

Results for the first nine months of 2006

### **Swissquote: 60,000 clients and 4 billion assets**

**In the first nine months of 2006, Swissquote again starkly improved both its market position and its profitability against the year-earlier period: Revenues rose by 64.7 percent to CHF 53.6 million, and net profit increased by 173.9 percent to CHF 25.5 million. The number of clients grew year-on-year by 29.8 percent to 60,031, and client assets under custody increased by 50.2 percent to CHF 3.9 billion. Swissquote has thus already met its growth targets for 2006 by the end of the 3rd quarter.**

#### **Annual growth targets met after nine months**

Swissquote began the current financial year with some ambitious aims: the number of clients was to be expanded to 60,000, and a target of CHF 4 billion was set for client assets under custody. Both goals were reached after the first nine months. The number of clients increased by 10,974 in the reporting period, and client assets under custody grew by a total of CHF 900 million on a net inflow of new money of CHF 700 million. Representing an average daily inflow of CHF 3.5 million, this testifies to a high level of client loyalty and is proof positive of stable and solid growth. Compared with the 2nd quarter of 2006, Q3 revenues were lower by 6.8 percent and net profit by 13.5 percent. This, however, was only to be expected with trading lighter during the holiday period.

#### **Higher profit levels driven by improved productivity**

In the first nine months of 2006, revenues rose year-on-year by CHF 21.1 million to CHF 53.6 million. Operating expenses (including marketing) increased by CHF 4.7 million over the same period to CHF 27.0 million. This lifted EBITDA by 159.8 percent to CHF 26.7 million, translating into an EBITDA margin of 49.7 percent. Net profit grew by 173.9 percent to CHF 25.5 million, and the net profit margin reached 47.6 percent. "The sustainable development of our productivity is based on client growth and, above all, on a continuous improvement in productivity," says Swissquote CEO Marc Bürki. "In Q3 2006, we accomplished our goal of scaling back costs per client and quarter to CHF 150. With revenues per client at CHF 285, costs – including the marketing spend – came to CHF 152."

**Lower volatility thanks to changed revenue structure**

Although at 58 percent commission business is still Swissquote's key source of revenue, the remaining revenue segments (interest, trading, platform) have developed so well over recent quarters that in Q3 2006 they covered operating costs in full for the first time. A steady increase in non-commission revenues allows Swissquote to reduce the dependency of its operations on stock market trends.

**System expansion anticipates client needs**

In the 3rd quarter, Swissquote focused its efforts on the further expansion of the bank systems and the information platform in order to ensure the necessary technical framework to support the strong client growth witnessed and to be equipped for more growth going forward. Preparations were made for several new services to be rolled out in the course of the 4th quarter. Swissquote predicts a further increase in clients of between 5 and 6 percent for Q4, and expects the inflow of new money to remain on a par with preceding quarters.

**Financial report for the 3rd quarter of 2006**

The complete financial report for the first nine months of 2006 is available on:

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

**Swissquote – Swiss leader in online trading**

*Swissquote has 148 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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**Calendar of events in 2007**

09.02.2007 Balance sheet press conference Zurich (SWX)

25.04.2007 Annual General Meeting in Zurich

25.04.2007 Results for the 1st quarter of 2007

**Key figures: First 9 months of 2006**

CHF'000	Comparison with Previous Year				Comparison with Previous Quarter			
	9m-2006	9m-2005	Change	Change [%]	Q3-2006	Q2-2006	Change	Change [%]
Net Fee & Commission Income	38'236.8	24'214.9	14'021.9	57.9%	10'558.7	13'168.4	(2'609.7)	-19.8%
Interest Spread	8'646.8	3'741.4	4'905.4	131.1%	3'740.1	2'888.2	851.9	29.5%
Trading Results	4'065.0	2'735.1	1'329.9	48.6%	1'204.8	1'150.0	54.8	4.8%
Other Income	2'664.2	1'867.9	796.3	42.6%	1'150.1	664.5	485.6	73.1%
<b>Total Net Revenues</b>	<b>53'612.8</b>	<b>32'559.3</b>	<b>21'053.5</b>	<b>64.7%</b>	<b>16'653.7</b>	<b>17'871.1</b>	<b>(1'217.4)</b>	<b>-6.8%</b>
Operating Expenses	(22'144.8)	(18'856.2)	(3'288.6)	17.4%	(7'295.4)	(7'441.7)	146.3	-2.0%
Marketing Expenses	(4'815.8)	(3'444.0)	(1'371.8)	39.8%	(1'574.8)	(1'542.2)	(32.6)	2.1%
<b>EBITDA</b>	<b>26'652.2</b>	<b>10'259.1</b>	<b>16'393.1</b>	<b>159.8%</b>	<b>7'783.5</b>	<b>8'887.2</b>	<b>(1'103.7)</b>	<b>-12.4%</b>
Depreciation	(2'461.5)	(2'175.8)	(285.7)	13.1%	(813.9)	(825.4)	11.5	-1.4%
<b>Operating Profit</b>	<b>24'190.7</b>	<b>8'083.3</b>	<b>16'107.4</b>	<b>199.3%</b>	<b>6'969.6</b>	<b>8'061.8</b>	<b>(1'092.2)</b>	<b>-13.5%</b>
Taxes	1'350.0	1'240.0	110.0	8.9%	350.0	400.0	(50.0)	-12.5%
<b>Net Profit</b>	<b>25'540.7</b>	<b>9'323.3</b>	<b>16'217.4</b>	<b>173.9%</b>	<b>7'319.6</b>	<b>8'461.8</b>	<b>(1'142.2)</b>	<b>-13.5%</b>
EBITDA Margin	49.7%	31.5%			46.7%	49.7%		
Operating Profit Margin	45.1%	24.8%			41.9%	45.1%		
Net Profit Margin	47.6%	28.6%			44.0%	47.3%		
	<b>30.09.2006</b>	<b>30.09.2005</b>	Change	Change [%]	<b>30.09.2006</b>	<b>30.06.2006</b>	Change	Change [%]
Number of Clients	60'031	46'251	13'780	29.8%	60'031	56'813	3'218	5.7%
Increase of Clients in Period	10'974	4'078	6'896	169.1%	3'218	3'635	(417)	-11.5%
Increase in %	22.4%	9.7%			5.7%	6.8%		
Assets under Custody <sup>1</sup>	3'924	2'612	1'312	50.2%	3'924	3'558	366	10.3%
Change [in Million CHF]	928	287			366	(113)		
Increase in %	31.0%	12.3%			10.3%	-3.1%		
Net New Monies in Period [in Million CHF]	716	326	390	119.6%	225	231	(6)	-2.6%
Equity [in Million CHF]	82.3	62.2	20.1	32.3%	82.3	74.3	8.0	10.8%
<b>Notes</b>								
1 Assets under Custody consist of cash and securities deposited by the customers [in Million CHF]								