

ONE

GLOBAL

FORCE

2010 First Half Results

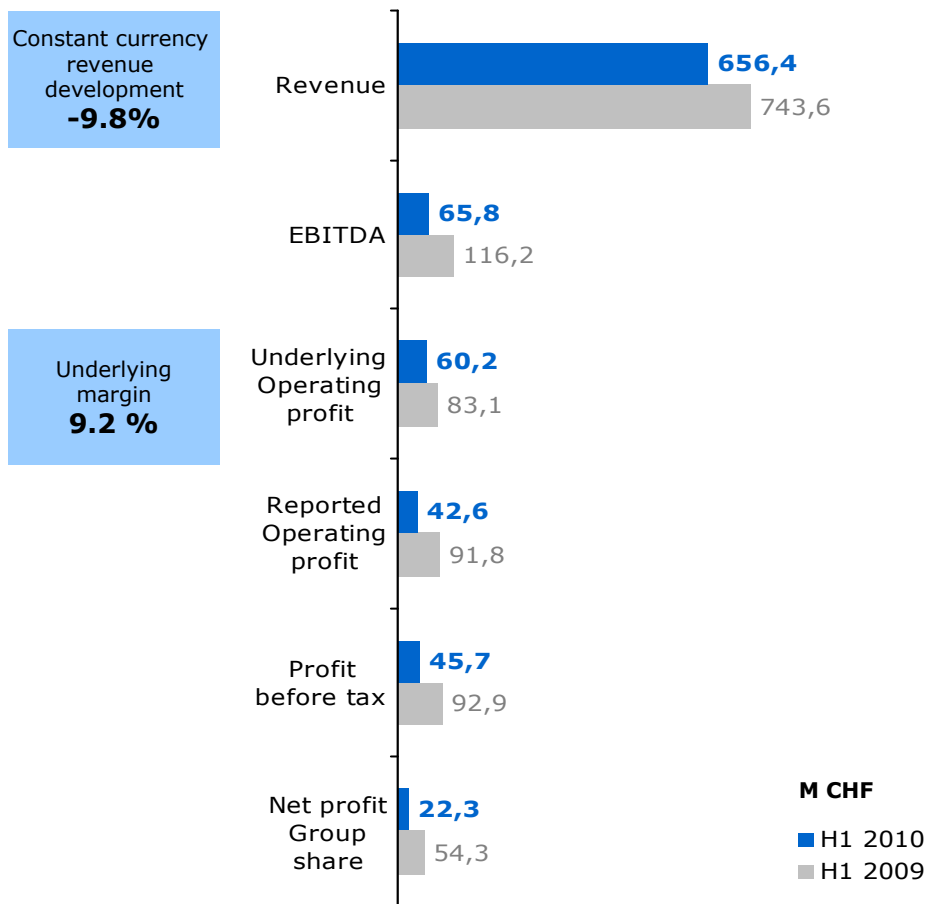
Zurich – 1 September 2010

Global Leaders In Interdealer Broking



Compagnie Financière Tradition

Financial highlights



Persisting post crisis imbalances

- Banks' balance sheet repair
- Public deficits
- Role of central banks
- Western versus "Emerging" economies

Set back in financial stability in Q2

- Intensified sovereign risks
- Increase in price volatility
- Decrease in investors' risk appetite
- Fragile market confidence

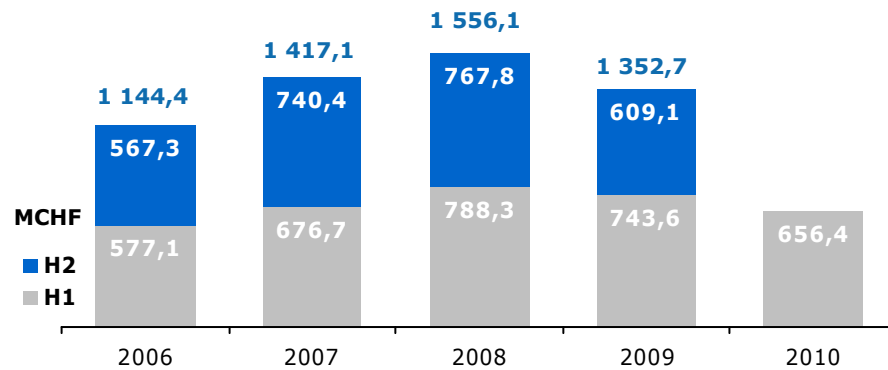
2010: a year of adjustment for CFT

- Activity down year on year, up sequentially
- Cost rationalisation plan in progress
- Objective to build more operating efficiency and flexibility in business model
- Focus on new regulations and their impact on customers as they unravel
- Increased investment in technology

