 January 2004
 2. Profit and loss account 2004
 3. Balance sheet at 31 December 2004



General comments



**Comparison period:
presentation of restatement of
accounts 2004 (September
2005)**

First IFRS reporting:
presentation in 2005 financial
statements (spring 2006)



Current focus



Application of transitional provisions

- IFRS 1 – On first-time adoption of IFRS, grants limited exemptions from full retrospective application during the transition period
- ■
- Compagnie Financière Tradition has applied the following exemptions:
 - IAS 21 – *Effects of Changes in Foreign Exchange Rates*: the cumulative translation differences for all foreign activities are deemed to be zero at the date of transition to IFRS
 - IFRS 3 – *Business Combinations*: proposed application to acquisitions for which the agreement date is on or after 31 March 2004.
 - IFRS 2 – *Share-based Payment*: applied to employee share options granted after 7 November 2002.
 - IAS 19 – *Employee Benefits*: accumulated actuarial gains and losses for pension plans will be recognised in the balance sheet at the date of transition to IFRS



Key points in the transition to IFRS for Compagnie Financière Tradition

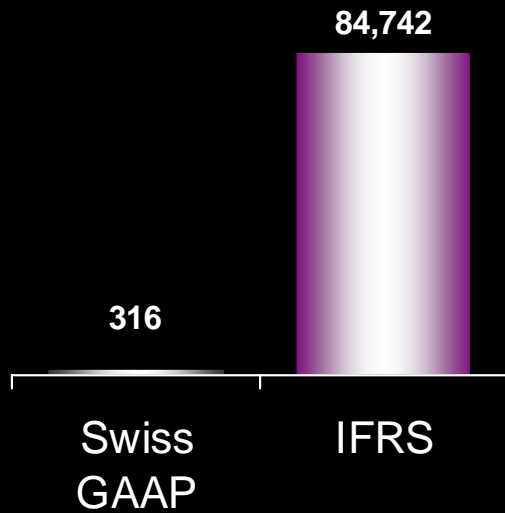
- **IFRS have a positive impact on net profit but an insignificant effect on shareholders' equity**
 - Slight reduction in Group share of shareholders' equity (-CHF 3.5 million or -1.7% at 31.12.2004 compared to Swiss GAAP reporting)
 - Stability in Group share of net profit (+CHF 3.3 million or +6.4% at 31.12.2004)
- **The main change for the balance sheet appears in the gross reporting of all principal operations (impact: CHF 84.1 billion at 31.12 2004)**
- **The other important changes affect the account structure and notes to the consolidated financial statements.**



