Tradition

Compagnie Financière Tradition SA
Interim condensed consolidated financial statements for the period ended 30 June 2009

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Business Report – First Half 2009

The main accounting policies applied in the preparation of the interim condensed consolidated financial statements for the six-month ***period ending 30 June 2009 are identical to those in effect at 31 December 2008.***

Overview

Turnover for the first half of 2009 at CHF 743.6 million compared with CHF 788.3 million for the equivalent period in 2008, a decrease of 1.7% at constant exchange rates (a decrease of 5.7% at current exchange rates).

Operating Profit for the first six months of 2009 was CHF 91.8 million compared with CHF 99.8 million for the first half of 2008 and operating margin was 12.4% against 12.7% for the earlier period. Operating Profit benefited from a CHF 20.5 million gain on the realisation of the Group's investment in Reset Holding (Pte) Ltd. The underlying decrease in operating profit reflects mainly continuing amortisation of our 2008 investment in our North American Credit Derivatives business and selected investment in certain product areas, particularly in London where we are taking advantage of difficult market conditions to expand at realistic cost.

An analysis of consolidated turnover by product group is shown below:

CHF 000	30 June 2009	30 June 2008	Change at current exchange rates	Change at constant exchange rates
Currencies and interest rates	292 405	320 935	-8.9%	-4.0%
Securities and security derivatives	313 099	330 647	-5.3%	+0.5%
Commodities and other activities	138 083	136 717	+1.0%	-1.9%
Total	**743 587**	**788 299**	**-5.7%**	**-1.7%**

In the financial markets we have seen considerable changes over the past year. As the risk appetite of many of our major customers has changed we have seen a shift in emphasis in some products lines. Generally we have seen a move away from complicated structures toward more vanilla products. Cash products have performed more strongly than derivatives. Risk in emerging markets has been limited and turnover in equities has also slowed. Although business in volatility products has reduced we are now seeing signs of recovery.

Revenues in all commodities and non financial products, with the exception of freight, remained consistent year on year and we remain confident that business in all the major energy markets will continue in the short term, but will continue to closely monitor developments for changes in regulatory requirements.

An analysis of consolidated turnover by region is presented below:

CHF 000	30 June 2009	30 June 2008	Change at current exchange rates	Change at constant exchange rates
Europe	345 403	346 966	-0.5 %	17.3%
Americas	228 581	275 494	-17.0%	-22.3%
Asia-Pacific	169 603	165 839	+2.3%	-7.4%
Total	**743 587**	**788 299**	**-5.7%**	**-1.7%**

Europe

Our London operation has seen growth in revenues due mainly to our investment in new teams (broker headcount increasing from 450 to 484 over the last year). True to our strategy, we have built up our coverage in the cash equity arena and although this area remains subdued we feel we are in good position to benefit going forward. We have also invested in improving our market position in interest rate derivatives and have achieved increased market share in all swap sectors.

With increased government issuance and volatile spreads in corporate bonds we have returned good performances in our securities division but are still underweight and continue to look at opportunities to expand our coverage.

With growth comes expense, and costs in London have increased at broker level. To offset this development we have embarked on a structured cost reduction that should not affect our ability to increase revenues .These cost savings will start coming through in the second half of 2009.

In Continental Europe, and Paris in particular, we have seen good activity levels in our cash businesses, particularly futures and bonds.

Americas

Revenues from the Americas are down as turnover slowed across most product groups although we outperformed in money markets where price discovery attracted a premium. Our profitability continues to be modest as we amortise our 2008 investment in our Credit Derivatives platform which has seen lower levels of activity than anticipated. There also remains uncertainty due to speculation about regulatory requirements..

We are pleased with the progress we make in Latin America. Looking forward, we expect to see increased profitability and will continue to explore opportunities for further organic growth.

Asia-Pacific

Profitability in Asia-Pacific is down reflecting lower revenues, particularly in the Rates product groups. However we have made the best of the market conditions and have invested in a number of areas. We have good market shares in all the regional IRS markets and an improved position in both credit and equity derivatives in Hong Kong. Our new office in Philippines is also performing satisfactorily. Over the last 12 months broker headcount in the region has increased from 372 to 431. Again, we have embarked on a controlled cost saving exercise that will show benefits in the second half and in 2010. Our retail activity in Japan again recorded a positive growth in the first half of 2009.

