

BELLEVUE GROUP

Report 3rd Quarter 2007

BELLEVUE GROUP

Interim consolidated financial statements 2007

Balance sheet	Interim statement 30.09.2007	End year statement 31.12.2006	Interim statement 30.09.2006
CHF 1'000			
Assets			
Cash	20,521	112,316	102,265
Due from banks	352,748	245,927	339,171
Due from customers	45,560	32,494	337,046
Securities trading positions	24,425	19,920	20,220
Derivative financial instruments	6,975	2,516	30,833
Financial investments	268,108	186,340	182,126
Fixed assets	376	285	8,872
Intangible fixed assets	67,988	72,999	74,781
Goodwill	160,289	160,289	160,289
Prepaid expenses and accrued income	4,836	1,292	3,172
Current tax assets	460	459	16,635
Other assets	18,725	1,885	2,246
Available-for-sale assets	-	444,366	351,272
Total assets	971,011	1,281,088	1,628,928
Liabilities			
Due to banks	2,170	5,269	95,353
Due to customers	248,752	303,687	495,066
Derivative financial instruments and other trading liabilities	180,916	148,352	165,443
Debt issued	-	-	96,185
Deferred income	34,202	9,909	19,499
Other liabilities	8,667	21,836	31,920
Current tax liabilities	8,740	6,864	5,734
Deferred tax liabilities	14,508	14,795	17,527
Provisions	1,494	2,301	3,349
Available-for-sale liabilities	-	373,826	331,906
Total liabilities	499,449	886,839	1,261,982
Share capital	1,050	1,050	1,050
Treasury shares	-24,790	3,609	2,439
Capital reserves	27,250	27,250	27,250
Retained earnings	460,243	362,340	311,427
Equity attributable to the shareholders of Bellevue Group AG	463,753	394,249	342,166
Minority interests	7,809	-	24,780
Total equity	471,562	394,249	366,946
Total liabilities and shareholders' equity	971,011	1,281,088	1,628,928

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Profit and loss account	Period	Period	Period	Period
	1.1. - 30.09.2007	1.1. - 30.09.2006	1.7. - 30.09.2007	1.7. - 30.09.2006
CHF 1'000	9 months	9 months	3 months	3 months
Continuing business activities				
Net interest income				
Interest and discount income	7,200	1,514	2,427	801
Dividend income	3,547	826	4	709
Interest expense	-1,995	-598	-884	-206
<i>Subtotal net interest income</i>	8,752	1,742	1,547	1,304
Net commission and service fee income				
Commission income from securities and investment business	116,417	76,046	45,612	25,031
Commission income from other services	323	1,071	127	96
Commission expense	-345	-520	-121	-316
<i>Subtotal net fee and commission income</i>	116,395	76,597	45,618	24,811
Net trading income	4,018	4,446	256	1,040
Other ordinary income				
Income from the sale of companies	81,855	544	-	432
Income from the sale of financial assets	-410	17,367	-	13,087
Other ordinary expense	-1,601	-7	-	-3
Other ordinary income	5,332	284	55	91
<i>Subtotal other ordinary income</i>	85,176	18,188	55	13,607
Net operating income	214,341	100,973	47,476	40,762
Operating expenses				
Personnel expenses	-36,375	-15,413	-12,675	-4,917
Other operating expenses	-15,558	-11,023	-6,499	-4,756
Depreciation and amortization of fixed assets	-114	-623	-37	-63
Depreciation and amortization of intangible fixed assets	-5,268	-4,893	-1,762	-1,742
Valuation adjustments, provisions and losses	-	-110	-	-109
Total operating expenses	-57,315	-32,062	-20,973	-11,587
Pretax profit of continuing business activities	157,026	68,911	26,503	29,175
Tax expenses	-9,472	-9,182	-2,743	-2,845
Net profit of continued business activities	147,554	59,729	23,760	26,330
Discontinued business activities				
Pretax profit of discontinuing business activities	-	12,996	-	1,694
Tax expenses	-	-475	-	935
Net profit of discontinued business activities	-	12,521	-	2,629
Group net profit	147,554	72,250	23,760	28,959
<i>attributable to: -Shareholders of Bellevue Group AG</i>	147,239	69,065	23,445	27,893
<i>- Minority interests</i>	315	3,185	315	1,066

These interim financial statements are not audited by the auditors appointed under banking law. However, they were established according to the same principles as the annual financial statements and correspond to the principles of accounting prescribed by banking law and the IFRS (International Financial Reporting Standards).

