

Financial Statements of the Holding

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SWATCH GROUP



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Income Statement

	2000 million CHF	1999 million CHF
Investment income ⁽¹⁾	295	197
Financial income ⁽²⁾	5	40
Other income ⁽³⁾	62	6
Total income	362	243
Salaries and social security costs ⁽⁴⁾	-23	-20
Overhead expenses ⁽⁵⁾	-6	-7
Depreciation ⁽⁶⁾	-1	-1
Interest expenses ⁽⁷⁾	-17	-4
Exchange rate differences and other financial expenses ⁽⁸⁾	-65	-35
Total expenses	-112	-67
Result before taxes	250	176
Taxes ⁽⁹⁾	-2	-2
Net income	248	174

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Assets	2000 million CHF	%	1999 million CHF	%
Long-term loans and fixed assets				
Fixed assets: ⁽¹⁰⁾				
- Land and buildings	8	0.4	8	0.4
- Furniture and equipment	1	0.0	0	0.0
Financial assets:				
- Long-term loans to subsidiaries ⁽¹¹⁾	32	1.5	19	1.0
- Capitalized costs convertible bonds ⁽¹²⁾	0	0.0	68	3.6
- Investments ⁽¹³⁾	1 615	77.5	1 484	78.1
Total long-term loans and fixed assets	1 656	79.4	1 579	83.1
Current assets				
Realizable assets:				
- Sundry receivables ⁽¹⁴⁾	14	0.7	13	0.7
- Prepayments and accrued income ⁽¹⁴⁾	7	0.3	0	0.0
- Short-term loans to subsidiaries ⁽¹⁵⁾	80	3.9	47	2.5
- Securities and precious metals ⁽¹⁶⁾	327	15.7	257	13.5
Liquid funds	1	0.0	3	0.2
Total current assets	429	20.6	320	16.9
Total assets	2 085	100.0	1 899	100.0

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Liabilities and shareholders' equity	2000		1999	
	million CHF	%	million CHF	%
Shareholders' equity:				
- Share capital	312	15.0	312	16.4
- General reserve	67	3.2	67	3.5
- Reserve for treasury shares	338	16.2	325	17.1
- Special reserve	461	22.1	364	19.2
• Profit brought forward	11		18	
• Net income for the year	248		174	
- Available earnings	259	12.4	192	10.1
Total shareholders' equity⁽¹⁷⁾	1 437	68.9	1 260	66.3
Provisions⁽¹⁸⁾	132	6.3	188	9.9
Long-term liabilities:				
- Convertible bonds ⁽¹⁹⁾	0	0.0	400	21.1
Total long-term liabilities	0	0.0	400	21.1
Current liabilities: ⁽²⁰⁾				
- Banks	66	3.2	35	1.8
- Group companies	440	21.2	0	0.0
- Other liabilities	5	0.2	5	0.3
Accrued expenses ⁽²⁰⁾	5	0.2	11	0.6
Total current liabilities	516	24.8	51	2.7
Total liabilities and shareholders' equity	2 085	100.0	1 899	100.0

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PRINCIPLES GOVERNING THE ESTABLISHMENT OF THE FINANCIAL STATEMENTS OF THE HOLDING

The 2000 annual Financial Statements of The Swatch Group Ltd have been drawn up according to the principles of continued operation, materiality and cut-off of accounting periods. They conform to Swiss law and generally accepted accounting practice.

Valuation principles

The annual Financial Statements have been evaluated on the basis of historical values. Investments in particular are indicated on the balance sheet at their purchase value. The following items are exceptions to this rule:

- negotiable securities, which have been evaluated at closing rates;
- treasury shares held in reserve for the management stock option plan and blocked shares have not been re-evaluated at market prices.

Conversion method

All assets and liabilities in foreign currencies have been converted at their various closing rates. Income and expenditure in foreign currencies, as well as foreign currency transactions, have been booked at the corresponding day's rate.

