



Compagnie Financière Tradition
Interim Condensed Consolidated Financial Statements
For the period ended 30 June 2007

To the attention of the Board of Directors of

Compagnie Financière Tradition, Lausanne
Lausanne, 29 August 2007

Review report on the interim condensed consolidated financial statements

Introduction

We have reviewed the accompanying interim consolidated balance sheet of Compagnie Financière Tradition and its subsidiaries (the “Group”) as at 30 June 2007 and the related interim consolidated statement of income, cash flows and changes in equity for the six-month period then ended and explanatory notes (pages 6 to 18).

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
Certified Accountant
(in charge of the review)

Fredi Widmann
Certified Public Accountant

Annexes:

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

Activity Report – First Half 2007

The accounting policies applied in the preparation of the interim condensed consolidated financial statements for the six-month period ending 30 June 2007 are identical to those in effect at 31 December 2006.

However, comparative figures for 2006 were adjusted following Compagnie Financière Tradition's decision in 2006 to dispose of its retail subsidiaries in Europe and the Americas.

First-half turnover was CHF 676.7 million, a rise of 17.3% at current exchange rates compared with H1 2006.

Consolidated turnover rose 17.3% to CHF 676.7 million from CHF 577.1 million a year ago. This represents an increase of 17.0% at constant exchange rates.

Globally, the segmental and geographical analysis of consolidated turnover is as follows:

	Currencies and interest rates		Securities and security derivatives		Commodities and other activities		Total	
	30 June 2007	30 June 2006	30 June 2007	30 June 2006	30 June 2007	30 June 2006	30 June 2007	30 June 2006
CHF 000								
Europe	136,085	129,416	153,905	122,201	32,912	21,748	322,902	273,365
Americas	82,103	77,573	96,002	67,197	39,672	34,880	217,777	179,651
Asia-Pacific	86,178	96,399	9,725	4,236	40,104	23,479	136,007	124,113
TOTAL	304,366	303,388	259,632	193,634	112,688	80,107	676,686	577,129

"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 and precious metals, as well as income from brokerage activities for retail customers through trading platforms specialised in forex operations in Asia.

Turnover in **Europe** grew by 18.1% (12.3% at constant exchange rates). Operations conducted from London grew by 20.4% (14.0% at constant exchange rates). This performance was mainly driven by the securities and security derivatives sector, which posted a rise of 25.9% (19.9% at constant exchange rates) and commodities, which grew by 51.3% (45.6% at constant exchange rates). Turnover for the currencies and interest rates segment grew by 5.2% (-0.5% at constant exchange rates) despite low trading volumes in the financial markets.

Operations in the **Americas** were up strongly with turnover increasing by 21.2% (25.7% at constant exchange rates). The securities and security derivatives sector registered an exceptional performance of 42.9% (48.0% at constant exchange rates) on the back of rising markets, but also thanks to Compagnie Financière Tradition's increased market share in the sector following an active recruitment policy. Currencies and interest rates, and commodities and other activities grew by 5.8% and 13.7% respectively (9.9% and 17.8% at constant exchange rates).

The **Asia-Pacific** zone generated a 9.6% rise in turnover (14.6% at constant exchange rates). Turnover in the securities and security derivatives sector rose by 129.6% (138.4% at constant exchange rates) on the back of credit derivatives business. Against a backdrop of low trading volumes, turnover for the currencies and interest rates segment declined by 10.6% (6.9% at constant exchange rates). Online broking activities catering to private investors in Japan rose by 86.5% (100.5% at constant exchange rates).

Operating profit rose to CHF 81.3 million from CHF 62.9 million in H1 2006

Consolidated operating profit for the period rose 29.3% to CHF 81.3 million from CHF 62.9 million a year ago, bringing the operating margin to 12.0% of consolidated turnover (H1 2006: 10.9%).

Personnel costs amounted to CHF 453.6 million, or 67.0% of consolidated turnover, against CHF 389.2 million or 67.4% in the same period last year. Variable remuneration accounted for 48.5% of total operating personnel remuneration (H1 2006: 44.4%).

The cost of telecommunications and purchasing financial information - the second biggest expense category after salaries - represented 5.5% of consolidated turnover (H1 2006: 6.5%).

