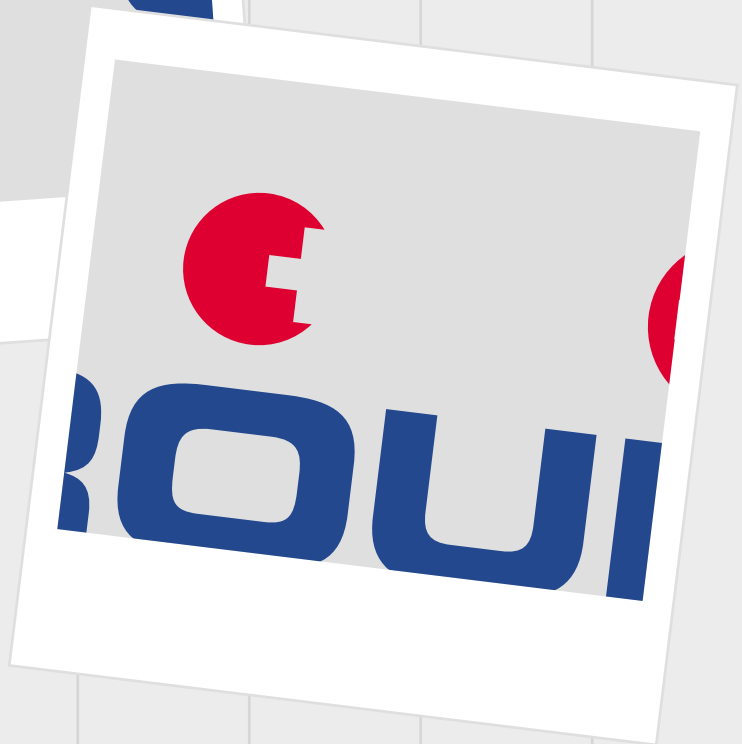
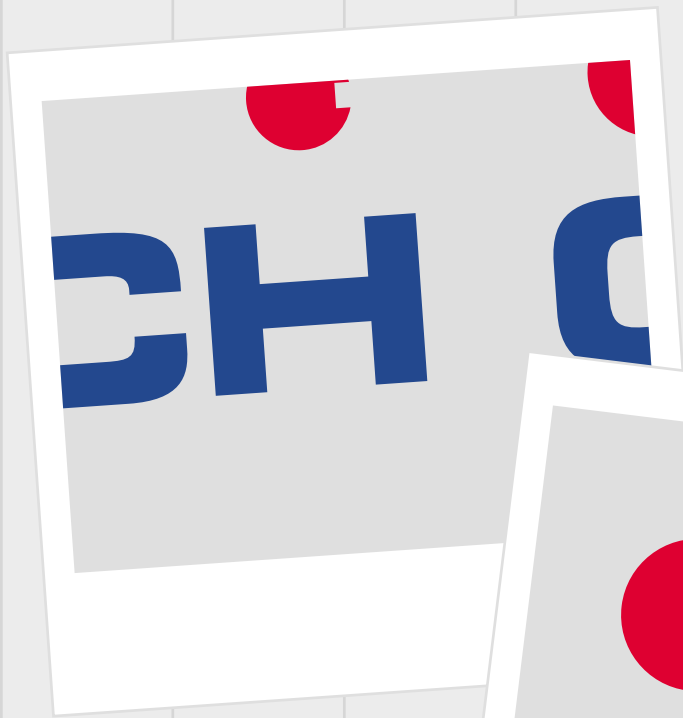


# **Financial Statements of the Holding**

# 1998

- **Income Statement**
- **Balance Sheet**
- **Proposal for Allocation of Net Profit**
- **Appendix**
- **Comments**
- **Report of the statutory auditors**
- **The Swatch Group Securities**



