

Financial Report

Q3-2011



CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITIONS

	Notes	30 September		31 December
		2011	2010	2010
ASSETS				
Cash and balances with central bank		1,199,959,180	16,055,764	57,622,629
Treasury bills and other eligible bills		20,655,278	934,012,530	768,603,990
Loans and advances to banks		371,006,664	476,231,778	595,836,109
Derivative financial instruments		51,275,094	36,301,659	24,364,014
Trading assets		3,855,133	1,598,992	1,632,444
Loans and advances to customers		108,563,944	113,114,945	118,677,323
Investment securities	5	744,875,014	645,145,803	670,155,319
Deferred income tax assets		1,785,387	-	7,131,987
Intangible assets		23,038,970	3,229,705	23,204,125
Information technology systems	7	20,282,874	16,140,658	17,604,890
Property, plant and equipment	8	29,317,844	19,455,160	22,377,337
Other assets		28,836,279	24,205,441	31,617,899
Total assets		2,603,451,661	2,285,492,435	2,338,828,066
LIABILITIES AND EQUITY				
Liabilities				
Deposits from banks		14,869,781	1,881,605	6,861,100
Derivative financial instruments		18,302,785	32,265,805	5,339,030
Due to customers		2,316,461,788	2,046,048,584	2,092,110,513
Other liabilities		21,425,772	14,497,597	20,309,511
Current income tax liabilities		1,435,040	-	5,915,348
Deferred tax liabilities		1,112,916	1,208,461	1,155,919
Provisions		5,631,238	1,260,093	8,126,044
Total liabilities		2,379,239,320	2,097,162,145	2,139,817,465
Equity				
Ordinary shares	9	2,927,674	2,927,674	2,927,674
Share premium		39,418,265	39,243,259	40,011,434
Share option reserve		2,506,526	2,266,733	2,455,677
Other reserve		(2,089,660)	(617,070)	(604,855)
Treasury shares	10	(9,057,315)	(25,914,811)	(17,808,463)
Retained earnings		190,506,851	170,424,505	172,029,134
Total equity		224,212,341	188,330,290	199,010,601
Total liabilities and equity		2,603,451,661	2,285,492,435	2,338,828,066

The notes on pages 6 to 14 form an integral part of this condensed interim financial information

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

	Notes	Quarter ended 30 September		9 months ended 30 September	
		2011	2010	2011	2010
Fee and commission income		18,531,703	16,167,476	55,998,683	52,981,505
Fee and commission expense		(1,567,663)	(1,927,158)	(5,771,384)	(6,216,738)
Net fee and commission income		16,964,040	14,240,318	50,227,299	46,764,767
Interest income		5,404,901	5,149,948	16,430,922	13,662,458
Interest expense		(1,604,731)	(1,818,455)	(4,789,978)	(4,984,275)
Net interest income		3,800,170	3,331,493	11,640,944	8,678,183
Net trading income	3	12,005,169	5,258,439	38,370,576	16,945,332
Operating income		32,769,379	22,830,250	100,238,819	72,388,282
Operating expenses	4	(22,226,799)	(15,708,586)	(66,572,772)	(48,720,775)
Operating profit		10,542,580	7,121,664	33,666,047	23,667,507
Income tax expense		(2,057,250)	(1,192,556)	(7,366,548)	(4,804,359)
Gain recognised on acquisition of subsidiary		-	-	-	777,257
Net profit		8,485,330	5,929,108	26,299,499	19,640,405
<i>Earning per share</i>	6	0.59	0.42	1.83	1.39
<i>Diluted earning per share</i>	6	0.59	0.42	1.83	1.39
<i>Weighted average number of ordinary shares</i>	6	14,487,801	14,160,926	14,400,216	14,097,579

The notes on pages 6 to 14 form an integral part of this condensed interim financial information

