



**Compagnie Financière Tradition**  
**Interim condensed consolidated financial statements**  
**at 30 June 2006**

To the attention of the Board of Directors of  
**Compagnie Financière Tradition, Lausanne**

Lausanne, 27 September 2006

## **Review report on the interim condensed consolidated financial statements**

### *Introduction*

We have reviewed the accompanying interim condensed consolidated balance sheet of Compagnie Financière Tradition and its subsidiaries (the “Group”) as at 30 June 2006 and the related interim condensed consolidated statements of income, changes in equity and cash flows for the six-month period then ended and explanatory notes (pages 6 to 15). Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting (“IAS 34”). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

### *Scope of Review*

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young Ltd

Hans Isler

Simon Durrance

**Annexes:**

- Interim condensed consolidated financial statements (income statement, balance sheet, cash flow statement, changes in shareholders equity, and explanatory notes.

## Business Report – First Half 2006

### Turnover grew by 30.1% in the first six months...

First-half **consolidated turnover** rose 30.1% to CHF 596.7 million from CHF 458.6 million a year ago. This represents an increase of 27.1% at constant exchange rates.

Compagnie Financière Tradition is a leading global player, with a balanced distribution of turnover in terms of product mix and geographic spread. In the first six months of the year, 48.1% of turnover was generated in Europe, 31.1% in the United States., and 20.8% in Asia.

	Europe		United States		Asia-Pacific		Total	
	30 June 2006	30 June 2005	30 June 2006	30 June 2005	30 June 2006	30 June 2005	30 June 2006	30 June 2005
CHF 000								
Currencies and interest rates	129,416	111,165	77,573	56,782	96,399	80,473	303,388	248,420
Securities and security derivatives	126,028	96,405	67,197	49,783	4,236	2,213	197,461	148,401
Commodities and other activities	31,637	20,850	40,690	22,728	23,479	18,204	95,806	61,782
<b>TOTAL</b>	<b>287,081</b>	<b>228,420</b>	<b>185,460</b>	<b>129,293</b>	<b>124,114</b>	<b>100,890</b>	<b>596,655</b>	<b>458,603</b>

"Currencies and interest rates" covers operations in the money markets, interest rate and currency derivatives, as well as spot and forward forex trading. "Securities and security derivatives" comprises interest rate and equity activities in the futures markets, and broking operations in equities, government and corporate bonds, credit derivatives and repos, as well as corresponding derivatives. "Commodities and other activities" includes broking activities in energy, precious metals and pulp and paper, as well as income from brokerage activities for private investors, and income from recruitment activities.

Revenues in **Europe** grew by 25.7% (24.6% at constant exchange rates), while operations conducted from London were up by 31.1% (30.0% at constant exchange rates).

Operations in the **United States** were exceptionally buoyant, with turnover rising 43.4% (35.6% at constant exchange rates). These results were mainly achieved thanks to an active recruitment policy and the development of emerging market activities in South and Central America. Activities in securities and derivatives grew by 35.0%, and commodities jumped 63.5%.

The **Asia-Pacific** zone generated a 23.0% rise in turnover (21.5% at constant exchange rates). The Group benefited fully from the growth momentum in the Japanese economy and the rise in interest rates. Activities in the currency and interest rates sector were ahead 19.8%, while online broking in spot forex in Japan rose 43.9%.

**... with consolidated operating profit up by 69.4% to CHF 60.5 million ...**

**Consolidated operating expenses** reached CHF 536.1 million, up 25.8% from a year ago. Personnel costs climbed 26.1% to CHF 397,8 million, or 66.7% of consolidated revenues, against 68.8% in the first half of 2005 and 68.8% in the full year. Variable personnel costs represented 41.7% of global pay costs during the period (H1 2005: 37.2%).

**Consolidated operating profit** grew 69.4% to CHF 60.5 million from CHF 35.7 million in the same period last year. The operating margin reached 10.1% of consolidated turnover, up from 7.8% in the first half of 2005 and 6.5% in the full year. Consolidated operating profit in the first half of 2005 had included gross profit of CHF 3.8 million on the sale of two seats on the New York Stock Exchange (NYSE).

**... and Group share of consolidated net profit up by 46.3% to CHF 28.2 million.**

**Net consolidated financial income** represented net earnings of CHF 1.9 million, down from CHF 4.8 million a year ago. This decline was mainly due to consolidated foreign exchange losses of CHF 3.9 million during the period compared with a net gain of CHF 2.4 million in the corresponding period last year. The impact of the fair value measurement of financial assets resulted in recognition of income of CHF 3.3 million (H1 2005: CHF 1.2 million).

