



SWISSQUOTE

INTERIM REPORT - 31 MARCH 2002

CONSOLIDATED INTERIM BALANCE SHEET

ALL AMOUNTS IN SWISS FRANCS

	Notes	31 March		31 December
		2002	2001	2001
ASSETS				
Current assets				
Cash and balances with central bank		467,308	1,499,711	2,863,263
Due from other banks		116,368,296	71,700,000	116,916,027
Receivables and prepayments		3,364,091	4,290,327	3,703,317
Work in progress		553,815	400,000	246,306
		120,753,510	77,890,038	123,728,913
Non-current assets				
Property, plant and equipment	5	7,169,165	6,899,631	10,515,177
Other long term assets		970,767	201,084	976,978
Deferred tax assets, net		1,188,940	1,878,949	1,188,940
		9,328,872	8,979,664	12,681,095
Total assets		130,082,382	86,869,702	136,410,008
LIABILITIES AND EQUITY				
Current liabilities				
Due to other banks		465,232	-	2,085,512
Due to Swissquote Bank's customers		66,807,299	-	62,523,383
Trade and other payables		5,666,285	8,015,422	5,353,443
Balance of accrued restructuring	3	3,318,982	-	-
Total liabilities		76,257,798	8,015,422	69,962,338
Minority interest		10,391,554	12,913,331	13,281,443
Equity	6			
Ordinary shares		13,760,300	13,500,000	13,760,300
Share premium and reserves		62,125,044	61,790,034	62,125,044
Treasury shares		(2,110,432)	-	(527,727)
Translation differences		-	(11,961)	-
Accumulated losses		(30,341,882)	(9,337,124)	(22,191,390)
Total equity		43,433,030	65,940,949	53,166,227
Total liabilities and equity		130,082,382	86,869,702	136,410,008

CONSOLIDATED INTERIM STATEMENT OF OPERATIONS

	Notes	3 months ended 31 March	
		2002	2001
OPERATING REVENUES	1 & 2	3,511,680	3,245,857
OPERATING EXPENSES			
Payroll and related expenses		3,805,854	5,794,707
Production expenses		871,247	1,011,365
Marketing expenses		890,982	1,787,675
Administration and other operating expenses		935,515	1,882,508
Restructuring charge	3	4,500,000	-
Total operating expenses	3	11,003,598	10,476,255
Operating loss before depreciation		(7,491,918)	(7,230,398)
Depreciation and amortisation:			
Ordinary charge		(590,002)	(350,000)
Restructuring	3	(3,000,000)	-
Loss from operating activities	2	(11,081,920)	(7,580,398)
Financial income, net		107,515	615,137
Loss before tax		(10,974,405)	(6,965,261)
Income tax credit, net		-	690,009
Loss after tax		(10,974,405)	(6,275,252)
Minority interest		2,889,889	1,208,619
Net loss		(8,084,516)	(5,066,633)
<i>Loss per share</i>	4	(6.01)	(3.75)

CONSOLIDATED INTERIM CHANGES IN SHAREHOLDERS' EQUITY

ALL AMOUNTS IN SWISS FRANCS

	Share Capital	Share Premium & Reserves	Accumulated Losses	Treasury Shares	Translation Difference	Total
Balance at 1 January 2001	13,500,000	61,790,034	(4,270,491)	-	(4,571)	71,014,972
Net loss of the period	-	-	(5,066,633)	-	-	(5,066,633)
Translation difference	-	-	-	-	(7,390)	(7,390)
Balance at 31 March 2001	13,500,000	61,790,034	(9,337,124)	-	(11,961)	65,940,949
Balance at 1 January 2002	13,760,300	62,125,044	(22,191,390)	(527,727)	-	53,166,227
Net changes in treasury shares	-	-	(65,978)	(1,582,705)	-	(1,648,683)
Net loss of the period	-	-	(8,084,514)	-	-	(8,084,514)
Balance at 31 March 2002	13,760,300	62,125,044	(30,341,882)	(2,110,432)	-	43,433,030

CONSOLIDATED INTERIM CONDENSED CASH FLOW STATEMENT

	Notes	3 months ended 31 March	
		2002	2001
OPERATING ACTIVITIES			
- Ordinary		1,740,598	(5,924,430)
- Restructuring	3	(1,181,018)	-
Net cash from (used in) operating activities		559,580	(5,924,430)
Investing activities			
Purchase of Property, plant and equipment		(237,496)	(2,209,321)
Change in Other long term assets		3,193	(4,495)
Treasury shares		(1,648,683)	-
Net cash used in investing activities		(1,882,986)	(2,213,816)
Decrease in cash and cash equivalents		(1,323,406)	(8,138,246)
Movements in cash and cash equivalents			
At start of year		117,693,778	81,337,957
Decrease		(1,323,406)	(8,138,246)
At 31 March		116,370,372	73,199,711

ACCOUNTING POLICIES

The consolidated interim financial statements are prepared in accordance with IAS 34 Interim Financial Reporting. The accounting policies used in the preparation of the interim consolidated financial statements are considered with those used in the annual financial statements for the year ended 31 December 2001 and 2000.