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

	Notes	Quarter ended 30 September		9 months ended 30 September	
		2011	2010	2011	2010
Net profit for the period		8,485,330	5,929,108	26,299,499	19,640,405
Other comprehensive income:					
Gains / (losses) recognised directly in equity					
Available-for-sale financial assets		(2,330,786)	1,146,568	(1,809,471)	888,682
Income tax relating to components of other comprehensive income (AFS assets)		521,397	(256,487)	404,779	(198,798)
Hedge reserve		45,655	(41,425)	70,594	(173)
Income tax relating to components of other comprehensive income (Hedge reserve)		(10,213)	9,267	(15,792)	39
Other comprehensive income for the period, net of tax		(1,773,947)	857,923	(1,349,890)	689,750
Total comprehensive income for the period		6,711,383	6,787,031	24,949,609	20,330,155

The notes on pages 6 to 14 form an integral part of this condensed interim financial information

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share capital	Share premium	Share Option reserve	Other reserve	Treasury shares	Retained earnings	Total
Balance at 1 January 2011	2,927,674	40,011,434	2,455,677	(604,855)	(17,808,463)	172,029,134	199,010,601
Change in investment securities	-	-	-	(1,738,877)	-	-	(1,738,877)
Tax impact on investment securities	-	-	-	388,987	-	-	388,987
Net profit of the period	-	-	-	-	-	26,299,499	26,299,499
Total comprehensive income for the period	-	-	-	(1,349,890)	-	26,299,499	24,949,609
Dividend	-	-	-	-	-	(8,607,208)	(8,607,208)
Currency translation differences	-	-	-	(134,915)	-	-	(134,915)
Employee stock option plan: Value of services provided	-	-	836,275	-	-	-	836,275
Reclassification of value of services provided for stock options exercised, lapsed or expired in the period	-	-	(785,426)	-	-	785,426	-
Purchase of treasury shares	-	-	-	-	(6,355,414)	-	(6,355,414)
Sale of treasury shares	-	(593,169)	-	-	15,106,562	-	14,513,393
Balance at 30 September 2011	2,927,674	39,418,265	2,506,526	(2,089,660)	(9,057,315)	190,506,851	224,212,341
Balance at 1 January 2010	2,927,674	38,314,296	2,042,605	(1,306,820)	(26,518,573)	158,781,171	174,240,353
Change in investment securities	-	-	-	888,509	-	-	888,509
Tax impact on investment securities	-	-	-	(198,759)	-	-	(198,759)
Net profit of the period	-	-	-	-	-	19,640,405	19,640,405
Total comprehensive income for the period	-	-	-	689,750	-	19,640,405	20,330,155
Dividend	-	-	-	-	-	(8,548,519)	(8,548,519)
Employee stock option plan: Value of services provided	-	-	775,576	-	-	-	775,576
Reclassification of value of services provided for stock options exercised, lapsed or expired in the period	-	-	(551,448)	-	-	551,448	-
Purchase of treasury shares	-	-	-	-	(5,874,133)	-	(5,874,133)
Sale of treasury shares	-	928,963	-	-	6,477,895	-	7,406,858
Balance at 30 September 2010	2,927,674	39,243,259	2,266,733	(617,070)	(25,914,811)	170,424,505	188,330,290

The notes on pages 6 to 14 form an integral part of this condensed interim financial information

All amounts in Swiss Francs

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOW

	Notes	9 months ended 30 September	
		2011	2010
Cash flow from / (used in) operating activities			
Fees and commission receipts		53,848,195	52,921,216
Fees and commission paid		(5,717,683)	(6,344,594)
Interest receipts		21,267,310	8,163,996
Interest paid		(4,377,040)	(4,374,555)
Purchase of trading assets		(2,222,689)	(1,003,925)
Net trading income		24,288,336	13,146,711
Cash payments to employees and suppliers		(79,875,633)	(13,611,464)
Cash flow from operating profit before changes in operating assets and liabilities		7,210,796	48,897,385
Net (increase) / decrease in operating assets and net increase / (decrease) in operating liabilities			
Loans and advances to customers		10,113,379	(21,355,208)
Loans and advances to banks		-	(66,606,858)
Due to customers		224,351,275	371,252,039
Other liabilities		(7,241,490)	(9,521,428)
Net cash from operating activities		234,433,960	322,665,930
Cash flow from / (used in) investing activities			
Purchase of property, plant and equipment and Information technology systems	7/8	(16,556,774)	(9,716,559)
Proceeds from sale/reimbursement of investment securities		258,029,406	72,401,856
Purchase of investment securities		(313,907,650)	(362,098,929)
Purchase of subsidiary, net of cash acquired		-	(3,604,465)
Net cash used in investing activities		(72,435,018)	(303,018,097)
Cash flow from / (used in) financing activities			
Purchase of treasury shares		(6,355,414)	(5,874,133)
Sale of treasury shares		14,513,393	7,406,858
Dividend		(8,607,208)	(8,548,519)
Net cash used in financing activities		(449,229)	(7,015,794)
Increase/decrease in cash and cash equivalents		161,549,713	12,632,039
Movements in cash and cash equivalents			
Balance at beginning of year		1,415,201,628	1,344,671,380
Increase / (Decrease)		161,549,713	12,632,039
Balance at 30 September		1,576,751,341	1,357,303,419