**Consolidated pre-tax profit** grew CHF 22.4 million to CHF 62.8 million during the period. The Group took a consolidated tax charge of CHF 26.7 million (H1 2005: CHF 15.1 million), bringing the overall consolidated tax rate to 42.6% of profit before tax (H1 2005: 36.3%).

**Consolidated operating profit** rose by 42.8% to CHF 36.1 million (H1 2005: CHF 25.3 million).

The share of earnings attributable to minority interests was CHF 7.9 million, or 21.8% of consolidated net profit, against CHF 6.0 million, or 23.7% in H1 2005.

**Group share of net profit** grew to CHF 28.2 million, from CHF 19.3 million in the first half of 2005. This result brought **consolidated shareholders' equity** to CHF 244.1 million at 30 June 2006, CHF 219.3 million of which was Group share.

This improvement in revenues was due to a combination of factors. On the business front, we fully capitalised on opportunities offered by market volatility. At the same time, we pursued our medium-term strategy to take every advantage of development opportunities through the hiring of efficient new teams, or by taking stakes or consolidating interests in companies with strong development potential. The new teams set in place have already contributed to revenue streams in 2006.

We remain committed to increasing profitability by bringing all necessary resources to bear on restructuring our loss-making activities and applying a series of measures aimed at controlling and reducing direct costs. These efforts, which are already paying off in teams that have been operational for several years, will be continued throughout the year.

We also pursued our geographic expansion in the first half by creating new entities in Brazil and the United Arab Emirates, as well as opening a representation office in Shanghai. This policy is aimed at offering clients a more localised service and achieving closer proximity to attractive markets.

We will continue to monitor consolidation movements among major players in the interdealer broking sector and to position ourselves as an important partner in the process.

## Interim condensed consolidated income statement for the period ended 30 June 2006

CHF 000	Notes	30 June 2006	30 June 2005
Turnover	2	596,655	458,603
Other net operating income	3	-93	3,394
<b><u>Operating income</u></b>		<b>596,562</b>	<b>461,997</b>
Personnel costs		-397,810	-315,547
Other operating expenses		-129,979	-103,848
Amortisation and depreciation		-8,427	-6,899
Impairment losses		140	-
<b><u>Operating expenses</u></b>		<b>-536,076</b>	<b>-426,294</b>
<b><u>Operating profit</u></b>		<b>60,486</b>	<b>35,703</b>
Net financial income	4	1,921	4,776
Share of profit/(loss) of equity accounted companies		425	-87
<b><u>Profit before tax</u></b>		<b>62,832</b>	<b>40,392</b>
Income tax	5	-26,735	-15,115
<b><u>Net profit for the year</u></b>		<b>36,097</b>	<b>25,277</b>
Attributable to:			
Shareholders of parent company		28,232	19,297
Minority interests		7,865	5,980
		<b>36,097</b>	<b>25,277</b>
Earnings per share (in CHF):			
Basic earnings per share for the period		5.24	3.61
Diluted earnings per share for the period		4.99	3.49