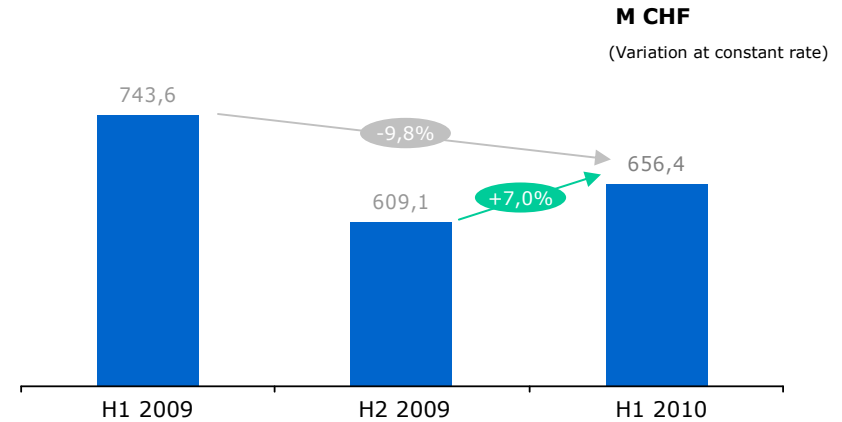
Critical role played by the IDBs

- Key component of market infrastructure
- Continued hiring pressure across the sector