Net profit attributable to company shareholders grew to CHF 39.1 million from CHF 28.2 million a year ago.

Net financial income fell to CHF 1.2 million from CHF 1.5 million a year ago. Net exchange losses were CHF 0.9 million and net interest income related to the reinvestment of short-term cash and interest expense was CHF 2.8 million.

The share of the profit of associates climbed to CHF 9.8 million (H1 2006: CHF 0.4 million) and consisted mainly of the share of the profit in Reset Holding (Pte) Ltd of CHF 2.5 million, and negative goodwill of CHF 7.0 million arising on the purchase of a 15% share in that company.

Profit before tax on continuing operations rose to CHF 92.3 million (H1 2006: CHF 64.8 million) giving a pre-tax return of 13.6% (H1 2006: 11.2%).

The Group took a consolidated tax charge of CHF 35.4 million, or 38.3% of profit before tax, compared with CHF 27.5 million, or 42.4%, in the first half of 2006.

Net profit on continuing operations rose 52.6% to CHF 56.9 million from CHF 37.3 million a year ago.

Consolidated net profit for the period was CHF 48.9 million (H1 2006: CHF 36.1 million), bringing the net margin to 7.2% of consolidated turnover (H1 2006: 6.3%).

Net profit attributable to minority interests was CHF 9.8 million (H1 2006: CHF 7.9 million).

Net profit attributable to company shareholders rose by 38.6% to CHF 39.1 million (H1 2006: CHF 28.2 million). This result brought consolidated shareholders' equity to CHF 283.8 million at 30 June 2007, CHF 258.4 million of which was attributable to company shareholders.

Outlook

Compagnie Financière Tradition will pursue its organic growth policy in the second half of 2007, further expanding its footprint in new financial centres after the opening of offices in Korea and Malaysia early this year. This growth will be accompanied by tight cost control to ensure a constant improvement in the Group's operating margin. In a highly competitive market environment, size is of major importance. We will maintain our focus on positioning Compagnie Financière Tradition as a leader in the sector.

Interim consolidated income statement for the period ended 30 June 2007

CHF 000	Notes	30 June 2007	30 June 2006 (1)
Continuing operations			
Turnover	2	676,686	577,129
Other net operating income		1,575	-93
<u>Operating income</u>		678,261	577,036
Personnel costs		-453,630	-389,200
Other operating expenses		-134,307	-117,228
Amortisation and depreciation		-9,012	-7,865
Impairment losses		-	140
<u>Operating expenses</u>		-596,949	-514,153
<u>Operating profit</u>		81,312	62,883
Net financial income	3	1,209	1,486
Share of profit of associates	6	9,794	425
<u>Profit before tax</u>		92,315	64,794
Income tax	4	-35,380	-27,475
<u>Profit for the period from continuing operations</u>		56,935	37,319
Discontinued operations			
Loss after tax from discontinued operations		-7,988	-1,222
<u>Profit for the period</u>		48,947	36,097
Attributable to:			
Shareholders of parent		39,137	28,232
Minority interests		9,810	7,865
Earnings per share (in CHF):			
Basic earnings per share		7.14	5.24
Diluted earnings per share		6.76	4.99
Earnings per share from continuing operations (in CHF):			
Basic earnings per share from continuing operations		8.60	5.46
Diluted earnings per share from continuing operations		8.14	5.21

(1) The interim consolidated income statement for 2006 was restated to show the loss after tax from discontinued operations separately (Note 7).