Net profit attributable to Company shareholders grew to CHF 54.3 million from CHF 46.5 million a year ago.

The net financial result represented an expense of CHF 2.2 million compared with an expense of CHF 0.9 million in the same period last year. Net exchange losses amounted to CHF 2.2 million and interest expense, net of interest income related to the reinvestment of short-term cash, was CHF 0.1 million.

The share of the profits or losses of associates was CHF 3.3 million (H1 2008: CHF 4.5 million), of which CHF 3.0 million (H1 2008 : CHF 1.0 million) related to FXDirectDealer LLC active in online trading for retail customers. Our share of profits of Ong First Tradition (Pte) Ltd based in Singapore and active in the futures market was CHF 0.8 million for the first half of 2009 (H1 2008 : CHF 0.1 million).

Profit before tax from continuing operations was CHF 92.9 million (H1 2008: CHF 103.4 million) giving a pre-tax return of 12.5% (H1 2008: 13.1%).

The Group took a consolidated tax charge of CHF 30.0 million, or 32.3% of profit before tax, compared with CHF 44.6 million, or 43.1%, in the first half of 2008. Excluding the impact of exceptional items, consisting of a gain of CHF 20.5 million on the disposal of an associate, Reset Holding (Pte) Ltd, and a gain of CHF 5.1 million recognised on the disposal of two companies in liquidation, the tax charge would have been 38.9% of profit before tax at 30 June 2009.

Consolidated net profit rose to CHF 62.9 million from CHF 57.8 million in the first six months of last year, bringing the net margin to 8.5% of consolidated turnover (H1 2008: 7.3%).

Net profit attributable to Company shareholders grew 16.6% to CHF 54.3 million (H1 2008: CHF 46.5 million). This result brought consolidated equity to CHF 412.0 million at 30 June 2009, CHF 354.3 million of which was attributable to Company shareholders. This reflects the Group's very solid financial situation, with a cash position, financial assets held for trading and financial assets available for sale, net of financial debts, standing at CHF 294.1 million at 30 June 2009 (31 December 2008: CHF 200.9 million).

Outlook

It is unlikely that the second half of 2009 will see market volatility and activity at the levels seen in 2008. Against this backdrop, Compagnie Financière Tradition will continue to focus on growing its business organically and on controlling its cost base in order to maintain its position as an international leader in the sector.

Interim consolidated income statement for the period ended 30 June 2009

CHF 000	Notes	**30 June 2009**	30 June 2008
Continuing operations			
Turnover		**743 587**	788 299
Other net operating income	**3**	**27 543**	536
Operating income		**771 130**	788 835
Personnel costs		**-511 627**	-526 172
Other operating expenses		**-143 253**	-147 530
Amortisation and depreciation		**-24 253**	-14 987
Impairment losses		**-156**	-360
Operating expenses		**-679 289**	-689 049
Operating profit		**91 841**	99 786
Net financial result	**4**	**-2 225**	-937
Share of profits of associates		**3 298**	4 531
Profit before tax		**92 914**	103 380
Income tax	**5**	**-30 028**	-44 586
Net profit for the period from continuing operations		**62 886**	58 794
Discontinued operations			
Profit/(loss) after tax from discontinued operations		**-**	-1 020
Net profit for the period		**62 886**	57 774
Attributable to:			
Shareholders of the parent		**54 270**	46 547
Minority interests		**8 616**	11 227
Earnings per share (in CHF):			
Basic earnings per share		**9.68**	8.31
Diluted earnings per share		**9.48**	7.97
Earnings per share from continuing operations (in CHF):			
Basic earnings per share from continuing operations		**9.68**	8.49
Diluted earnings per share from continuing operations		**9.48**	8.15