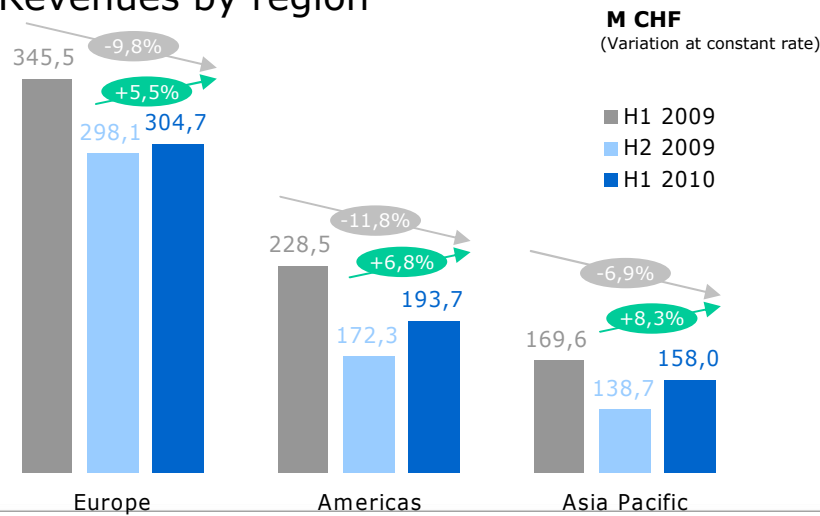
Half year / yearly revenues



Half year revenues



Revenues by region

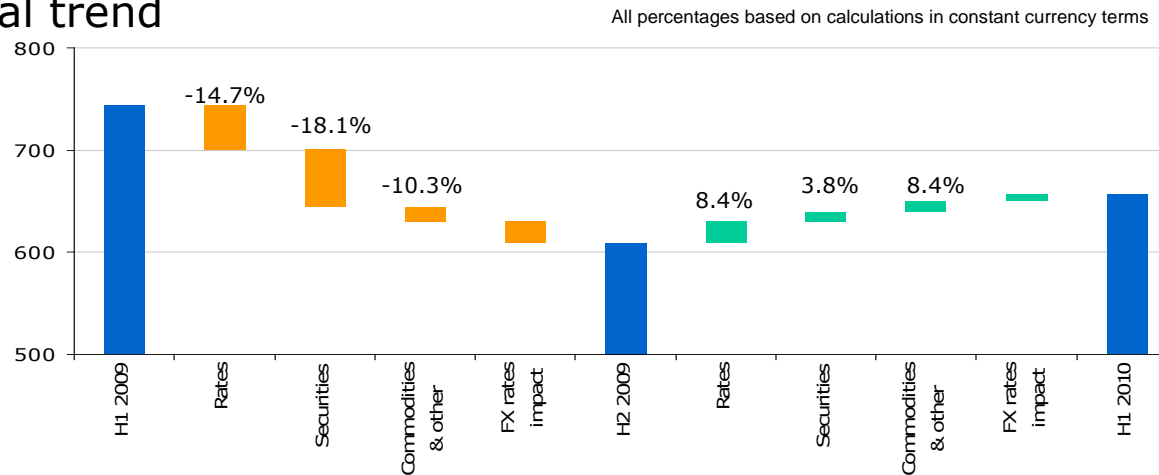


Highlights

- Benefit of diversification
- Lower level of trading with the exception of May
- Improvement on H2 2009 across the board
- Slow June for the sector, consistent with broader industry trends
- Growth in Asian IDB activities
 - US markets remaining the most affected by the financial crisis and regulatory uncertainties
- Further opportunities to enhance market share and coverage

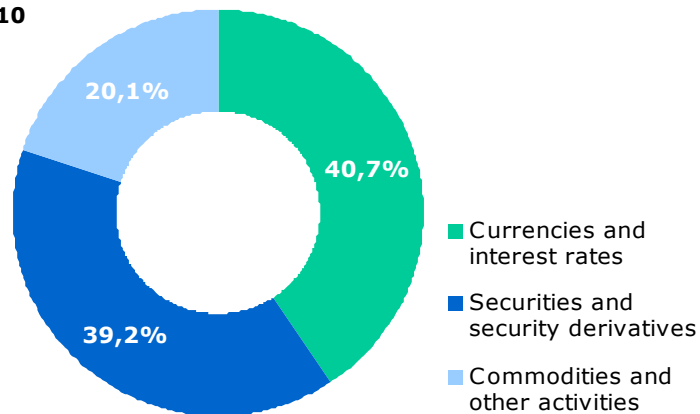
Revenues by product segment

Sequential trend



Revenues breakdown

H1 2010



Highlights

- More active FX markets than in 2009 across the regions
- Decline in Interest Rates products primarily concentrated in the US
- Less favorable conditions for fixed income except in Asia
- Better resilience in equity derivatives than in cash equity markets overall
- Strong performance in commodity-related markets across the regions
- Currency and regulatory headwinds for the FX online retail business

□ Underlying results

M CHF	H1 2010	H1 2009	Variation vs H1 2009
Revenues	656.4	743.6	-11.7%
Net operating expenses	-596.2	-660.5	-9.7%
Underlying operating profit	60.2	83.1	-27.6%
Underlying operating margin	9.2%	11.2%	
Gain on disposal of Group entities	-	25.6	
Net exceptional expenses	-7.1	-6.3	
Amortisation of intangibles	-10.5	-10.6	
Reported operating profit	42.6	91.8	-53.6%
Reported operating margin	6.5%	12.4%	

□ An ongoing cost saving plan

- Closed number of underperforming businesses and exited low performers
- Reduced non broking staff and cost
- New CIO rationalizing IT infrastructure and organisation
- Targeting more savings in H2