Operations not included in the balance sheet

a. Contingent liabilities

At the end of 2000 the guarantees issued by The Swatch Group Ltd amounted to CHF 31 305 200.- (CHF 101 743 600.- at the end of 1999). This position comprises:

- a guarantee of CHF 28 579 200.- in relation to the issue of a convertible bond of CHF 100 000 000.- at 2%, 23.10.1995 - 23.10.2002 issued by The Swatch Group Finance (Luxembourg) Ltd. At the end of 2000, 14 504 bonds representing a nominal value of CHF 72.5 million were converted into shares;
- a global guarantee of CHF 1 750 000.- established for the Group in favor of the Swiss Customs and Excise;
- a guarantee of GBP 400 000.- (or CHF 976 000.- at 31.12.2000) aimed at covering the commitment involved in a lease taken out by one of the companies in the Group.

b. Assets pledged

All the company's assets are 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 31.12.2000 are aimed at covering the operational risks relating to fluctuations in exchange and market rates. All such transactions should be viewed in relation to currency positions.

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Gold and currencies

Details of gold and currency transactions still open at the end of the year under review are as follows:

Type (million CHF)	Contract value			Positive repl. value			Negative repl. value		
	Third	Group	Total	Third	Group	Total	Third	Group	Total
Forward contracts	387	408	795	6.7	1.5	8.2	-0.5	-7.2	-7.7
Total at 31.12.2000	387	408	795	6.7	1.5	8.2	-0.5	-7.2	-7.7
Total at 31.12.1999	790	96	886	2.4	0.5	2.9	-6.9	-1.6	-8.5

Forward contracts still open at 31.12.2000 are based on positions held in gold and in 12 foreign currencies (11 at the end of 1999). These operations have been undertaken by the Treasury Department to cover the risks relating to future operational fluctuations and to price fluctuations in the gold market. 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 2000 as regulatory assets and accruals.

The operations listed below were also open as at 31.12.2000:

Type (million CHF)	Contract value			Positive repl. value			Negative repl. value		
	Third	Group	Total	Third	Group	Total	Third	Group	Total
Forward contracts	83		83	10.3		10.3			0
Options	87		87	6.7		6.7			0
Total at 31.12.2000	170		170	17.0		17.0			0
Total at 31.12.1999			0			0.0			0

These transactions correspond to operations carried out during 2000 aimed at future cash-flow (margin) hedging. They will be effective in 2001, for this reason their positive replacement values have not been taken into account in 2000. As far as concerns the options, only premiums paid upon completion of the contracts, namely CHF 3.2 million, have been capitalized. The options in question correspond to a reduction of the commitment in USD. They are 100% covered by financial income from a good part of 2001 in USD and were known at the end of 2000. As far as concerns the forward contracts, they were entered into to cover JPY, in which case almost the totality of the cash-flow for 2001 is guaranteed.

Debts to professional welfare organizations

As at the end of 1999, no debts to professional welfare organizations are included on the balance sheet for 2000.

NOTES ON THE INCOME STATEMENT

The overall result for The Swatch Group Ltd rose by CHF 74 million (42.5%) in comparison with the previous year, mainly due to higher revenue from dividends (increase CHF 96 million). This increase can be explained by the favorable development of results among the Group's subsidiaries in Switzerland and abroad during 1999.

1. Investment income

(million CHF)	2000	1999
Dividends	260	164
Other income	35	33
Total	295	197

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

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2. Financial income	(million CHF)	2000	1999
Interest revenue		5	3
Income from securities		0	37
Total		5	40

Interest income progressed in line with the rise in interest rates on the money markets. The holding company's gross portfolio revenue in 2000 was more than set off by portfolio losses. The net loss which resulted is indicated under exchange rate differences and other financial expenses. The amount of CHF 37 million is the equivalent of net revenues (after deduction of expenses) recorded in 1999.

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 and income from realty, as well as various other invoiced charges. In 2000 an amount of CHF 56 million accrued from the winding up of reserves that had lapsed following the refinancing of certain Group interests. This did not affect the consolidated accounts.

4. Salaries and social security costs

This item rose by CHF 3 million in 2000 representing an increase of 15.0% over the previous year. In order to guarantee the supply of new services to companies within the Group and following the centralization of certain functions, total staff employed by the holding company had risen to 123 at 31.12.2000, as compared with 101 a year earlier.

5. Overhead expenses

Overheads, which fell by CHF 0.7 million in comparison with the previous year, reached the level seen in 1998. This drop is mainly due to the absence of additional costs resulting from consulting services provided by third parties in 1999, in connection with future projects and specific analyses. This item includes notably administrative and management costs, which together amounted to CHF 3.6 million.