The notes on pages 6 to 14 form an integral part of this condensed interim financial information

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

ACCOUNTING POLICIES, REPORTABLE SEGMENTS AND EXPLANATORY NOTES

1. Accounting policies and presentation matters

The Condensed Consolidated Interim Financial Statements are prepared in accordance with IAS 34 Interim Financial Reporting. The accounting policies used in the preparation of the Interim Financial Statements are consistent with those used in the Annual Financial Statements. Costs that incur unevenly during the financial year are anticipated or deferred in the interim report only if it would be appropriate to anticipate or defer such costs at the end of the financial year.

The Consolidated Interim Financial Statements should be read in conjunction with the 2010 Annual Consolidated Financial Statements.

2. Reportable segments

The analysis of reportable segments for the 9 months period ending 30 September 2011 and 2010 are as follows:

In CHFm	9 months ended 30 September	
	2011	2010
Net Revenues - Private Clients	55.3	57.1
Direct Operating Costs - Private Clients	(5.5)	(4.9)
Direct Marketing Costs - Private Clients	(4.1)	(4.3)
<i>Direct Contribution margin - Private Clients</i>	<i>45.7</i>	<i>47.9</i>
Net Revenues - B2B Clients	16.9	15.3
Direct Operating Costs - B2B Clients	(4.0)	(2.8)
Direct Marketing Costs - B2B Clients	(0.4)	(0.5)
<i>Direct Contribution margin - B2B Clients</i>	<i>12.5</i>	<i>12.0</i>
Direct Contribution margin - Securities	58.2	59.9
Net Revenues - eForex	30.1	-
Direct Operating Costs - eForex	(10.1)	-
Direct Marketing Costs - eForex	(3.6)	-
Direct Contribution margin - eForex	16.4	-
Operating Cost - Technology	(12.5)	(10.4)
Operating Cost - Operations	(14.0)	(14.0)
Operating Cost - Marketing	(3.0)	(3.2)
Operating Cost - G&A	(9.2)	(8.6)
Fair value impact on trading assets & investment securities	(2.1)	-
Total Platform and Infrastructure Operations Costs	(40.8)	(36.2)
Operating profit	33.7	23.7
Income tax expense	(7.4)	(4.9)
Gain on acquisition of subsidiary	-	0.8
Net profit	26.3	19.6

In Q3 2010, eForex Net revenues amounting CHF 7.6m were included in Net revenues from Private Clients and CHF 1.4m from B2B Clients.

The Group does not have any client representing more than 10% of its revenues.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

2. Reportable segments (continued)

	30 September 2011	30 September 2010
Assets - Securities / Private Clients	1,925.7	1,801.6
Liabilities - Securities / Private Clients	(1,885.1)	(1,755.2)
Assets - Securities / B2B Clients	430.5	434.5
Liabilities - Securities / B2B Clients	(337.7)	(330.5)
Assets - eForex	156.7	-
Liabilities - eForex	(132.6)	-
Assets - Platform and Infrastructure	90.6	49.4
Liabilities - Platform and Infrastructure	(23.9)	(11.5)
Net Balance - Equity	224.2	188.3

