

Results for the 1st quarter of 2006

### **Swissquote continues to expand leadership position**

**Swissquote significantly expanded its position as Switzerland's leader in online trading in the 1st quarter of 2006: compared with the 1st quarter of 2005, the number of customers rose by 11,637 to 53,178 (+ 28 percent) and customer assets under management grew by CHF 1.4 billion to CHF 3.7 billion (+ 64 percent). Revenues were up by 89 percent to CHF 19.1 million, and net profit nearly quadrupled to CHF 9.9 million (+294 percent).**

#### **Customer base as primary growth indicator**

The continued high earnings growth reported by Swissquote in the 1st quarter of 2006 was driven by the healthy market climate as well as a substantial increase in the number of customers. The number of customers rose by 4,121 in the 1st quarter of 2006 alone, up 8.4 percent on the end-2005 figure. This is clearly higher than the predicted growth of 5 to 6 percent per quarter. Growth of the customer base is largely dependent on Swissquote factors – the quality of services, the attractiveness of the offering, and the marketing activities. By contrast, the volume of customer assets under management is impacted not only by inflows of new money but also by the situation on the stock markets. The CHF 685 million growth in customer assets in the 1st quarter of 2006 (22.9 percent up on the end-2005 level) was attributable to CHF 260 million in net new monies and a CHF 425 million increase in the value of Swissquote customers' investments. At 11.5 percent, Swissquote customers achieved on average a much stronger performance than the SPI (7.3 percent).

#### **Stable fixed costs secure long-term profitability**

"Swissquote's consistently high profitability", explains Swissquote CEO Marc Bürki, "is founded on the fact that a substantial portion of operating costs is made up of a largely stable block of fixed costs, while earnings-dependent variable costs are modest by comparison." An increase in earnings of 89 percent to CHF 19.1 million in the 1st quarter of 2006 contrasts with a rise in operating costs of only 25.2 percent to CHF 8.9 million. Against the 1st quarter of 2005, EBITDA rose 242.6 percent to CHF 10.1 million and net profit was up 293.9 percent to CHF 9.9 million. The EBITDA margin reached 53.1 percent (1st quarter of 2005: 29.3 percent) and the net profit margin 51.9 percent (24.9 percent).

**Expansion of services and further growth**

Swissquote expanded its range of services again in the 1st quarter of 2006. Not only can customers now call up quotes by mobile phone, they can also trade direct online. What is more, all five major German issuers (Deutsche Bank, Commerzbank, Citigroup, Goldman Sachs, HSBC Trinkaus) are now accessible off-exchange.

Swissquote is predicting that the number of customers will be well above the 60,000 mark at the end of 2006. The significant improvement in marketing expenditures will help achieving this goal. The volume of CHF 3.7 billion in customer assets under management projected for the entire current year was achieved after the 1st quarter, bolstered by a favorable stock market environment. Swissquote is aiming to achieve comparable increases in inflows of net new monies for the coming quarters.

**Financial report for the 1st quarter of 2006**

The complete financial report for the 1st quarter of 2006 is available on:

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

***Swissquote – Swiss leader in online trading***

*Swissquote has 132 employees in Gland (Vaud) and Wallisellen (Zurich). Swissquote is the Swiss leader in online trading. In addition to low-cost stock market access and a trading platform for portfolio managers, Swissquote also offers a wide range of financial and online wealth management tools. Swissquote Group Holding AG shares (SQN) are quoted on the SWX.*

**For further information**

Marc Bürki, CEO Swissquote Bank, Route des Avouillons 16, CH-1196 Gland

Phone +41 22 999 98 50, fax +41 22 999 94 54, mobile +41 79 413 41 45

[marc.burki@swissquote.ch](mailto:marc.burki@swissquote.ch)

**Calendar of events in 2006**

- |          |   |
|----------|---|
| 26.04.06 | Publication of Q1 figures (with conference call)      |
| 28.07.06 | Publication of H1 figures in Zurich (SWX)             |
| 26.10.06 | Publication of Q3 2006 figures (with conference call) |

**Key figures 1st quarter of 2006**

CHF'000	Comparison with previous year				Comparison with Previous Quarter			
	3m-2006	3m-2005	Change	Change [%]	Q1-2006	Q4-2005	Change	Change [%]
Net Fee & Commission Income	14'509.7	7'621.2	6'888.5	90.4%	14'509.7	10'530.0	3'979.7	37.8%
Interest Spread	2'018.5	1'026.4	992.1	96.7%	2'018.5	1'616.4	402.1	24.9%
Trading Results	1'710.3	836.3	874.0	104.5%	1'710.3	1'244.6	465.7	37.4%
Other Income	849.6	623.8	225.8	36.2%	849.6	677.9	171.7	25.3%
<b>Total Net Revenues</b>	<b>19'088.1</b>	<b>10'107.7</b>	<b>8'980.4</b>	<b>88.8%</b>	<b>19'088.1</b>	<b>14'068.9</b>	<b>5'019.2</b>	<b>35.7%</b>
Operating Expenses	(7'407.7)	(6'098.7)	(1'309.0)	21.5%	(7'407.7)	(6'940.8)	(466.9)	6.7%
Marketing Expenses	(1'542.2)	(1'049.9)	(492.3)	46.9%	(1'542.2)	(1'405.5)	(136.7)	9.7%
<b>EBITDA</b>	<b>10'138.2</b>	<b>2'959.1</b>	<b>7'179.1</b>	<b>242.6%</b>	<b>10'138.2</b>	<b>5'722.6</b>	<b>4'415.6</b>	<b>77.2%</b>
Depreciation	(822.2)	(661.8)	(160.4)	24.2%	(822.2)	(812.9)	(9.3)	1.1%
<b>Operating Profit</b>	<b>9'316.0</b>	<b>2'297.3</b>	<b>7'018.7</b>	<b>305.5%</b>	<b>9'316.0</b>	<b>4'909.7</b>	<b>4'406.3</b>	<b>89.7%</b>
Taxes	600.0	220.0	380.0	172.7%	600.0	450.0	150.0	33.3%
<b>Net Profit</b>	<b>9'916.0</b>	<b>2'517.3</b>	<b>7'398.7</b>	<b>293.9%</b>	<b>9'916.0</b>	<b>5'359.7</b>	<b>4'556.3</b>	<b>85.0%</b>
EBITDA Margin	53.1%	29.3%			53.1%	40.7%		
Operating Profit Margin	48.8%	22.7%			48.8%	34.9%		
Net Profit Margin	51.9%	24.9%			51.9%	38.1%		
	<b>31.03.2006</b>	<b>31.03.2005</b>	Change	Change [%]	<b>31.03.2006</b>	<b>31.12.2005</b>	Change	Change [%]
Number of Clients	53'178	41'541	11'637	28.0%	53'178	49'057	4'121	8.4%
Assets under Custody <sup>1</sup>	3'671	2'244	1'427	63.6%	3'671	2'986	685	22.9%
Net New Monies in Period [in Million CHF]	260	124			260	186		
Equity [in Million CHF]	70.5	52.8	17.7	33.5%	70.5	67.0	3.5	5.2%
<u>Notes</u>								
1 Assets under Custody consist of cash and securities deposited by the customers [in Million CHF]								