Interim consolidated balance sheet at 30 June 2007

CHF 000	Notes	30 June 2007	31 December 2006
<u>ASSETS</u>			
Tangible fixed assets		39,433	39,525
Intangible fixed assets		33,405	32,985
Investments in associates	6	16,888	1,088
Available-for-sale financial assets		496	489
Other financial assets		8,395	14,448
Deferred tax assets		15,554	14,164
Unavailable cash		19,532	15,502
<u>Total non-current assets</u>		133,703	118,201
Prepayments and accrued income		14,220	14,663
Receivables related to matched principal activities		566,596	219,954
Receivables related to account holder activities		408,192	373,123
Derivative financial instruments		634	1,037
Tax receivables		7,207	5,855
Trade and other receivables		292,164	232,383
Financial assets at fair value		4,447	5,187
Cash and cash equivalents	5	265,928	263,244
<u>Total current assets</u>		1,559,388	1,115,446
Assets held for sale	7	368,938	215,853
<u>TOTAL ASSETS</u>		2,062,029	1,449,500
<u>EQUITY AND LIABILITIES</u>			
Capital		13,721	13,671
Share premium		24,336	22,436
Treasury shares		-	-
Currency translation		974	-2,040
Consolidated reserves		219,355	218,342
<u>Total equity attributable to shareholders of parent</u>		258,386	252,409
Minority interests		25,389	30,350
<u>Total equity</u>		283,775	282,759
Financial debts	8	11,535	11,446
Provisions		21,003	19,458
Deferred tax liabilities		4,109	5,389
<u>Total non-current liabilities</u>		36,647	36,293
Financial debts	8	162,191	84,050
Trade and other payables		81,709	82,285
Tax liabilities		27,550	25,300
Derivative financial instruments		20	189
Payables related to account holder activities		426,892	386,979
Payables related to matched principal activities		532,166	235,740
Accruals and deferred income		169,368	129,171
<u>Total current liabilities</u>		1,399,896	943,714
Liabilities directly associated with assets held for sale	7	341,711	186,734
<u>Total liabilities</u>		1,778,254	1,166,741
<u>TOTAL EQUITY AND LIABILITIES</u>		2,062,029	1,449,500

Interim consolidated cash flow statement for the period ended 30 June 2007

CHF 000	30 June 2007	30 June 2006
<u>Cash flows from operating activities</u>		
Profit before tax from continuing operations	92,315	64,794
Loss before tax from discontinued operations	-11,040	-1,962
Amortisation and depreciation	9,012	8,427
Impairment losses	-	-140
Net financial income	-4,862	-1,921
Share of profit of associates	-9,794	-425
Increase in provisions	14,600	6,819
Expenses relating to share-based payments	294	98
Losses on disposal of fixed assets	13	14
Increase in working capital	-47,066	-13,973
Interest paid	-4,158	-3,518
Interest received	11,326	5,594
Income tax paid	-36,814	-22,986
<u>Net cash flows from operating activities</u>	13,826	40,821
<u>Cash flows from investing activities</u>		
Acquisition of financial assets	-468	-12,926
Proceeds from sale of financial assets	382	791
Acquisition of subsidiaries, net of cash acquired	-972	160
Disposal of subsidiaries, net of cash disposed	-922	-
Change in consolidation method (Note 6)	-25,963	-
Purchases of intangible fixed assets	-4,628	-6,421
Proceeds from disposal of tangible fixed assets	-	41
Purchases of intangible assets	-2,293	-1,668
Other investment income	89	735
Dividends received	5	51
Increase in unavailable cash	-4,064	-3,442
<u>Net cash flows from investing activities</u>	-38,834	-22,679
<u>Cash flows from financing activities</u>		
Increase in short-term financial debts	76,743	25,633
Decrease in short-term financial debts	-13,202	-1,074
Decrease in long-term financial debts	-2,846	-3,094
Increase in capital and share premium	1,950	-
Acquisition of treasury shares	-	-318
Proceeds from sale of treasury shares	-	16,403
Dividends paid to minority interests	-6,505	-4,259
Dividends paid to shareholders of parent	-38,418	-32,810
<u>Net cash flows from financing activities</u>	17,722	481
Movements in exchange rates	1,243	-5,798
Movements in cash and cash equivalents	-6,043	12,825
Cash and cash equivalents at beginning of period	291,608	201,138
Cash and cash equivalents at end of period (Note 5)	285,565	213,963

Interim consolidated statement of changes in equity for the period ended 30 June 2007

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 31 December 2005	5,468,357	13,671	20,487	-13,954	5,532	189,046	214,782	21,998	236,780
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 basis of consolidation	-	-	-	-	-	-	-	-80	-80
Impact of recognition of share options	-	-	-	-	-	98	98	-	98
Currency translation differences	-	-	-	-	-6,882	-	-6,882	-743	-7,625
Profit for the period	-	-	-	-	-	28,232	28,232	7,865	36,097
At 30 June 2006	5,486,357	13,671	22,436	-	-1,350	184,566	219,323	24,781	244,104