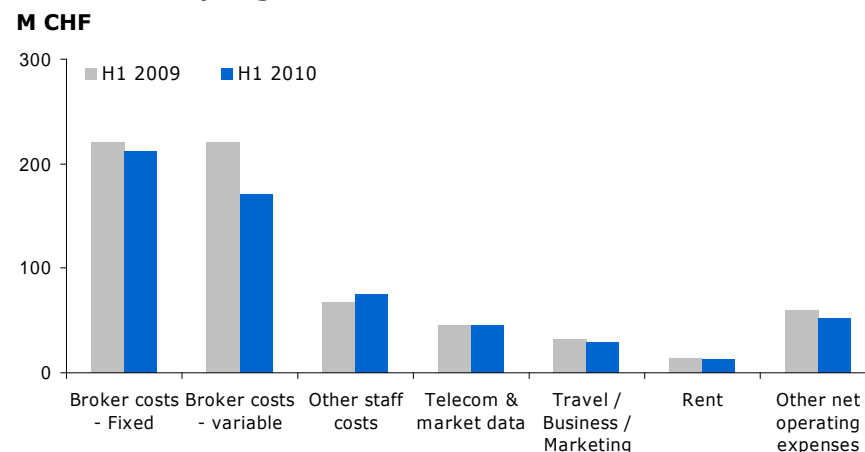
But

- Continued investments in electronic systems
- Effect of competitor pressure on increasing costs in some of our mature products
- Continued investments in, and improved performance of, our new businesses (products area established since 1 Jan. 2008)

Underlying key operating ratios

In %	H1 2010	H1 2009
Revenues	100.0	100.0
Compensation costs	69.7	68.3
Operational	58.3	59.3
Administrative	11.4	9.0
<i>Variable/ total compensation</i>	40.8	47.2
Telecom & Market data	6.9	6.2
Travel / Business / Marketing	4.4	4.3
Rent and occupancy	1.9	1.9
Other net operating expenses	6.0	6.3
Amortisation/Depreciation and impairment losses	1.9	1.8
Underlying operating profit / margin	9.2	11.2

Underlying cost base evolution



Other KPIs

Number of brokers	1 572
Brokers - Ytd variation	-12 / -0.8%
Brokers annualised productivity (CHF) Yoy variation in constant currencies	800 k -10.2%
Support staff Of which other front office staff	870 130
Number of Support staff - Ytd variation	-20 / -2.2%

□ Net profit Group Share

M CHF	H1 2010	H1 2009	Variation
Reported operating profit	42.6	91.8	-53.6%
Net financial income	2.5	-2.2	-212.7%
Share of profit of associates	0.6	3.3	-81.2%
Profit before tax	45.7	92.9	-50.8%
Income tax	-17.0	-30.0	-43.4%
Net profit for the period	28.7	62.9	-54.3%
Group share	22.3	54.3	-58.9%

