



Interim Report June 30, 2002



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Board of Directors and Staff

BOARD OF DIRECTORS

Bernhard E. Flotron (Chairman)

Daniel S. Aegerter

Erwin Vogt

MANAGEMENT OZ BANKERS AG

Markus Eberle

Peter Rüegg

Andreas Walther

STAFF OZ BANKERS AG

Beat Arnold

Ulrich Bender

Sandra Caforio

Denise Camele

Andreas Jenny

Béatrice Leutwiler

Reto Peczinka

Daniel Reptsis

Véronique Straubhaar

Marco Tinnirello

Report of the Board of Directors of OZ Holding

DEAR SHAREHOLDERS

OZ Group reports a consolidated profit of 0.1 million francs for the first six months 2002 (previous year's period: 17.4 million loss), equaling a profit of 0.02 francs per share (4.13 francs loss). On June 30, 2002, shareholders' equity amounted to 208 million francs after a dividend payment of 12.5 million during the first quarter 2002. On December 31, 2001, shareholders' equity had amounted to 231 million francs. On the basis of 4,198,870 shares now outstanding, equity per share was 50 francs on June 30, 2002 (December 31, 2001: 55).

In the first half of 2002, the Swiss stock market as measured by the SPI fell 5.4%. During this period, investments of own funds and market making resulted in a loss from securities of 16.1 million francs (first half 2001: 44.8 million loss). 14.9 million (27.6 million) of the total loss was due to financial investments.

Commission income generated a profit of 19.1 million francs in the first six months 2002 (26.7 million). This was in line with the trend of the fourth quarter 2001 as it was communicated at the annual press conference. The issuing business was again successful with 29 new options. Financial income decreased by 2.7 million to 2.4 million francs compared to the previous year's period.

Administrative expenses fell by 0.5 million to 2.2 million francs in the first half of 2002. Personnel expense increased from 0.9 million to 1.2 million, while financial expense declined from 0.7 million to 0.4 million francs. Commissions paid decreased from 2.1 million to 1.4 million francs. Tax expenses rose from - 1.9 million to 0.3 million francs.

Due to the continuing low trading volumes on the stock market, OZ Group has decided to pursue two strategic goals to keep its growth potential intact in the medium term. The first goal is to expand portfolio management for active investment strategies in the Swiss stock market. This will be possible because OZ now has a sufficiently long and successful track record in this field and because the

Bank's range of products is flexible enough to take up new, tailored mandates. The second goal is to offer Swiss small and mid cap companies services to increase their shares' tradeability. For this purpose OZ Group has built up a service platform that can be used by up to 50 companies.

Peter Rüegg (1955) will be proposed to the annual general meeting of shareholders of February 19, 2003, to be elected to the board of directors of OZ Holding. He has been a member of the management of OZ Bankers AG since 1995.

Pfäffikon, July 19, 2002

For the Board of Directors

A handwritten signature in black ink, appearing to read 'Flotron', with a horizontal line extending from the end of the signature.

Bernhard E. Flotron, Chairman

Current Topic: Options, Investor Relations and Shareholder Value

Most investors, when they hear the term investor relations, think of the personal exchange of information between companies and institutional investors, of road shows and press conferences, annual reports and letters to the shareholders or of websites and image brochures. A much neglected aspect of investor relations, however, concerns measures on the stock exchange itself. In the following interview, Markus Eberle and Andreas Walther, members of the management of OZ Bankers AG, explain how regular trading on the stock exchange and the use of options can increase shareholder value.

OZ Bankers AG wants to increase the demand for small and medium-sized stocks through improved investor relations. What is really the problem?