As the result of the start of the commercial operations of Swissquote Bank on 25 May 2001, the information included in the interim financial statements have been completed in order to reflect material presentation and disclosure requirements in accordance with IAS 30 and 39.

Costs that incur unevenly during the financial year are anticipated or deferred in the interim report only if it would be appropriate to anticipate or defer such costs at the end of the financial year.

The consolidated financial statements should be read in conjunction with the 2001 annual consolidated financial statements.

ALL AMOUNTS IN SWISS FRANCS

NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. Operating Revenues

	3 months ended 31 March	
	2002	2001
Brokerage revenues		
Fee and commission income (Swissquote Bank)	2,014,750	-
Fee and commission expense (Swissquote Bank)	(200,812)	-
Retrocession income (Swissquote Trade)	-	1,261,935
Sub-total, net	1,813,938	1,261,935
Other banking revenues (Swissquote Bank)		
Net interest income	212,907	-
Net trading income	65,388	-
Net other income	-	-
Sub-total	278,295	-
Total Banking revenues	2,092,233	1,261,935
Other Swissquote Group revenues		
Advertising	395,655	603,915
Web intelligence	1,023,792	1,380,007
Sub-total	1,419,447	1,983,922
Total	3,511,680	3,245,857

NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS

2. Segment Information

Segment information is determined based on the allocation of directly attributable revenues, expenses, assets and liabilities. Unallocated costs consist of the costs of the infrastructure and functions shared by the segments of operations.

	Web Intelligence	Online Financial services	Elimination	Total
3 months ended 31 March 2001				
Revenues	1,380,007	1,865,850	-	3,245,857
Segment result	(995,386)	(5,447,480)	-	(6,442,866)
Unallocated costs				(1,137,532)
				(7,580,398)
3 months ended 31 March 2002				
Revenues				
- <i>third parties</i>	1,023,792	2,487,888	-	3,511,680
- <i>inter-segment</i>	106,282	-	(106,282)	-
Total revenues	1,130,074	2,487,888	(106,282)	3,511,680
Segment result (exc. Restructuring)	(587,430)	(1,844,578)	-	(2,432,008)
Unallocated costs				(1,149,912)
Restructuring				(7,500,000)
				(11,081,920)

3. Total Operating Expenses

	3 months ended 31 March	
	2002	2001
Total operating expenses relating to:		
- services generating revenues	6,503,598	6,426,505
- services at development stage:		
- Swissquote Bank	-	3,127,247
- French operations	-	922,503
Restructuring	4,500,000	-
Total	11,003,598	10,476,255

On 22 February 2001, the Company announced that it would start a major restructuring of its organisation in order to adapt its cost structure to the actual market conditions, as well as to focus its operations on online financial services. As part of the restructuring, the Group will centralise its operations in Gland with the exception of its marketing and sales organisation that will remain in Zurich. The estimated restructuring charge is CHF 7.5 mio (of which CHF 4.5 mio with an impact on EBITDA and CHF 3.0 mio in the form of write-offs) and is included in full in the first quarter result. At 31 March 2002, CHF 1.2 mio were actually spent resulting in a balance of accrued restructuring expenses of CHF 3.3 mio.

ALL AMOUNTS IN SWISS FRANCS

NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS

4. Loss per Share

Basic loss per share is calculated by dividing the net loss attributable to shareholders by the weighted average number of ordinary shares in issue (excluding treasury shares) during the period.

	3 months ended 31 March	
	2002	2001
Net loss	(8,084,516)	(5,066,633)
Weighted average number of ordinary shares in issue	1,344,534	1,351,102
Basic loss per share	(6.01)	(3.75)

In accordance with IAS 33, no diluted loss per share is disclosed, because of the loss posted by the Group in the reporting periods. Using the conditional share capital in the diluted earnings per share calculation would result in an anti-dilution.

5. Property, Plant and Equipment

	IT Systems	Others	Total
3 months ended 31 March 2001			
Opening net book amount (1.1.2001)	2,886,981	2,149,990	5,036,971
Addition	2,077,801	131,520	2,209,321
Depreciation	(295,050)	(51,611)	(346,661)
Closing net book amount (31.3.2001)	4,669,732	2,229,899	6,899,631
3 months ended 31 March 2002			
Opening net book amount (1.1.2002)	7,704,612	2,810,565	10,515,177
Addition	218,342	19,154	237,496
Depreciation	(483,910)	(99,598)	(583,508)
Write-offs (restructuring)	(389,453)	(2,610,547)	(3,000,000)
Closing net book amount (31.3.2002)	7,049,591	119,574	7,169,165

NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS

ALL AMOUNTS IN SWISS FRANCS

6. Equity

A. Structure of Capital

<i>Number of shares</i>	Ordinary Shares Issued	Shares For Stock Option Plan (1)	Shares For Authorized Capital (2)	Total Shares Issued and Unissued
At 1 January 2001	1,350,000	120,000	50,000	1,520,000
At 31 March 2001	1,350,000	120,000	50,000	1,520,000
At 1 January 2002	1,376,030	93,970	50,000	1,520,000
At 31 March 2002	1,376,030	93,970	50,000	1,520,000

At the AGM on 18 April 2002, the shareholders resolved to:

- 1) Reduce the number of conditional shares available for the stock option plan to 40,000.
- 2) To suppress the Authorised Capital.