Balance sheet and cash

□ Simplified balance sheet

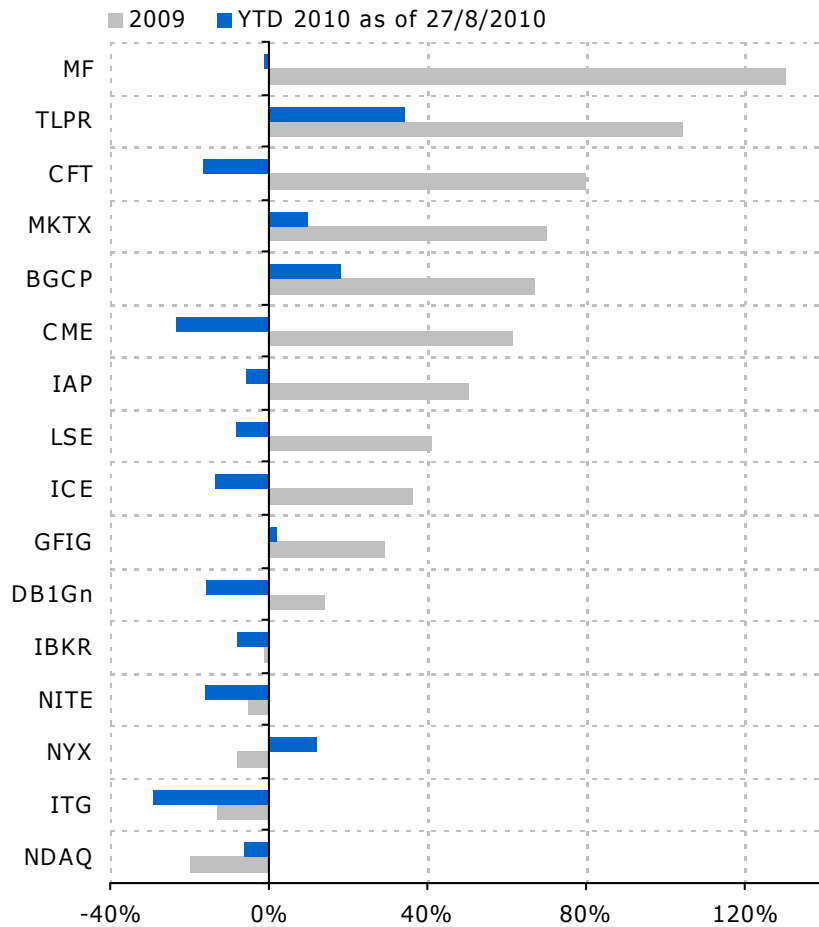
M CHF	Assets		M CHF	Liabilities	
	30.06.10	31.12.09		30.06.10	31.12.09
Property, Plant & Equipment	46.7	51.5	Capital	15.4	15.3
Intangible assets	84.5	89.9	Share premium	48.7	48.8
Investments in associates	18.8	15.0	Treasury shares	-6.3	-7.7
Available-for-sale financial assets	10.1	22.5	Currency translation	-57.7	-67.7
Unavailable cash	19.4	18.6	Consolidated reserves	335.2	356.3
Other non-current assets	30.4	30.4	Minority interests	68.2	60.5
Non-current assets	209.9	227.9	Equity	403.5	405.6
Other current assets	22.6	20.6	Non-current liabilities	38.2	40.6
Receivables related to Matched Principal activities	330.5	90.3	Short term financial debts	174.8	165.5
Receivables related to Account Holder activities	537.5	501.4	Trade & other payables	269.6	260.9
Trade & other receivables	281.7	231.1	Payables related to Matched Principal activities	304.6	82.2
Financial assets at fair value	11.5	9.6	Payables related to Account Holder activities	575.2	499.3
Cash & Cash equivalents	394.4	399.2	Other current liabilities	22.2	26.0
Current assets	1'578.2	1'252.2	Current liabilities	1'346.4	1'033.9
TOTAL ASSETS	1'788.1	1'480.1	TOTAL EQUITY AND LIABILITIES	1'788.1	1'480.1

□ Cash and Net cash

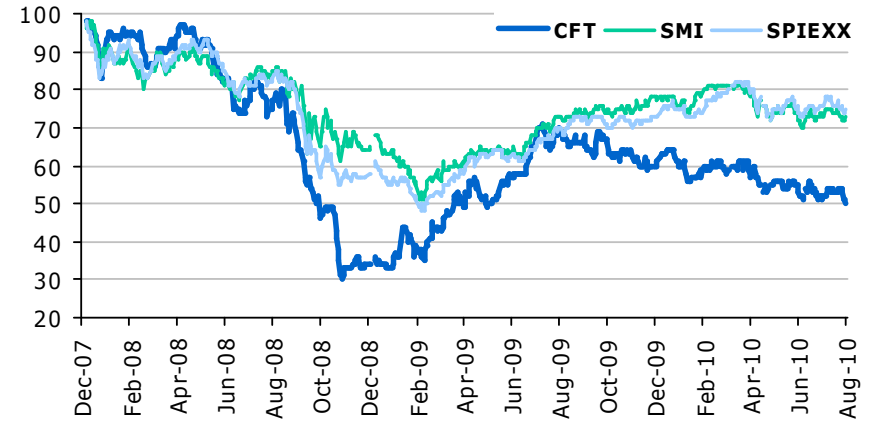
M CHF	30.06.2010	31.12.2009
Cash & cash equivalents	394.4	399.2
Financial assets at fair value	11.5	9.6
Financial debts*	-160.2	-167.4
Adjustments linked to variances in Account Holder & Matched Principal activities	-7.2	9.7
Net adjusted funds	238.5	251.1

