



Underlying operating margin up from 7.4% to 9.1%

Net profit Group share up 66.6% to CHF 21.5m

Successful launch of new electronic initiatives

<i>CHFm</i>	H1 2013	H1 2012	Variation in constant currencies
Non-IFRS* Revenue	510.8	545.0	-4.4%
Non-IFRS underlying operating profit**	46.7	40.3	+22.2%
Underlying operating margin	9,1%	7,4%	
Reported revenue	475.9	512.4	-5.7%
Operating profit	28.8	22.3	+35.0%
Net profit	26.6	17.3	+62.4%
Net profit Group share	21.5	13.6	+66.6%

* with proportionate consolidation method for joint ventures in line with the Group management reports ("Non-IFRS")

** before amortisation of customer relationships and other exceptional costs and income.

Overview

The first half of 2013 was still characterized by challenging market conditions particularly as a result of continued uncertainty regarding regulation of OTC derivative markets which affected a number of Group's customers. After a transition period in the first quarter, revenue has stabilized in the second quarter compared to the same period last year which was up 1.4%. For the six-month period, non-IFRS consolidated revenue was 4.4% lower at constant exchange rates to CHF 510.8m compared to the same period last year.

Despite a reduction in revenue, the non-IFRS underlying operating profit increased by 22.2% at constant exchange rates to CHF 46.7m representing an underlying margin of 9.1% compared to 7.4% for the equivalent period last year. Net profit Group share increased to CHF 21.5m, up 66.6% at constant exchange rates. Half-year Group's results fully benefited from the cost reduction measures implemented last year and aimed at reducing Group's fixed cost base while increasing its flexibility.

Moreover, the Group pursued its investments in technology in order to increase its electronic broking capabilities and respond effectively to the changing regulatory framework.

Trad-X, Tradition's hybrid trading platform for OTC derivatives, initially launched for trading euro interest rate swaps (IRS EUR), is now operational for dollar (IRS USD) and sterling (IRS GBP) interest rate swaps as well as interest rate options (IRO). Since launch, Trad-X has matched close to 20,000 orders amounting to a notional matched of approximately CHF 1.2tn. Other currencies will be traded on this platform depending on market trends and changes in regulation.

In April 2013, the Group launched ParFX, a new wholesale electronic trading platform for spot forex, which was also developed using its proprietary technology. This launch, with the support of some of the biggest spot FX market players in the world, once again demonstrates the Group's ability to innovate and partner with key market participants to drive development.

It is intended to expand services to additional products in line with the Group's strategy to provide electronic execution capability across its entire suite of products.

Revenue

The non-IFRS revenue from interdealer broking business (IDB) was down 5.2% in constant currencies with a decrease in most asset classes with the exception of foreign exchange and commodities.

Revenue from commodities (a broad range of energy and metals products) was slightly higher benefiting from the development of our energy business in Asia-Pacific which was partly offset by reduced activity levels in Americas.

The decrease in revenue was mostly seen in fixed income and equity products. Interest rate products while overall down on the same period last year benefited from the revenue development in our electronic businesses for interest rate derivatives, Trad-X, now covering dollars and sterling in addition to euros.

The revenue from the forex trading business for retail investors in Japan (Non-IDB) was up 27.3% continuing from the trend observed in Q4 2012 driven by the increase volatility on the yen.

Reported revenue for the first half of 2013 was CHF 475.9m compared with CHF 512.4m for the six months ended 30 June 2012, a decline of 5.7% in constant currencies. This amount excludes Group's share of revenue of joint ventures which have been consolidated in accordance with the equity method since 1er January 2013. This essentially concerns the currency options business operated by Tradition-ICAP, and the forex trading business for retail investors in Japan operated by Gaitame.com Co., Ltd.

Operating profit

The non-IFRS underlying operating profit (which excludes exceptional costs) increased by 22.2% in constant currencies to CHF 46.7m, for an underlying operating margin of 9.1% (H1 2012 : 7.4%).

Exceptional items include an amortisation charge of CHF 2.0m (H1 2012: CHF 2.8m) in respect of the Group's intangible assets as well as net exceptional costs (consisting mainly of legal costs and reorganisation costs) of CHF 6.4m (H1 2012: CHF 10.0m). The related intangible asset will be fully amortised in March 2014.

Reported operating profit for the first half of 2013 was CHF 28.8m compared with CHF 22.3m for the first six months of 2012, an increase of 35.0% in constant currencies.

Net profit

Consolidated net profit was CHF 26.6m compared to CHF 17.3m for the equivalent period last year with a Group share of CHF 21.5m (H1 2012 : CHF 13.5m), up 66.6% at constant exchange rates. The consolidated tax charge for the period benefited from lower non-deductible expenses following the Group's cost reduction efforts.

Balance sheet

Consolidated shareholders' equity totalled CHF 358.2m at 30 June 2013 of which CHF 302.4m was attributable to the Group's shareholders.

Outlook

The Group will pursue its development and investments in technology with the continuous deployment of new electronic initiatives. Financial markets remain difficult to predict and against this backdrop, adapting the industry to technologies in order to respond effectively to the changing regulatory framework, and keeping a tight rein on costs, will be essential for improving the Group annual performance.

2013 half year report of Compagnie Financière Tradition SA is now available on the Company's website at <http://tradition.com/financials/reports.aspx>

With a presence in 28 countries, Compagnie Financière Tradition SA is one of the world's leading interdealer brokers (IDB). The Group provides broking services for a complete range 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 (energy and environmental products, and precious metals).

Compagnie Financière Tradition (CFT) is listed on the SIX Swiss Exchange. To find out more about our Group please visit our website at www.tradition.com.

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