# Financial Statements of the Holding

## Income Statement

	1998 in mio. CHF	1997 in mio. CHF
Investment income <sup>(1)</sup>	206	300
Financial income <sup>(2)</sup>	15	12
Other income <sup>(3)</sup>	6	5
<b>Total income</b>	<b>227</b>	<b>317</b>
Salaries and social benefits <sup>(4)</sup>	-19	-17
Overhead expenses <sup>(5)</sup>	-6	-6
Depreciation <sup>(6)</sup>	-1	-1
Financial expenses <sup>(7)</sup>	-9	-18
<b>Total expenses</b>	<b>-35</b>	<b>-42</b>
<b>Result before taxes</b>	<b>192</b>	<b>275</b>
Taxes <sup>(8)</sup>	-5	-5
<b>Net income</b>	<b>187</b>	<b>270</b>

# Financial Statements of the Holding

## Balance Sheet

Assets	1998		1997	
	in mio. CHF	%	in mio. CHF	%
<b>Long-term loans and fixed assets</b>				
Fixed assets:				
– Land and buildings	8	0.4	8	0.5
– Furniture and equipment	1	0.1	1	0.1
Financial assets:				
– Long-term loans <sup>(9)</sup>	0	–	0	–
– Long-term loans to subsidiaries <sup>(9)</sup>	63	3.4	65	3.8
– Investments <sup>(10)</sup>	1 286	69.0	1 153	69.2
<b>Total long-term loans and fixed assets</b>	<b>1 358</b>	<b>72.9</b>	<b>1 227</b>	<b>73.6</b>
<b>Current assets</b>				
Realizable assets:				
– Accrued income	0	–	0	–
– Other receivables <sup>(11)</sup>	26	1.4	39	2.3
– Own shares (2nd ligne for share capital reduction) <sup>(12)</sup>	360	19.2	0	–
– Short-term loans to subsidiaries <sup>(13)</sup>	22	1.2	287	17.2
– Securities and precious metals <sup>(14)</sup>	95	5.1	89	5.4
Liquid funds:				
– Cash, postal accounts, banks	3	0.2	24	1.5
<b>Total current assets</b>	<b>506</b>	<b>27.1</b>	<b>439</b>	<b>26.4</b>
<b>Total assets</b>	<b>1 864</b>	<b>100.0</b>	<b>1 666</b>	<b>100.0</b>

# Financial Statements of the Holding

## Balance Sheet

Liabilities and shareholders' equity	1998		1997	
	in million CHF	%	in million CHF	%
Shareholders' equity:				
– Share capital <sup>(15)</sup>	329	17.6	331	19.9
– Legal reserve	67	3.6	67	4.0
– Reserve for treasury shares <sup>(16)</sup>	855	45.9	336	20.2
– Special reserve	58	3.1	433	26.0
– Profit brought forward	12		3	
– Net income for the year	187		270	
– Profit resulting from balance sheet <sup>(17)</sup>	199	10.7	273	16.4
<b>Total shareholders' equity</b>	<b>1 508</b>	<b>80.9</b>	<b>1 440</b>	<b>86.5</b>
<b>Provisions <sup>(18)</sup></b>	<b>187</b>	<b>10.0</b>	<b>187</b>	<b>11.2</b>
<b>Long-term liabilities</b>	<b>0</b>	<b>–</b>	<b>0</b>	<b>–</b>
Current liabilities:				
– Banks	131	7.1	2	0.1
– Group companies	24	1.3	27	1.6
– Other liabilities	4	0.2	3	0.2
Accrued expenses <sup>(19)</sup>	10	0.5	7	0.4
<b>Total current liabilities</b>	<b>169</b>	<b>9.1</b>	<b>39</b>	<b>2.3</b>
<b>Total liabilities and shareholders' equity</b>	<b>1 864</b>	<b>100.0</b>	<b>1 666</b>	<b>100.0</b>

# Financial Statements of the Holding

## Proposal for Allocation of Net Profit

The Board of Directors proposes to the Annual General Meeting the following allocation of net income:

	1998 in CHF	1997 in CHF
Net profit at December 31	<b>186 920 788</b>	270 127 223
Balance brought forward from previous year	<b>11 875 653</b>	2 866 906
<b>Profit resulting from balance sheet</b>	<b>198 796 441</b>	272 994 129
Allocation to special reserve	<b>-120 000 000</b>	-200 000 000
Payment of a 20% dividend in 1997		
– on share capital of CHF 331 263 000.–		
i.e. after deduction of the Swatch Group part:		
– CHF 2.– per registered share with a par value of CHF 10.–		-26 039 776
– CHF 10.– per bearer share with a par value of CHF 50.–		-35 078 700
Payment of an 21% dividend in 1998		
– on share capital of CHF 328 600 000.– *)		
i.e.:		
– CHF 2.10 per registered share with a par value of CHF 10.–	<b>-31 269 000</b>	
– CHF 10.50 per bearer share with a par value of CHF 50.–	<b>-37 737 000</b>	
<b>Balance carried forward</b>	<b>9 790 441</b>	11 875 653

\*) NB: The Group intends to forego paying the dividend to the subsidiaries of which it is 100% owner.

# Financial Statements of the Holding Appendix

## Operations not included in the balance sheet

### a. Contingent liabilities

The guarantees issued by The Swatch Group Ltd amounted to CHF 110 667 000.– at the end of 1998 (CHF 112 713 000.– at the end of 1997). This position comprises principally a guarantee of CHF 108 000 000.– in relation to the issue of a convertible bond of CHF 100 000 000.– at 2%, 1995-23.10.2002 by The Swatch Group Finance (Luxembourg) Ltd, as well as a global guarantee of CHF 1 750 000.– established by the Group on behalf of the Swiss customs and excise division.

### b. Assets pledged

As in 1997, all assets were free from any pledge.

### c. Derivatives

The Treasury Department of The Swatch Group Ltd is solely responsible on behalf of the Group for operations carried out on the derivatives market.

Derivatives are evaluated at market value. Transactions uncompleted as at December 31, 1998 are aimed at providing cover according to the operational risks relating to fluctuations in exchange and market rates. All such transactions should be related to currency positions.

#### Currencies

Details of currency transactions still open at the end of the year under review:

Type (in million CHF)	Contract value			Positive repl. value			Negative repl. value		
	Third	Group	Total	Third	Group	Total	Third	Group	Total
Forward contracts	234	191	425	0.3	0.9	1.2	-3.6	-0.7	-4.3
Options	42		42				-0.2		-0.2
<b>Total as per 31.12.1998</b>	<b>276</b>	<b>191</b>	<b>467</b>	<b>0.3</b>	<b>0.9</b>	<b>1.2</b>	<b>-3.8</b>	<b>-0.7</b>	<b>-4.5</b>

Forward contracts still open at December 31, 1998 are based on positions denominated in 20 foreign currencies. These operations have been undertaken by the Treasury Department to cover the risks relating to future operational fluctuations. Contracts drawn up within the Group correspond to agreements between The Swatch Group Ltd and the various companies within the Group aimed at covering the risks involved in internal financial transactions. Replacement values have been taken into account in 1998 as assets and accruals.

The currency option open at 31.12.98 corresponds to a reduction in the DEM commitment. This operation is 100% covered by future financial income in DEM known at the end of 1998. The premium relating to this operation has been adjusted to market value at balance sheet date.

### Fire insurance values for fixed assets

At the end of 1998 fixed assets were covered by fire insurance to a value of CHF 29 159 000.– (CHF 30 596 000.– at the end of 1997). The reduction in comparison with the previous year was made after the demolition of an old building.

### Liabilities to personnel retirement institutions

There were no liabilities to personnel retirement institutions in the end-of-year financial statements for 1997 and 1998.

# Financial Statements of the Holding Appendix

## List of investments

The list of the 98 consolidated legal entities within The Swatch Group is given on pages @391 to @401 of the present report.

## Own shares

As part of the share buy-back program approved by the Board of Directors in 1998, shares of The Swatch Group were repurchased through a special negotiating line (2nd line) for registered and bearer shares set up for this purpose at the Swiss Stock Exchange.

The capital reduction made in 1998 in line with the decision taken by the General Meeting of Shareholders on June 24, 1998 was achieved by cancelling own shares (2nd line) in the company acquired as part of the share reacquisition program.