3. Net trading income

	9 months ended 30 September	
	2011	2010
Foreign exchange revenues		
- eForex	30,061,017	9,053,825
- Others	10,409,653	7,814,748
	<u>40,470,670</u>	<u>16,868,573</u>
Unrealised fair value gains/(losses)		
- From Investment securities	(1,334,275)	-
- From Trading assets	(842,771)	24,904
	<u>(2,177,046)</u>	<u>24,904</u>
Realised gains/(losses)		
- Gain less losses from investment securities	76,952	51,855
Total	<u>38,370,576</u>	<u>16,945,332</u>

4. Operating expenses

	9 months ended 30 September	
	2011	2010
Payroll & related expenses	29,638,324	19,936,769
Other operating expenses	18,321,608	15,017,736
Marketing expenses	11,209,402	8,044,684
Provisions	300,000	300,000
Depreciation	7,103,438	5,421,586
Total	<u>66,572,772</u>	<u>48,720,775</u>

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

5. Investment securities

	9 months ended 30 September 2011			Recognition as per IAS 39 of unrealised gains/(losses)		
	Carrying value	Fair value	Unrealised gains/ (losses)	Comprehensive income	Income Statement	Not recognised
Available-for-sale	357,253,504	357,253,504	(1,809,471)	(1,809,471)	-	-
Held-to-maturity	370,924,376	386,117,768	15,193,392	-	-	15,193,392
Fair value through profit & loss	16,697,134	16,697,134	(1,334,275)	-	(1,334,275)	-
	744,875,014	760,068,406	12,049,646	(1,809,471)	(1,334,275)	15,193,392

	Quarter ended 30 September 2011	
	Unrealised gains/(losses)	Change in quarter
Available-for-sale	(1,809,471)	(2,330,786)
Held-to-maturity	15,193,392	5,791,900
Fair value through profit & loss	(1,334,275)	(1,010,466)
	12,049,646	2,450,648

	9 months ended 30 September 2010			Recognition as per IAS 39 of unrealised gains/(losses)		
	Carrying value	Fair value	Unrealised gains/ (losses)	Comprehensive income	Income Statement	Not recognised
Available-for-sale	216,389,070	216,389,070	888,682	888,682	-	-
Held-to-maturity	428,756,733	447,089,079	18,332,346	-	-	18,332,346
	645,145,803	663,478,149	19,221,028	888,682	-	18,332,346

	Quarter ended 30 September 2010	
	Unrealised gains/(losses)	Change in quarter
Available-for-sale	888,682	1,146,568
Held-to-maturity	18,332,346	3,943,667
	19,221,028	5,090,235

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

6. Earning per share

a) Basic

	Quarter ended 30 September		9 months ended 30 September	
	2011	2010	2011	2010
Net Profit	8,485,330	5,929,108	26,299,499	19,640,405
Weighted average number of ordinary shares in issue	14,487,801	14,160,926	14,400,216	14,097,579
Basic earning per share	0.59	0.42	1.83	1.39

b) Diluted

	Quarter ended 30 September		9 months ended 30 September	
	2011	2010	2011	2010
Net Profit	8,485,330	5,929,108	26,299,499	19,640,405
Weighted average number of ordinary shares in issue	14,487,801	14,160,926	14,400,216	14,097,579
Adjustments for share options	-	2,897	-	3,921
Weighted average number of ordinary shares for diluted earnings per share options	14,487,801	14,163,823	14,400,216	14,101,500
Diluted earning per share	0.59	0.42	1.83	1.39

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

7. Information technology systems

	Software Third Party Licences	Proprietary Software	Hardware & Telecom Systems	Total
9 months ended 30 September 2011				
Opening net book amount	4,648,142	10,029,782	2,926,966	17,604,890
Addition	2,108,668	5,577,989	656,165	8,342,822
Amortisation / depreciation	(1,382,416)	(3,046,186)	(1,236,236)	(5,664,838)
Closing net book amount	5,374,394	12,561,585	2,346,896	20,282,874
9 months ended 30 September 2010				
Opening net book amount	1,481,824	7,273,665	2,643,448	11,398,937
Addition	1,383,184	6,289,258	1,545,788	9,218,230
Amortisation / depreciation	(722,160)	(2,324,245)	(1,430,104)	(4,476,509)
Closing net book amount	2,142,848	11,238,678	2,759,132	16,140,658

Additions to Information technology systems include an amount of CHF 5,205,908 (2010: CHF 5,016,602) representing own costs capitalised in connection with the development of the systems of the Bank.