CHF 000 (except for number of shares)	Attributable to shareholders of parent							Minority interests	Total equity
	Number of shares	Capital	Share premium	Treasury shares	Currency translation	Consolidated reserves	Total		
At 31 December 2006	5,468,357	13,671	22,436	-	-2,040	218,342	252,409	30,350	282,759
Capital increase	20,000	50	1,900	-	-	-	1,950	-	1,950
Acquisition of treasury shares	-	-	-	-	-	-	-	-	-
Disposal of treasury shares	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-38,418	-38,418	-6,505	-44,923
Effect of changes in basis of consolidation	-	-	-	-	-	-	-	-7,768	-7,768
Impact of recognition of share options	-	-	-	-	-	294	294	-	294
Currency translation differences	-	-	-	-	3,014	-	3,014	-498	2,516
Profit for the period	-	-	-	-	-	39,137	39,137	9,810	48,947
At 30 June 2007	5,488,357	13,721	24,336,	-	974	219,355	258,386	25,389	283,775

Notes to the interim condensed consolidated financial statements

General information

Compagnie Financière Tradition is a public limited company with its registered office at 11 Rue Langallerie, 1003 Lausanne. With a presence in 24 countries, Compagnie Financière Tradition Group is one of the world's three 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 non-financial 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 2007 was approved by the Board of Directors on 29 August 2007.

Main accounting policies

The interim condensed consolidated financial statements for the six-month period ended 30 June 2006 were prepared in accordance with IAS 34 - 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 policies applied to the interim condensed consolidated financial statements are identical to those applied at 31 December 2006, except for the following interpretations, which were adopted in 2006 and have been applied since 1 January 2007:

International Financial Reporting Interpretations Committee (IFRIC)

IFRIC 8 – Scope of IFRS 2

IFRIC 9 – Reassessment of Embedded Derivatives

IFRIC 10 – Interim Financial Reporting and Impairment

The adoption of these new provisions did not have any material financial impact for the Group.

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. Segment reporting

Disclosure by geographical segment is as follows:

At 30 June 2007

CHF 000	Continuing operations				Discontinued operations	TOTAL
	Europe	Americas	Asia-Pacific	TOTAL		
Turnover	322,902	217,777	136,007	676,686	12,999	689,685
Operating expenses (1)	-293,456	-185,333	-106,978	-585,767	-27,691	-613,458
Segment operating profit/(loss)	29,446	32,444	29,029	90,919	-14,692	76,227
Unallocated expenses (2)				-9,607	-	-9,607
Operating profit/(loss)				81,312	-14,692	66,620
Net financial income				1,209	3,653	4,862
Share of profit/(loss) of associates	209	-16	9,601	9,794	-	9,794
Income tax				-35,380	3,051	-32,329
Profit/(loss) for the period				56,935	-7,988	48,947

At 30 June 2006

CHF 000	Continuing operations				Discontinued operations	TOTAL
	Europe	Americas	Asia-Pacific	TOTAL		
Turnover	273,365	179,651	124,113	577,129	19,526	596,655
Operating expenses (1)	-243,604	-158,229	-105,869	-507,702	-21,923	-529,625
Segment operating profit/(loss)	29,761	21,422	18,244	69,427	-2,397	67,030
Unallocated expenses (2)				-6,544	-	-6,544
Operating profit/(loss)				62,883	-2,397	60,486
Net financial income				1,486	435	1,921
Share of profit/(loss) of associates	465	-	-40	425	-	425
Income tax				-27,475	740	-26,735
Profit/(loss) for the period				37,319	-1,222	36,097

(1) Expenses net of other net operating income

(2) Net expenses related to Group holding companies

3. Net financial income

An analysis of net financial income is shown below:

CHF 000	<u>30 June 2007</u>	<u>30 June 2006</u>
Financial income		
Interest income	4,841	3,110
Income from equity investments	8	51
Gains on financial assets	454	3,361
Exchange gains	2,515	1,552
Other financial income	88	736
TOTAL	<u>7,906</u>	<u>8,810</u>
Financial expenses		
Interest expenses	-2,078	-2,481
Losses on financial assets	-168	-79
Exchange losses	-3,453	-4,667
Interest on finance leases	-222	-97
Other financial expenses	-776	-
TOTAL	<u>-6,697</u>	<u>-7,324</u>
Net financial income	<u>1,209</u>	<u>1,486</u>