Taking into account the 2nd line shares and the reduction in share capital, the portfolio of own shares held by the company developed as follows during 1998:

	Registered shares		Bearer shares		Total shares
	Quantity *)	in CHF	Quantity	in CHF	in CHF
Statement as at 1.1.98	492 325	6 419 821	32	1 600	6 421 421
Purchases during 1998:					
– on behalf of The Swatch Group					
Finance (Luxembourg) Ltd	373 550	74 293 543	–	–	74 293 543
– 2nd line	949 000	220 106 268	192 810	198 527 623	418 633 891
Capital reduction: 2nd line	–140 000	–32 180 000	–25 260	–26 123 100	–58 303 100
Sales during 1998:					
– sales to The Swatch Group					
Finance (Luxembourg) Ltd	–373 550	–74 293 543	–	–	–74 293 543
– other sales	–17 739	–1 149 701	–32	–1 600	–1 151 301
Gains/losses on sales of own securities	–	–	–	–	–
<b>Statement as at 31.12.98</b>	<b>1 283 586</b>	<b>193 196 388</b>	<b>167 550</b>	<b>172 404 523</b>	<b>365 600 911</b>

\*) of which 473 115 registered shares reserved for a Management Stock Option Plan at the end of 1998 (490 691 at the end of 1997).

At 31.12.98 The Swatch Group Ltd did not hold any free shares. The rates of the shares reserved for the Management Stock Option Plan as well as the blocked shares and those obtained on the 2nd line have not been adjusted in any way.

Taking into account the portfolio of The Swatch Group Finance (Luxembourg) Ltd, the shares held directly or indirectly by The Swatch Group Ltd at the end of 1998 amounted to:

Shares held by:	Registered shares		Bearer shares		Total shares
	Quantity *) in CHF	Quantity in CHF	Quantity in CHF	Quantity in CHF	Quantity in CHF
The Swatch Group Ltd	1 283 586	193 196 388	167 550	172 404 523	365 600 911
The Swatch Group Finance Ltd	2 173 162	439 848 172	60 800	49 930 305	489 778 477
<b>Statement as at 31.12.98</b>	<b>3 456 748</b>	<b>633 044 560</b>	<b>228 350</b>	<b>222 334 828</b>	<b>855 379 388</b>

\*) The table showing the consolidated development of The Swatch Group Ltd shares held by the Group appears under point 20. of the Notes on the consolidated accounts.

# Financial Statements of the Holding Comments

The 1998 financial statements of The Swatch Group are based on the principles of principals of going concern, materiality and cut-off of accounting periods. They conform to the requirements of Swiss law and generally accepted accounting practice, as well as complying with the fourth directive of the European Union.

## Evaluation principles

The annual financial statements have been evaluated on the basis of historical value. Holdings in particular, as well as own shares purchased by The Swatch Group Ltd as part of the share buy-back program, are indicated on the balance sheet at purchase value. The following items are exceptions to this rule:

- Negotiable securities, which have been evaluated at closing rates;
- Own shares reserved for the Management Stock Option Plan, as well as blocked shares which have not been re-evaluated at market prices.

## Conversion method

Foreign currency assets and liabilities have been converted at year-end closing rates. Foreign currency expenses and income, as well as currency transactions have been converted at the day's rate.

## Income statement

Annual income of The Swatch Group Ltd for 1998 fell by CHF 83 million (- 30.7%) in comparison with the previous year, mainly due to lower dividends from Swiss and foreign subsidiaries. It should be noted that 1997 was marked by the receipt of particularly high dividends due to the measures taken to optimize financial structures in the subsidiaries in line with the Group's financial policy. Revenue from dividends during the current year, CHF 94 million below the figure for 1997, was also affected in a similar way. This is the result of financial structures in the subsidiaries which have been brought into line with the fixed criteria and thus reflect the financial aims laid down by the Group.

### 1. Investment income

(in million CHF)	1998	1997
Dividends	174	268
Other income	32	32
<b>Total</b>	<b>206</b>	<b>300</b>

This item includes dividends from companies within the Group, as well as other income.

### 2. Financial income

(in million CHF)	1998	1997
Interest revenue	6	9
Securities income	9	3
<b>Total</b>	<b>15</b>	<b>12</b>

The drop in interest revenue is due to a fall in interest rates on money markets. In contrast, increased income was made from portfolio securities in the company.

