

Results for the 2nd quarter and the 1st half of 2004

Swissquote: Profitable 2nd quarter despite weak exchange trading

Swissquote, Switzerland's leading provider of online trading services, defied a weak market to achieve a net profit of CHF 1.6 million in the 2nd quarter, closing its fifth profitable quarter in a row. At CHF 8.9 million, revenues were 17 percent lower than in the 1st quarter. The number of customers increased by 1,774 in the 2nd quarter, and inflows of new money amounted to CHF 128 million.

18 percent profit margin in the 2nd quarter

Although EBITDA was down by CHF 1.6 million to CHF 2.2 million in the 2nd quarter and net profit contracted by CHF 1.6 million to half the figure recorded in the 1st quarter of 2004 (the best in Swissquote's history), a good profit margin of almost 18 percent was achieved. Swissquote Bank CEO Marc Bürki points out that "This result shows that we have a customer base that can generate a profit even if trading is thinner." Strict cost management also contributed to the good result: Costs per customer decreased to CHF 192.50 in the 2nd quarter, falling below the targeted CHF 200 for the first time.

Marked improvement over last year's first half

A comparison between the first half results for 2004 and those for 2003 shows marked improvements in all key figures. While revenues rose by CHF 7.6 million (63.5 percent), operating costs only increased by CHF 2.6 million (23.9 percent). This resulted in an improvement in EBITDA and net profit of some CHF 5 million. Equity capital grew by 37 percent to CHF 48.2 million. Representing pure organic growth (i.e. without acquisitions) for the first time, the number of customers rose by 29 percent to 35,323. Customer assets under management increased by 65 percent to CHF 1.850 billion, with inflows of new money totalling CHF 503 million.

Growth through innovative products and tools

As Switzerland's leading provider of online trading services, Swissquote pursues its strategy of organic growth with targeted marketing activities and by permanently expanding its offering and developing new tools. In the first half of 2004, the Swissquote platform was restructured, customers were offered an opportunity to trade off-exchange in SWX-listed derivative products of Bank Vontobel Ltd., and the link with EUWAX was activated.

A new product was recently launched and has been installed successfully for the first time. It is geared to companies with employee stock option plans. An attractive solution for employees, the new product will also significantly reduce the administrative outlays that a company faces when implementing stock option plans. Swissquote aims to develop a new market segment with this product.

Outlook

The growth strategy designed to acquire new customers and additional customer assets is to be rigorously continued over the next quarters in order to secure uninterrupted growth in revenues and earnings on a medium-term comparison. The quarterly results will continue to be impacted by fluctuations caused largely by external factors (market mood, general state of trading). Swissquote is confirming its February forecast for 2004 of over 30 percent organic growth to approximately 40,000 customers and inflows of new money of around CHF 750 million.

Swissquote – Swiss leader in online trading

Swissquote has 116 employees in Gland (Vaud) and Schwerzenbach (Zurich). It is the leading provider of online trading services. In addition to low-cost stock market access and a special trading tool for portfolio managers, Swissquote also offers a wide range of online financial information tools. Swissquote Group Holding Ltd. shares (SQN) are quoted on the SWX.

Financial report for the 1st half of 2004

The complete financial report for the 1st half of 2004 is available on:
<http://www.swissquote.ch> – THE COMPANY/Investor Relations/Reporting

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Calendar of events

05.11.04 Publication of Q3 2004 figures (with conference call)
 18.02.05 Balance sheet press conference Zurich (SWX)
 15.03.05 Annual General Meeting in Zurich
 26.04.05 Publication of Q1 2005 figures (with conference call)

Key Figures : 2nd Quarter and 1st Half of 2004

							6 months ended 30 June			
2003-Q3	% chge	2003-Q4	% chge	2004-Q1		2004-Q2	All Amounts in CHF'000	2004-H1		2003-H1
8'849	-9.8%	7'983	34.1%	10'706	-17.3%	8'858	Net Revenues	19'564	63.5%	11'965
(5'963)	1.7%	(6'065)	13.6%	(6'890)	-3.8%	(6'628)	Operating Expenses	(13'518)	23.9%	(10'909)
2'886	-33.5%	1'918	99.0%	3'816	-41.6%	2'230	EBITDA	6'046	472.5%	1'056
2'180		-		-		-	Extraordinary	-		-
4'367	-75.6%	1'067	201.4%	3'216	-50.9%	1'580	Net Profit / (Loss) ¹	4'796	1672.5%	(305)
							Amounts at End of Period			
28'982	6.7%	30'926	8.5%	33'549	5.3%	35'323	Number of Accounts	35'323	29.0%	27'374
1'341	16.3%	1'560	16.9%	1'824	1.3%	1'847	Assets under Custody ²	1'847	64.9%	1'120
-		-		-		-	Minority Interest	-		7'343
41'351	3.7%	42'897	7.8%	46'256	4.3%	48'242	Equity	48'242	36.8%	35'254

¹ Net Profit / (Loss) includes amortization, depreciation, taxes and minority interests

² Assets under Custody consist of cash and securities deposited by the customers [in Million CHF]

Note: In compliance with applicable accounting standards, the company early adopted the new IFRS 3 with retroactive effect on 1st January 2004. As a result the CHF 200 amortization charge of goodwill posted in Q1-2004 was restated and the restated net profit of Q1-2004 is CHF 3'216k