

Dynamic development and a solid base at Swissquote Group

In its first year as a quoted company, Internet-based financial services provider Swissquote Group increased sales by 156% to CHF 15.1 million (1999: CHF 5.8 million), kept its loss to CHF 3.1 million, or half of what had been budgeted (CHF -6.5 million), and created a solid equity base with equity capital of CHF 71.0 million and liquid funds of CHF 81.3 million. The number of employees rose from 60 to 160. Swissquote intends to double its sales revenues over the course of the current financial year and to post a profit for the first time in the fourth quarter.

Year 2000 dominated by success and good results

During fiscal 2000, Swissquote Group made significant progress in each of its business units. Marvel Communications became a leading company for web solutions, swissquote.ch was the most visited financial services portal in Switzerland, and swissquote.fr got off to an excellent start in France. With its 15% share of the online brokerage market, Swissquote was the number 3 and the largest independent provider in Switzerland.

During the year 2000, the company, headquartered in Gland (VD), also laid essential foundations for its future development. It founded Swissquote Bank, obtained its banking and securities trading license and expanded into German-speaking Switzerland with a branch in Schwerzenbach (ZH).

The combining of our core competence in the Internet and in financial services has enabled the group to position itself uniquely in its market and to attract talented staff and management.

Set to double sales revenues in 2001

Swissquote expects to double its revenues in fiscal 2001. Initial expenditure for the launch of Swissquote Bank and investment in the expansion of the group's presence in France will weigh on results in the first three quarters of 2001. The company assumes that it will post a profit for the first time in the fourth quarter. Overall, the loss for 2001 should be in the range of CHF 9-11 million. Swissquote is able to achieve its planned growth using its own funds, as the consolidated balance sheet shows equity capital of CHF 71.0 million, liquid funds of CHF 81.3 million and no debt as of December 31, 2000.

Internet banking provider Swissquote Bank is founded

On October 26, 2000, the Swiss Federal Banking Commission issued Swissquote Bank with a banking and securities trading license. The launch of Swissquote Bank, which aims to become Switzerland's leading independent provider, is scheduled for May 31, 2001. Its electronic banking services will focus initially on online securities trading (SWX, virt-x, NYSE, Nasdaq) and the sales and marketing of investment funds. Existing Swissquote Trade customers have the opportunity to transfer any accounts and securities accounts that have until now been managed by Rüd, Blass &



Cie AG to Swissquote Bank. Swissquote Group Holding Ltd owns 51% of the capital and voting rights of Swissquote Bank, while Rüd, Blass & Cie AG - a wholly owned subsidiary of Zurich Financial Services - holds the remaining 49%. The cost of setting up Swissquote Bank came to around CHF 8 million for fiscal 2000. This year, this expenditure, including marketing costs, will be in the order of CHF 12 million.

Strong growth in the financial services segment

In the financial services segment (portal and online brokerage), revenues rose by 260% to CHF 9.0 million (1999: CHF 2.5 million). For the current financial year, the group aims to increase sales to between CHF 20 million and CHF 22 million (including Swissquote Bank). www.swissquote.ch, which is operated by Swissquote Info Ltd, is the most comprehensive and, with 63 million page views per month and 130,000 registered users, the most visited financial services portal in Switzerland. www.swissquote.fr was launched in France on November 15, 2000 and, by the end of the year, reported 3 million page views per month and 5,000 registered users. A cooperation agreement with Euronext (formerly Bourse de Paris) is in place for the portal managed by the newly founded Swissquote France SAS in Paris. In the online brokerage segment, Swissquote Trade Ltd achieved a market share of 15% of online trading on the SWX. The number of customers rose from 1,326 to 8,435. At CHF 2.8 million or CHF 395. - per new customer, marketing costs remained under control.

Serving first-class names in the Web Intelligence segment

Marvel Communications Ltd specializes in the development of integrated Web solutions for Internet communications and e-business. With 60 employees (1999: 30), Marvel is one of the leading providers in Switzerland. By attracting major new customers and expanding its consulting services, it was able to grow turnover by 84% to CHF 6.1 million (CHF 3.3 million). Marvel's customers include among others: Bobst Group, Crédit Lyonnais Equity Derivatives, Geneva Proteonics, the International Olympic Committee, Nespresso, Peugeot (Switzerland), Swisscontrol/Skyguide, Swissquote, Vaudoise Assurance, WWF, Zurich Financial Services, Japan Tobacco Int., and the International Red Cross and Red Crescent Museum. In 2001, Marvel expects to continue to increase sales revenues to between CHF 12 million and CHF 15 million. The expansion to German speaking Switzerland through the newly created Schwerzenbach /ZH branch will contribute significantly to the target.