### 3. Other income

This includes mainly invoicing of operating expenses linked to services provided for companies within the Group, income linked to managing AVS agencies, income from real estate, as well as various other invoiced charges.

### 4. Salaries and social benefits

This item rose by CHF 1.2 million in 1998, representing an increase of 6.8% over the figure for the previous year. This is principally due to a rise in staff numbers, namely from 93 at the end of 1997 to 106 at the end of 1998. It was necessary to take on extra staff to provide new services for companies within the Group.

### 5. Overhead expenses

This expense item remained stable compared with the year before and includes notably administrative and management costs which together amount to CHF 4 million.

# Financial Statements of the Holding Comments

## 6. Depreciation

This item includes only depreciation on fixed assets and was once again influenced by major investment in IT systems.

## 7. Financial expenses

(in million CHF)	1998	1997
Financial expenses	7	5
Exchange rate differences	2	13
<b>Total financial expenses</b>	<b>9</b>	<b>18</b>

Financial expenses rose by CHF 2 million over the previous year. This increase is related to the rise in short-term bank liabilities. In contrast, it was possible to limit exchange rate losses on foreign currencies to CHF 2 million, compared with a loss of CHF 5 million in 1997 from transactions aimed at covering exchange risks on behalf of companies within the Group. At 31.12.97 exchange rate differences also included an amount of CHF 8 million related to rate losses on the sale of own shares.

## 8. Taxes

The slight decrease in tax expenses in comparison with the previous year (CHF 0.2 million) is due mainly to a fall in tax on capital and a drop in non-recoverable tax at source levied outside Switzerland.

### Balance Sheet Assets

## 9. Long-term loans

Long-term loans of CHF 63 million represent a drop of CHF 2 million in comparison with the previous year. These loans were made principally to subsidiaries of the Group.

## 10. Investments

Investments constituted 69.0% of the total balance sheet at the end of 1998, as compared with 69.2% at the end of the previous year. In absolute numbers, the value of investments rose by CHF 133 million to CHF 1 286 million at the end of 1998. This figure represents consolidated investments. In effect, non-consolidated investments at the end of 1997, namely in Micro Compact Car Ltd in Switzerland and Micro Compact Car France Ltd, which together amounted to CHF 98 million, were sold to the Daimler-Benz Group during 1998. The change in total consolidated investments is due to an increase in capital of The Swatch Group Finance (Luxembourg) Ltd, provided in the amount of CHF 221 million by The Swatch Group Ltd. The remaining difference can be explained by the following movements:

- Capital investments in The Swatch Group (Korea) Ltd and Micromechanics (Malaysia) SDN BHD, as well as transfer of the non-paid up part of the capital of Swatch Telecom Ltd, representing a total of CHF 12 million;
- A CHF 1 million reduction in the capital of The Swatch Group (Spain) Ltd;
- A refund of CHF 1 million capital for one of the Group's real estate companies which is currently in liquidation.

## 11. Other receivables

This item comprises mainly recoverable withholding tax amounting to CHF 16.2 million, plus miscellaneous other receivables.

## 12. Own shares (2nd line with a view to reducing share capital)

This involves shares repurchased by The Swatch Group Ltd as part of the own-share buy-back program drawn up by the Board of Directors. These shares were repurchased thanks to a special 2nd negotiating line for bearer and registered shares set up for this purpose at the Swiss Stock Exchange, whereby only The Swatch Group Ltd could purchase stock. The 2nd line own shares were acquired with a view to reducing the share capital. Among other things, this operation will have a positive long-term effect on both income from shareholders' equity and earnings per share.

## 13. Short-term loans to subsidiaries

Debts fell by CHF 265 million. The financing of the majority of the companies is carried out through our Luxembourg subsidiary, which specializes in this type of transaction.

# Financial Statements of the Holding Comments

## 14. Securities and precious metals

This item includes gold to the value of CHF 18 million at 31.12.98 for the manufacturing requirements of Group subsidiaries. The value of the stocks and shares portfolios amounted to CHF 72 million. The securities position also includes own registered shares amounting to CHF 5.3 million, of which the larger part is intended for a special Management Stock Option Plan.

