

Swissquote: Revenues leaps in fourth quarter 2002

Through the takeover of Consors (Switzerland) Ltd. and the acquisition of many new customers, revenues were increased by 90 percent in comparison to the previous quarter. The number of active bank customers rose by 77 percent to 22,500.

With total revenues of CHF 4.9 million, all expectations were exceeded in the fourth quarter. Thanks to the acquisition of almost 10,000 new customers the bank's revenues rose by 95 percent from CHF 2.3 million in the third quarter to CHF 4.4 million. Approximately two thirds of the increase results from the takeover of Consors (Switzerland) Ltd. and one third is attributed to internal growth. The number of transactions per customer remained at a relatively low level in the fourth quarter, which reflects the current climate on the stock market. Finance portal sales rose to CHF 0.5 million, an increase of 52 percent, in comparison to the previous quarter thanks to income from fees for the Swissquote Premium offer introduced in August 2002.

The financial year 2002: outstanding increase in revenue

2002 was a successful year for Swissquote in spite of the difficult market situation. In addition to the takeover of Consors (Switzerland) Ltd. the focus was on the acquisition of Redsafe and former Youtrade customers. Marc Bürki, CEO Swissquote Bank: "2002 was a year of transformation for us – assisted by the expanded revenue base and significant cost savings we will be able to further strengthen our position as market leader in 2003."

The Swissquote Group's revenues increased by 49 percent to CHF 12.1 million in 2002 (previous year: CHF 8.1 million). Adjusted for the input from Consors, the increase in revenues amounted to 31 percent. The share of total revenues attributed to the Swissquote Bank (including Consors) amounted to CHF 10.6 million (88 percent), which represents an 84 percent increase in revenues compared to the previous year. Revenues from the finance portal were, with CHF 1.5 million, 36 percent lower than in the previous year. With the inclusion of Consors the number of bank customers increased by 121 percent to 22,500 and without Consors by 35 percent to 13,630.

Reduced costs, improved productivity

The Swissquote Group achieved a sustainable reduction of 20 percent in overall costs in comparison to 2001. Overall costs were reduced from CHF 25.9 million to CHF 20.6 million. It was possible to reduce the EBITDA loss (earnings before interest, tax, depreciation and amortisation) by more than half to CHF 8.5 million, in comparison to CHF 17.8 million in the previous year. Taking into account the one-off costs of CHF 9.8 million for the restructuring implemented in the first half of 2002, the net loss was 15 percent lower, i.e. CHF 15.3 million (previous year: CHF 17.9 million). The shareholders' equity and minority interests as at 31 December 2002 amounted to CHF 43.0 million (CHF 66.4 million) and the net liquidity was CHF 36.1 million (CHF 55.2 million). Deposits from customers increased by 144 percent to CHF 733.0 million (CHF 301.0 million) in 2002.

Outlook for 2003: profitability

Profitability is the major goal of the Swissquote Group's efforts in 2003. This aim will be achieved through

consistent further development of the customer base, expansion of the offer, the new customer segment servicing asset managers and an ongoing increase in efficiency. The integration of Consors will be completed by the end of March.

Swissquote Group Holding AG

The Swissquote Group (Swissquote Bank and Swissquote Info) employs a total of 82 staff members in Gland (VD) and Schwerzenbach (ZH), Switzerland. It is the leading provider of online trading services. Swissquote (SQN) is listed on the SWX New Market. In addition to the cost-effective access to the stock exchange and a special trading tool for asset managers, the Swissquote Bank also offers numerous online finance information tools.

Attachments:

- Financial key figures 2002
- article about transfer.

