

Swissquote reports profit

In the second quarter of 2003, Swissquote Group lifted revenues quarter-on-quarter by 53 percent to CHF 7.2 million. It achieved EBITDA of CHF 1.6 million and a net profit of CHF 0.7 million. In the same period, the number of customers rose by 6 percent to 27,374 and customer assets under management grew by 24 percent to CHF 1.12 billion.

The increase of almost 5,000 customers since the start of 2003 and the higher number of transactions per customer, above all in the second quarter, were reflected in revenues and earnings, the latter thanks in part to a stable cost basis. "The gratifying result confirms that online trading meets a real market need and offers potential for development, said Swissquote CEO Marc Bürki.

Huge volume growth

The solid second quarter result is also positively mirrored in the result for the entire first half of 2003: A year-on-year increase in revenues of 146 percent to CHF 11.9 million (CHF 4.9 million) produced EBITDA of CHF 1.1 million (CHF -4.3 million). At CHF -0.3 million (CHF -11.1 million), net profit was only barely in the negative zone. Over the first six months of 2003, the number of customers increased by 137 percent to 27,374 compared with 11,568 for the corresponding year-back period, and customer assets under management rose by 273 percent to CHF 1.12 billion (CHF 300 million). This exceptionally high growth in client assets was driven by our successful efforts to enter new customer segments (portfolio managers and larger private clients), a continuous influx of new funds, and the market recovery witnessed over the past few months.

Cost basis kept stable

A low and stable cost basis is essential if a commercially successful level of volume business is to be achieved. While the number of customers more than doubled year-on-year in the first half of 2003, operating expenses increased by only 19 percent in the same period to CHF 10.9 million (CHF 9.2 million). At around CHF 200, operating expenses per customer more than halved over the same timespan. This figure will be reduced even more substantially on the back of further growth and the automation of manual processes. At the same time, Swissquote aims to continue enhancing the quality of its services in order to guarantee a strong price/performance ratio going forward.

Outlook

Assuming that the financial markets follow a relatively stable track, Swissquote Group is anticipating revenues in the vicinity of CHF 24 million and a positive EBITDA figure for the year as a whole. In operational terms, Swissquote will focus its priorities in the second half on strengthening its customer base, developing the portfolio manager segment, expanding its offering, and automating processes.

Half-yearly results

Detailed figures for the first half of 2003 are available at: <http://group.swissquote.com>

2002-Q3	% chge	2002-Q4	% chge	2003-Q1	% chge	2003-Q2	All Amounts in CHF1'000	2003-H1	% chge	2002-H1	
2'561	90.0%	4'865	-2.8%	4'731	52.9%	7'234	Net Revenues	11'965	146.2%	4'859	
(4'754)	38.3%	(6'576)	-20.4%	(5'233)	8.5%	(5'676)	Operating Expenses	(10'909)	18.5%	(9'203)	
(2'193)	22.0%	(1'711)	70.7%	(502)	410.3%	1'558	EBITDA	1'056	124.3%	(4'344)	
-	-	-	-	-	-	-	Restructuring	-	-	(9'690)	
(2'420)	24.7%	(1'823)	45.6%	(991)	169.2%	686	Net Profit / (Loss)*	(305)	97.2%	(11'068)	
							Amounts at End of Period				
12'734	76.7%	22'500	15.1%	25'895	5.7%	27'374	Number of Accounts	27'374	136.6%	11'568	
287'300	155.1%	733'000	23.6%	906'000	23.6%	1'120'000	Assets under Custody**	1'120'000	273.3%	300'000	
46'134	-6.8%	43'005	-3.2%	41'625	2.3%	42'597	Minority Interest	42'597	-14.0%	49'557	

*) Net profit (loss) includes amortisation, depreciation, taxes and minority interests.

***) Assets under custody consist of cash and securities deposited by the customers.

Swissquote – Swiss Leader in Online Trading

Swissquote Group (Swissquote Bank and Swissquote Info) has 99 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 at the SWX Swiss Exchange. In addition to lowcost 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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