Markus Eberle: The problem is that most small and medium-sized companies still don't care enough about the stock exchange, the point of sale for their shares – much to the chagrin of investors. As a result, they are often confronted with bid-ask spreads of more than 2% because of low trading volumes. This will automatically lead to a trading break, sometimes several times a day. As a consequence investors cannot pursue their strategies the way they would like to. For many investors this fact alone is reason enough not to invest in this kind of securities. But smaller and medium-sized investors in particular, who are so important for a company's image, should be able to buy and sell without being handicapped by overly big bid-ask spreads. The same goes for larger investors who should be able to trade their securities without moving the price too much and therefore, in a way, punishing themselves.

Isn't this rather a problem of the stock exchange than the companies?

Andreas Walther: Yes and no. For legal or administrative reasons smaller and medium-sized companies are indeed often not in a position to keep up a regular market themselves. They can, however, delegate this task to specialized banks which will keep up a regular market with a maximum spread for a turnover commission.

How important are trading volumes for investors' decisions?

Eberle: Average trading volumes are becoming increasingly important for institutional investors. The same holds true for private investors, particularly those who have previously had bad experiences with shares with limited trading volumes.

Shares of companies that are difficult to sell at a fair price because of low volumes and too big bid-ask spreads will find it increasingly difficult in the future to find buyers – with the expected negative consequences for the share price.

Why is it so important that the shares of a particular company are being bought and sold as much as possible?

Walther: It's not really the individual shares that count but the fact that there should always be ample securities on the market to guarantee regular trading conditions.

What exactly do you mean by regular trading conditions?

Walther: Regular trading conditions mean that there are no trading breaks because of exceeded limits, and investors can practically buy and sell as many shares as they like without moving the price just because of their trading activity.

What possibilities does a small or medium-sized company really have to improve trading conditions for its shares?

Eberle: As options specialists, the use of options is obviously our favorite method. By issuing options on its shares, a company opens an additional market for its securities – the market of options buyers. This means that more investors become aware of the company's shares. Many options buyers are not really interested in buying the options' underlying shares but only in the options rights. After all, call option buyers are nothing else but conditional forward share buyers. By issuing options, therefore, a company attracts an additional investor segment and broadens the base for its securities trading. This means that the options increase the trading volume in the underlying shares and, as a result, improve their liquidity. The greatest added value lies in the first option issue. Regular later issues will keep investors' interest awake and help keep the share price on a positive course.

Shares of companies like UBS or Nestlé are in demand and traded worldwide today. Can we expect Swiss small and mid caps to equally benefit from increasing demand due to the growing globalization of the financial markets?

Eberle: I'm not very optimistic in this respect. Swiss small and mid caps are still mainly bought by Swiss investors and perhaps by German and Austrian ones with special ties to Switzerland. The other way round, we Swiss don't necessarily buy French or exotic small caps that we hardly know. It is difficult enough to analyze the securities on our own doorstep. But the lacking demand for small and mid caps from abroad is exactly one of the reasons why these companies should be even more interested in dealing with possible alternatives to make their shares more liquid and attractive.



Consolidated Financial Statements

Balance Sheet

Assets

	Notes	Dec. 31, 2001 CHF	June 30, 2002 CHF
CURRENT ASSETS			
Due from banks		141,411,760	152,386,112
Due from clients		4,366,093	12,264,370
Trading securities		317,166,232	217,042,048
Accrued and deferred items		6,052,169	2,702,318
Total current assets		468,996,254	384,394,848
FIXED ASSETS			
Financial investments	1	30,494,226	15,449,359
Total fixed assets		30,494,226	15,449,359
TOTAL ASSETS		499,490,480	399,844,207

Balance Sheet

Liabilities and Shareholders' Equity

	Notes	Dec. 31, 2001 CHF	June 30, 2002 CHF
LIABILITIES			
<i>Current</i>			
Due to banks		70,135,902	40,804,126
Due to clients		113,523,848	105,601,689
Due from trading		76,274,951	40,638,119
Accrued and deferred items		7,436,789	4,854,696
Total current liabilities		267,371,490	191,898,630
<i>Long-term</i>			
Deferred taxes		1,181,041	0
Total long-term liabilities		1,181,041	0
Total liabilities		268,552,531	191,898,630
SHAREHOLDERS' EQUITY			
Share capital	2	4,198,870	4,198,870
Own shares	3	620,000	9,895,000
Reserves		226,119,079	193,851,707
Total shareholders' equity		230,937,949	207,945,577
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		499,490,480	399,844,207