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Cash flow statement	Period	Period	Period	Period
	1.1. - 30.09.2007	1.1. - 30.09.2006	1.7. - 30.09.2007	1.7. - 30.09.2006
CHF 1'000	9 months	9 months	3 months	3 months
Cash flow from operating activities				
Interest income (excluding financial investments)	6,004	19,590	1,162	7,879
Fee and commission income	116,370	101,573	43,739	30,188
Interest expense	-1,995	-8,763	-884	-3,808
Fee and commission expense	-345	-5,610	-121	-2,327
Personnel and general expense	-31,462	-50,496	-9,844	-14,629
Other income	7,171	12,295	-14	10,390
Subtotal	95,743	68,589	34,038	27,693
Change in assets and liabilities relating to operating activities				
Receivables and assets	-122,411	-122,365	-83,913	136,858
Trading positions	23,600	48,662	-1,129	6,347
Liabilities	-58,034	-94,036	27,600	-140,387
Other	67,471	-57,603	20,576	-48,713
Cash flow from operating activities before tax	6,369	-156,753	-2,828	-18,202
Tax expense	-8,338	-13,254	-6,354	-5,942
Cash flow from operating activities after tax	-1,969	-170,007	-9,182	-24,144
Cash flow from investing activities				
Purchase of financial assets	-19,672	-49,012	-1,147	3,006
Purchase of fixed assets	-462	-872	-383	-265
Proceeds from the disposal of financial assets	10,702	40,315	18	26,653
Interest income from financial investments and associated companies	1,096	1,459	71	622
Dividends received from financial investments and associated companies	3,375	2,936	-	2,936
Reduction in cash and cash equivalents following disposal of subsidiaries/shareholdings	-13,271	-	-	-
Disposal of subsidiaries and associated companies	-	2,000	-	2,000
Net cash flow from investing activities	-18,232	-3,174	-1,441	34,952
Cash flow from financing activities				
Dividends paid	-51,308	-21,000	-	-
Change in treasury shares	-28,558	-7,867	1,686	33,963
Other changes	-	3,307	-	3,307
Cash flow from financing activities	-79,866	-25,560	1,686	37,270
Change in cash and cash equivalents	-100,067	-198,741	-8,937	48,078
Cash and cash equivalents, end of prior reporting period	125,587	319,409	34,457	72,590
Cash flow from operating activities after tax	-1,969	-170,007	-9,182	-24,144
Net cash flow from investing activities	-18,232	-3,174	-1,441	34,952
Cash flow from financing activities	-79,866	-25,560	1,686	37,270
Cash and cash equivalents, end of reporting period	25,520	120,668	25,520	120,668
Cash and cash equivalents comprise cash (cash on hand, postal check account deposits and deposits at central banks) as well as repo-eligible debt securities (maturing < 3 months) accepted by central banks as eligible collateral.				
The composition of cash and cash equivalents was as follows:				
Liquid assets	20,521	107,551	20,521	107,551
Available-for-sale repo securities < 3 months (previous year: securities eligible for refinancing at central banks)	4,999	13,117	4,999	13,117
TOTAL	25,520	120,668	25,520	120,668

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Business segments	Private Banking	Asset Management	Investment Banking	Corporate Items	TOTAL
CHF 1'000					
Period 1.1. - 30.09.2007					
Net income from ordinary operating activities	-	58,457	69,302	4,727	132,486
Income from the sale of companies	-	-	-	81,855	81,855
Personnel and other operating expenses	-	-21,396	-24,647	-5,890	-51,933
Depreciation, valuation adjustments, provisions and losses	-	-1,887	-3,495	-	-5,382
Gross operating profit	-	35,174	41,160	80,692	157,026
Taxes	-	-361	-8,536	-575	-9,472
Minority interests	-	-315	-	-	-315
Profit after taxes	-	34,498	32,624	80,117	147,239
Total assets	-	46,973	424,660	499,378	971,011
Total liabilities	-	17,336	299,291	182,822	499,449
Total capital expenditure	-	280	182	-	462
Total assets under management at 30.09.2007	-	4,007 m	3,199 m	0 m	7,206 m
Period 1.1. - 30.09.2006					
Net income from ordinary operating activities	33,393	26,558	52,550	19,994	132,495
Income from the sale of companies	-	-	-	544	544
Personnel and other operating expenses	-17,906	-8,851	-13,357	-4,229	-44,343
Depreciation, valuation adjustments, provisions and losses	-1,163	-2,124	-3,502	-	-6,789
Intercompany services, net	-1,328	-99	-890	2,317	-
Gross operating profit	12,996	15,484	34,801	18,626	81,907
Taxes	-475	-535	-7,155	-1,492	-9,657
Minority interests	-2,803	-382	-	-	-3,185
Profit after taxes	9,718	14,567	27,646	17,134	69,065
Total assets	1,030,750	94,277	359,741	144,160	1,628,928
Total liabilities	833,800	6,325	290,400	131,458	1,261,983
Total capital expenditure	116	12	744	-	872
Total assets under management at 30.09.2006	3,590 m	4,556 m	3,039 m	55 m	11,240 m
Total assets under management at 31.12.2007	2,237 m	4,039 m	2,732 m	0 m	9,008 m

As of January 1, 2007 the Bellevue Group is no longer active in Private Banking.