6. Depreciation

This item includes only depreciation on fixed assets.

7. Interest expenses

Compared with the previous year interest expenses rose quite considerably (increase CHF 13 million) due to major changes introduced in the company's financing policy (point 19).

8. Exchange rate differences and other financial expenses

In 2000 the exchange rate differences on foreign currencies resulting from operations aimed at covering this risk on behalf of companies within the Group resulted in revenues of CHF 5 million (as compared with a CHF 27 million loss in 1999, of which CHF 23 million was accounted for by the JPY). The performance of the securities portfolio corresponds to a net loss of CHF 2 million. At 31.12.2000 this position also included an expense item of CHF 68 million resulting from the total amortization of the cost of the convertible bond which was capitalized in 1999, the loan having been repaid before maturity (points 12 and 19).

9. Taxes

The growth in overall result did not affect taxes, which remained comparable to the previous year's level.

NOTES ON THE BALANCE SHEET

10. Fixed assets

Fire insurance

At the end of 2000 fixed assets were insured against fire to the value of CHF 29 159 000.-, as at the end of the previous year.

11. Long-term loans

Long-term loans were granted essentially to subsidiaries within the Group.

12. Capitalized costs resulting from the convertible bond

The convertible bond issued in 1999 was redeemed on 21.6.2000, before maturity. The balance of the outstanding bonds were converted in August 2000 and the loan was repaid in its entirety on 16.8.2000. The remaining related capitalized costs were subsequently amortized (point 19).

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13. Investments

A full list of the 110 legal entities owned directly or indirectly by the holding company and consolidated in the Financial Statements for the Swatch Group is given on pages 108 and 109 of the present report.

Holdings constituted 77.5% of the total balance sheet at 31.12.2000, compared with 78.1% at the end of the previous year. In absolute figures, the value of holdings rose by CHF 131 million to a total of CHF 1 615 million at the end of 2000. This amount corresponds to consolidated holdings. The development in this balance sheet position is the result of the following:

- the acquisition (direct or indirect) of the following companies:
 - Universo SA, La Chaux-de-Fonds;
 - Universo Plastique SA, La Chaux-de-Fonds;
 - Universo France Sàrl, Besançon;
 - Jaquet-Droz SA, La Conversion;
 - Glashütter Uhrenbetrieb GmbH, Glashütte;
 - Union Uhrenfabrik GmbH, Glashütte;
 - Saxonian Luxury Goods Holding GmbH, Glashütte;
- the founding of The Swatch Group Distribution Ltd, Biel;
- the founding of The Swatch Group do Brasil Ltda, São Paulo;
- the acquisition of two investments held by one of the Group's subsidiaries;
- an increase in the share capital of Dress Your Body Ltd, Biel;
- an increase in the share capital of Micromechanics (Malaysia) Sdn Bhd, Ipoh.

14. Sundry receivables, prepayments and accrued income

Sundry receivables include principally recoverable withholding tax amounting to CHF 13.8 million (CHF 10.1 million in 1999), while the prepayments and accruals essentially correspond to positive replacement values of derivatives.

15. Short-term loans to subsidiaries

A portion of the funding of companies within the Group is taken care of by The Swatch Group Ltd. The total amount of loans granted to these companies rose by CHF 33 million over the figure for the previous year.

16. Securities and precious metals

At the end of the year this item included gold intended for the manufacturing requirements of Group subsidiaries, valued at CHF 22 million, representing a rise of CHF 4 million over the previous year. The value of share portfolios amounted to CHF 301 million as compared with CHF 235 million at the end of 1999.

The securities position also includes own registered shares amounting to CHF 3.4 million, of which the larger part is intended for the management stock option plan.

The number of treasury shares held directly or indirectly by The Swatch Group Ltd developed as follows:

Shares held by:	Registered shares Quantity*)	Bearer shares Quantity
The Swatch Group Ltd		
Balance at 1.1.2000	456 285	0
Acquired in 2000	1 538 465	
Sold in 2000	-1 558 144	
Balance at 31.12.2000	436 606	0
Other consolidated companies		
Balance at 1.1.2000	1 538 461	0
Acquired in 2000	1 082 676	40 267
Sold in 2000	-1 904 215	-31 718
Balance at 31.12.2000	716 922	8 549
Total balance at 31.12.2000	1 153 528	8 549

*) of which 435 131 registered shares reserved for the management stock option plan at the end of 2000 (454 814 at the end of 1999).