Income Statement Second Quarter

	Notes	April 1 - June 30 2001 CHF	April 1 - June 30 2002 CHF
INCOME			
Income from securities		2,446,717	- 3,521,917
Income from financial investments		- 12,490,114	- 12,948,281
Financial income		2,559,026	1,434,959
Commission income		10,895,644	9,021,251
Total income		3,411,273	- 6,013,988
EXPENSES			
Administrative expenses		1,160,943	751,823
Personnel expense		419,750	653,643
Financial expense		574,370	206,443
Commission expense		798,703	690,092
Profit / loss before tax		457,507	- 8,315,989
Taxes		- 590,763	- 760,616
PROFIT / LOSS APRIL 1 - JUNE 30		1,048,270	- 7,555,373
Profit / loss per share	5	0.28	- 1.82

Income Statement Accumulated

	Notes	Jan. 1 - June 30 2001 CHF	Jan. 1 - June 30 2002 CHF
INCOME			
Income from securities		- 17,113,198	- 1,194,465
Income from financial investments		- 27,640,084	- 14,891,019
Financial income		5,095,947	2,412,894
Commission income		26,713,159	19,130,179
Total income		- 12,944,176	5,457,589
EXPENSES			
Administrative expenses		2,634,182	2,153,012
Personnel expense		870,990	1,178,081
Financial expense		736,703	419,430
Commission expense		2,064,107	1,358,591
Loss / profit before tax		- 19,250,158	348,475
Taxes		- 1,875,559	283,222
LOSS / PROFIT JANUARY 1 - JUNE 30		- 17,374,599	65,253
Loss / profit per share	5	- 4.13	0.02

Cash Flow Statement

	Notes	Jan. 1 – June 30 2001 CHF	Jan. 1 – June 30 2002 CHF
Profit		- 17,374,599	65,253
(Decrease) increase in valuation adjustments and provisions		- 2,482,574	- 1,181,041
(Increase) decrease in accrued and deferred items (asset side)		- 19,234,248	3,349,851
(Decrease) increase in accrued and deferred items (liability side)		- 8,958,565	- 2,582,093
(Increase) decrease in amounts due from banks		- 14,250,000	27,568,700
(Increase) decrease in trading securities		86,960,393	64,487,352
(Decrease) increase in amounts due to clients		31,461,318	- 7,922,159
(Increase) decrease in amounts due from clients		- 1,354,358	- 7,898,277
(Increase) decrease in valuation of financial investments		27,652,227	14,891,018
Net cash flow provided by / used by operating activities		82,419,594	90,778,604
Purchases of financial assets	1	- 498,852	0
Sales of financial assets	1	2,417,598	153,849
Net cash flow used by / provided by investing activities		1,918,746	153,849
Repayment of shareholders' equity		- 38,006,000	0
Change in own shares		- 7,201,357	- 10,461,015
Dividends		- 12,964,410	- 12,596,610
Cash flow used by financing activities		- 58,171,767	- 23,057,625
(Decrease) increase "Banks at Sight"		26,166,573	67,874,828
"Banks at Sight" on January 1		- 7,141,609	- 24,742,842
"Banks at Sight" on June 30		19,024,964	43,131,986

"Banks at Sight" consists of amounts due from banks to a total of CHF 83,936,112 less amounts due to banks to a total of CHF 40,804,126.

