Record results for Swissquote

In 2005, Swissquote achieved record results: compared with the previous year, revenues rose by 36.0 percent to CHF 46.6 million and net profit by 142.4 percent to CHF 14.7 million, while customer numbers increased by 24.1 percent and assets under custody by 48.0 percent. Swissquote is now planning its first ever distribution of profits.

Strong growth in customer base

The strong and sustainable revenue growth of 36.0 percent to CHF 46.6 million (previous year CHF 34.3 million) has been driven by a variety of factors. Internally, growth was fuelled partly by the steady increase in the customer base and partly by the continuous expansion and further development of the company's offering, while externally, the main driver in 2005 was the lively tone of the market in the second half of the year.

Within the last four years, Swissquote has achieved a fivefold increase in customer numbers. In 2005 alone this figure rose by 9,526 in comparison with the previous year to 49,057, meeting the expectations of 20 to 25 percent growth per year. In line with the expansion in the customer base and supported by the favorable market climate, assets under custody experienced over-proportional growth of 48.0 percent, reaching CHF 3.0 billion. Average assets under custody per client rose by 19.4 percent in 2005 to CHF 60,900 (CHF 51,000). With inflows of new money of over CHF 2 million per day, CHF 512 million in total, Swissquote was able to meet the growth targets in this area as well.

High profitability

While revenues in 2005 increased by 36.0 percent, operating costs rose by only 17.5 percent to CHF 30.6 million, resulting in EBITDA of CHF 16.0 million (CHF 8.2 million), representing a 94.9 percent increase over the previous year. The EBITDA margin increased from 23.9 percent to 34.3 percent of revenues. Operating profit (excluding non-recurring items and taxes) rose by 130.5 percent in comparison with the previous year to CHF 13.0 million (CHF 5.6 million). Net profit, at CHF 14.7 million (CHF 6.1 million), registered a gain of 142.4 percent, which corresponds to a net profit margin of 31.5 percent (17.7 percent).

Revenues per customer increased by 8.2 percent to CHF 1,053 (CHF 973) in 2005, while expenditure per customer could be cut by 6.5 percent to CHF 692 (CHF 740) over the same period. Swissquote's profitability thus witnessed a dramatic improvement.
First-time distribution to shareholders
The Board of Directors will propose to the Annual General Meeting of 20 March 2006 a first-time distribution of profits to shareholders in the form of a capital reduction of CHF 2 per share and a dividend of CHF 1 per share.

2006: further growth of 25 percent
"Swissquote's growth strategy remains unchanged for 2006. We want to increase customer numbers and assets under custody by around 25 percent", stated Marc Bürki, CEO of Swissquote. "That means that in 2006 we aim to have over 60,000 customers and some CHF 3,7 billion in customer assets under custody." To support sustainable growth and ensure that it continues in the long term, Swissquote will once again invest significantly in the further development of its offering in 2006. The intention is to integrate other exchanges into the online trading service and to develop additional online services. A further focal point for investment in 2006 will be expansion of the company's online wealth management tools.

Annual Report 2005
The complete 2005 Annual Report is available on:

Swissquote – Swiss leader in online trading
Swissquote has 127 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
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marc.burki@swissquote.ch

Calendar of events in 2006
20.03.06 Annual General Meeting in Zurich
26.04.06 Publication of Q1 2006 figures (via conference call)
28.07.06 Publication of H1 figures in Zurich (SWX)
26.10.06 Publication of Q3 2006 figures (via conference call)
### Key figures 2005

<table>
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<tr>
<th></th>
<th>2005-Q1</th>
<th>% chge</th>
<th>2005-Q2</th>
<th>% chge</th>
<th>2005-Q3</th>
<th>% chge</th>
<th>2005-Q4</th>
<th>% chge</th>
<th>All Amounts in CHF'000</th>
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<tr>
<td>Net Revenues</td>
<td>10'108</td>
<td>-0.9%</td>
<td>10'020</td>
<td>24.1%</td>
<td>12'431</td>
<td>13.2%</td>
<td>14'069</td>
<td>2005-Q1</td>
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<td>46'628</td>
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<td>Operating Expenses</td>
<td>(7'149)</td>
<td>1.5%</td>
<td>(7'259)</td>
<td>8.7%</td>
<td>(7'892)</td>
<td>5.8%</td>
<td>(8'347)</td>
<td>2005-Q2</td>
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<td>(30'647)</td>
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<td>EBITDA</td>
<td>2'959</td>
<td>-6.7%</td>
<td>2'761</td>
<td>64.4%</td>
<td>4'539</td>
<td>26.1%</td>
<td>5'722</td>
<td>2005-Q3</td>
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<td>15'981</td>
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<td>Operating Profit</td>
<td>2'297</td>
<td>-11.1%</td>
<td>2'043</td>
<td>83.2%</td>
<td>3'743</td>
<td>31.2%</td>
<td>4'910</td>
<td>2005-Q4</td>
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<td>12'993</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>Extraordinary</td>
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<td>Net Profit</td>
<td>2'517</td>
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<td>4'356</td>
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<td>14'683</td>
<td>142.4%</td>
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**Amounts at End of Period**

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<tr>
<th></th>
<th>2005-Q1</th>
<th>% chge</th>
<th>2005-Q2</th>
<th>% chge</th>
<th>2005-Q3</th>
<th>% chge</th>
<th>2005-Q4</th>
<th>% chge</th>
<th>All Amounts in CHF'000</th>
<th>2005</th>
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<tbody>
<tr>
<td>Number of Accounts</td>
<td>41'541</td>
<td>5.0%</td>
<td>43'609</td>
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<td>46'251</td>
<td>6.1%</td>
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<td>Assets under Custody</td>
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<td>2'304</td>
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<td>2'612</td>
<td>14.3%</td>
<td>2'986</td>
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<td>Equity</td>
<td>52'757</td>
<td>4.8%</td>
<td>55'303</td>
<td>12.5%</td>
<td>62'195</td>
<td>7.7%</td>
<td>66'978</td>
<td>2005-Q3</td>
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<td>66'978</td>
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**Notes**

1. Operating Profit excludes extraordinary items and taxes.
2. Net profit includes extraordinary items and taxes. Since 1st January 2005, the Company is progressively releasing the provision for impairment of deferred tax assets on tax losses carried forward. The release of provision amounted to CHF 1.7m in 2005 (2004: nil).
3. Assets under Custody consist of cash and securities deposited by the customers [in Million CHF]