



Compagnie Financière Tradition

Non-IFRS* revenue of CHF 934.1m in 2013**Underlying operating margin up from 5.9% to 6.4%****Continued investments in technology and development of partnerships****Dividend increase to CHF 2.50**

<i>CHF m</i>	2013	2012 as restated	Variation in constant currencies	2012 as reported
Non-IFRS* Revenue	934.1	1 017.5	-4.7%	1 017.5
Non-IFRS* underlying operating profit**	60.0	59.6	+8.2%	59.6
Underlying operating margin	6.4%	5.9%	-	5.9%
Reported revenue	874.4	958.4	-5.7%	1 017.5
Operating profit	32.1	38.6	-9.3%	44.9
Net profit	21.7	26.0	-6.3%	24.2
Net profit Group share	15.5	21.1	-17.4%	19.1

* 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 year 2013 was characterized by evolving market environment particularly as a result of continued uncertainty regarding regulation of OTC derivative markets which affected a number of Group's customers. A significant milestone was achieved in the U.S. with the publication in June of the CFTC's final rules for Swap Execution Facilities (SEF's) which became effective on 2 October 2013. The Group has successfully operated its SEF from that date. However, a number of required clarifications have continued to negatively impact the trading volume in the second half of 2013 as was the case for all participants in the interdealer broking sector.

For 2013, the Group's consolidated non-IFRS revenue decreased by 4.7% at constant exchange rates to CHF 934.1m. Despite this reduction in revenue, the non-IFRS underlying operating profit increased by 8.2% at constant exchange rates to CHF 60.0m representing an underlying margin of 6.4% compared with 5.9% in 2012.

Against this backdrop, the Group remained focused on the cost reduction measures aimed at reducing its 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 leader 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 its launch, Trad-X has matched close to 30 000 orders amounting to a notional matched of approximately CHF 1.7tn. Other currencies will be traded on this platform depending on market trend and changes in regulation. Recently, a new partner has joined Trad-X as a Founder.

Moreover, the Group launched ParFX in 2013, a new wholesale electronic trading platform for spot forex, which was also developed using its proprietary technology. Since its launch in the second quarter, with the support of some of the biggest spot FX market players in the world, new partners have joined the growing founder bank community of ParFX which now includes 14 banks.

This 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 suite of products.

Revenue

The Group reported consolidated IFRS revenue of CHF 874.4m at 31 December 2013 compared with CHF 958.4m in 2012, a decrease of 5.7% in constant currencies and 8.8% in current currencies. This amount excludes Group's share of revenue of joint ventures which have been consolidated with the equity method since 1 January 2013 in accordance with IFRS 11. This essentially relates to the currency options business operated by Tradition-ICAP, and the forex trading business for retail investors in Japan operated by Gaitame.com Co., Ltd.

The non-IFRS revenue from interdealer broking business (IDB) was down 5.2% in constant currencies. 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 lower activity levels in Americas while revenue from foreign exchange products held steady. The decrease in revenue in 2013 was particularly noticeable for fixed rate products but less so for interest rate and equity products. Interest rate products while overall down compared to 2012 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 clients in Japan (Non-IDB) was up 17.6%.

Operating profit

The non-IFRS underlying operating profit (which excludes exceptional costs) was CHF 60.0m (2012 : CHF 59.6m), up 8.2% at constant currencies with an underlying operating margin of 6.4% (2012 : 5.9%).

Exceptional items include an amortisation charge of CHF 3.2m (2012: CHF 3.2m) in respect of the Group's intangible assets as well as net exceptional costs (consisting mainly of legal costs and reorganisation costs) of CHF 13.7m (2012: CHF 16.2m). The related intangible asset will be fully

amortised in Q1 2014. In 2012, changes in the Group's pension funds led to the recognition of exceptional income of CHF 4.3m.

Reported operating profit for 2013 was CHF 32.1m compared with CHF 38.6 in 2012, a decrease of 9.3% in constant currencies. 2012 operating profit was restated upward by CHF 2.1m following the adoption of IAS19 revised as of 1 January 2013 which was applied retrospectively. On a comparable basis, the result was up 5.7%.

Net profit

Consolidated net profit was CHF 21.7m compared with CHF 26.0m in 2012 with a Group share of CHF 15.5m (2012 : CHF 21.1m), down 17.4% at constant exchange rates. 2012 net profit and net profit group share were increased by CHF 1.9m following the adoption of IAS19 revised.

Balance sheet

Consolidated shareholders' equity totalled CHF332.5m at 31 December 2013, of which CHF 282.0m was attributable to the Group's shareholders.

Dividend

At the Annual General Meeting to be held on 23 May 2014, the Board will be seeking shareholders' approval to pay a dividend of CHF 2.50 per share (yield close to 5.4%¹).

Outlook

Compagnie Financière Tradition's consolidated revenue in January/February 2014 period is down about 5% at constant exchange rates compared with the same period in 2013 which seems to indicate better trend than the sector's average. The Group will maintain a strong focus on cost management and on improving its flexibility while continuing to invest in technology.

¹Based on the closing price of the share on 13 March 2014

ABOUT COMPAGNIE FINANCIERE TRADITION SA

Compagnie Financière Tradition SA is one of the world's largest interdealer brokers in over-the-counter financial and commodity related products. Represented in 28 countries, Compagnie Financière Tradition SA employs 2,300 people globally and 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 SA (CFT) is listed on the SIX Swiss Exchange.

For more information, please visit www.tradition.com.

MEDIA CONTACTS

Patrick Combes, President
Compagnie Financière Tradition SA
+41 (0)21 343 52 22
actionnaire@tradition.ch

Jeremy Nieckowski
Voxia communication
+41 (0)22 561 22 65
jeremy.nieckowski@voxia.ch