4. Income tax

An analysis of tax expense is shown below:

CHF 000	<u>30 June 2007</u>	<u>30 June 2006</u>
Current tax		
Taxation for the period	-38,063	-26,789
Tax relating to previous years	-142	-17
TOTAL	<u>-38,205</u>	<u>-26,806</u>
Deferred tax		
Creation and reversal of temporary differences	4,216	459
Tax losses not previously recognised	53	-
Use of adjusted tax losses	-1,444	-1,128
TOTAL	<u>2,825</u>	<u>-669</u>
Income tax	<u>-35,380</u>	<u>-27,475</u>

5. Cash and cash equivalents

CHF 000	<u>30 June 2007</u>	<u>30 June 2006</u>
Cash and call deposits with banks	206,388	175,558
Short-term deposits with banks	49,379	33,952
Short-term money-market investments	10,161	6,562
Cash and cash equivalents on balance sheet	<u>265,928</u>	<u>216,072</u>
Cash and cash equivalents attributable to discontinued operations (Note 7)	19,637	-
Less: Bank overdrafts	-	-2,109
Cash and cash equivalents in the cash flow statement	<u>285,565</u>	<u>213,963</u>

6. Investments in associates

The movement in investments in associates is shown below:

CHF 000	30 June 2007	31 December 2006
Opening balance	1,088	1,008
Net profit for the period	9,794	109
Acquisition during the period	941	-
Change in method of consolidation	5,015	-
Currency translation	50	-29
Closing balance	16,888	1,088

Ong First Tradition (Pte) Ltd

In January 2005, Compagnie Financière Tradition acquired 35.0% of the capital of Ong First Tradition (Pte) Ltd, together with two call options allowing it to increase its holding in the company to 60.0% and thereby acquire a controlling interest. These options expired on 29 January 2007 without being exercised. Consequently, Ong First Tradition (Pte) Ltd, which was fully consolidated until that date, has since been accounted for using the equity method.

An analysis of the share of Ong First (Pte) Ltd's profit and net assets at 30 June 2007 is shown below:

CHF 000	30 June 2007
Share of profit	104
Share of net assets	5,180

Ong First Tradition (Pte) Ltd contributed CHF 5.7 million to operating income in 2006.

Its main assets and liabilities were presented in Compagnie Financière Tradition's consolidated financial statements at 31 December 2006 as follows:

CHF 000	31 December 2006
Tangible fixed assets	921
Intangible fixed assets	865
Unavailable cash	220
Prepayments and accrued income	115
Receivables related to account holder activities	37,110
Trade and other receivables	586
Financial assets at fair value	553
Cash and cash equivalents	25,963
Total assets	66,333
Minority interests	7,706
Deferred tax liabilities	75
Trade and other payables	523
Tax liabilities	127
Payables related to account holder activities	51,761
Accruals and deferred income	1,126
Total liabilities	61,318
Carrying amount of net assets	5,015

6. Investments in associates (cont'd)

The change in the method of consolidation used for Ong First Tradition (Pte) Ltd resulted in an outflow of cash and cash equivalents of CHF 25,963,000, which is presented separately in the interim consolidated cash flow statement under investing activities.

Reset Holding (Pte) Ltd

In December 2006, Compagnie Financière Tradition signed a memorandum of agreement for the acquisition of a 15% stake in a newly created company, Reset Holding (Pte) Ltd, capitalised at USD 0.1 million. In January 2007, the Group authorised the use by the new structure of a customer database - bringing the memorandum into effect.

Under this agreement, Compagnie Financière Tradition is entitled to appoint a director to the Board of Directors of Reset Holding (Pte) Ltd and, consequently, to exercise significant influence on the company's financial and operational policies. Accordingly, Reset Holding (Pte) Ltd - which holds 100% of the capital of Reset (Pte) Ltd, a company involved in the electronic matching of interest rate swaps - has been accounted for using the equity method since it commenced operations.

The final terms of this agreement were set out in a contract signed on 19 July 2007.

The fair value measurement of the balance sheet on the acquisition date resulted in the recognition of intangible fixed assets of USD 38.0 million. This item consists mainly of customer relationships, and is amortised over 5 years. The operation gave rise to negative goodwill of CHF 7.0 million, which is recognised under the share of profit of associates.