Interim consolidated balance sheet at 30 June 2009

CHF 000	Notes	30 June 2009	31 December 2008
ASSETS			
Tangible fixed assets		**58 233**	54 595
Intangible fixed assets	**9**	**93 760**	103 544
Investments in associates	**8**	**18 002**	13 047
Available-for-sale financial assets		**34 840**	18 282
Other financial assets		**10 951**	9 055
Deferred tax assets		**22 453**	26 321
Unavailable cash		**20 603**	18 782
Total non-current assets		**258 842**	243 626
Other current assets		**14 912**	12 402
Derivative financial instruments		**1 937**	23 582
Tax receivables		**8 386**	7 528
Trade and other receivables	**7**	**951 917**	825 660
Available-for-sale financial assets		**8 113**	6 280
Financial assets at fair value		**2 569**	2 492
Cash and cash equivalents	**6**	**446 986**	378 849
Total current assets		**1 434 820**	1 256 793
Assets held for sale	**10**	**-**	3 558
TOTAL ASSETS		**1 693 662**	1 503 977
EQUITY AND LIABILITIES			
Capital	**13**	**15 320**	14 049
Share premium		**49 249**	4 310
Treasury shares	**14**	**-8 763**	-7 135
Currency translation		**-52 498**	-57 353
Consolidated reserves		**351 020**	331 761
Total equity attributable to shareholders of the parent		**354 328**	285 632
Minority interests		**57 682**	55 119
Total equity		**412 010**	340 751
Financial debts		**5 050**	7 187
Provisions		**28 927**	28 656
Deferred tax liabilities		**12 972**	8 579
Deferred income		**2 401**	2 277
Total non-current liabilities		**49 350**	46 699
Financial debts		**184 970**	184 422
Trade and other payables	**12**	**1 013 075**	895 757
Tax liabilities		**28 832**	21 440
Derivative financial instruments		**4 909**	14 432
Deferred income		**516**	476
Total current liabilities		**1 232 302**	1 116 527
TOTAL LIABILITIES		**1 281 652**	1 163 226
TOTAL EQUITY AND LIABILITIES		**1 693 662**	1 503 977

Interim consolidated cash flow statement for the period ended 30 June 2009

CHF 000	30 June 2009	30 June 2008
Cash flows from operating activities		
Profit before tax on continuing operations	**92 914**	103 380
Profit/(loss) before tax on discontinued operations	**-**	600
Amortisation and depreciation	**24 253**	14 987
Impairment losses	**156**	360
Net financial income	**-11 644**	-2 197
Share of profits of associates	**-3 298**	-4 531
(Increase)/decrease in provisions	**945**	-18
Movements in deferred income	**-229**	-2 979
Expense related to share-based payments	**2 002**	1 528
(Gains)/losses on disposal of subsidiaries and associates	**-25 558**	-
Net (gains)/losses on disposal of fixed assets	**163**	-155
(Increase)/decrease in working capital	**-16 312**	44 214
Interest paid	**-5 085**	-4 281
Interest received	**2 184**	5 047
Income tax paid	**-28 951**	-51 647
Net cash flows from operating activities	**31 540**	104 308
Cash flows from investing activities		
Acquisition of financial assets	**-2 572**	-1 925
Proceeds from disposal of financial assets	**645**	19 727
Acquisition of subsidiaries, net of cash acquired	**-**	-2 491
Disposal of subsidiaries, net of cash disposed	**-**	518
Disposal of associates	**47 620**	-
Purchases of tangible fixed assets	**-10 525**	-27 593
Proceeds from disposal of tangible fixed assets	**100**	-
Purchases of intangible fixed assets	**-3 259**	-31 333
Dividends received	**849**	6 531
(Increase)/decrease in unavailable cash	**-1 299**	1 536
Net cash flows from investing activities	**31 559**	-35 030
Cash flows from financing activities		
Increase in short-term financial debts	**-**	30 861
Decrease in short-term financial debts	**-10 306**	-8 159
Decrease in long-term financial debts	**-3 086**	-3 152
Increase in capital and share premium	**46 755**	2 307
Acquisition of treasury shares	**-2 859**	-962
Proceeds from disposal of treasury shares	**666**	-
Dividends paid to minority interests	**-4 661**	-2 794
Dividends paid to shareholders of the parent	**-44 638**	-44 915
Net cash flows from financing activities	**-18 129**	-26 814
Movements in exchange rates	**12 406**	-21 907
Movements in cash and cash equivalents	**57 376**	20 557
Cash and cash equivalents at start of period	**368 332**	293 118
Cash and cash equivalents at end of period (Note 6)	**425 708**	313 675

