Ameritrade™

about ameritrade

Ameritrade Holding Corporation is the third[1] largest and one of the fastest growing online brokerage firms. Ameritrade has a reputation as a leader in innovation, value and brand. These strengths have served the Company well over 27 years and are the cornerstone for the next phase of growth. The Company recently reorganized into two divisions, a Private Client and an Institutional Client division, to provide tiered levels of brokerage products and services tailored to meet the varying investing, trading and execution needs of individual investors, institutions and corporations. With the recently announced merger with Datek Holding Corp., the combined Company will be a leader in online equity trades per day.

financial highlights

Fiscal Year Ended	1997	1998	1999	2000	2001	Fiscal YTD June '02
Net Revenues (millions)	$77.6	$133.9	$272.0	$580.4	$454.7	$315.2
Operating Margin (millions)	$35.3	$43.4	$77.8	$205.6	$40.8	$79.6
Advertising (millions)	$13.8	$43.6	$59.7	$225.8	$134.8	$50.8
Net Income (Loss) (millions)	$13.8	$0.2	$11.5	$(13.6)	$(91.2)	$16.7
Earnings (Loss) per Share	$0.08	$0.00	$0.07	$(0.08)	$(0.49)	$0.08
Average Client Trades per Day	6,571	18,407	49,305	114,332	101,998	82,755
Client Accounts	98,000	306,000	560,000	1,233,000	1,794,000	1,917,000
Client Assets (billions)	$7.3	$11.4	$22.9	$36.0	$26.1	$27.5
Return on Average Equity	28%	0%	8%	(6%)	(38%)	5.9%[2]
Weighted Average Shares Outstanding - Diluted (millions)	165.2	174.4	175.7	175.0	185.8	216.7
Stock Price (at period end)[3]	$2.15	$3.00	$18.06	$17.75	$4.01	$4.58

third quarter 2002 results

Net Income of $5.8 million or $0.03 per share, compared to $0.01 in the sequential quarter and $0.00 during the same quarter last year;

The fifth consecutive quarter of positive cash flow, generating $31 million in cash;

Operating margin of 24%, or $24 million;

69,000 new accounts opened at an average cost per account of $202;

Net revenues of $100.3 million, compared to $106.7 million in the sequential quarter and $112.6 million during the same quarter last year; and

Average trades per day of 74,000 compared to 89,000 in the sequential quarter and 109,000 during the same quarter last year.
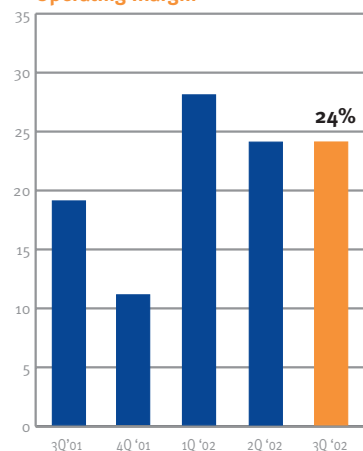
[1]Based on trades per day for the quarter ending March 31, 2002, J.P. Morgan Securities Inc.
[2]Annualized.
[3]Stock price adjusted for 2:1 splits in August 1998 and February 1999 and a 3:1 split in July 1999.

Client Accounts (000's)

Average Trades per Day
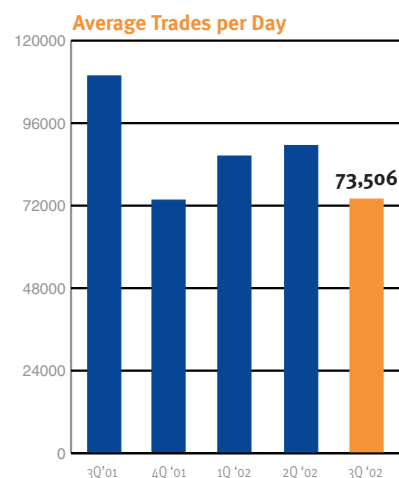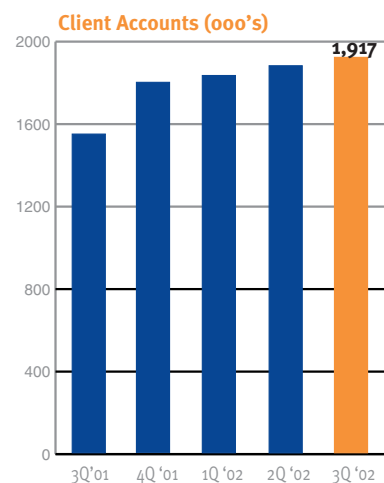
Operating Margin

company organization

Ameritrade's focus has traditionally been on individual retail clients—what now makes up its Private Client Division. The Company's Institutional Client Division is a new business unit that pulls together a seasoned sales team, products and tools that have been in place for years. Through these distribution channels, Ameritrade offers clearing services, brokerage capabilities and advisor tools as co-branded or "private-label" products—essentially embedding Ameritrade's functionality and resources to be used by our intermediaries' clients.

Private Client Division

Ameritrade® and the familiar $8 price point have historically been the Company's core offering serving the self-directed investor with advanced trading systems and value pricing.

Ameritrade Plus™ reaches a segment of investors that appreciates value, but also wants tools for long-term portfolio management.

Ameritrade Pro™ supports semi-professional and highly active traders to maximize returns through fast execution, real-time data and reliable tools.

Institutional Client Division

TradeCast by Ameritrade™ offers a direct-access, fee-based service that provides order management and decision support tools to broker-dealer day trading operations, proprietary day trading firms and hedge funds.

Ameritrade Clearing™ provides innovative clearing services for broker-dealers across the price and service spectrum, including discount and full-service broker-dealers, banks, day trading firms and registered investment advisors.

Ameritrade Corporate Services™ provides self-directed brokerage services to employees and executives of corporations, either directly in partnership with the corporation or through joint marketing relationships with third party administrators, such as 401(k) providers and employee benefit consultants.

Ameritrade Advisor Services™ has been established as a low-cost alternative for independent financial advisors and independent broker-dealer-affiliated registered investment advisors.

Ameritrade Financial Services™ offers a co-branded or private-label trading platform for distribution to partners' customers, including banks, third party providers and credit unions. Clients have the flexibility to tailor Web site design or implement Ameritrade's turnkey solutions.

recent milestones

May 2002 — Ameritrade Connection™ introduced to further leverage the competitive advantages of the Company to its Institutional Clients

April 2002 — Merger with Datek Online Holdings Corp. announced

November 2001 — Ameritrade Plus introduced

October 2001 — Ameritrade Advantage subscription service introduced featuring: Super StreamMachine™ and Advanced Analyzer™

September 2001 — Ameritrade Pro introduced

July 2001 — NDB.com acquisition announced

June 2001 — Corporate reorganization announced

February 2001 — TradeCast acquisition announced

corporate information

Executive Officers

J. Joe Ricketts – Chairman and Founder

Joe H. Moglia – Chief Executive Officer

Phylis M. Esposito – Executive Vice President, Chief Strategy Officer

Kurt D. Halvorson – Executive Vice President, Chief Administrative Officer

Ellen L.S. Koplow – Senior Vice President, General Counsel

John R. MacDonald – Executive Vice President, Chief Financial Officer and Treasurer

Anne L. Nelson – Senior Vice President, Chief Marketing Officer

Vincent Passione – President, Institutional Client Division

J. Peter Ricketts – President, Private Client Division, Vice Chairman and Corporate Secretary

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