An analysis of the share of Reset Holding (Pte) Ltd's profit and net assets at 30 June 2007 is shown below:

CHF 000	<u>30 June 2007</u>
Share of profit	9,467
Share of net assets	9,463

7. Discontinued operations

In 2006, Compagnie Financière Tradition decided to dispose of its subsidiaries providing services to retail customers in Europe and the Americas.

In Europe, the Group is finalising the disposal of its interest in Monecor (London) Ltd, a spread betting company, initiated at end-2006. An agreement was signed on 29 June 2007. This operation is contingent on certain conditions, including approval from UK regulator, the Financial Services Authority (FSA).

In April 2007, Compagnie Financière Tradition disposed of its holding in ABC Clearing Ltd for CHF 1.1 million. The sale generated a consolidated loss of CHF 1.1 million, presented under loss after tax from discontinued operations. The operation resulted in a net cash outflow of CHF 0.9 million.

Finally, discussions are continuing with various investors regarding the sale of S.P. Angel & Co. Ltd.

In the United States, Compagnie Financière Tradition disposed of 80% of its holding in FXDirectDealer LLC, in December 2006, reducing its stake in the company to 15%.

7. Discontinued operations (cont'd)

Cash flows related to discontinued operations are as follows:

CHF 000	30 June 2007	30 June 2006
Net cash flows from operating activities	6,208	3,206
Net cash flows from investing activities	-2,071	-516
Net cash flows from financing activities	-13,202	4,843

The main assets and liabilities of companies held for sale at 30 June 2007 were as follows:

CHF 000	30 June 2007	31 December 2006
Non-current assets	1,579	1,331
Other current assets	8,866	5,423
Receivables related to account holder activities	338,856	180,735
Cash and cash equivalents (Note 5)	19,637	28,364
Assets held for sale	<u>368,938</u>	<u>215,853</u>
Short-term financial debts	-	13,039
Payables related to account holder activities	335,795	171,630
Other current liabilities	5,916	2,065
Liabilities directly associated with assets held for sale	<u>341,711</u>	<u>186,734</u>
Carrying amount of net assets	<u>27,227</u>	<u>29,119</u>

The carrying amount of net assets approximately correspond to their fair value.

Short-term financial debts were fully repaid during the period.

The spread betting activities of Monecor (London) Ltd gave rise to a provision of CHF 12,542,000 for receivables related to account holder activities. This amount is carried as an expense under "Other operating expenses".

8. Financial debts

On 1 June 2007, Compagnie Financière Tradition signed an agreement for a multicurrency credit line of CHF 140 million, consisting of three types of facilities:

- A term loan facility of CHF 50 million over 5 years, declining by CHF 8 million a year for 4 years and CHF 18 million at maturity.
- A revolving loan facility of CHF 50 million over 3 years, renewable automatically on a daily basis for a period of 360 days.
- A revolving loan facility of CHF 40 million, renewable automatically on a daily basis for a period of 360 days.

The term loan was fully drawn down at 30 June 2007, and CHF 45 million was also drawn from the 3-year revolving loan facility. These drawdowns, which were in Swiss francs, expire on 30 November 2007 and carry a variable interest rate.

The credit lines are secured by a pledge of equity investments in some of the Group's subsidiaries, and replace the CHF 56 million credit facilities available to Compagnie Financière Tradition at 31 December 2006.

Finally, on 31 May 2007, Compagnie Financière Tradition signed a bilateral credit line of CHF 10 million, which is unsecured and renewable automatically on a daily basis for a period of 180 days. This drawdown has a variable interest rate and expires on 28 September 2007. It was fully used at 30 June 2007.

Short-term financial debts at 30 June 2007 include payables to clearing houses of CHF 26,748,000 (CHF 1,207,000 at 31 December 2006). These payables enable the financing of outstanding securities which have gone beyond the expected settlement date (failed trades). They are guaranteed by securities, carried under "Receivables related to matched principal activities", and were repaid early in July upon delivery of the securities.

9. Capital

20,000 new shares were created at a unit price of CHF 97.50 in March 2007, representing a capital increase of CHF 50,000 and a share premium of CHF 1,900,000.