Interim consolidated statement of comprehensive income for the period ended 30 June 2009

CHF 000	30 June 2009	30 June 2008
Profit for the period recognised in the income statement	**62 886**	57 774
Fair value adjustments on cash flow hedges		
- recognised in hedging reserve	**790**	281
- transferred to income statement	**845**	218
Fair value adjustment on available-for-sale financial assets		
- recognised in revaluation reserve	**9 393**	-
Currency translation	**9 250**	-30 868
Transfer of exchange difference to income statement	**-5 787**	-1 424
Other comprehensive income, net of tax	**14 491**	-31 793
Comprehensive income for the period	**77 377**	25 981
Attributable to:		
Shareholders of the parent	**70 153**	16 859
Minority interests	**7 224**	9 122

Interim consolidated statement of changes in equity for the period ended 30 June 2009

CHF 000 (except for number of shares)	Attributable to shareholders of the parent							Minority interests	Total equity
	Number of shares	Capital	Share premium	Treasury shares	Currency translation	Consolidated reserves	**Total**		
At 1 January 2008	**5 594 451**	**13 986**	**32 717**	**-**	**-19 387**	**264 487**	**291 803**	**36 001**	**327 804**
Net profit for the period	-	-	-	-	-	46 547	**46 547**	11 227	**57 774**
Other comprehensive income	-	-	-	-	-30 187	499	**-29 688**	-2 105	**-31 793**
Comprehensive income for the period	-	-	-	-	**-30 187**	**47 046**	**16 859**	**9 122**	**25 981**
Transfer to the general reserve	-	-	-30 651	-	-	30 651	-	-	-
Capital increase	25 000	63	2 244	-	-	-	**2 307**	-	**2 307**
Acquisition of treasury shares	-	-	-	-962	-	-	**-962**	-	**-962**
Dividends paid	-	-	-	-	-	-44 915	**-44 915**	-2 794	**-47 709**
Impact of recognition of share options	-	-	-	-	-	1 528	**1 528**	-	**1 528**
At 30 June 2008	**5 619 451**	**14 049**	**4 310**	**-962**	**-49 574**	**298 797**	**266 620**	**42 329**	**308 949**

CHF 000 (except for number of shares)	Attributable to shareholders of the parent							Minority interests	Total equity
	Number of shares	Capital	Share premium	Treasury shares	Currency translation	Consolidated reserves	**Total**		
At 1 January 2009	**5 619 451**	**14 049**	**4 310**	**-7 135**	**-57 353**	**331 761**	**285 632**	**55 119**	**340 751**
Net profit for the period	-	-	-	-	-	54 270	**54 270**	8 616	**62 886**
Other comprehensive income	-	-	-	-	4 855	11 028	**15 883**	-1 392	**14 491**
Comprehensive income for the period	-	-	-	-	**4 855**	**65 298**	**70 153**	**7 224**	**77 377**
Capital increase	508 419	1 271	45 504	-	-	-	**46 775**	-	**46 775**
Acquisition of treasury shares	-	-	-	- 2 859	-	-	**-2 859**	-	**-2 859**
Disposal of treasury shares	-	-	-565	1 231	-	-	**666**	-	**666**
Dividends paid	-	-	-	-	-	-44 638	**-44 638**	-4 661	**-49 299**
Changes in equity of associates	-	-	-	-	-	-5 878	**-5 878**	-	**-5 878**
Effect of changes in basis of consolidation	-	-	-	-	-	2 475	**2 475**	-	**2 475**
Impact of recognition of share options	-	-	-	-	-	2 002	**2 002**	-	**2 002**
At 30 June 2009	**6 127 870**	**15 320**	**49 249**	**-8 763**	**-52 498**	**351 020**	**354 328**	**57 682**	**412 010**

Notes to the interim condensed consolidated financial statements

General

Compagnie Financière Tradition SA is a public limited company with its registered office at 11 Rue de Langallerie, 1003 Lausanne. With a presence in 27 countries, the Group is one of the world's leading interdealer brokers of both financial products (money market products, bonds, interest rate, currency and credit derivatives, equities, equity derivatives, interest rate futures and index futures) and non-financial products (precious metals, and energy and environmental products). Its shares are listed on the SIX 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 2009 was approved by the Board of Directors on 21 August 2009.