B. Information on Stock Option

	1st Allocation	2nd Allocation	3rd Allocation	Total	Conditional shares available for exercise
Balance at 1 January 2001	24,452	14,678	3,500	42,630	120,000
Grants	-	-	22,532	22,532	
Exercise	-	-	-	-	
Lapsed	-	-	-	-	
Balance at 31 March 2001	24,452	14,678	26,032	65,162	120,000
Balance at 1 January 2002	-	6,605	22,456	29,061	93,970
Grants	-	-	-	-	
Exercise	-	-	-	-	
Lapsed	-	(200)	(4,692)	(4,892)	
Balance at 31 March 2002	-	6,405	17,764	24,169	(24,169)
Number of shares available for future grants at 31 March 2002					69,801

C. Treasury Shares

Treasury shares at 31 March 2002 are valued at the closing price on that date. The balance of 76,743 shares results from the following transaction in the period from 1 January to 31 March 2002:

- The acquisition of 11,946 Swissquote Group shares at a unit price ranging from CHF 22.20 to CHF 35.59 (average cost of CHF 29.19 per share) and of the disposal of 2,382 shares at unit prices ranging from CHF 21.80 to CHF 35.00 (average net price per share of CHF 30.46).
- The acquisition on 15 March of 48,213 shares from A. Moeckli at a price of CHF 28.45 per unit.

7. Swissquote Bank

Swissquote Bank was formed on 24 November 2000. Its shareholders are Swissquote Group Holding Ltd (51%) and Rüd Blass & Cie AG (49%). Rüd Blass is a 100% subsidiary of Zurich Financial Services.

Swissquote Bank is a bank construed under Swiss Law and is submitted to Swiss regulatory authority represented by the Federal Banking Commission.

The purpose of Swissquote Bank is to offer to the public services that enable investors to independently manage their trading and saving needs via the Internet.

Services offered are as follows:

- Trading on securities listed on SWX
- Trading on securities listed on virt-x (some 400 European blue-chips listed in Euro and Swiss Franc)
- Trading on securities listed on the US equity markets (NYSE / NASDAQ / AMEX)
- Foreign exchange spot transactions in US Dollar, Euro and Swiss Franc
- Distribution of investment funds managed by reputable fund managers (Fund Shop)

From the date of its formation until 24 May 2001, the operations of the bank consisted in setting-up its organisation and developing its IT infrastructure and no deposits were accepted from customers.

The commercial operations of Swissquote Bank started on 25 May 2001. Swissquote Bank's first priority was to allow customers who had a relationship with Rüd Blass & Cie AG / Swissquote Trade Ltd and with BB-trade, an online service of Bank am Bellevue, to transfer their accounts to Swissquote Bank. The transfer of accounts required customers to complete and sign the opening of account documents. Allowing for the time to complete this process, the first transfers of accounts were realised in the third week of June. Rüd Blass and Swissquote Trade discontinued their online trading service on 30 November 2001 and customers were invited to transfer their accounts to Swissquote Bank.

Total assets deposited by Swissquote Bank's customers amounted to CHF 335 mio at 31 March 2002 (31 December 2001: CHF 307 mio), of which CHF 66.8 mio (CHF 62.5 mio) in cash and CHF 267.2 mio (CHF 245.6 mio) in securities.

Being a majority owned subsidiary of Swissquote Group Holding Ltd, Swissquote Bank is consolidated in the consolidated financial statements (segment Online Financial Services) of Swissquote Group Holding Ltd and its subsidiaries, which are prepared in accordance to International Accounting Standards.

As a matter of information, the interim non-audited balance sheet presented hereafter derives from the interim non-audited balance sheet of Swissquote Bank at 31 March 2002 prepared in accordance with the guidelines of the Bank Ordinance (FBC-BAG).

NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Swissquote Bank : Non-Audited Interim Balance Sheet at 31 March 2002

ASSETS		LIABILITIES AND EQUITY	
Current assets		Current liabilities	
Cash and balances with central bank	4,777,140	Due to other banks	465,232
Due from other banks	77,153,708	Due to customers	66,807,299
Due from customers	85,483	Trade and accounts payables:	
Other short-term assets	858,676	- Third parties	2,415,214
		- Group companies	1,696,036
		Balance restructuring provision	2,043,060
	82,875,007		73,426,841
Non current assets		Equity	
Property, Plant and Equipments, net	9,905,001	Share-capital	25,000,000
Funding and start-up costs	3,878,604	Share premium	5,575,209
Financial investments	924,316	Accumulated loss beginning of year	-
Other non-current assets	10,062	Loss for the period	(6,409,060)
	14,717,983		24,166,149
Total	97,592,990	Total	97,592,990

Off balance sheet items: none.

ALL AMOUNTS IN SWISS FRANCS