Statement of Changes in Equity

	Share capital	Capital reserves	Consolidated reserves	Own shares	Total shareholders' equity
	CHF	CHF	CHF	CHF	CHF
Position at Jan. 1, 2001	4,321,470	5,106,625	296,838,973	- 10,000	306,257,068
Dividend payment			- 12,964,410		- 12,964,410
Capital repayment	- 122,600		- 37,883,400		- 38,006,000
Annual loss			- 19,511,471		- 19,511,471
Change in own shares		- 4,227,238		- 610,000	- 4,837,238
Position at Dec. 31, 2001	4,198,870	879,387	226,479,692	- 620,000	230,937,949
Dividend payment			- 12,596,610		- 12,596,610
Profit Jan. 1 - June 30, 2002			65,253		65,253
Change in own shares		- 1,186,015		- 9,275,000	- 10,461,015
Position at June 30, 2002	4,198,870	- 306,628	213,948,335	- 9,895,000	207,945,577

Notes

COMMENT ON BUSINESS ACTIVITY

Through OZ Bankers AG, OZ Group specializes in the Swiss equity market, specifically the market for options. The services include trading in Swiss securities as well as investment consulting, asset management and issuing warrants.

BASIC ACCOUNTING PRINCIPLES

The consolidated annual financial statements are based on the individual financial statements of the group companies, prepared on a uniform basis. The accounting of OZ Group is in accordance with the International Accounting Standards (IAS).

CONSOLIDATED COMPANIES

The following company was included in the consolidation of OZ Holding, Freienbach SZ:

OZ Bankers AG, Freienbach SZ

Share capital of OZ Bankers AG: CHF 20,000,000

Percentage held: 100.0%

Notes

	Dec. 31, 2001 CHF	June 30, 2002 CHF
1. FIXED ASSETS		
Available-for-sale financial assets (OM AB)		
Market value	30,494,226	15,449,359
At cost	16,599,620	16,515,914
Percentage held	1.64%	1.63%
Property and equipment		
Since holdings of property and equipment are negligible, no details are given.		
2. SHARE CAPITAL		
Number of bearer shares issued	4,198,870	4,198,870
Share capital ¹⁾	4,198,870	4,198,870
Par value per share	1	1
Shareholders' equity per share ²⁾	55	50
3. OWN SHARES		
Number of bearer shares	3,170	74,756 ³⁾
Reserve for own shares	620,000	9,895,000

1) Own shares held in the nostro account were not offset against share capital.

2) Prior to appropriation of profit and after capital repayment.

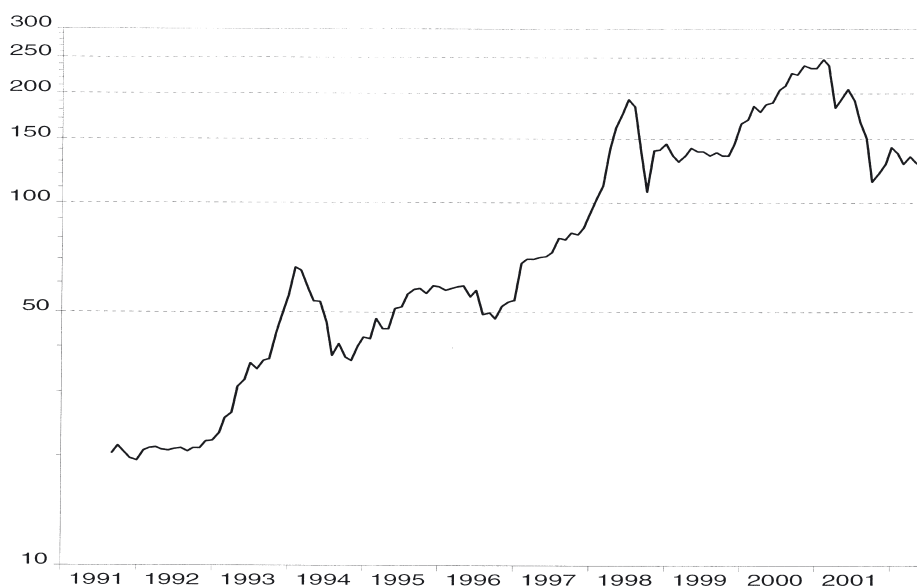
3) During the reporting period, 163,708 shares were bought at CHF 131.10 each and 92,122 shares were sold at CHF 131.80 each (average prices).

