



COMPAGNIE FINANCIERE TRADITION

SEMI-ANNUAL REPORT 2001

COMPARATIVE CONSOLIDATED RESULTS

In thousands of Swiss francs	1st half 2001	1st half 2000	2000
Net turnover	408,382	318,269	645,128
Other operating income	363	246	670
Operating income	408,745	320,515	645,798
Employee compensation and benefits	-263,952	-206,406	-430,549
Other operating expenses	-85,569	-75,034	-153,078
Depreciation and amortisation	-5,501	-4,578	-10,760
Operating expenses	-355,022	-286,018	-594,387
Operating profit	53,723	32,497	51,411
Net financial income	5,949	5,182	15,537
Profit before tax	59,672	37,680	66,948
Taxes	-23,188	-19,148	-31,501
Associated undertakings	-1,225	-1,048	-1,933
Net extraordinary items	-	-	-
Net profit	35,259	17,483	33,514
Group share	28,130	15,683	28,030
Minority interests	7,129	1,800	5,484



Compagnie Financière Tradition

FINANCIAL REVIEW - FIRST HALF 2001

Consolidated net turnover rose 28.3% to CHF 408.4 million during the period, compared with consolidated earnings of CHF 318.3 million in the first half of 2000. This represents an increase of 30.5% in constant terms

An analysis of the contribution to consolidated turnover of the Group's three core businesses is as follows:

CHF 1 000	TSH		TFS		HTS		Total	
	1 st half 2001	1 st half 2000	1 st half 2001	1 st half 2000	1 st half 2001	1 st half 2000	1 st half 2001	1 st half 2000
Europe	99,762	104,633	34,729	31,323	42,282	28,077	176,773	164,033
U.S.A.	133,535	75,209	34,873	21,364	-	-	168,408	96,373
Asia	52,281	45,991	10,920	11,672	-	-	63,201	57,663
Total	285,578	225,833	80,522	64,359	42,282	28,077	408,382	318,269

TSH, a broker active in money market products, interest rate transactions, emerging markets and credit derivatives, posted a rise of 26.5% in first-half consolidated turnover, to CHF 286 million. Its U.S. operations performed particularly well, and now account for 47% of its revenues, compared with 33% a year earlier. Underlying this growth were the excellent returns from Asiel & Co LLC, a founding member of the NYSE, which was taken over in June 2000.

TFS, a specialist broker of currency options, equity derivatives, and non-financial products, turned in an equally good performance, with half-year consolidated turnover rising 25.1%. The main impetus came from two of its four business sectors. In currency options, TFS's joint venture with a major competitor, ICAP, early in July 2000 proved highly successful, enabling it to enhance profitability and established itself as a world leader in this market. The Company also appreciably strengthened its presence in the energy sector, particularly in the U.S., while continuing to develop its product portfolio.

Finally, Compagnie Financière Tradition's third core business, Holding Tradition Securities (HTS) specialised in the field of pure brokerage in securities and exchange-traded products, saw consolidated earnings rise over 50%, to CHF 42.3 million. The main profit drivers were interest rate futures and securities handled through HTS's Paris and London based operations, while equities at the Paris office declined considerably compared with last year.



Compagnie Financière Tradition's consolidated operating profit soared 65% to CHF 53.7 million during the period, against CHF 32.5 million in the first half of 2000. Operating margin reached a five-year high of 13.2% of consolidated turnover, compared with 10.2% a year earlier. Personnel costs retreated slightly to 64.6% of consolidated turnover against 64.8% in H1 2000, while costs of telecommunications and purchasing information continued their downhill trend of the past few years and now account for only 7.3% of consolidated earnings against 11.9% three years ago.



Compagnie Financière Tradition

Financial income rose to CHF 5.9 million, against CHF 5.2 a year earlier. It includes net foreign exchange gains of CHF 2.0 million against CHF 1.8 in 2000, dividends of CHF 1.3 million on equity holdings, compared with CHF 1.2 million in the previous period, and financial income from reinvestment of consolidated net cash. The latter stood at CHF 191.1 million at the end of the first half, against CHF 118.7 million on 30 June 2000, including a marketable securities portfolio of CHF 73.3 million at 30 June 2001, consisting of short-term treasury paper, equities and mutual funds.

Consolidated pre-tax profit rose 58.4% to CHF 59.7 million, compared with CHF 37.7 million in the first half of 2000. The Group's tax charge was significantly lower than in the corresponding period 2000, standing at CHF 23.2 million, or 35.7% of pre-tax profit, against 50.8%. This encouraging result was prompted by the return to break-even of certain loss-making companies over the previous years, which benefited from tax loss carry forwards during the first half of 2001.

After taking account of this tax charge, Compagnie Financière Tradition's consolidated net profit stood at CHF 35.3 million, against CHF 17.5 million in H1 2000 and CHF 33.5 million for the full 2000 financial year. Minority interests' share of profits increased significantly to CHF 7.1 million, against CHF 1.8 million in the previous period, resulting primarily from the strong profit showing from TFS, 68.4% owned by Compagnie Financière Tradition.

Group share of net profit reached CHF 28.1 million, a rise of 79.4% over the first half of 2000. This performance brought annualised return on consolidated equity to 38.4%. The latter stood at CHF 209.3 million at 30 June 2001, CHF 169.0 million of which was the Group's share.



Compagnie Financière Tradition again posted a strong set of first-half figures, continuing its four year trend of sustained growth in earnings and profits, with a consolidated operating margin of 13.2%, placing it firmly among the front leaders in financial brokerage.

In June, the Group acquired two financial brokerage businesses in France, and holdings in five financial brokerage companies that were formally subsidiaries of Finacor, a French financial brokerage group. These new operations offer important synergies with those of Compagnie Financière Tradition in terms of both product lines and geographic spread.

The Group has built on its leadership in continental Europe in a sector dominated by US-UK competitors, by strengthening its presence in the U.K., and more especially in Germany, where it now has two subsidiaries including a specialised equities broker. This has provided greater product line breadth in its equities business, which had already been enhanced in June 2000 by the takeover of Asiel & Co LLC, a founding member of the NYSE, specialized in equities arbitrage. These takeover operations together represent a turnover of around CHF 100 million a year.

With a particularly well-balanced revenue stream, in terms of both geographic spread and product portfolio, and its dynamic growth, Compagnie Financière Tradition is well positioned to sustain such a performance during the second half.