### Liabilities

At 31.12.98 shareholders' equity had risen by CHF 68 million in comparison with the end of the previous year and amounted to CHF 1 508 million, or 80.9% of the balance sheet.

## 15. Share capital

At the end of the year under review the subscribed share capital comprised 14 890 000 registered shares with a par value of CHF 10.– each and 3 594 000 bearer shares with a par value of CHF 50.– each. The reduction in share capital in 1998, namely CHF 2 663 000.–, was achieved by cancelling own shares (140 000 registered shares and 25 260 bearer shares) repurchased as part of the buy-back program (2nd line).

## 15a. Principal shareholders as at 31.12.98

As at the 31.12.98, the rights of participation held directly or indirectly by the members of the Board of Directors and the Management amounted to 36.7% of the total votes.

The group of shareholders known as the "Hayek-Pool" held 35.5% of the total votes through shares linked to the Pool contract and free shares.

Mr. N.G. Hayek and his companies both inside and outside the Pool hold 28.5% of the votes. The group of Mrs. Esther Grether controls 7.2% of the total votes.

## 16. Reserve for treasury shares

At December 31, 1998 reserve for treasury shares was adjusted to the level of the balance sheet and amounted to CHF 855 million to cover own shares held by The Swatch Group Ltd (CHF 365 million) and by The Swatch Group Finance (Luxembourg) Ltd (CHF 490 million). This reserve has an equivalent compensation value to the balance sheet value of the registered and bearer shares held by the Group at the end of the year.

Within The Swatch Group Ltd, a net total of 1 322 550 registered shares, including 949 000 on the 2nd line, and 192 810 bearer shares, all on the 2nd line, were bought during 1998. Over the same period 391 289 registered shares and 32 bearer shares were sold. Furthermore, 140 000 registered shares and 25 260 bearer shares acquired on the 2nd line were cancelled by a reduction in the share capital.

At December 31, 1998 the company held 3 456 748 registered shares and 228 350 bearer shares on its own books and through its subsidiaries. After subtraction of the balance of 2nd line shares acquired with a view to reducing the share capital, namely 809 000 registered shares and 167 550 bearer shares, the number of own shares remaining corresponded to 9.0% of the share capital of The Swatch Group Ltd. Consequently, after the reduction of share capital submitted for approval to the General Meeting of Shareholders on June 23, 1999, the limit concerning the purchase by the company of its own shares as fixed by article 659 paragraph 1 of the Swiss Contract Law will again be respected.

## 17. Profit resulting from the balance sheet

According to a decision taken by the General Meeting of Shareholders on June 24, 1998 a dividend of 20% on the share capital was taken out of the profit resulting from the balance sheet as at 31.12.97. The dividend finally paid out to shareholders in 1998 totalled CHF 26 039 776.– for registered shares and CHF 35 078 700.– for bearer shares. As proposed in connection with the use of the profit resulting from the balance sheet and approved by the General Meeting of Shareholders mentioned above, the part of the dividend owing on own shares held by The Swatch Group, namely CHF 5 134 124.–, was not paid out. This amount remains an integral part of shareholders' equity as at 31.12.98.

## 18. Provisions

With a total amount of CHF 187 million, the provisions were virtually the same as the previous year.

## 19. Accruals and deferred expenses

In comparison with the previous year, delimited expenses increased by CHF 3 million. This development is mainly due to a rise in the negative replacement value of derivatives. Delimited taxes amounted to CHF 3 million.

# Financial Statements of the Holding

Report of the statutory auditors  
to the general meeting of  
**The Swatch Group Ltd**  
Neuchâtel

As statutory auditors, we have audited the accounting records and the financial statements (income statement, balance sheet and notes / pages @419 to @493) of The Swatch Group Ltd for the year ended 31 December 1998.

These financial statements are the responsibility of the board of directors. Our responsibility is to express an opinion on these financial statements based on our audit. We confirm that we meet the legal requirements concerning professional qualification and independence.

Our audit was conducted in accordance with auditing standards promulgated by the profession, which require that an audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement. We have examined on a test basis evidence supporting the amounts and disclosures in the financial statements. We have also assessed the accounting principles used, significant estimates made and the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accounting records and financial statements and the proposed appropriation of available earnings comply with the law and the company's articles of incorporation.