## Interim condensed consolidated balance sheet at 30 June 2006

CHF 000	Notes	30 June 2006	31 December 2005
<b><u>ASSETS</u></b>			
Tangible fixed assets		36,455	36,540
Intangible fixed assets		31,070	30,689
Investments in associates		1,435	1,008
Financial assets at fair value	6	18,574	8,137
Other financial assets		10,836	12,828
Deferred tax assets		12,998	13,945
Unavailable cash		15,291	12,301
<b><u>Total non-current assets</u></b>		<b>126,659</b>	<b>115,448</b>
Prepayments and accrued income		16,263	14,779
Receivables related to matched principal activities		120,354	268,439
Receivables related to account holder activities		548,675	450,603
Derivative financial instruments		1,062	36
Tax receivable		4,266	4,180
Trade and other receivables		251,415	198,333
Financial assets at fair value	6	13,703	9,770
Cash and cash equivalents	7	216,072	201,412
<b><u>Total current assets</u></b>		<b>1,171,810</b>	<b>1,147,552</b>
Non-current assets held for sale	8	3,714	4,743
<b><u>TOTAL ASSETS</u></b>		<b>1,302,183</b>	<b>1,267,743</b>
<b><u>LIABILITIES</u></b>			
Capital		13,671	13,671
Share premium		22,436	20,487
Treasury shares		-	-13,954
Currency translation		-1,350	5,532
Consolidated reserves		184,566	189,046
<b><u>Total shareholders' equity – Group share</u></b>		<b>219,323</b>	<b>214,782</b>
Minority interests		24,781	21,998
<b><u>Total shareholders' equity</u></b>		<b>244,104</b>	<b>236,780</b>
Long-term financial debts	9	10,031	13,065
Provisions		17,299	16,176
Deferred tax liabilities		780	709
<b><u>Total non-current liabilities</u></b>		<b>28,110</b>	<b>29,950</b>
Short-term financial debts	9	116,874	89,625
Trade and other payables		102,260	65,012
Tax liabilities		23,718	20,547
Derivative financial instruments		50	222
Payables linked to account holder activities		549,851	448,386
Payables related to matched principal activities		104,895	268,658
Accruals and deferred income		131,665	108,287
<b><u>Total current liabilities</u></b>		<b>1,029,313</b>	<b>1,000,737</b>
Liabilities directly related to non-current assets held for sale	8	656	276
<b><u>TOTAL LIABILITIES</u></b>		<b>1,302,183</b>	<b>1,267,743</b>

## Interim condensed consolidated cash flow statement for the period ended 30 June 2006

CHF 000	30 June 2006	30 June 2005
<b><u>Cash flows from operating activities</u></b>		
Profit before income tax	62,832	40,392
Amortisation and depreciation	8,427	6,899
Impairment losses	-140	-
Net financial income	-1,921	-4,776
Share of profit/loss of equity accounted companies	-425	87
Increase/decrease in provisions	6,819	1,346
Expenses related to share-based payments	98	265
Gains/losses on disposal of fixed assets	14	-3,794
Increase/decrease in working capital	-13,973	-465
Interest paid	-3,518	-1,672
Interest received	5,594	2,312
Taxes paid	-22,986	-14,701
<b><u>Net cash flows from operating activities</u></b>	<b>40,821</b>	<b>25,893</b>
<b><u>Cash flows from investing activities</u></b>		
Acquisition of financial assets	-12,926	-6,301
Proceeds from sale of financial assets	791	-
Acquisition of subsidiaries, net of cash acquired	160	3,000
Purchase of tangible fixed assets	-6,421	-7,783
Proceeds from disposal of tangible fixed assets	41	1,618
Purchases of intangible fixed assets	-1,668	-3,019
Proceeds from disposal of intangible fixed assets	-	6,242
Other investment income	735	410
Dividends received	51	27
Increase/decrease in unavailable cash	-3,442	357
<b><u>Net cash flows from investing activities</u></b>	<b>-22,679</b>	<b>-5,449</b>
<b><u>Cash flows from financing activities</u></b>		
Increase/decrease in short-term financial debts	24,559	25,765
Increase/decrease in long-term financial debts	-3,094	-
Increase in capital and share premium	-	224
Acquisition of treasury shares	-318	-671
Proceeds from sale of treasury shares	16,403	2,108
Dividends paid to minority interests	-4,259	-5,621
Dividends paid to shareholders of parent company	-32,810	-32,068
<b><u>Net cash flows (used in)/from financing activities</u></b>	<b>481</b>	<b>-10,263</b>
Currency translation differences	-5,798	9,408
Increase in cash and cash equivalents	12,825	19,589
Cash and cash equivalents at start of period	201,138	182,299
Cash and cash equivalents at end of period (Note 7)	213,963	201,888



**Interim condensed consolidated statement of changes in shareholders' equity for the period ended 30 June 2006**

CHF 000 (except for number of shares)	No. of shares	Capital	Share premium	Treasury shares	Currency translation	Consolidated reserves	Total - Group share	Minority interests	Total shareholders' equity
<b>Shareholders' equity at 31 December 2004</b>	<b>5,449,769</b>	<b>13,624</b>	<b>20,337</b>	<b>-15,418</b>	<b>-10,207</b>	<b>192,439,</b>	<b>200,775</b>	<b>10,744</b>	<b>211,519</b>
Capital increase	18,588	47	177	-	-	-	224	-	224
Acquisition of treasury shares	-	-	-	-671	-	-	-671	-	-671
Disposal of treasury shares	-	-	-27	2,135	-	-	2,108	-	2,108
Dividends paid	-	-	-	-	-	-32,068	-32,068	-5,621	-37,689
Effect of changes in the basis of consolidation	-	-	-	-	-	-	-	6,558	6,558
Impact of recognition of share options	-	-	-	-	-	265	265	-	265
Currency translation differences	-	-	-	-	13,885	247	14,132	848	14,980
Net profit for the period	-	-	-	-	-	19,297	19,297	5,980	25,277
<b>Shareholders' equity at 30 June 2005</b>	<b>5,468,357</b>	<b>13,671</b>	<b>20,487</b>	<b>-13,954</b>	<b>3,678</b>	<b>180,180</b>	<b>204,062</b>	<b>18,509</b>	<b>222,571</b>

