



LGT Group increases net profit in 2007 by 41% to CHF 255 million and achieves a net new money inflow of CHF 11 billion

Successful implementation of international growth strategy – strong growth in onshore markets, in Asia and in asset management

Vaduz/Zurich, 4 March 2008. LGT Group attained a very good business result in 2007. It increased net profit by 41% to CHF 254.9 million. Net new money inflow amounted to CHF 11 billion (previous year: CHF 7.5 billion). The largest proportion of growth stems from the onshore markets, from Asia and from asset management. As an internationally active company, LGT Group expects its growth to slow somewhat in the short term as a result of the events surrounding the data theft at LGT Treuhand in 2002 and the illegal disclosure of the data to foreign authorities; in the medium term, however, it does not envisage any substantial effects on its business success. The Group will resolutely continue to pursue its growth strategy, launched several years ago, in the areas of wealth and asset management with the aim of diversifying revenue sources.

In 2007, LGT Group increased its net profit year on year by 41% to CHF 254.9 million. Total operating income rose from CHF 726.7 million in the previous year to CHF 878.8 million in 2007 (+21%), with earnings expanding sharply in all areas. The rise in operating expenses to CHF 576.0 million was attributable to the Group's continued growth and the accompanying expansion in personnel. With a plus of 14%, however, operating expenses increased at a substantially slower pace than income, so that the cost/income ratio improved from 70% to 66%. Total assets climbed from CHF 17.9 billion to CHF 21.4 billion.

After the appropriation of CHF 150 million to the Prince of Liechtenstein Foundation, Group equity capital stood at CHF 3.2 billion per 31 December 2007. The tier 1 ratio amounted to a high 17.8%.

Assets under administration of CHF 102.8 billion

On 31 December 2007, LGT Group administered client assets totaling CHF 102.8 billion, and had therefore exceeded the 100-billion level for the first time. Last year, LGT gained CHF 11 billion of new client money (previous year: CHF 7.5 billion), corresponding to 13% of assets under administration at the end of 2006. In total, assets under administration expanded by CHF 14.8 billion.

Continued success of the LGT Princely Portfolio

LGT manages the portfolio of the Princely House of Liechtenstein and offers its clients the exclusive opportunity of making investments parallel to the princely strategy. The long-term objective of the Princely Portfolio is to achieve equity-type growth at a level of risk similar to that of fixed interest investments. To accomplish this goal, the portfolio's asset allocation combines traditional investments in equities, fixed interest securities and real estate with alternative investments. Last year, the LGT Princely Portfolio posted a performance of 15.5%. Since its inception on 31.12.1998, the portfolio has attained a performance of 123.5%, and has therefore exceeded all relevant indices. This innovative investment vehicle has thus again proved that it acts as a growth investment during upward market trends while preserving value during difficult phases.

Successful realization of growth strategy

Since 1999, LGT Group has been pursuing an international growth strategy in the wealth and asset management business areas, which aims at achieving diversification in revenue sources as well as reducing the company's dependency on the Liechtenstein financial center. For this purpose, in the area of wealth management, it has established locally regulated banks in Germany, Switzerland and Austria in recent years. They are developing successfully. It is also intensifying its focus on international clientele in the growth markets of Eastern Europe, Latin America, the Middle East and – via its bank in Singapore and its representative office in Hong Kong – throughout Asia. In the asset management area (traditional as well as alternative investments such as private equity and hedge funds), LGT services institutional investors on a global basis and has strengthened its position in Europe, Asia and America.

Further awards

In 2007, the specialists from the "Handelsblatt" Elite Report awarded LGT the highest overall grade, as the only one of 344 asset managers tested in Liechtenstein, Switzerland, Germany and Austria. In the alternative asset management field, the prestigious professional journal "Global Pensions" selected LGT Capital Partners as "Private Equity Manager of the Year". This distinction was again awarded to the company in February 2008. Furthermore, various LGT investment funds and their managers received awards: Standard & Poor's distinguished several LGT funds with an "A" rating and the LGT Equity Fund Global Sector Trends (USD) with "AA". For its excellent multi-year performance, the LGT Bond Fund (USD) received the "Lipper Fund Award". The editors of "Euro" / "Euro am Sonntag" / "Euro-Fondsxpresse" selected the LGT Bond Fund Global Inflation Linked (EUR) for the "Fund Award" 2008, and the international data vendor Citywire rated the portfolio managers of LGT Strategy Funds with a "Triple A". The corporate ratings of Standard & Poor's (AA-) and Moody's (Aa3) have remained constant since 1996.