8. Property, plant and equipment

	Land & Building	Leasehold Improvements	Equipments	Total
9 months ended 30 September 2011				
Opening net book amount	18,045,696	2,229,921	2,101,720	22,377,337
Addition	7,686,956	252,197	274,799	8,213,952
Amortisation / depreciation	(417,226)	(446,109)	(410,110)	(1,273,445)
Closing net book amount	25,315,426	2,036,009	1,966,409	29,317,844
9 months ended 30 September 2010				
Opening net book amount	16,659,549	1,360,539	1,811,525	19,831,613
Addition	149,602	158,973	189,754	498,329
Amortisation / depreciation	(413,736)	(243,290)	(217,756)	(874,782)
Closing net book amount	16,395,415	1,276,222	1,783,523	19,455,160

The total cost of the property includes an aggregate CHF 144,466 of own costs capitalised (2010: CHF 91,412).

On 19 October 2010, Swissquote Bank Ltd entered into a contract with a construction company, which purpose is the realisation of the extension of the Swissquote offices in Gland, Switzerland. The value of the contract is CHF 42.2m, including applicable VAT. The extension will consist of 6,700 sqm office space (max. 500 work places), storage rooms and parking, and is scheduled to be delivered in December 2013.

Up to 30 September 2011, the Bank made an aggregate advanced payment of CHF 9.27m to the construction company (of which CHF 1.75m paid in 2010). The payment schedule of the amount payable to the construction company is as follows : a total of CHF 13.8m in 2011, CHF 16.0m in 2012 and CHF 10.65m in 2013. Depreciation is expected to start once the construction is delivered (Q4-2013).

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

9. Ordinary shares

a) Numbers of Shares in 2011

	1 January	Change	30 September
Issued shares			
Ordinary share capital			
Number of shares	14,638,370	-	14,638,370
Nominal value per share (CHF)	0.20	-	0.20
Total nominal value (CHF)	2,927,674	-	2,927,674
Unissued shares			
Conditional capital			
Number of conditional shares	211,060	538,940	750,000
Nominal value per share (CHF)	0.20	-	0.20
Total nominal value (CHF)	42,212	107,788	150,000
Authorised capital			
Amount authorised (CHF)	800,000	(100,000)	700,000
Nominal value per share (CHF)	0.20	-	0.20
Number of authorised shares	4,000,000	(500,000)	3,500,000

The Annual General Meeting approved on 6 May 2011 the increase of the conditional capital to 750,000 conditional shares for a nominal value of CHF 150,000 and the decrease of the authorised capital to an authorised amount of CHF 700,000 (corresponding to 3,500,000 authorised shares).

b) Numbers of Shares in 2010

	1 January	Change	30 September
Issued shares			
Ordinary share capital			
Number of shares	14,638,370	-	14,638,370
Nominal value per share (CHF)	0.20	-	0.20
Total nominal value (CHF)	2,927,674	-	2,927,674
Unissued shares			
Conditional capital			
Number of conditional shares	211,060	-	211,060
Nominal value per share (CHF)	0.20	-	0.20
Total nominal value (CHF)	42,212	-	42,212
Authorised capital			
Amount authorised (CHF)	800,000	-	800,000
Nominal value per share (CHF)	0.20	-	0.20
Number of authorised shares	4,000,000	-	4,000,000

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

10. Treasury shares

	2011	2010
Beginning of the year (shares)	303,404	583,692
Acquisition - shares unit price ranging from CHF	137,097 29.67 to 61.70	140,963 37.53 to 54.80
Disposal - shares unit price ranging from CHF	(229,423) 46.86 to 58.91	(110,063) 39.62 to 47.46
Remittance to optionees - shares unit price ranging from CHF	(38,174) 34.00 to 47.00	(116,701) 17.00 to 47.00
End of the period - 30 September (shares)	172,904	497,891
Total cost in CHF	9,057,315	25,914,811
% of the issued shares	1.18%	3.40%