Basis of preparation of the interim condensed consolidated financial statements

The interim condensed consolidated financial statements for the six-month period ended 30 June 2009 were prepared in accordance with IAS 34 on interim financial reporting, as required by the Listing Rules of the SIX Swiss Exchange. They comprise the financial statements of Compagnie Financière Tradition SA and its subsidiaries.

Changes in the accounting policies of the interim condensed consolidated financial statements

The accounting policies applied to the interim condensed consolidated financial statements are identical to those applied at 31 December 2008, except for the following standards, amendments and interpretations which have been applied since 1 January 2009:

IAS 39 (amendment) and IAS 7 (amendment)	- Reclassification of Financial Assets
IFRS 1 (amendment)	- First-time Adoption of International Financial Reporting Standards: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
IFRS 2 (amendment)	- Share-based Payment: Vesting Conditions and Cancellations
IFRS 8	- Operating Segments
IAS 1 (amendment)	- Presentation of Financial Statements
IAS 23 (amendment)	- Borrowing Costs
IAS 32 (amendment) and IAS 1 (amendment)	- Financial Instruments Puttable at Fair Value and Obligations Arising on Liquidation
IFRIC 13	- Customer Loyalty Programmes
IFRIC 15	- Agreements for the Construction of Real Estate
IFRIC 16	- Hedges of a Net Investment in a Foreign Operation

Moreover, as a result of the first IFRS improvements project, the IASB made a number of changes to the IAS and IFRS. These have also been applied since 1 January 2009.

The adoption of these new provisions did not have any material impact on the Group’s consolidated financial statements.

The application of IFRS 8 did not involve a significant change in the presentation of segments previously identified under IAS 14 - Segment Reporting.

Following the adoption of the amended IAS 1, the Group presents movements that affect equity separately from transactions with shareholders.

The comparative figures for 2008 were adjusted to reflect the presentation changes arising from application of IFRS 8 and IAS 1, as amended.

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 December.

2. Operating Segments

The presentation of the Group's operating segments reflects information provided internally to the Executive Chairman of the Board of Directors who is the chief operating decision maker. He analyses the management reports in order to assess performances and allocate resources to the various operating segments.

The Group's internal organisation and management structure is based on a geographical approach. Management information is grouped into three geographic regions - Europe, the Americas and Asia-Pacific - and comprises broadly similar products and services. The chief operating decision maker assesses segment performance and decides on the allocation of resources based on the evaluation of the segment's operating results, which differ in certain respects from the operating result presented in the consolidated financial statement.

The accounting policies applied in evaluating the operating results are identical to those used in preparing the consolidated financial statements, except for turnover realised on matched principal activities, which is recognised at the transaction date instead of at the delivery date of securities.

Certain operating expenses related to the Group's holding companies are not allocated to operating segments, nor are certain elements that are considered exceptional, such as gains or losses on the disposal of subsidiaries or associates, amortisation of intangible fixed assets, or restructuring charges.

Segment assets are not included in management reports to the chief operating decision-maker and as such are not presented below.

Turnover only includes income from transactions with external customers. No transactions between operating segments had any impact on turnover.

Information about reportable segments is presented below:

At 30 June 2009

CHF 000	**Europe**	**Americas**	**Asia-Pacific**	**Total**
Turnover	**349 116**	**228 692**	**169 609**	**747 417**
Operating profit	**39 203**	**24 978**	**32 866**	**97 047**

At 30 June 2008

CHF 000	**Europe**	**Americas**	**Asia-Pacific**	**Total**
Turnover	346 709	276 708	165 300	788 717
Operating profit	29 913	44 604	41 920	116 437

The reconciliation of the segment operating result to the consolidated operating result is made up of the following elements:

CHF 000	**30 June 2009**	30 June 2008
Segment operating profit	**97 047**	116 437
Recognition of turnover at the delivery date	**-1 935**	76
Operating expenses of holding companies	**-15 015**	-15 134
Amortisation of customer relationships and associated expenses	**-14 181**	-4 349
Gains on disposals of subsidiaries and associates	**25 558**	-
Discontinued operations	**-**	1 537
Other unallocated items	**367**	1 219
Consolidated operating profit	**91 841**	99 786

3. Other net operating income

An analysis of this item is shown below:

CHF 000	**30 June 2009**	30 June 2008
Gains on disposals of subsidiaries and associates	**25 558**	-
Net gains/(losses) on disposal of fixed assets	**-163**	155
Net expenses related to the TFS-ICAP joint venture	**-**	-662
Other operating income	**2 148**	1 043
Total	**27 543**	536

The item “Gains on disposal of subsidiaries and associates” includes an amount of CHF 20.5 million, realised on the disposal of a 15% interest in an associate, Reset Holding (Pte) Ltd (Note 10), and an amount of CHF 5.1 million for cumulative translation adjustments on the net assets of two companies in liquidation, which were sold in June of this year (Note 16).

4. Net financial result

An analysis of this item is shown below:

CHF 000	**30 June 2009**	30 June 2008
Financial income		
Interest income	**2 333**	4 687
Income from equity investments	**849**	105
Gains on financial assets at fair value	**64**	180
Exchange gains	**6 205**	5 014
Ineffective part of hedging instruments used in cash flow hedges	**-**	87
Other financial income	**135**	12
Total	**9 586**	10 085
Financial expense		
Interest expense	**-2 461**	-3 798
Losses on financial assets at fair value	**-195**	-552
Exchange losses	**-8 185**	-6 275
Financial expense on assets under finance leases	**-53**	-145
Net change in fair value of cash flow hedges transferred from equity	**917**	237
Other financial expense	**-**	-15
Total	**-11 811**	-11 022
Net financial result	**-2 225**	- 937

5. Income tax

An analysis of tax expense on continuing operations is shown below:

CHF 000	30 June 2009	30 June 2008
Current tax		
Taxation for the period	**26 974**	44 027
Tax relating to previous periods	**2 462**	419
Total	**29 436**	44 446
Deferred tax		
Origination and reversal of temporary differences	**5 760**	69
Tax losses recognised during the period	**-5 291**	-
Use of adjusted tax loss carry-forwards	**123**	71
Total	**592**	140
Income tax	**30 028**	44 586

6. Cash and cash equivalents

Cash and cash equivalents in the cash flow statement are made up as follows:

CHF 000	30 June 2009	30 June 2008
Cash and call deposits with banks	**391 507**	286 796
Short-term bank deposits	**54 283**	56 388
Short-term money-market investments	**1 196**	149
Cash and cash equivalents on the balance sheet	**446 986**	343 333
less: Bank overdrafts (Note 11)	**-21 278**	-29 658
Cash and cash equivalents in cash flow statement	**425 708**	313 675

7. Trade and other receivables

An analysis of this item is shown below:

CHF 000	30 June 2009	31 December 2008
Receivables related to account holder activities	**454 452**	490 504
Receivables related to matched principal activities	**215 989**	64 954
Trade debtors	**187 563**	169 508
Employee receivables	**56 024**	60 456
Related party receivables	**5 611**	9 390
Other short-term receivables	**32 278**	30 848
Total	**951 917**	825 660

8. Investments in associates

FXDirectDealer LLC, one of the Group's associates in which it held a 15% interest at 30 December 2008, carried out a share buy-back in the first quarter of 2009; these shares were subsequently cancelled. The Group's share of the net movement in shareholders' equity recognised by the company on the transaction was CHF 5.9 million, presented in the consolidated statement of changes in equity at 30 June 2009. Following this operation, the Group held 20% of the company's voting rights.

9. Intangible fixed assets

An analysis of intangible fixed assets is shown below:

CHF 000	30 June 2009	31 December 2008
Goodwill	**43 889**	44 807
Client relationships	**37 064**	46 642
Software	**9 977**	9 309
Business assets	**901**	887
Other	**1 929**	1 899
Total	**93 760**	103 544

10. Assets held for sale

At 31 December 2008, this item included the carrying value of a 15% interest in an associate, Reset Holding (Pte) Ltd. The Group elected to exercise a put option on this interest, granted under the terms of a contract.

