

Swissquote sales up 8 percent

Swissquote Group, which focuses mainly on Online Financial Services, increased sales by 8.2 percent to CHF 3.5 million in the first quarter of 2002 (Q1 2001: CHF 3.2 million). Factoring out restructuring costs, the operating loss (EBIT) was reduced by 46 percent to CHF -4.1 million (-7.6 million). The Group reported equity of CHF 53.8 million and net liquidity of CHF 49.6 million as of 31 March 2002.

Swissquote Bank posts impressive growth

The performances of the individual business divisions varied starkly in the first quarter of 2002. Swissquote Bank raised sales year-on-year by 66 percent to CHF 2.1 million, and the number of clients grew by 13.5 percent to 10,500. Assets under management amounted to CHF 335 million on 31 March 2002. Registering an average 3 million page views a day, the financial portal www.swissquote.ch is Switzerland's most frequently visited financial information platform. The portal's advertising revenues nevertheless decreased year-on-year by 33 percent to CHF 0.4 million. Marvel Communications posted a disappointing result, with sales down 26 percent to CHF 1.1 million.

Investment in sophisticated web solutions is still modest. Swissquote Group continued to operate in a generally difficult market environment in the first quarter of 2002, and a significant change for the better is not expected in the near future.

Restructuring largely complete

In response to the 2001 results and the conservative assessment of the current year, Swissquote announced sweeping cost-cutting measures on 22 February 2002, the majority of which have been implemented in the meantime. The bank's backoffice operations have been merged with the technical infrastructure in Gland (Vaud), and the center at Schwerzenbach (Zurich) now focuses on customer service. 49 out of 159 jobs have been cut and structures streamlined. Marc Bürki heads Swissquote Bank, Paolo Buzzi the financial portal (Swissquote Info) and Jérôme Pernin Marvel Communications.

Costs within budget

Restructuring costs of CHF 7.5 million were taken in full to the income statement in the first quarter of 2002: CHF 4.5 million were charged to operating expenses and CHF 3.0 million were booked as extraordinary write-offs. Swissquote does not anticipate further restructuring costs for the second quarter. The restructuring costs, the additional ordinary operating loss (EBIT) of CHF -4.1 million and the net loss of CHF -8.1 million are in line with the budget for the current year presented on 22 February 2002.

Outlook

The main focus of activity in the first quarter was on the consistent implementation of the restructuring plan. The latter has proved a success, and the measures taken will begin to fully



impact earnings in the third quarter. In the coming months Swissquote will continue to develop its core operations Swissquote Bank and Swissquote Info and increase sales long-term. The bank is concentrating on acquiring new clients and expanding the product and service offering. New exclusive information services are to be added to the financial portal, some of which will be offered for a charge. With online advertising unlikely to witness an upturn in the foreseeable future, these additional sources of income are intended to offset the decline in advertising revenue. Swissquote is expecting to see an improvement in the Group's result already by the end of the current year, the actual breakthrough will not occur until next year though.

Changes to the Board of Directors

The Annual General Meeting of Swissquote Group Holding AG on 18 April 2002 confirmed Mario Fontana (Chairman) and Paolo Buzzi as members of the Board, and elected Peter Brogle, independent management consultant, and Paul E. Otth, CFO of Unaxis Holding AG, as new members to the Board. Hence three out of the four are non-executive Board members.

Swissquote - Online Financial Services at its best.

Swissquote Group is a leading provider of Online Financial Services (online banking services and Internet financial portal). After the ongoing measures have been completed, Swissquote Group will have a combined total of 110 employees at its offices in Gland (Vaud) and Schwerzenbach (Zurich). Swissquote is listed on the SWX New Market (SQN).

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