The Group operates primarily in Switzerland. Since the geographic region in which assets are reported is relatively unimportant for the assessment of risks or profit opportunities, a breakdown of the business segments by region is not given.

The allocation to the individual segments is derived primarily from direct allocations. Items that cannot be directly apportioned to one particular segment will be allocated by means of secondary business management criteria (e.g. number of staff, total square meters of floor space required, etc.). Non-allocable items are stated under the Corporate items segment.

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Analysis of shareholders' equity	Share capital	Treasury shares	Capital reserve	Retained earnings	Minority interest	Total shareholders' equity
CHF 1'000						
As at 31.12.2005	1,050	1,351	27,250	285,888	22,129	337,668
Change in treasury shares		2,258		-9,372		-7,114
Other changes				-222		-222
Change of unrealized gains and losses (IAS 39)				3,877		3,877
Realized gains and losses reclassified to the income statement (IAS 39)				-17,400		-17,400
Dividend 2005				-21,000		-21,000
Change in minority interest due to disposal of subsidiaries				523	-25,928	-25,405
Profit for the year 2006				120,046	3,799	123,845
As at 31.12.2006	1,050	3,609	27,250	362,340	-	394,249
Change in treasury shares		-28,399		-1,394		-29,793
Other changes				2,423		2,423
Change due to IFRS 2				271		271
Change of unrealized gains and losses (IAS 39)				967		967
Realized gains and losses reclassified to the income statement (IAS 39)				-441		-441
Dividend 2006				-51,308		-51,308
Change in minority interests				-	7,494	7,494
Change in foreign currencies				146		146
Profit for the year 2007				147,239	315	147,554
As at 30.09.2007	1,050	-24,790	27,250	460,243	7,809	471,562
<i>As at 30.09.2006</i>	<i>1,050</i>	<i>2,439</i>	<i>27,250</i>	<i>311,427</i>	<i>24,780</i>	<i>366,946</i>

Price of the Bellevue Group share

	30.09.2007	31.12.2006	High	Low
	CHF	CHF	CHF	CHF
	89.50	78.00	100.20	78.80

	1.1. - 30.09.2007 9 months	1.1. - 30.09.2006* 9 months	1.7. - 30.09.2007 3 months	1.7. - 30.09.2006* 3 months
Earnings per share	14.30	5.76	2.40	2.57
Earnings per share (diluted)	14.22	5.74	2.33	2.58
Nominal earnings per share (fully diluted)	14.02	5.65	2.23	2.49

* Excluding the discontinued private banking activities

	at 30.09.2007	at 30.06.2007	at 31.12.2006:*	at 30.09.2006:
Number of employees, absolute	79	73	67	160
Number of employees, full-time equivalent (part-time adjusted)	74.5	69.4	64.1	154.3

* Excluding the discontinued private banking activities and Swissfirst Services AG, Zurich, which was sold on 31.12.2006

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Assets under management	Asset Management	Investment Banking	TOTAL
CHF Mio.			
Assets under management at 31st December 2006	4,039	2,732	6,771
Net inflow of new assets 2007	-305	-64	-369
Market-related change 2007	273	531	804
Assets under management at 30th September 2006	4,007	3,199	7,206

Client assets include all cash deposits and assets of clients available for investment with the exception of the pure "custody-only" assets. These custody-only assets include unissued shares of participation and investment companies, and the assets of certain institutional clients stemming from special transactions (e.g. share buybacks through a second line of trading).

The inflow/outflow of client assets includes all cash deposits and withdrawals as well as inward and outward deliveries of securities without compensation. Own interest credits and debits are not counted.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENT 2007

Change in basis of consolidation

In the third quarter of 2007 there was one change in the basis of consolidation:

First-time full consolidation of the hedge funds Toros Prime, Cayman Islands (Capital: EUR 10,65 mn, group interest 57.28%)

Comments on the accounting and valuation regulations

The consolidated interim financial statements of the Bellevue Group are established according to the accounting regulations of the International Accounting Standards Committee (IASC).

The applied accounting and valuation methods correspond to the methods used for the establishment of the audited annual financial statements of the company as at 31 December 2006.