We recommend that the financial statements submitted to you be approved.

## **STG-Coopers & Lybrand AG**

P. Sütterlin

A. Stotz

Basel, 6 April 1999

# Financial Statements of the Holding

## The Swatch Group Securities

Share Capital	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
Number of registered shares of CHF 100.–	2 980 000	2 980 000	2 994 000	2 994 000						
Number of registered shares of CHF 20.–	100 000	100 000	30 000	30 000						
Number of bearer participation certificates of CHF 100.–	300 000	312 630	312 630	312 630						
Number of registered shares of CHF 10.–					15 030 000	15 030 000	15 030 000	15 030 000	15 030 000	14 890 000
Number of bearer shares of CHF 50.–					3 619 260	3 619 260	3 619 260	3 619 260	3 619 260	3 594 000
Total securities	3 380 000	3 392 630	3 336 630	3 336 630	18 649 260	18 649 260	18 649 260	18 649 260	18 649 260	18 484 000

### Key data per registered share (nom CHF 10.–) in CHF

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
Net income	5.30	5.80	7.60	12.50	13.30	9.50	8.25	8.50	10.00	10.86
Cash-flow	7.70	8.50	10.40	15.80	16.90	13.60	13.00	14.10	15.70	16.46
Shareholders' equity	27.00	31.70	38.10	47.50	58.30	65.35	70.90	77.05	84.65	90.67
Dividend	1.10	1.20	1.40	1.80	2.00	1.70	1.70	1.80	2.00	2.10 *

### Key data per bearer share (nom CHF 50.–) in CHF

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
Net income	26.50	28.80	38.00	62.30	66.50	47.50	41.25	42.50	50.10	54.32
Cash-flow	38.50	42.40	52.10	79.10	84.40	68.00	65.00	70.50	78.50	82.32
Shareholders' equity	135.00	158.50	190.50	237.50	291.50	326.75	354.50	385.25	423.25	453.34
Dividend	5.50	6.00	7.00	9.00	10.00	8.50	8.50	9.00	10.00	10.50 *

Stock price of registered shares (adjusted)	Highest	56	73	67	160	265	227	175	201	227	274
	Lowest	38	38	42	69	146	133	124	149	168	168
	End of year	50	48	67	160	227	144	151	191	197	206
Stock price of bearer shares (adjusted)	Highest	287	356	311	755	1275	1054	830	896	987	1325
	Lowest	197	215	212	315	715	595	550	682	689	645
	End of year	250	232	311	755	1040	651	690	825	806	850
Market capitalization (in million CHF)	End of year	1665	1597	2187	5272	7176	4520	4767	5857	5878	6112

Key ratios (year-end)		1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
Average return on equity	in %	21.2	19.7	21.8	29.1	25.1	15.4	12.1	11.5	12.4	12.4
Dividend yield registered shares	in %	2.2	2.5	2.1	1.1	0.9	1.2	1.1	0.9	1.0	1.0 *
Dividend yield bearer shares	in %	2.2	2.6	2.3	1.2	1	1.3	1.2	1.1	1.2	1.2 *
Price/earnings ratio - registered shares		10	8	9	13	17	15	18	22	19	19
Price/earnings ratio - bearer shares		9	8	8	12	16	14	17	19	16	16

Securities	Securities no.	Reuters Code
Swatch Group registered share	80 044	UHRZn.s
Swatch Group bearer share	80 045	UHRZ.s
2% CHF 100 mio Convertible Bond Swatch Group Finance (Luxembourg) Ltd, 1995-23.10.2002	412 260	CH412260=S

The securities are listed on the Swiss Stock Exchange.

\*Proposal of the Board of Directors

The Board of Directors of The Swatch Group has fixed following restrictions for share ownership: maximum 5% per shareholder in line with the company's articles of incorporation dated June 1998.

# Financial Statements of the Holding

## The Swatch Group Securities

### Development of The Swatch Group registered shares and UBS index

(indexed weekly from 1.1.89 to 31.12.98 – adjusted)