	Dec. 31, 2001	June 30, 2002
4. SHAREHOLDER STRUCTURE		
Shareholders holding more than 5% of the share capital		
Liechtensteinische Landesbank Aktiengesellschaft, Vaduz	5.24%	5.24%
Zürcher Kantonalbank, Zurich	5.36%	5.36%
Bâloise Holding, Basel	5.48%	5.48%
Pension fund of the Siemens companies in Switzerland, Zurich (including further pension institutions of Siemens in Switzerland)	15.07%	15.07%
OZ directors and staff (shares and stock options)	24.85%	25.19%
	Jan. 1 - June 30 2001 CHF	Jan. 1 - June 30 2002 CHF
5. PROFIT PER SHARE		
Profit per share: group profit divided by the number of outstanding bearer shares.		
Loss / profit	- 17,374,599	65,253
Outstanding bearer shares (weighted)	4,219,300	4,198,870
minus own shares	12,900	74,756
Outstanding bearer shares for calculation	4,206,400	4,124,114
Loss / profit per share	- 4.13	0.02
There are no instruments outstanding that would dilute profit per share.		
	Dec. 31, 2001 CHF	June 30, 2002 CHF
6. PLEDGED ASSETS		
Securities pledged as collateral under covered warrant agreements	0	27,961,000
Due from banks	99,927,902	69,529,962
7. POST-BALANCE-SHEET EVENTS		
There are no post-balance-sheet events to report.		

OZ Bearer Share

PERFORMANCE OF OZ BEARER SHARE

August 26, 1991, to June 30, 2002, in CHF



Source: Datastream

Since it was first listed on August 26, 1991, the OZ bearer share has achieved an average performance of 18.9%. For comparison: Over the same period Swiss bank shares rose 14.0% on average while the Swiss Market Index gained 13.4%.

OZI closing price on Dec. 31, 2001	142
OZI closing price on June 30, 2002	110
Year's high on January 7, 2002	145.50
Year's low on June 26, 2002	110
Dividend paid per share for the 2001 fiscal year	3
Dividend yield (closing price on June 30, 2002)	2.73%
Reuters symbol	OZZH.S

Outstanding Options (as at June 30, 2002)

Symbol	Number	Underlying	Strike Price CHF	Maturity Date	Ratio	Capitalization of Underlyings Million CHF
CSGIA	4,190,000	CSGN	75	07-19-2002	1/5	40
ROGIU	1,000,000	ROG	135	07-19-2002	1/10	11
SYSOZ-PUT	3,500,000	SYST	1,000	07-19-2002	1/100	32
UBSIA	10,850,000	UBSN	85	07-19-2002	1/10	81
UHRPU-PUT	5,600,000	UHR	145	07-19-2002	1/20	37
BUCHT	350,000	BUC	1,650	08-21-2002	1/50	9
SAUPU-PUT	6,000,000	SAUN	45	09-18-2002	1/20	13
ADEIU	7,000,000	ADEN	75	09-20-2002	1/10	62
KUDPO-PUT	3,550,000	KUD	100	09-20-2002	1/20	9
NESIO	4,000,000	NESN	340	09-20-2002	1/50	28
NOVIO	14,000,000	NOVN	65	09-20-2002	1/10	92
RUKIO	5,200,000	RUKN	160	09-20-2002	1/20	38
ZUOZ-PUT	3,100,000	ZURN	360	09-20-2002	1/20	47
FTOOL	4,400,000	FTON	650	10-16-2002	1/100	13
CFTIU	4,000,000	CFT	190	12-11-2002	1/20	40
CSGAP	8,200,000	CSGN	75	12-12-2002	1/10	39
NESIA	1,600,000	NESN	370	12-12-2002	1/20	28
DMSOZ-PUT	4,600,000	DMSN	700	12-18-2002	1/100	38
GEBGO	3,750,000	GEBN	500	12-18-2002	1/50	32
GEBPU-PUT	5,000,000	GEBN	425	12-18-2002	1/50	42
GURU	2,000,000	GUR	1,350	12-18-2002	1/100	23
HILPU-PUT	2,430,000	HILP	1,100	12-18-2002	1/100	26
JELOZ-PUT	2,000,000	JEL	1,300	12-18-2002	1/100	27
JELPU-PUT	2,700,000	JEL	2,000	12-18-2002	1/100	37
RIEPU-PUT	5,000,000	RIEN	400	12-18-2002	1/50	35
SAKIG	1,900,000	SAKN	1,800	12-18-2002	1/200	17
SAKKO	4,000,000	SAKN	1,600	12-18-2002	1/200	35
ADER	14,000,000	ADEN	90	12-20-2002	1/20	62
CSGIO	8,200,000	CSGN	65	12-20-2002	1/10	39
NOVIZ	12,800,000	NOVN	70	12-20-2002	1/10	84