(*) excluding debt linked to matched principal activities

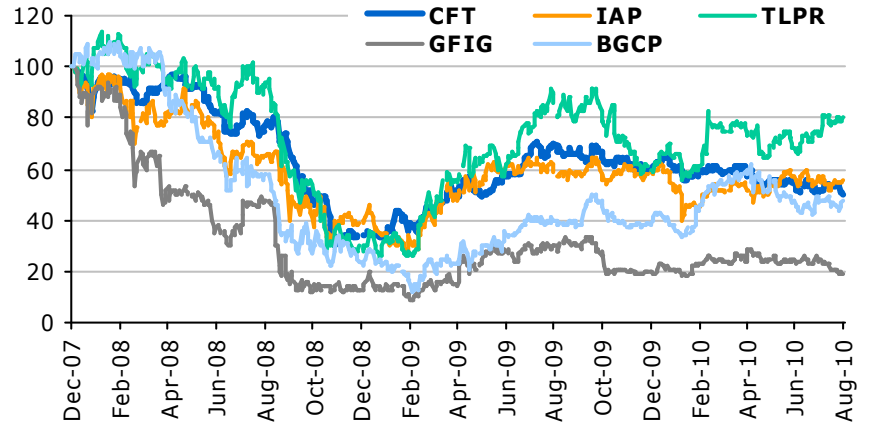
Market structure stocks



CFT's share price versus indices



CFT's share price versus peer group



- ❑ “Ensuring efficient, safe and sound derivatives markets”
 - Focus on systemic risk and transparency

- ❑ In the US, moving from legislation to regulation
 - Passage into law of the Dodd Frank Wall Street Reform and Consumer Protection Act on July 21
 - Titles VI and VII relevant to OTC derivatives market structure
 - Debate over, but detailed rule making has only just begun
 - Mandatory clearing of «eligible for clearing » swaps
 - The shift from non-cleared to cleared OTC products generally viewed as a positive
 - Specific venues of execution for mandatory cleared swaps, where possible
 - Regulated exchanges or alternative execution venues called Swap Execution Facilities (“SEF”)
 - IDBs are expected to apply and qualify for SEF designation
 - Trade information reporting requirements
 - Position and transaction reporting to regulators and/or trade repositories
 - Besides, still a lot of debate as to where transparency starts damaging market liquidity
 - Banks subject to some limitations in their trading of derivatives, with time to adjust
 - The Volcker rule and the Lincoln/swap push out provision

- ❑ In Europe, consultation process with stakeholders
 - Leading to a series of new and revised texts in H2 2010 and Q1 2011

- ❑ Awaiting details regarding additional capital requirements
 - Dictated by local regulators and Basle 3

- ❑ Overall, still not clear yet how structural reforms will impact on banks, their customers and counterparties
 - New regulatory landscape likely in place by 2012
 - Industry-led initiatives already driving changes
 - Global coordination, both a requirement and a challenge
 - In the future, IDBs could potentially become even more instrumental in the trading of swaps
 - Market volumes could remain subdued in the short term, until uncertainty recedes
 - OTC cleared markets could attract new clients

- ❑ CFT's primary areas of focus
 - Involvement, with its peers and the regulators, in the formulation of the final regulations
 - CCPs' open and fair access to all trading venues, where clearing is made mandatory
 - The similarities of the IDBs with the features of an organised trading platform, both for electronic and voice interaction, as captured in the SEF definition set out by the United States lawmakers
 - Further development of relationships with CCPs, to be extended, in the future, to trade repositories
 - Expansion of electronic capabilities ranging from pre-trade to post-trade tools
 - Continued enhancement of breadth and expertise in voice execution capabilities

- ❑ Objective to be an influential participant in the wholesale financial markets
 - For the financial sector at large, challenges due to the fallout from the crisis
 - Continuing uncertainties around policy and regulatory responses
 - Medium term opportunities for global IDBs
 - Consolidation and rationalisation of the market infrastructure
 - Volumes could remain subdued in the short term

- ❑ Short term focus on operating efficiency
 - Cost reduction program in progress
 - Evolution in the organisation, more flexibility at stake
 - Need to continue to invest to secure future competitiveness

- ❑ Historical focus on sound capital position
 - Very low level of goodwill

