Financial results for the first half of 2005

Continued strong increase in client numbers and assets

With revenues of 20.1 million CHF, Swissquote posted a net profit of 5.0 million CHF for the first half of 2005. Compared to last year's first half, the number of clients rose by 23.5 percent to 43,609. Client assets increased by 24.7 percent to reach 2.3 billion CHF. For the current financial year, Swissquote continues to target around 25 percent growth for its client base and the client assets under custody.

Steady revenues over the 20 million CHF mark

Compared to last year's first half, revenues rose by 2.9 percent to 20.1 million CHF (19.6 million CHF). Due to the 23.5 percent client increase, the results of the first six months of 2004 were surpassed, despite the fact that the same period last year was marked by unusually high trading activity. Trading activity in the retail sector during the second quarter of 2005 was influenced by the historically low volatility recorded during the first half year. The number of transactions per client/year established itself at 17 – compared with the 25 transactions per client/year for the same period of last year. Thanks to the increase of assets under custody and the selective strengthening of our range of products not subject to brokerage fees, 35 percent of total revenues was generated by products outside the brokerage activity in the second quarter of 2005.

One quarter of revenue represents net profit

In the first half year of 2005, net profit rose – compared to the same period of the previous year - by 5.2 percent to 5.0 million CHF; the net profit margin jumped to 24.7 percent. EBITDA decreased by 4.2 percent to 5.7 million CHF, due to an increase of investments, especially for the development of new tools and products. Marketing expenses increased as well. The EBITDA margin reached 28.4 percent. Compared to the same period last year, the number of clients increased by 8,286 to 43,609. This is 2,068 or 5.0 percent more than during the first quarter of 2005. Assets under custody rose to 2.3 billion CHF, an increase of 24.7 percent; the growth rate compared to the first quarter 2005 totalled at 2.7 percent.
Constant expansion of services
In the second quarter of 2005, Swissquote again added numerous elements to its range of products and services. Off-exchange trading for SMI securities – the service launched in May in cooperation with "swissfirst" – got off to a successful start. The securities traded on the Berne exchange can now be traded online, as can the products of the trading floors of Germany's stock exchanges (Parkettbörsen). Furthermore, the Website was redesigned in several sectors. In this context, Swissquote became a partner for the Swiss launch of "Google Mini", the internal search machine for Websites.

Due to an aggressive pricing policy, Swissquote's offer is still the most competitive
Swissquote is not only Switzerland's number one online trading Bank, but also the most competitive. Its aggressive pricing policy, aimed at the price-sensitive derivative products market, enables Swissquote to make its offer most attractive to its clients on the Swiss and German markets. For instance, all Swiss derivative products can be traded for a brokerage fee of as little as 9.00 CHF up to max 80.00 CHF. Goldman Sachs Warrants can be traded for as little as 9.00 CHF regardless of transaction size and all German derivative products of Deutsche Bank trade for a fixed price of EUR 9.00. Citibank products are free of any brokerage fee until end of August 2005.

Financial report for the 1st half year 2005
The complete financial report for the 1st half year of 2005 is available on:

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.

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Agenda 2005 / 2006
25.10.05 Presentation of the key figures for the third quarter 2005 (via conference call)
24.02.06 Annual Results 2005 press conference in Zurich (SWX)
15.03.06 Annual General Meeting in Zurich
**Key Figures : 1st half 2005**

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**Amounts at End of Period**

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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 627k in H1 2005 (H1 2004: nil).

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

4 2004 figures are restated in order to reflect IFRS 2 that came into force on 1 January 2005.