<i>(All amounts in CHF 1'000)</i>											
2002 (unaudited)							12 months ending 31 December 2002				
Q1	% chge	Q2	% chge	Q3	% chge	Q4	2002	2001	Chge	% chge	
2'070	-11.4%	1'833	23.3%	2'260	95.0%	4'407	Banking revenues, net	10'570	5'739	4'831	84.2%
396	-10.4%	355	-15.2%	301	52.2%	458	Financial Information revenues	1'510	2'370	(860)	-36.3%
2'466	-11.3%	2'188	17.0%	2'561	90.0%	4'865	Total revenues, net	12'080	8'109	3'971	49.0%
4'785	-6.1%	4,492	5.8%	4'754	38.3%	6'576	Total operating expenses	20'607	25'890	(5'283)	-20.4%
(2,319)	-0.6%	(2,304)	-4.8%	(2'193)	-22.0%	(1'711)	EBITDA excluding restructuring	(8'527)	(17'781)	9'254	-52.0%
8'305	-82.2%	1'475	-	-	-	-	Restructuring**	9'780	4'585	5'195	-113.3%
			100.0%								
(8'085)	-63.1	(2'983)	-18.9%	(2'420)	-24.7%	(1'823)	Net loss***	(15'311)	(17'921)	2'610	-14.6%
At the end of Quarters							At 31 March				
Q1	%chge	Q2	%chge	Q3	%chge	Q4	2003	2002	Chge	%chge	
10'576	9.4%	11'568	10.1%	12'734	76.7%	22'500	Number of accounts	22'500	10'161	12'339	121.4%
337'400	-11.1%	300'000	-4.2%	287'300	155.1%	733'000	Assets under custody****	733'000	301'000	432'000	143.5%
							Net cash*****	36'133	55'170	(19'037)	-34.5%
							Total equity and minority interest	43'005	66'447	(23'442)	-35.3%

Notes:

*) : 2001 figures restated for comparison purpose

**) : Restructuring in 2002 includes the costs of the centralisation of the operations at the Group's headquarter and related redundancies, the result of the discontinued operations of Marvel Communications Ltd and a one-off provision for pension obligations.

***): Net loss includes depreciation, minority interest, financial income and the movement in deferred taxes.

****): Assets under custody consists of cash deposited at the Bank and securities deposited in custody by customers.



****): Net cash consists of cash and cash equivalents less cash deposits from customers.

Successful integration of Consors Switzerland into the Swissquote Bank:

11,799 accounts transferred

A total of 360 million Swiss Francs from 11,799 customers have been transferred in course of the integration of Consors Switzerland into the Swissquote Bank. This includes approximately 1,100 customer portfolios and over 30 asset managers. The transfer was carried out in a series of four migrations, all of which took place on weekends so that access to the trading platform was guaranteed during the stock exchange trading times.

The transfer was the largest recorded transfer by an online broker in Switzerland. Due to the complexity of the transfer, a great deal of preparation was necessary. The migration included approximately 42,200 securities positions from 27 stock markets. Alone the Consors online archives contained 733,456 documents with a data volume of approximately 15 gigabytes, whose entry into the system required almost two months.

The total migration will be concluded at the end of March following a duration of five and a half months. The year-end account balances for all 22,500 customers of the Swissquote Bank were prepared during this period. "The migration was a major challenge" said Beat Trinkler, Chief Operating Officer of the Swissquote Bank, "for which a comprehensive logistic strategy was necessary." This included the implementation of state-of-the-art technology – but a great deal of manual input was also required.

The integration has led to the expansion of Swissquote Bank's product portfolio. It was possible to introduce a completely new asset management tool (VV) and to put the Mutual Fund Selector (funds finder) of the American rating agency Morningstar into service. The number of available stock markets also increased.

Swissquote - Online Financial Services at its best

Swissquote Group (Swissquote Bank and Swissquote Info) has 82 employees in Gland (Vaud) and Schwerzenbach (Zurich). It is a leading provider of online trading services. Shares in Swissquote Group Holding AG (SQN) are listed on the SWX New Market. In addition to low-cost stock market access and a special trading tool for portfolio managers, Swissquote Bank also offers a wide range of online financial information tools. Swissquote Info specialises in financial information via the Internet

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