Outlook

The theft of client data from LGT Treuhand AG in 2002 had an unforeseeable subsequent impact in the middle of February 2008. As has become apparent in the meantime, the offender convicted in 2003/04 was paid by foreign authorities to disclose the illegally acquired data concerning a total of around 1'400 trust clients from various countries. Moreover, he allegedly received a new identity. LGT Group regrets these occurrences and the media headlines associated with them. On the whole, LGT does not expect these events to have a significant influence on its business success.

H.S.H. Prince Max von und zu Liechtenstein, CEO of LGT Group: „We are taking these recent events extremely seriously and we have apologized to our clients. We are however defending ourselves against the unjustified accusations and preconceptions leveled against our clients and our company. Nowadays, the largest proportion of LGT's growth is achieved in onshore wealth management, in markets beyond Europe and in asset management. We shall resolutely pursue this growth and diversification strategy. As regards the Liechtenstein financial center, great progress has already been achieved in recent years. In the area of anti-money laundering measures, Liechtenstein has in place one of the strictest legal frameworks in the world. LGT shall continue to press for the rapid and efficient conclusion of the necessary reforms and agreements.“

**LGT in brief**

LGT Group focuses on international wealth & asset management (traditional and alternative investments). With 1'689 employees it cares for a global clientele from business bases in 29 locations in Europe, Asia, the Middle East and America. The company is owned by the Princely House of Liechtenstein. At 31.12.2007, LGT administered assets of 102.8 billion Swiss Francs.

www.lgt.com

Contact

Dr. Hans-Martin Uehlinger, LGT Spokesman

tel. +423 235 14 30, fax +423 235 16 70

hans-martin.uehlinger@lgt.com



LGT Group

	31.12.2007 ¹	31.12.2006	Change	
	CHF m.	CHF m.	CHF m.	%
Consolidated profit and loss account				
Net interest income	84.3	75.6	8.7	11.5
Income from services	679.5	559.7	119.8	21.4
Income from trading activities and other income	115.0	91.4	23.6	25.8
Total operating income	878.8	726.7	152.1	20.9
Personnel expenses	442.5	391.2	51.2	13.1
Business and office expenses	133.5	114.6	18.9	16.5
Total operating expenses	576.0	505.8	70.1	13.9
Value adjustments / depreciation / provisions	19.3	17.8	1.6	9.0
Taxes / minority interests	28.6	22.3	6.3	28.3
Net profit of LGT Group	254.9	180.8	74.1	41.0
	31.12.2007	31.12.2006		
Assets under administration (in CHF billions)	102.8	88.0	14.8	16.8
Client assets under management	56.3	48.8	7.5	15.4
Other client assets under administration	43.6	36.5	7.1	19.5
Princely Portfolio	2.9	2.7	0.2	7.4
Net asset inflow (in CHF billions)	11.0	7.5	3.5	
as % of client assets under administration in the previous year	12.5	9.7		
Total assets (in CHF billions)	21.4	17.9	3.5	19.6
Group equity capital (after appropriation to the Prince of Liechtenstein Foundation)	3245	2923	322	11.0
Ratios (in percent)				
Tier 1 ratio	17.8	18.6		
Cost / income ratio	66	70		
Performance of LGT Princely Portfolios (gross of fees)	15.5	17.6		
Headcount	1689	1484	205	13.8
Rating Moody's / Standard & Poor's for LGT Bank in Liechtenstein Ltd.	Aa3/AA-	Aa3/AA-	Unchanged since 1996	

¹ Final audit 23 April 2008