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The major changes seen in the holding company and in one other consolidated company within the Group are principally due to the termination and total conversion of the convertible bond (point 19).

For both the financial statements of the holding and those of the Group, the total value of treasury shares is lower than the corresponding reserve indicated under liabilities on the balance sheet (point 17). In effect, the reserve for treasury shares is evaluated utilizing the weighted average purchase price method, while the assets are evaluated according to the following principles:

- free shares: stock exchange rate as per 31.12.2000;
- special holding fund and blocked shares: no revaluation at market price.

The value of treasury share portfolios with consolidated companies within the Group was CHF 320.4 million.

With the exception of movements related to the special fund and repayment of the convertible bond (conversion price CHF 260.- per registered share with nominal value of CHF 10.-), all treasury share transactions were revaluated at market price. The average price paid for free shares in 2000 was CHF 425.- per registered share and CHF 2 142.- per bearer share. At 31.12.2000, the free shares were adjusted to their year-end stock market price over the income statement.

The total value of treasury shares held by the Swatch Group Ltd on its own books and through its subsidiaries as at 31.12.2000 corresponds to 3.8% of the nominal value of its share capital.

A table showing the consolidated evolution of shares in The Swatch Group Ltd held by the Group is included under point 19 of the notes on the consolidated accounts.

17. Shareholders' equity

The changes in consolidated equity were as follows:

(million CHF)	Share capital	General reserve	Treasury share reserve	Special reserve	Profit reserve	Total equity
Balance at 1.1.2000	312	67	325	364	192	1 260
Allocated in 2000				110	-110	0
Dividend paid out					-71	-71
Adjustment reserve for treasury shares			13	-13		0
Profit for the year					248	248
Balance at 31.12.2000	312	67	338	461	259	1 437

In comparison with the previous year there was an overall rise in equity of CHF 177 million to CHF 1 437 million, or 68.9% of the balance sheet total as at 31.12.2000.

a. Share capital

As at the end of 1999, the subscribed share capital comprised 14 081 000 registered shares with a par value of CHF 10.- each and 3 426 450 bearer shares with a par value of CHF 50.- at the end of the year under review.

b. Principal shareholders as at 31 December 2000

As at 31.12.2000 the rights of participation held directly or indirectly by the members of the Board of Directors and the Management amounted to 38.6% of the total votes.

The group of shareholders known as the «Hayek Pool» held 35.9% of the total votes through shares linked to the Pool contract and free shares.

Mr. Nicolas G. Hayek and his companies both inside and outside the Pool held 30.2% of the votes. The group of Mrs. Esther Grether controlled 7.4% of the total votes.

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The reserve for treasury shares is valued using the weighted average purchase price method. It was adjusted on the balance sheet of the holding, and was CHF 338 million at 31.12.2000, so that it covers treasury shares indicated on the balance sheet of Group companies under assets at the end of the year.

d. Available earnings

According to a decision taken by the Annual General Meeting of shareholders on 23 May 2000, a dividend of 24% on the share capital was taken out of the available earnings from the balance sheet as at 31.12.1999. The dividend paid out to shareholders in 2000 totalled CHF 30 210 199.- for registered shares and CHF 41 105 400.- for bearer shares. As proposed in connection with the appropriation of available earnings approved by the Annual General Meeting of shareholders mentioned above, the part of the dividend owing on treasury shares held by the Swatch Group, namely CHF 3 596 201.-, was not paid out. This amount remains an integral part of shareholders' equity as at 31.12.2000.

18. Provisions

The change in this figure can be explained by the partial discontinuation of certain provisions for specific risks which became superfluous following the refinancing of certain subsidiaries in the Group. They are indicated on the balance sheet for 2000 in the form of a global amount of CHF 132 million, as compared with CHF 188 million at the end of 1999.