The share capital totalled CHF 13,720,893 at 30 June 2007, consisting of 5,488,357 bearer shares, with a nominal value of CHF 2.50 each.

10. Dividends

The following dividend was approved and paid during the period, in accordance with the resolution adopted by the Annual General Meeting held on 25 April 2007:

CHF 000	<u>30 June 2007</u>	<u>30 June 2006</u>
Dividend of CHF 7.00 per share for the 2006 financial year (2005: CHF 6.00)	38,418	32,810

11. Related party transactions

Short-term related party receivables

CHF 000	<u>30 June 2007</u>	<u>31 December 2006</u>
Receivables from associates	6,644	7,446
Receivables from related companies	624	1,955
Receivables from shareholder and associated companies	10,968	2,484
Receivables from key employees	10,272	10,815
TOTAL	28,508	22,700

Long-term related party receivables

CHF 000	<u>30 June 2007</u>	<u>31 December 2006</u>
Receivables from key employees	-	5,173
TOTAL	-	5,173

Short-term related party payables

CHF 000	<u>30 June 2007</u>	<u>31 December 2006</u>
Payables to related companies	964	1,795
Payables to shareholder and associated companies	10,881	20,862
Other related party payables	-	1,646
TOTAL	11,845	24,303

“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.

12. Off-balance sheet

Commitments to deliver and receive securities

CHF 000	<u>30 June 2007</u>	<u>31 December 2006</u>
Commitments to deliver securities	66,732,542	38,960,689
Commitments to receive securities	66,739,324	38,962,428

Commitments to deliver and receive securities reflect buy and sell transactions on securities entered into before 30 June 2007 and concluded after that date, in connection with matched principal activities carried out by Tradition London Clearing Ltd, Tradition Asiel Securities Inc., TFS Derivatives Ltd and Tradition Securities and Futures S.A.

Guarantees

Through its subsidiary Tradition Service Holding S.A., Lausanne, Compagnie Financière Tradition issued a payment guarantee of EUR 20.0 million in favour of BHF-BANK, in connection with matched principal activities conducted by its subsidiaries Tradition London Clearing Ltd, London, and Tradition Securities and Futures S.A., Paris. This guarantee expired on 30 June 2007 and was then renewed until 31 December 2007.

13. Exchange rates

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

		30 June 2007		30 June 2006	
		Closing rate	Average rate	Closing rate	Average rate
1 Pound sterling	GBP	2.4559	2.4188	2.2642	2.2729
1 Euro	EUR	1.6553	1.6319	1.5645	1.5616
1 Japanese yen	JPY	0.0099	0.0102	0.0107	0.0110
1 US dollar	USD	1.2257	1.2276	1.2467	1.2712

14. Changes in the basis of consolidation

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

Ong First Tradition (Pte) Ltd, Singapore: Ong First Tradition (Pte) Ltd, which was fully consolidated until 29 January 2007, has since been accounted for using the equity method (Note 6).

Tradition Korea Ltd, Seoul: This company, capitalised at KRW 5.0 million, was incorporated in March 2007. It is a broker of foreign exchange and interest rate products and is wholly owned by Tradition Service Holding S.A.

First Taz Sdn Bhd, Kuala Lumpur: Compagnie Financière Tradition acquired 40.0% of the capital of this company in May 2007, for a consideration of MYR 2.6 million (CHF 1.0 million). The operation gave rise to goodwill of MYR 2.0 million (CHF 0.7 million). The company is active in the field of foreign exchange and interest rates, and is accounted for using the equity method.

Reset Holding (Pte) Ltd, Singapore: In December 2006, Compagnie Financière Tradition signed a memorandum of agreement for the acquisition of a 15% stake in a newly created company, Reset Holding (Pte) Ltd, capitalised at USD 0.1 million. In January 2007, the Group authorised the use by the new structure of a customer database - bringing the memorandum into effect. This company, which holds 100% of the capital of Reset (Pte) Ltd, a company involved in the electronic matching of interest rate swaps, is accounted for using the equity method (Note 6).

ABC Clearing Ltd, London: In April 2007, Compagnie Financière Tradition disposed of its interest in ABC Clearing Ltd for a consideration of CHF 1.1 million. This operation generated a consolidated loss of CHF 1.1 million, which is carried under profit or loss after tax on discontinued activities.