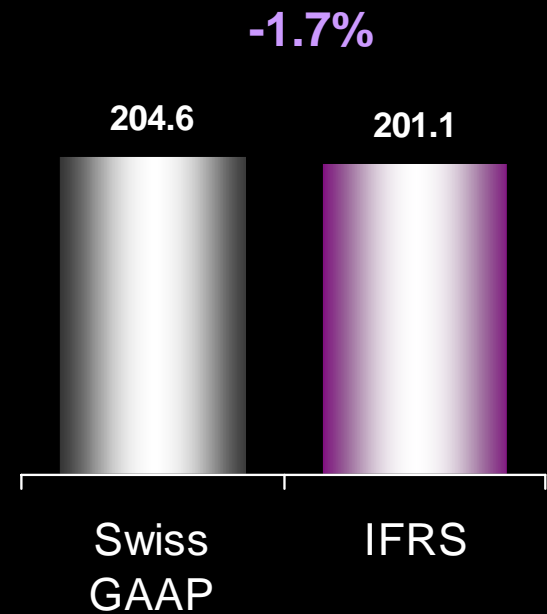
Key figures: balance sheet

CHFm at 31.12.2004

Balance sheet total



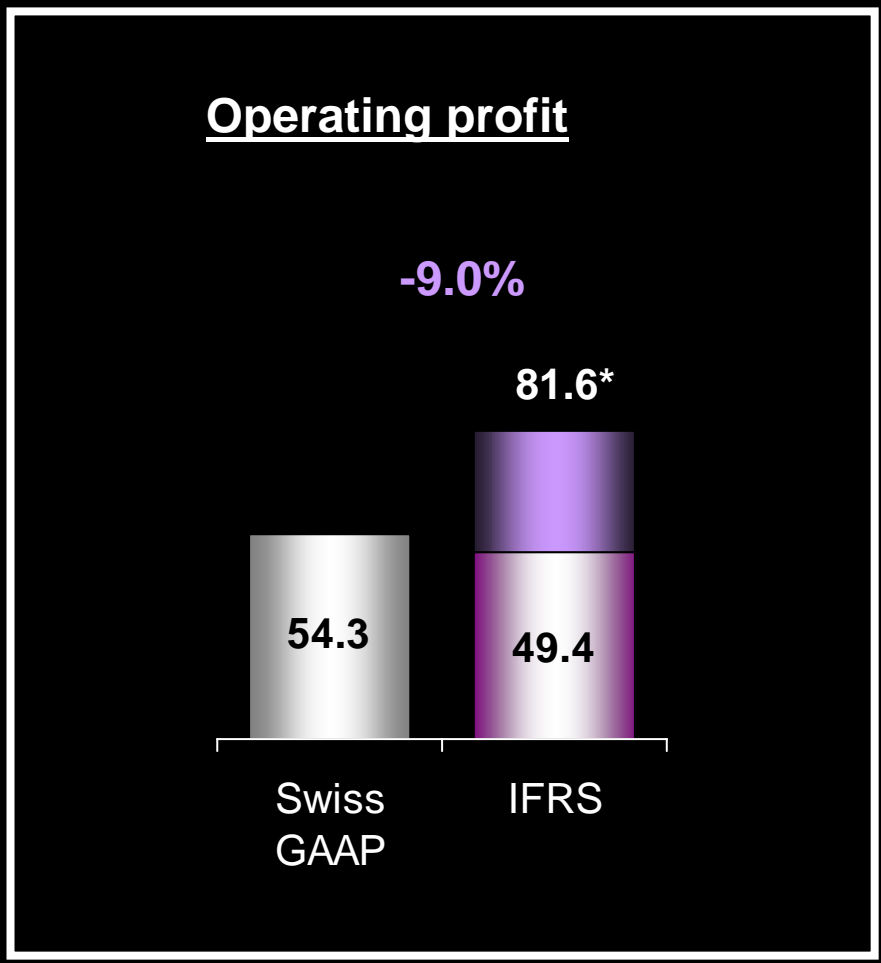
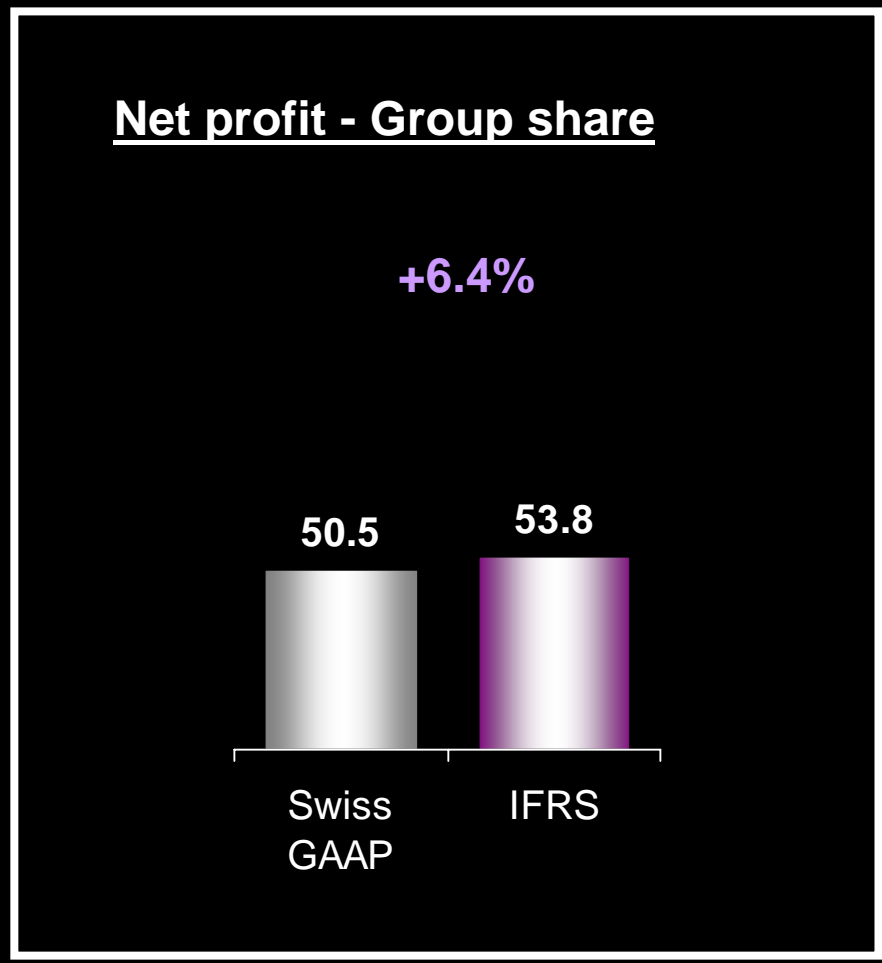
Shareholders' equity - Group