19. Convertible bond

In compliance with the loan conditions and in view of changes in the fiscal framework, the convertible bond (no. 495 599) of CHF 400 000 000.- at an interest rate of 0.5% issued by the company on 29 March 1999 through the Swiss stock exchange was repaid on 21 June 2000 (before maturity set at 29 March 2006). In effect, the fact that the closing rates of Swatch Group registered shares paid to the Swiss stock exchange exceeded CHF 390.- (or 150% of the applicable conversion price) for over 20 consecutive days meant that the necessary conditions were met for early repayment of the loan by the issuer. Up until 9 August 2000 the bonds could be converted free of charge into registered Swatch Group shares at a price of CHF 260.- each. The balance of the bonds was converted in August 2000 and the complete repayment of the loan was finalized on 16.8.2000.

20. Current liabilities and accrued expenses

Current liabilities rose considerably (by CHF 471 million) following notably the repayment of the convertible loan (point 19). The evolution of accrued expenses in comparison with 1999 (drop of CHF 6 million) is essentially due to the decrease in defined taxes, a favorable change in negative replacement values for derivatives and the non-definition of interest accrued on the convertible bond since it was repaid in 2000.

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Proposal for Appropriation of Available Earnings

The Board of Directors proposes to the Annual General Meeting the following appropriation of available earnings:

	2000 CHF	1999 CHF
Net income at December 31	247 675 488	174 192 099
Balance brought forward from previous year	10 806 310	17 929 810
Available earnings	258 481 798	192 121 909
Allocation to special reserve	-239 203 291 *)	-110 000 000
Payment of a 24% dividend in 1999 on share capital, i. e.:		
- CHF 2.40 per registered share with a par value of CHF 10.-		-30 210 199
- CHF 12.- per bearer share with a par value of CHF 50.-		-41 105 400
Balance carried forward	19 278 507	10 806 310

*) NB: After allocation, the special reserve amounts to CHF 700 000 000.-.

Distribution of Result

In view of this outstanding development, the Board of Directors has decided in its meeting of 14 March 2001 to propose to the General Assembly of 22 May 2001, to repay to the shareholders 55% of the nominal share value instead of a regular dividend, i.e. CHF 5.50 per registered share and CHF 27.50 per bearer share. This corresponds to a pay-out ratio of 26.4%.

This shareholder-friendly proposal is targeted to the following objectives:

1. Participation in the extraordinary result of the faithful shareholders, holding the stock since many years, by means of an appropriation of available earnings which is particularly tax attractive for individuals. No withholding tax is deducted from the repayment of share capital.
2. Reduction of the considerable share capital of CHF 312.1 mio to CHF 140.5 mio without major influence on the consolidated equity of the Group which would only be slightly reduced from 71.2% as of 31.12.2000 to 67.5% (previous year 63.8%) and thus still representing two thirds of the total balance sheet.
3. Dynamic management of the equity while keeping the full range of action with respect to maintaining the reserves resp. the result brought forward.

The proposal of the repayment of the nominal share value is subject to the implementation of the change in the law which foresees the possibility of reducing the par value per share from minimum CHF 10.– per share at present to newly CHF 0.01 per share. The Swatch Group expects this change in law to become effective on 1 May 2001.

With the same reservation, the Board of Directors will also propose to the General Assembly a split of shares in the proportion of 1 : 10. The new nominal value after the above mentioned repayment and the split of shares will be CHF –.45 per registered share and CHF 2.25 per bearer share. In this context the present trend to lighter shares is taken care of which reduces in particular the entry barrier for smaller shareholders.

REPAYMENT OF THE NOMINAL SHARE VALUE / SPLIT OF SHARES

1. Repayment of 55% of the nominal share value

	Registered share – nominal	Bearer share – nominal
Current in CHF	10.–	50.–
New in CHF	4.50	22.50

	Share Capital	Repayment
Current in CHF	312 132 500.–	
New in CHF	140 459 625.–	171 672 875.–

The difference of CHF 171 672 875.– will be repaid to the shareholders instead of paying a regular dividend.

2. Split of shares in the proportion of 1 : 10 (after reduction of nominal value)

	Registered share – nominal	Bearer share – nominal
Current in CHF	4.50	22.50
New in CHF	0.45	2.25

	Number – registered shares	Number – bearer shares
Current	14 081 000	3 426 450
New	140 810 000	34 264 500

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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 111 to 121) of The Swatch Group Ltd for the year ended 31 December 2000.