<b>Shareholders' equity at 31 December 2005</b>	<b>5,468,357</b>	<b>13,671</b>	<b>20,487</b>	<b>-13,954</b>	<b>5,532</b>	<b>189,046</b>	<b>214,782</b>	<b>21,998</b>	<b>236,780</b>
Capital increase	-	-	-	-	-	-	-	-	-
Acquisition of treasury shares	-	-	-	-318	-	-	-318	-	-318
Disposal of treasury shares	-	-	1,949	14,272	-	-	16,221	-	16,221
Dividends paid	-	-	-	-	-	-32,810	-32,810	-4,259	-37,069
Effect of changes in the basis of consolidation	-	-	-	-	-	-	-	-80	-80
Impact of recognition of share options	-	-	-	-	-	98	98	-	98
Currency translation differences	-	-	-	-	-6,882	-	-6,882	-743	-7,625
Net profit for the period	-	-	-	-	-	28,232	28,232	7,865	36,097
<b>Shareholders' equity at 30 June 2006</b>	<b>5,486,357</b>	<b>13,671</b>	<b>22,436</b>	<b>-</b>	<b>-1,350</b>	<b>184,566</b>	<b>219,323</b>	<b>24,781</b>	<b>244,104</b>

## **Notes to the interim condensed consolidated financial statements**

### **General**

Compagnie Financière Tradition is a public limited company with its registered office at 11 Rue de Langallerie, 1003 Lausanne. With a presence in 21 countries, the Compagnie Financière Tradition Group is one of the world's leading interdealer brokers of financial products (money market products, bonds, interest rate, currency and credit derivatives, equities, equity derivatives, interest rate futures and index futures) and commodity-related products (precious metals, and energy and environmental products). Its shares are listed on the SWX Swiss Exchange and on the Third Market Segment of the Frankfurt Stock Exchange.

Publication of the interim condensed consolidated financial statements for the period ended 30 June 2006 was approved by the Board of Directors on 13 September 2006.

### **Main accounting conventions**

The interim condensed consolidated financial statements for the period ended 30 June 2006 were prepared in accordance with IAS 34 on interim financial reporting, as required by the Listing Rules of the SWX Swiss Exchange. They comprise the financial statements of Compagnie Financière Tradition and its subsidiaries.

The accounting conventions applied in the preparation of these interim condensed consolidated financial statements are identical to those applied at 31 December 2005.

## 1. Seasonality

The Group's activities do not have any particular seasonal characteristics, given its diverse product mix and broad geographic footprint. These activities depend mainly on market volatility. Over the past few years, however, we have noticed a business slowdown in August and December.

## 2. Segment reporting

### Disclosure by geographical segment

CHF 000	Europe		Americas		Asia-Pacific		TOTAL	
	30 June 2006	30 June 2005	30 June 2006	30 June 2005	30 June 2006	30 June 2005	30 June 2006	30 June 2005
Turnover	<b>287,081</b>	228,420	<b>185,460</b>	129,293	<b>124,114</b>	100,890	<b>596,655</b>	458,603
Operating expenses (1)	<b>-261,171</b>	-215,928	<b>-162,585</b>	-118,581	<b>-105,869</b>	-85,886	<b>-529,625</b>	-420,395
Segment operating profit	<b>25,910</b>	12,492	<b>22,875</b>	10,712	<b>18,245</b>	15,004	<b>67,030</b>	38,208
Unallocated expenses (2)							<b>-6,544</b>	-2,505
Operating profit							<b>60,486</b>	35,703
Net financial income							<b>1,921</b>	4,776
Profit/(loss) of equity accounted companies	<b>465</b>	-74	-	-13	<b>-40</b>	-	<b>425</b>	-87
Income tax							<b>-26,735</b>	-15,115
Net profit for the period							<b>36,097</b>	<b>25,277</b>

