

Results for the first half of 2008

Swissquote publishes outstanding results for the first six months of the year

In spite of the stock market crisis, Swissquote has maintained its high level of growth during the first six months of this year and is publishing excellent results. The number of customers has increased by 36.5 percent compared with the same period last year and the inflow of new funds has risen by 19.9 percent to CHF 739 million. Revenues reached the same high level as last year of CHF 54.6 million and the net profit of CHF 22.3 million represents an operating margin of 40.8 percent. Swissquote is maintaining its growth objectives for the year as a whole: Building up the number of customers in the trading sector to 115,000 and an inflow of new funds of at least CHF 1.2 billion.

High growth: More than 100,000 customers for the first time

During the 2nd quarter of 2008, the number of customers clearly exceeded the 100,000 mark. This means 27,867 new customers compared with the same period last year, which represents an increase of 36.5 percent. Since 15 May 2008, when Swissquote launched one of the most attractive saving account in Switzerland to date, the reporting distinguishes between trading and savings customers. "Even though our marketing offensive for the "Dynamic Savings Account" will not start until after the summer holidays, 771 savings accounts have already been opened," said Marc Bürki, Swissquote CEO. "We are expecting to have several thousand savings customers by the end of the year." By launching the savings account, Swissquote is opening up a completely new customer segment and it is also reducing the effect of stock market volatility on its business development.

Despite the unstable stock market situation, Swissquote generated an inflow of new funds of CHF 739 million, which represents a 19.9 percent increase on the previous year. All in all and as a result of negative stock market trends, customer assets have decreased slightly compared with the same period last year from CHF 5.6 billion to CHF 5.5 billion. However, compared with the previous quarter, customer assets have increased by CHF 154 million thanks to an inflow of new funds of CHF 325 million.

Customer growth and the inflow of new funds achieved in the first half of 2008 are a clear sign of confidence for Swissquote in the current unsettled market environment. Obviously customers are aware that as a transaction bank, Swissquote is not affected by the subprime crisis.



Consistently high profit margins

In the first half of 2008, revenues were slightly higher than the same period last year (CHF 54.6 million compared with CHF 54.5 million). This positive result was achieved thanks to strong customer growth despite a weaker trading volume during the first half of the year. Compared to the same period last year, operating expenses increased by 9.8 percent to CHF 26.3 million (CHF 23.9 million) due to higher marketing expenditure and costs in connection with relocating the Gland and Zurich offices. This resulted in an operating profit of CHF 28.3 million (CHF 30.6 million) and a net profit of 22.3 million (CHF 24.5 million), which corresponds to profit margins of 51.9 percent and 40.8 percent.

Success with new products and services

In addition to the successful start of the “Dynamic Savings Account”, the forex trading result has also shown a very positive development in the 2nd quarter of 2008 thanks to the new Forex trading platform introduced on 31 March 2008. The Trading Results increased by 28.5 percent to CHF 2.4 million in the 2nd quarter of 2008 compared with the 1st quarter. A daily volume of more than USD 150 million is already processed on the new platform.

With regards to the launch of the new iPhone, Swissquote has developed a specific application, which provides access to a wealth of financial information as well as direct online trade. This application can be downloaded and installed free of charge from any iTunes App Store.

The complete **Financial report for the first six months of 2008** can be viewed at:

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

Swissquote – Switzerland’s leading online broker

Swissquote has 233 employees in Gland (VD) and Zurich. Swissquote is Switzerland’s leading online broker. 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. The shares of Swissquote Group Holding AG (SQN) are listed on the SWX.

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Calendar of events in 2008

29.07.2008	Results for the first half of 2008 (presentation at SWX)
28.10.2008	Results for the first nine months of 2008 (telephone conference)

Key figures for the first six months of 2008

CHF'000	Comparison with Previous Year				Comparison with Previous Quarter			
	H1-2008	H1-2007	Change	Change [%]	Q2-2008	Q1-2008	Change	Change [%]
Net Fee & Commission Income	34'640.6	38'925.5	(4'284.9)	-11.0%	16'359.9	18'280.7	(1'920.8)	-10.5%
Interest Income, net	15'640.2	11'439.8	4'200.4	36.7%	8'214.1	7'426.1	788.0	10.6%
Trading Results	4'318.7	4'155.0	163.7	3.9%	2'428.5	1'890.2	538.3	28.5%
Total Net Revenues	54'599.5	54'520.3	79.2	0.1%	27'002.5	27'597.0	(594.5)	-2.2%
Payroll & Related Expenses	(12'464.7)	(12'081.0)	(383.7)	3.2%	(6'325.1)	(6'139.6)	(185.5)	3.0%
Other Operating Expenses (incl. Depr. & Provision)	(9'300.3)	(8'006.1)	(1'294.2)	16.2%	(4'812.2)	(4'488.1)	(324.1)	7.2%
Marketing Expenses	(4'503.1)	(3'831.7)	(671.4)	17.5%	(2'184.1)	(2'319.0)	134.9	-5.8%
Total Expenses	(26'268.1)	(23'918.8)	(2'349.3)	9.8%	(13'321.4)	(12'946.7)	(374.7)	2.9%
Operating Profit	28'331.4	30'601.5	(2'270.1)	-7.4%	13'681.1	14'650.3	(969.2)	-6.6%
Income Taxes	(6'048.2)	(6'120.3)	72.1	-1.2%	(2'909.0)	(3'139.3)	230.3	-7.3%
Net Profit	22'283.2	24'481.2	(2'198.0)	-9.0%	10'772.1	11'511.0	(738.9)	-6.4%
Operating Profit Margin	51.9%	56.1%			50.7%	53.1%		
Net Profit Margin	40.8%	44.9%			39.9%	41.7%		
	30.06.2008	30.06.2007	Change	Change [%]	30.06.2008	31.03.2008	Change	Change [%]
Total number of Trading Clients [units]	103'476	76'380	27'096	35.5%	103'476	97'694	5'782	5.9%
Total number of Saving Clients [units]	771	-	771	-	771	-	771	-
Total Number of Clients	104'247	76'380	27'867	36.5%	104'247	97'694	6'553	6.7%
Assets under Custody [CHF m]	5'508.0	5'649.0	-141.0	-2.5%	5'508.0	5'354.0	154.0	2.9%
Total Net New Monies [CHF m]	739.3	616.6	122.7	19.9%	324.9	414.4	-89.5	-21.6%
Total Headcounts	233	190	43	22.6%	233	233	-	0.0%
Total Balance Sheet [CHF m]	1'352.9	1'339.9	13.0	1.0%	1'352.9	1'381.2	(28.3)	-2.0%
Total Equity [CHF m]	136.3	108.9	27.4	25.2%	136.3	135.3	1.0	0.7%
Equity Surplus [CHF m]	83.3	63.4	19.9	31.4%	83.3	83.8	(0.5)	-0.6%