

Stable results in constant currencies

Consolidated revenue of €770.9 million
Operating profit of €53.9 million
Consolidated net profit of €45.9 million
Group share of net profit: €31.4 million

€m	2016	2015	Change
Consolidated revenue	770.9	800.0	-3.6%
Operating profit	53.9	56.6	-4.7%
Financial result	-2.5	-7.1	+65.3%
Profit of equity accounted companies	9.3	12.3	-24.8%
Profit before tax	60.7	61.8	-1.8%
Consolidated net profit	45.9	47.5	-3.4%
Net profit - Group share	31.4	32.0	-1.8%
Minority interests	14.4	15.5	-6.8%

Business overview

*In VIEL & Cie's **interdealer broking business**, the market environment for the Tradition Group was generally stable in 2016, although there were significant differences among the geographic regions and asset classes. The Group maintained its focus on a sound balance sheet with a strong capital position while keeping a low level of intangible assets and a strong net cash position. In 2017, Compagnie Financière Tradition will use its solid balance sheet to support its growth efforts. The Group will remain focused on all growth opportunities, including both external and through recruitment of new talent.*

*In the **online trading business**, several performance indicators of Bourse Direct fell in what was a sharply declining market environment. This trend affected all participants in the sector across Europe. Bourse Direct executed 3.8 million trades in 2016, consolidating its position as leader in the online trading sector in France. The company has a significant market share with over 117,000 customer accounts on its books at the end of 2016. Recruitment of new customers continued apace during the year. For the third year running the company gained industry recognition for the quality of its customer service.*

*The **private banking business** (SwissLife Banque Privée) underperformed following the arrival of the new CEO at the end of 2015.*

Revenue and results

Consolidated revenue was €770.9m, down 3.6% on the previous year at variable exchange rates. Group **revenue remained stable (-0.7%)** in constant currencies.

The segment analysis of consolidated earnings is as follows:

€m	2016	2015
IDB business	736.9	762.9
Online trading	34.0	37.1
Consolidated revenue	770.9	800.0

Operating expenses were €719.8m, down 3.7% on the year at variable exchange rates or 0.8% in constant currencies. These expenses consist mainly of staff costs, charges for telecoms and financial information, and business and marketing expenses in VIEL & Cie's operating subsidiaries. Staff costs fell 0.7% year on year in constant currencies. This reduction in operating expenses reflects the Group's cost reduction policy aimed at improving profitability.

Consolidated operating profit was €53.9m against €56.6m in 2015, a decline of 4.7% at variable exchange rates (-1.9% in constant currencies).

The net financial result was negative but was substantially higher year on year at -€2.5m against -€7.1m in 2015, mainly due to lower interest charges and improved foreign exchange results.

The consolidated tax expense recognised in 2016 was €14.9m against €14.4m in 2015, an increase of 3.6%.

Consolidated net profit was €45.9m against €47.5m in 2015, a decline of 1.8% in constant currencies. Minority interests were 5.9% lower year on year at €14.4m (in constant currencies).

Group share of net profit was €31.4m in 2016, down 1.8% from €32.0m in 2015.

Balance sheet

Consolidated equity stood at €466.7m against €452.4m in 2015, €360.5m of which was Group share after deduction of the gross value of directly held treasury shares totalling €27.3m.

The Board of Directors of VIEL & Cie met on 14 March 2017 to examine and close the accounts for the 2016 financial year. These annual and consolidated accounts are presently being audited by the Company's statutory auditors, and the full financial statements will be included in the Company's financial report.

Dividend

At the Annual General Meeting to be held on 13 June 2017, the Board of Directors will be seeking shareholder approval to pay a cash dividend of 17 euro cents per share, an increase of 13% compared with 2015.

The Board decided to cancel 3,548,498 treasury shares, or 4.40% of the share capital, under an authority granted by the combined Annual and Extraordinary General Meeting of 14 June 2016 in its tenth resolution.

After the cancellation, VIEL & Cie will hold 3,548,498 treasury shares, or 4.40% of the capital after reduction. The share capital will be €15,410,138 divided into 77,050,691 shares, and the corresponding number of voting rights will be 121,777,163.

Outlook

VIEL & Cie will pursue the strategies put in place by its operating subsidiaries. Compagnie Financière Tradition has greatly improved profitability since 2015 in a challenging and fast-changing market environment against a backdrop of consolidation in the sector. In 2017, it will maintain its investments in technologies while keeping a tight rein on costs in a promising market climate in order to strengthen its position in the industry.

In an ultra-low interest rate environment which is putting pressure on results, Bourse Direct will redouble its efforts to recruit new customers in 2017, and will continue to focus on enhancing the quality of its investor service and maintaining the edge in its internet platform.

VIEL & Cie comprises three core businesses in the financial sector: Compagnie Financière Tradition, an interdealer broker with a presence in 28 countries, Bourse Direct, leader in the online trading sector in France, and a 40% equity accounted stake in SwissLife Banque, present in the private banking sector in France.

VIEL & Cie shares (codes: FR0000050049, (VIL) are listed in Compartment B of Euronext. For more information on our Group, please visit our website at www.viel.com.

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Image 7
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