(1) Expenses net of other operating income

(2) Net expenses relating to Group holding companies

## 3. Other net operating income

An analysis of this item is shown below:

CHF 000	30 June 2006	30 June 2005
Net gains on disposal of fixed assets	<b>-14</b>	3,794
Net expenses related to the TFS-ICAP joint venture	<b>-684</b>	-408
Other operating income	<b>605</b>	8
<b>TOTAL</b>	<b>-93</b>	<b>3,394</b>

#### 4. Net financial income

An analysis of this item is shown below:

CHF 000	<u>30 June 2006</u>	<u>30 June 2005</u>
<b>Financial income</b>		
Interest income	5,421	2,429
Income from equity investments	51	16
Gains on financial assets	3,361	1,165
Exchange rate gains	1,552	4,721
Other financial income	735	1,021
	<u>11,120</u>	<u>9,352</u>
<b>Financial expenses</b>		
Interest expense	-3,386	-1,693
Losses on financial assets	-79	-
Exchange rate losses	-5,405	-2,308
Financial expenses on assets under finance leases	-97	-13
Other financial expenses	-232	-562
	<u>-9,199</u>	<u>-4,576</u>
<b>Net financial income</b>	<u>1,921</u>	<u>4,776</u>

#### 5. Income tax

An analysis of the tax charge is shown below:

CHF 000	<u>30 June 2006</u>	<u>30 June 2005</u>
<b>Current tax</b>		
Taxation for the period	-26,431	-16,400
Tax relating to previous years	365	-110
	<u>-26,066</u>	<u>-16,510</u>
<b>Deferred tax</b>		
Movements in deferred tax	-	-
Creation and reversal of temporary differences	459	-710
Tax losses not previously recognised	-	2,105
Use of adjusted tax losses	-1,128	-
	<u>-669</u>	<u>1,395</u>
<b>Income tax</b>	<u>-26,735</u>	<u>-15,115</u>

#### 6. Financial assets at fair value

##### Non-current assets

The Company purchased 2,395,000 additional shares in IFX Group plc during the period, for a total consideration of CHF 8,309,000.

The impact of the fair value measurement of financial assets during the period resulted in the recognition of income of CHF 2,163,000, carried under Financial income (Note 4).

##### Current assets

Financial assets held for trading include shares in JSE Ltd. The impact of the fair value measurement of these assets during the period resulted in the recognition of income of CHF 1,068,000, carried under Financial income (Note 4).

## 7. Cash and cash equivalents

CHF 000	<b>30 June 2006</b>	30 June 2005
Cash and call deposits with banks	<b>175,558</b>	155,707
Short-term deposits with banks	<b>33,952</b>	32,394
Short-term money-market investments	<b>6,562</b>	15,665
Cash and cash equivalents	<b>216,072</b>	203,766
Less: bank overdrafts	<b>-2,109</b>	-1,878
Cash and cash equivalents in the cash flow statement	<b>213,963</b>	201,888

## 8. Non-current assets and liabilities held for sale

A letter of intent was signed in 2005 concerning the sale of ABC Clearing Ltd. This transaction was close to finalisation at 30 June 2006.

## 9. Financial debts

In April, the Group early repaid a long-term bank loan of JPY 150 million (CHF 1,648,000) carried by Meitan Tradition Co. Ltd, which was due in November 2010.

Short-term financial debts at 30 June included debts to clearing houses of CHF 13,006,000 (CHF 645,000 at 31 December 2005). Their purpose was to enable the financing of failed trades in connection with matched principal activities. These debts were collateralised by the securities carried under "Receivables related to matched principal activities". They were repaid early in July when the securities were delivered.

Group borrowings during the period consisted of an amount of GBP 2,131,000 (CHF 4,825,000), under a line of credit bearing interest at the market rate and repayable on demand, as well as bank loans of JPY 622,055,000 (CHF 6,669,000), bearing interest at the market rate and repayable on 30 September 2006.

## 10. Share-based payments

In April 2006, 75,000 share options were granted to Group employees. These are exercisable, in whole or in part, between 24 April 2009 and 23 April 2016. The exercise price was set at CHF 129.90, corresponding to the average quoted market price for the twenty business days immediately preceding the grant date. The exercise of options only gives the right to receive shares. Fair value is determined on the date the options are granted applying a binomial option pricing model and takes account of the general vesting characteristics and conditions prevailing at that date.