Symbol	Number	Underlying	Strike Price CHF	Maturity Date	Ratio	Capitalization of Underlyings Million CHF
PHOPP-PUT	4,500,000	PHBN	25	12-20-2002	1/5	20
PHOPT-PUT	6,700,000	PHBN	47.50	12-20-2002	1/10	15
ROGIA	4,000,000	ROG	120	12-20-2002	1/20	23
ROGIX	4,700,000	ROG	130	12-20-2002	1/10	53
RORO	5,000,000	RO	150	12-20-2002	1/10	85
SCMOZ-PUT	4,000,000	SCMN	425	12-20-2002	1/20	87
SEOLO	6,100,000	SEO	1,400	12-20-2002	1/200	30
SEOUL	7,600,000	SEO	1,500	12-20-2002	1/200	37
UBSEU	7,380,000	UBSN	85	12-20-2002	1/10	55
DMSOL	4,200,000	DMSN	825	03-19-2003	1/100	34
JELLY	3,000,000	JEL	1,450	03-19-2003	1/100	41
RESLI	5,000,000	RESN	102	03-19-2003	1/10	47
ZEHEN	3,000,000	ZEH	1,050	03-19-2003	1/100	26
KUDOZ-PUT	12,500,000	KUD	80	03-21-2003	1/20	33
NESIU	1,600,000	NESN	400	03-21-2003	1/20	28
RUKOZ-PUT	5,000,000	RUKN	130	03-21-2003	1/10	73
BBIRD	4,970,000	BBIN	22	06-19-2003	1/4	1
BBISE	2,700,000	BBIN	32	06-19-2003	1/4	1
BBITE	4,275,000	BBIN	40	06-19-2003	1/4	1
PHOXI	10,000,000	PHBN	35	06-20-2003	1/10	23
SAUBR	10,000,000	SAUN	45	06-20-2003	1/10	44
BUCKS	1,000,000	BUC	1,500	09-17-2003	1/50	26
JELLO	10,000,000	JEL	1,450	09-17-2003	1/200	68
SELES *	1,163,800	SELN	400	12-30-2003	1/20	31
LLBOZ	1,900,000	LLB	1,000	01-21-2004	1/20	71
RESTL	3,000,000	RESN	100	03-16-2005	1/10	28
VALUE	10,000,000	VALN	350	05-18-2005	1/50	64
BALIX	15,000,000	BALN	197.10	06-15-2005	1/50	36
BALUP	1,848,460	BALN	167.80	06-15-2005	1/10	22
BALEG	4,000,000	BALN	170	06-20-2007	1/10	48

* Issued by OZ Holding

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OZ Market Information

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