

Results for the 3rd quarter and the first nine months of 2004

Swissquote is cost-effective in the 3rd quarter despite weak exchange trading

Swissquote, Switzerland's leading provider of online trading services, defied a very weak market to end the 3rd quarter on a positive note. In the 3rd quarter, revenues fell to CHF 6.7 million, i.e. 25 percent lower than the 2nd quarter. The number of customers increased by 1,686 to 37,009, and inflows of new money amounted to CHF 135 million.

3rd quarter reflects stock exchange sentiment

In the 3rd quarter of 2004, trading was marked by very weak markets and low volatility. In the light of this development, customers of Swissquote adopted a wait-and-see approach. Average quarterly revenue per customer fell to CHF 185, the lowest value in two years. With a small net profit of CHF 56,000, Swissquote nonetheless managed to cover its costs for the quarter.

Marc Bürki, CEO of Swissquote Bank, said "The 3rd quarter results confirm that thanks to steady growth in our customer base we are able to maintain profitability even under extremely difficult trading conditions." As a result of a ten percent reduction in operating costs and a five percent increase in the number of customers, costs per customer fell from CHF 192 to CHF 165 quarter-on-quarter.

Positive year-on-year nine-month comparison

A comparison between the results for the first nine months of 2004 and 2003 reveals healthy growth in all of Swissquote's key figures. Revenues rose by 26 percent to CHF 26.2 million. EBITDA jumped 71 percent to CHF 6.7 million and net profit increased by 19 percent to CHF 4.8 million (previous year: 4.1 million, including exceptional income of CHF 2.2 million in the yearback period). The company reported a profit margin of 19 percent and equity capital grew by 17 percent to CHF 48.2 million. Exclusively organic growth of 28 percent took the number of customers to 37,009. Inflows of new money totalled CHF 538 million, fuelling a 41 percent expansion in customer assets under management to CHF 1,890 billion.



Outlook

Volatility in the financial markets will continue to directly influence Swissquote's quarterly revenue and profit figures in the foreseeable future. Revenue in October, for instance, was already higher than the monthly average in the 3rd quarter. Therefore, any realistic assessment of Swissquote's performance must take a longer view (comparison with the yearback period), which by definition smoothes out the fluctuations in quarterly results. Growth in the customer base and inflows of new capital, on the other hand, are far less susceptible to short-term market movements. Swissquote's target remains annual growth in customer numbers of 25 to 30 percent and inflows of new capital of CHF 600 to 800 million (CHF 2 to 3 million a day). Accordingly, Swissquote's forecasts for 2004 are unchanged: increase in customer numbers of 30 percent to about 40,000. Inflows of new money will probably finish in the lower half of the target range. Developments in 2005 are expected to follow a similar pattern.

Swissquote – Swiss leader in online trading

Swissquote has 120 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 AG shares (SQN) are quoted on the SWX.

Financial report for the period ending 30 September 2004

The complete financial report for the first nine months of 2004 is available on:

<http://www.swissquote.ch> – THE COMPANY/Investor Relations/Reporting

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Calendar of events 2005

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)

26.07.05 Publication of H1 2005 figures (SWX)

25.10.05 Publication of Q3 2005 figures (with conference call)

Key Figures : 3rd quarter and first nine month 2004

2003-Q4	% chge	2004-Q1	% chge	2004-Q2	2004-Q3	All Amounts in CHF'000	9 months ended 30 September		
							2004	2003	
7'983	34.1%	10'706	-17.3%	8'858	-24.6%	6'679	26'243	26.1%	20'814
(6'065)	13.6%	(6'890)	-3.8%	(6'628)	-9.7%	(5'983)	(19'501)	15.6%	(16'872)
1'918	99.0%	3'816	-41.6%	2'230	-68.8%	696	6'742	71.0%	3'942
-		-		-		-	-		2'180
1'067	201.4%	3'216	-50.9%	1'580	-96.5%	56	4'852	19.4%	4'062
Amounts at End of Period									
30'926	8.5%	33'549	5.3%	35'323	4.8%	37'009	37'009	27.7%	28'982
1'560	16.9%	1'824	1.3%	1'847	2.7%	1'896	1'896	41.4%	1'341
42'897	7.8%	46'256	4.3%	48'242	-0.2%	48'154	48'154	16.5%	41'351

¹ Net Profit includes amortization, depreciation and taxes

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