Key figures: profit & loss

CHFm at 31.12.2004



* Exceptional impact of reclassification and restatement of income on the disposal of buildings



- Introduction of IFRS will have positive impact on results
- Treatment of transactions related to *principal* activities produces a strong increase in balance sheet total
- First-time financial statements 31.12.2005



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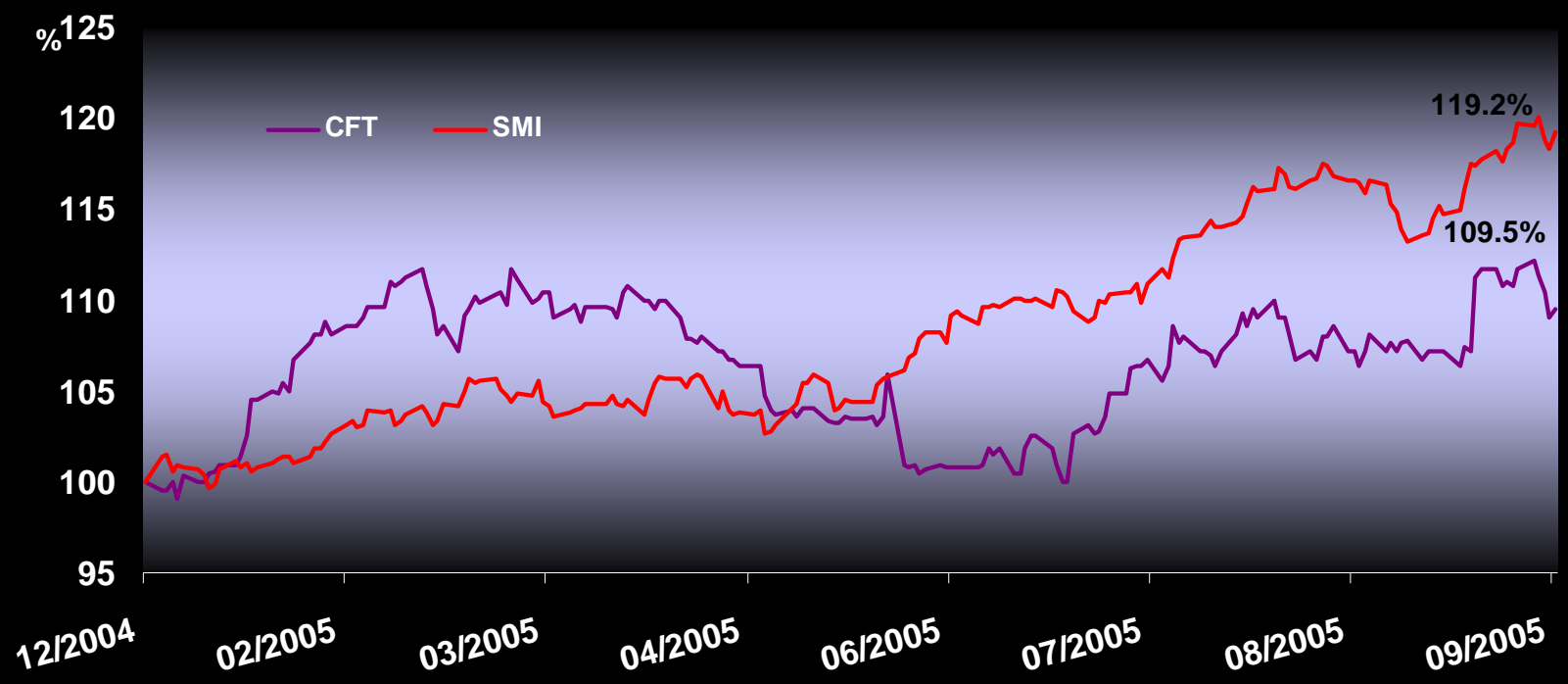
Compagnie Financière Tradition shares