The following valuation parameters were used to determine the fair value of the options, based on historical observations:

Dividend yield	4.23 %
Volatility	33.29 %
Risk-free interest rate	2.65 %

The fair value of each of the options on the grant date was CHF 23.54.

## 11. Treasury shares

In April, all 126,181 treasury shares directly held by Compagnie Financière Tradition were sold for a consideration of CHF 16,403,000. This disposal generated a profit of CHF 2,131,000, which was carried to consolidated shareholders' equity and booked as a contribution to the premium reserve, after allowing for appropriate taxes.

## 12. Dividends

After receiving shareholder approval at the annual general meeting on 17 May 2006, the following dividend was paid during the period:

CHF 000	<b>30 June 2006</b>	30 June 2005
2005 dividend of CHF 6.00 per share (2004: CHF 6.00)	<b>32,810</b>	32,068

## 13. Related party transactions

### Related party receivables

CHF 000	<b>30 June 2006</b>	31 December 2005
Receivables from associates	<b>360</b>	290
Receivables from related companies	<b>1,085</b>	1,144
Receivables from shareholder and associated companies	<b>4,962</b>	2,033
<b>TOTAL</b>	<b>6,407</b>	3,467

### Related party payables

CHF 000	<b>30 June 2006</b>	31 December 2005
Payables to associates	-	-
Payables to related companies	<b>1,166</b>	1,659
Payables to shareholder and associated companies	<b>29,561</b>	6,400
<b>TOTAL</b>	<b>30,727</b>	8,059

“Receivables from shareholder and associated companies” and “Payables to shareholder and associated companies” include all receivables and payables due to or by Compagnie Financière Tradition and its subsidiaries in respect of their ultimate majority shareholder, VIEL et Compagnie Finance, Paris, and subsidiaries of that company.

## 14. Off-balance sheet

### Commitments to deliver and receive securities

CHF 000	<b>30 June 2006</b>	31 December 2005
Commitments to deliver securities	<b>54,744,012</b>	81,006,300
Commitments to receive securities	<b>54,747,700</b>	81,011,492

Commitments to deliver and receive securities reflect buy and sell transactions on securities undertaken before 30 June 2006 and closed after that date, in connection with the matched principal activities of Tradition London Clearing Ltd, Tradition Asiel Securities Inc., TFS Derivatives Ltd and Tradition Securities and Futures S.A.

## 15. Exchange rates

The main exchange rates against the Swiss franc used in the consolidation are shown below:

		30 June 2006		30 June 2005	
		Closing rate	Average rate	Closing rate	Average rate
1 pound sterling	GBP	2.2642	2.2729	2.3155	2.2547
1 euro	EURO	1.5645	1.5616	1.5475	1.5461
1 Japanese yen	JPY	0.0107	0.0110	0.0116	0.0113
1 US dollar	USD	1.2467	1.2712	1.2829	1.2033

## 16. Changes in the basis of consolidation

The main changes in the basis of consolidation during the period were as follows:

### Newly created companies:

	Country	Controlling interest	Equity interest	Capital in thousands	Method FCM/PCM/EM
Tradition Brasil Consultoria Empresarial Ltda	Brazil	100.00 %	100.00 %	BRL 820	FCM
TFS Dubai Ltd	United Arab Emirates	100.00 %	99.73 %	USD 450	FCM
TFS Energy Solutions (Texas) LP	United States	100.00 %	52.86 %	USD n/s	FCM
TFS Energy Solutions LLC	United States	100.00 %	52.86 %	USD n/s	FCM

FCM: Full consolidation method – PCM: Proportional consolidation method – EM: Equity method

Gaitame.com Co. Ltd: Tradition Service Holding S.A. acquired an additional 0.65% stake in the capital of Gaitame.com Co. Ltd for a consideration of CHF 155,000. This brought the Group's controlling interest in the company to 41.36% at 30 June 2006 (40.71% at 31 December 2005), and its equity interest to 23.18% at that date. Negative goodwill of CHF 0.1 million arising on this operation was booked under "Impairment losses".

## 17. Event after the balance sheet date

Compagnie Financière Tradition disposed of its entire shareholding in IFX Group plc, following a takeover offer made by City Index (Holdings) Ltd in August 2006. The sale involved 5,225,000 shares at a share price of GBP 1.80, for a total consideration of GBP 9,405,000.