The Treasury shares are primarily acquired for the purpose of covering the employees stock option plans.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

11. Stock options

The movement in options granted, exercised and lapsed are reported below::

	Allocation						Total	Conditional shares available for exercise
	7th - 8th	9th	10th	11th	12th	13th		
Balance at 1 January 2010	131,922	102,000	125,284	85,032	-	-	444,238	211,060
Grants	-	-	-	-	132,735	-	132,735	
Exercised								
Covered by:								
the issue of new shares	-	-	-	-	-	-	-	
treasury shares	(116,635)	-	(66)	-	-	-	(116,701)	
Lapsed	-	(36,302)	(4,304)	(3,120)	-	-	(43,726)	
Balance at 30 September 2010	15,287	65,698	120,914	81,912	132,735	-	416,546	211,060
Balance at 1 January 2011	12,380	65,698	111,971	81,720	132,495	-	404,264	211,060
Increase of conditional capital								538,940
Grants	-	-	-	-	-	237,657	237,657	
Exercised								
Covered by:								
the issue of new shares	-	-	-	-	-	-	-	
treasury shares	(10,315)	-	(27,859)	-	-	-	(38,174)	
Lapsed	-	(2,065)	(34,940)	(3,600)	(5,400)	-	(61,697)	
Balance at 30 September 2011	-	30,758	68,420	78,120	127,095	237,657	542,050	750,000
<i>Less options outstanding</i>								<i>(542,050)</i>
<i>Intermediary balance (including conditional shares)</i>								<i>207,950</i>
<i>Number of treasury shares available at 30 September 2011</i>								<i>172,904</i>
<i>Balance shares available for future grants</i>								<i>380,854</i>
	8th	9th	10th	11th	12th	13th		
Strike price	34.00	75.00	47.00	63.24	47.50	34.27		
Share price at 30.09.2011	37.45	37.45	37.45	37.45	37.45	37.45		

The CHF 5.13 fair value of the options granted in Q3-2011 in the 13th allocation has been determined using the following parameters: Strike price CHF 34.27; Spot price at grant: CHF 30.80; Volatility :39.31%.

Options granted are exercisable in 3 equal tranches and each tranche has a maximum duration of exercise of two years. The exercise of the first tranche starts one year after the date of grant, the second tranche two years and the third three years after the date of grant. For the determination of the fair value of the options, the Group assumes that options will be exercised in average one year after the date they respectively become exercisable. Further the calculation assumes that 20% of the options will lapse in the vesting period.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

12. Miscellaneous financial information

Pension obligations - The Group (a) uses the so called "corridor approach" (IAS 19) and (b) examines the impact of possible discrepancies between long-term actuarial assumptions used in the actuarial calculations at the end of the previous calendar year and actual short term data applicable at the date of interim reporting, in order to determine the requirement for the recording of actuarial gains and losses in condensed consolidated interim financial statements as a result of pension obligations. No actuarial adjustment to the financial cost of the pension plan (consisting in the contribution payable by the Group to the Fund in accordance with its statutory rules) was required at 30 September 2011, nor in the former quarters.

Tier One ratio (Basel II ratio) - At 30 September 2011, the Group had a Tier One ratio (Basel II ratio) of 22.35%. (30 September 2010: 22.40%; 31 December 2010: 19.0%).



*Report on the Review of
condensed consolidated interim financial information
to the Board of Directors of
Swissquote Group Holding Ltd
Gland*

Introduction

We have reviewed the accompanying condensed consolidated interim financial information (balance sheet, income statement, statement of comprehensive income, cash flow statement, statement of changes in equity and notes) set out on pages 1 to 14 of Swissquote Group Holding Ltd for the period ended 30 September 2011. The Board of Directors is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with Swiss Auditing Standard 910 and 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 Swiss Auditing Standards and 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 financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

PricewaterhouseCoopers SA

Philippe Bochud

Eric Maglieri

Geneva, 3 November 2011