

Results for the first half of 2006

Swissquote continues to flourish

Swissquote once again posted extraordinary growth for the first half of 2006. Revenues rocketed by 83.6 percent year-on-year to CHF 37.0 million, while net profit was more than two-and-a-half times higher, rising 266.8 percent to CHF 18.2 million. Compared with the year-back period, customer numbers were up by 30.3 percent to 56,813, and assets under management reached CHF 3.6 billion (+ 54.4 percent).

Half a billion in new money in first half

The stock market climate, which cooled appreciably from the first to the second quarter of the current year, had little impact on growth rates. The second quarter saw customer numbers rise once again, by 3,635 (+6.8 percent), taking the overall increase for the first half to 7,756 (+ 15.8 percent) and the total to 56,813. This expansion was much higher than the target growth of 5 to 6 percent per quarter. Assets under management rose by CHF 562 million in the first half (+18.8 percent). CHF 491 million of this figure was new money. The remainder was generated primarily by stock market gains in the first quarter of 2006. "This achievement", says Marc Bürki, Swissquote CEO, "is first and foremost a product of the quality of our services and the appeal of what we offer, as well as of our marketing activities. The inflow of just under half a billion Swiss francs in new money in the first half corresponds to CHF 3.5 million a day, and reflects Swissquote's steady growth." With revenues of CHF 17.9 million and earnings of CHF 8.3 million, Swissquote's income and profit figures for the second quarter were slightly lower than for the first three months of the year.

Sustainable high-level profitability

The half-year figures demonstrate Swissquote's sustainable profitability in impressive style. In the first six months of 2006, earnings climbed by 83.6 percent year-on-year to CHF 37.0 million, while operating costs rose by just 25.6 percent to CHF 18.1 million during the same period. This results in an EBITDA of CHF 18.9 million (+ 229.9 percent) and a net profit of CHF 18.2 million (+ 266.8 percent) for the first half of 2006. The EBITDA margin reached 51.1 percent (H1 2005: 28.4 percent), the net profit margin 49.3 percent (24.7 percent).

Ongoing service expansion

The continued growth in customer numbers and assets under management is due to equally steady expansion in the services we offer. For example, in the second quarter of 2006 the London Stock Exchange went live for online trading, and we also launched direct trading in derivatives on the Frankfurt stock exchange. What's more, the new version of Online Wealth Management, with a completely revised layout and navigation structure, will be launched at the end of July with the third of a total of four planned tools. The latest, "Profit and Loss", joins the existing "Value at Risk" and "Trade Signals" tools to enable customers to set a stop (profit or loss) at the most suitable point. "Profit and Loss" can be set up in line with personal criteria and also shows which securities in a portfolio have the potential to contribute most to aggregate performance.

Swissquote expects to have well over 60,000 customers by the end of 2006, with inflows of new money in the second half that more or less match those in the first six months of the year.

Financial report for the 1st half of 2006

The complete financial report for the 1st half of 2006 is available on:

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

Swissquote – Swiss leader in online trading

Swissquote has 136 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 2006

28.07.06 Publication of H1 figures in Zurich (SWX)

26.10.06 Publication of Q3 2006 figures (with conference call)

Key figures: H1 2006

CHF'000	Comparison with Previous Year				Comparison with Previous Quarter			
	H1-2006	H1-2005	Change	Change [%]	Q2-2006	Q1-2006	Change	Change [%]
Net Fee & Commission Income	27'678.2	14'719.9	12'958.3	88.0%	13'168.4	14'509.8	(1'341.4)	-9.2%
Interest Spread	4'906.7	2'326.6	2'580.1	110.9%	2'888.2	2'018.5	869.7	43.1%
Trading Results	2'860.2	1'741.0	1'119.2	64.3%	1'150.0	1'710.2	(560.2)	-32.8%
Other Income	1'514.1	1'340.3	173.8	13.0%	664.5	849.6	(185.1)	-21.8%
Total Net Revenues	36'959.2	20'127.8	16'831.4	83.6%	17'871.1	19'088.1	(1'217.0)	-6.4%
Operating Expenses	(14'849.4)	(12'246.1)	(2'603.3)	21.3%	(7'441.7)	(7'407.7)	(34.0)	0.5%
Marketing Expenses	(3'241.0)	(2'161.8)	(1'079.2)	49.9%	(1'698.8)	(1'542.2)	(156.6)	10.2%
EBITDA	18'868.8	5'719.9	13'148.9	229.9%	8'730.6	10'138.2	(1'407.6)	-13.9%
Depreciation	(1'647.6)	(1'379.9)	(267.7)	19.4%	(825.4)	(822.2)	(3.2)	0.4%
Operating Profit	17'221.3	4'340.0	12'881.2	296.8%	7'905.2	9'316.0	(1'410.8)	-15.1%
Taxes	1'000.0	627.0	373.0	59.5%	400.0	600.0	(200.0)	-33.3%
Net Profit	18'221.3	4'967.0	13'254.2	266.8%	8'305.2	9'916.0	(1'610.8)	-16.2%
EBITDA Margin	51.1%	28.4%			48.9%	53.1%		
Operating Profit Margin	46.6%	21.6%			44.2%	48.8%		
Net Profit Margin	49.3%	24.7%			46.5%	51.9%		
	30.06.2006	30.06.2005	Change	Change [%]	30.06.2006	31.03.2006	Change	Change [%]
Number of Clients	56'813	43'609	13'204	30.3%	56'813	53'178	3'635	6.8%
Increase of Clients in Period	7'756	4'078	3'678	90.2%	3'635	4'121	(486)	-11.8%
Increase in %	15.8%	10.3%			6.8%	8.4%		
Assets under Custody ¹	3'558	2'304	1'254	54.4%	3'558	3'671	(113)	-3.1%
Change [in Million CHF]	562	287			(113)	675		
Increase in %	18.8%	14.2%			-3.1%	22.5%		
Net New Monies in Period [in Million CHF]	491	164	327	199.4%	231	260	(29)	-11.2%
Equity [in Million CHF]	74.3	55.3	19.0	34.4%	74.3	70.5	3.8	5.4%
<u>Notes</u>								
1 Assets under Custody consist of cash and securities deposited by the customers [in Million CHF]								