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 Swiss 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 statements 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 Swiss law and the company's articles of incorporation.

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

PricewaterhouseCoopers Ltd

P. Sütterlin

A. Stotz

Basel, 14 March 2001

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The Swatch Group Ltd Securities

Share Capital	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Number of registered shares of CHF 100.-										
Number of registered shares of CHF 20.-									2 994 000	2 994 000
Number of bearer participation certificates of CHF 100.-									30 000	30 000
Number of registered shares of CHF 10.-	14 081 000	14 081 000	14 890 000	15 030 000	15 030 000	15 030 000	15 030 000	15 030 000		
Number of bearer shares of CHF 50.-	3 426 450	3 426 450	3 594 000	3 619 260	3 619 260	3 619 260	3 619 260	3 619 260		
Total securities	17 507 450	17 507 450	18 484 000	18 649 260	18 649 260	18 649 260	18 649 260	18 649 260	3 336 630	3 336 630

Key data per registered share

(nom. CHF 10.-) in CHF	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Consolidated net income	20.86	14.13	10.86	10.00	8.50	8.25	9.50	13.30	12.50	7.60
Consolidated cash-flow	28.39	20.66	16.92	15.70	14.10	13.01	13.64	16.94	16.21	11.02
Consolidated shareholders' equity	106.37	91.60	90.67	84.65	77.05	70.90	65.35	58.30	47.50	38.10
Dividend	5.50 *	2.40	2.10	2.00	1.80	1.70	1.70	2.00	1.80	1.40

Key data per bearer share

(nom. CHF 50.-) in CHF	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Consolidated net income	106.57	72.19	54.32	50.10	42.50	41.25	47.50	66.50	62.30	38.00
Consolidated cash-flow	145.04	105.58	87.02	80.89	72.64	67.04	70.31	87.26	83.53	56.78
Consolidated shareholders' equity	543.47	468.01	453.34	423.25	385.25	354.50	326.75	291.50	237.50	190.50
Dividend	27.50 *	12.00	10.50	10.00	9.00	8.50	8.50	10.00	9.00	7.00

Stock price of registered shares

(adjusted)		2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Highest		547	371	274	227	201	175	227	265	160	67
Lowest		318	180	168	168	149	124	133	146	69	42
End of year		423	371	206	197	191	151	144	227	160	67

Stock price of bearer shares

(adjusted)		2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Highest		2 739	1 838	1 325	987	896	830	1 054	1 275	755	311
Lowest		1 577	726	645	689	682	550	595	715	315	212
End of year		2 025	1 834	850	806	825	690	651	1 040	755	311

Market capitalization (million CHF)	End of year	12 895	11 508	6 112	5 878	5 857	4 767	4 520	7 176	5 272	2 187
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Key ratios (year-end)		2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Average return on equity	%	21.1	15.1	12.4	12.4	11.5	12.1	15.4	25.1	29.1	21.8
Dividend yield registered shares	%	1.3 *	0.6	1.0	1.0	0.9	1.1	1.2	0.9	1.1	2.1
Dividend yield bearer shares	%	1.4 *	0.7	1.2	1.2	1.1	1.2	1.3	1	1.2	2.3
Price / earnings ratio - registered shares		20.3	26.3	18.9	19	22	18	15	17	13	9
Price / earnings ratio - bearer shares		19.0	25.4	15.7	16	19	17	14	16	12	8

Securities

	Securities no.	Reuters Symbol
The Swatch Group Ltd registered shares	80 044	UHRZn.s
The Swatch Group Ltd bearer shares	80 045	UHRZ.s
2% CHF 27.48 million Convertible Bond The Swatch Group Finance (Luxembourg) Ltd, 1995-23.10.2002	412 260	CH412260=S

The Securities are listed on the Swiss Stock Exchange.

* Board of Directors' proposal - by repayment of nominal value.

The Board of Directors of The Swatch Group Ltd has fixed following restrictions for share ownership: maximum 5% per shareholder in line with the company's articles dated June 1999.

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The Swatch Group Ltd Securities

DEVELOPMENT OF THE SWATCH GROUP LTD REGISTERED SHARES AND UBS INDEX

(indexed weekly from 1.1.1991 to 31.12.2000 - adjusted)