The option was exercised in March and the disposal was finalised in April 2009 for a consideration of CHF 47.6 million. An amount of CHF 1.5 million relating to a contingent receivable was also recognised at the disposal date.

This transaction generated a gain, of CHF 19.8 million in 2009, net of the fair value of the put option of CHF 23.9 million at 31 December 2008. In addition, an amount of CHF 0.7 million relating to cumulative translation adjustments on the net assets of this company was transferred from equity to the income statement on the sale date (Note 3).

11. Financial debts

Bank overdrafts, presented under short-term financial debts, mainly consist of payables to clearing houses of CHF 21,278,000 (CHF 29,658,000 at 30 June 2008). These payables, in connection with matched principal activities, enable the financing of outstanding securities which have gone beyond the expected settlement date (failed trades). They are guaranteed by securities and are reported under "Receivables related to matched principal activities". They were repaid early in July when the securities were delivered.

12. Trade and other payables

An analysis of this item is shown below:

CHF 000	30 June 2009	31 December 2008
Payables related to account holder activities	**455 586**	499 853
Payables related to matched principal activities	**188 458**	50 612
Accrued liabilities	**281 088**	240 985
Related party payables	**4 205**	11 953
Other short-term payables	**83 738**	92 354
Total	**1 013 075**	895 757

13. Capital

In June 2009, following the conversion of subscription rights, 508,419 new shares were created at an issue price of CHF 92.00 each. This operation increased capital by CHF 1,271,000 with a share premium of CHF 45,504,000.

At 30 June, share capital totalled CHF 15,319,675 consisting of 6,127,870 bearer shares with a nominal value of CHF 2.50 each.

14. Treasury shares

	Carrying value *CHF 000*	Acquisition or redemption price *CHF 000*	No. of shares of CHF 2.50 nominal value
At 1 January 2009	**7 135**	**7 135**	**42 409**
Acquisitions	2 859	2 859	26 778
Disposals	-666	-1 231	-6 888
Realised gains and losses	-565	-	-
At 30 June 2009	**8 763**	**8 763**	**62 299**

At 30 June 2009, the Group directly held 62,299 of its own shares (5,200 own shares at 30 June 2008), for an amount of CHF 8,763,000 (CHF 962,000 at 30 June 2008). These shares are shown as a deduction from equity.

15. Dividends

The following dividend was approved by the Annual General Meeting of 13 May 2009, and paid during the period.

CHF 000	**30 June 2009**	30 June 2008
Dividend of CHF 8,00 per share for the 2008 financial year (2008: CHF 8,00)	**44 638**	44 915

16. Related party transactions

In June 2008, Compagnie Financière Tradition transferred its holding in two London companies in liquidation - Tradition Bond Brokers Ltd and Tradition Beaufort House Ltd - to a related company of its ultimate shareholder. The transfer was made without consideration. These companies had no assets at the transfer date. This related company will finalise the liquidation procedures for the two companies until their removal from the Commercial Register.

Cumulative translation adjustments of CHF 5.1 million arising on the net assets of these companies were transferred from equity to the income statement at the sale date (Note 3).

17. Off-balance sheet operations

Commitments to deliver and receive securities

CHF 000	**30 June 2009**	31 December 2008
Commitments to deliver securities	**62 049 729**	45 767 334
Commitments to receive securities	**62 045 279**	45 762 174

Commitments to deliver and receive securities reflect buy and sell operations on securities entered into before 30 June 2009 and 31 December 2008, and closed out after these dates, in connection with the matched principal activities of Group companies.

18. Exchange rates

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

		30 June 2009		30 June 2008	
		Year-end rate	Average rate	Year-end rate	Average rate
1 pound sterling	GBP	1.79	1.68	2.03	2.07
1 euro	EUR	1.53	1.51	1.61	1.61
100 Japanese yen	JPY	1.13	1.18	0.96	1.00
1 US dollar	USD	1.08	1.13	1.02	1.05

19. Changes in the basis of consolidation

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

Reset Holding (Pte) Ltd, Singapore: in April 2009, the Group finalised the disposal of its 15% interest in this associate (Note 10).