- **Stock No.** : 1,248,815
- **Listing** : SWX Zurich
- **No. of shares** : 5,468,755
- **Nominal value** : CHF 2.50
- **Capital** : CHF 13.7 million
- **Free float** : 30.30%
- **P/E 2004** : 13.26x
- **Dividend 2004** : CHF 6.0
- **Yield 2004** : 4.90%*

* Based on a rate of CHF 122.6



Annualised increase in share price: 41.0% since September 1996



	Since 31.12.04*	Since 31.12.96*	Annualised increase 96-05*
CFT	+ 9.5 %	+ 1 828.6 %	+ 41.0 %
SMI	+ 19.2 %	+ 72.1 %	+ 7.2 %

* At 23 Sept. 2005, based on a CFT share price of CHF 121.5 and SMI of 6,785.53

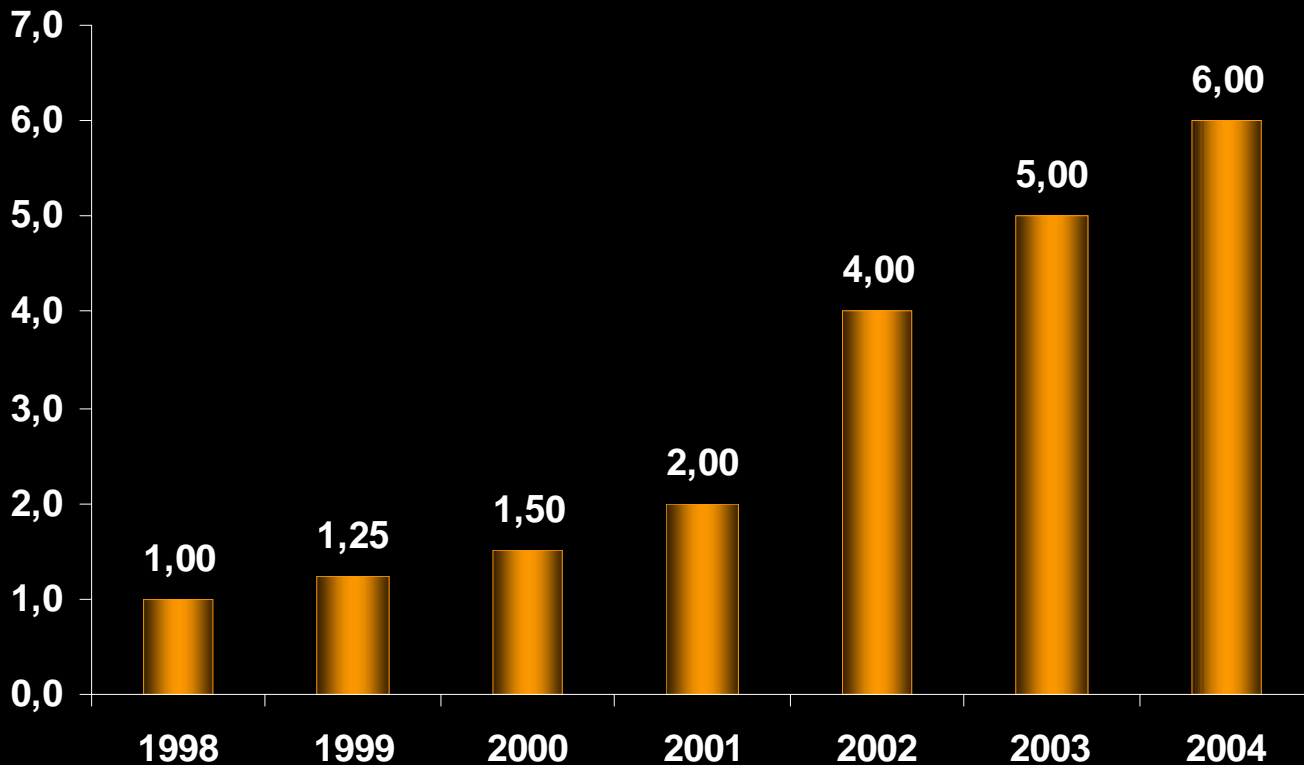


19,02=%,859#870,7+928

19,028#59(32,87\$%,79%

CFT offers the best direct yield on the SWX

Dividend per share in CHF



**Yield 2004 :
4.90%**

* Based on a share of CHF 2.50 nominal

** Based on a rate of CHF 122.6





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Objectives for next 18 months

- Sustained organic growth
- Acquisition of medium-size players
- Improve margin
- Tackle loss-making operations

