



Interim Report 30 June 2005



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Board of Directors, Executive Board and Staff

Board of Directors OZ Holding

Erwin W. Heri (Chairman)

Elfried Hasler

Stefan Holzer

Peter Rüegg

Executive Board OZ Bankers AG

Markus Eberle

Peter Rüegg

Lorenzo Trezzini

Staff OZ Bankers AG

Beat Arnold

Ulrich Bender

Denise Camele

Andres Gujan

Karl-Heinz Hoch

Marcel Jordi

Daniel Koller

Reto Peczinka

Daniel Reptsis

Daniel Stemmler

Marco Tinnirello

Andreas Walther

Daniel Wyss

Report of the Board of Directors of OZ Holding

Dear Shareholders

Just like the first quarter 2005, April to June were equally reasonable months on the global financial markets. All in all the first half of the year brought us a net income of over CHF 12 million. This is not really a matter of course – after all, a lot of uncertainties still weigh on the fundamental-economic environment, and critical voices on the economic situation can be heard all around. Nevertheless most equity markets resisted the doomsayers and more or less moved in line with (still) realistic valuations. Let us hope that the terrorist attacks in London, whose impact is still hard to gauge, will not entail a fundamental mood change.

Compared to the previous year's period, the OZ team was able to increase the Bank's total income by CHF 20.9 million or 7% in the first six months of 2005. Securities trading operations benefited from rising equity prices, boosting income to approximately CHF 9 million (previous year CHF 7.6 million). Commission and interest operations generated CHF 12 million. The first months of the year were more difficult for the brokerage and the derivatives operations which were characterized by small volumes and low volatilities. On the other hand, income from corporate finance and portfolio management rose which underlines our strategy to better diversify our income pillars.

The Group's assets under managements increased once again. Our new investment funds (the «OZ Swiss Equities Optimized Fund», launched in November 2004, and the recently launched «OZ Swiss Mid & Small Cap Selection Fund») played an important role in this development. We also issued innovative products in the field of certificate structures, such as an energy basket, a regional basket and, just recently, a certificate on consolidation candidates. All these certificates were successfully placed in the market through partner banks.

We are convinced that we are well positioned for the future with our new products and our strategy, even in a difficult environment. The tragic events in London these days have once again shown how quickly the mood can change on the financial markets. The risks have increased but – to underline this fact one more time – we have never really seen completely stressfree situations on the global financial markets, neither today nor in the past.

Pfäffikon, 7 July 2005

For the Board of Directors

A handwritten signature in black ink, appearing to read 'Erwin W. Heri', written in a cursive style.

Erwin W. Heri, Chairman



Consolidated Financial Statements

Balance Sheet

Assets

	Notes	30 June 2005 CHF	31 Dec. 2004 CHF
Current Assets			
Due from banks		167,004,286	206,890,687
Due from clients		50,040,535	48,509,211
Trading securities		221,997,347	141,742,000
Accrued and deferred items		1,293,185	1,228,290
Total Current Assets		440,335,353	398,370,188
Total Assets		440,335,353	398,370,188

Balance Sheet

Liabilities and Shareholders' Equity

	Notes	30 June 2005 CHF	31 Dec. 2004 CHF
Liabilities			
Due to banks		50,595,026	49,190,740
Due to clients		128,800,167	155,333,551
Due from trading		90,814,948	31,054,669
Accrued and deferred items		4,241,744	2,497,069
Total Liabilities		274,451,885	238,076,029
Shareholders' Equity			
Share capital	1	3,500,000	4,000,000
Own shares	2	- 2,350,000	- 43,780,000
Retained earnings		164,733,468	200,074,159
Total Shareholders' Equity		165,883,468	160,294,159
Total Liabilities and Shareholders' Equity		440,335,353	398,370,188

Income Statement Second Quarter

	Notes	1 April – 30 June 2005 CHF	1 April – 30 June 2004 CHF
Income			
Income from securities		2,434,888	95,434
Dividend income		714,548	3,050,638
Interest income		438,017	4,186
Commission income		4,762,132	4,977,993
Total Income		8,349,585	8,128,251
Expenses			
Administrative expenses		1,097,934	1,178,185
Personnel expense		999,124	1,001,947
Interest expense		54,525	110,916
Commission expense		494,942	831,243
Total Expenses		2,646,525	3,122,291
Profit before tax		5,703,060	5,005,960
Taxes		703,008	390,259
Profit 1 April – 30 June		5,000,052	4,615,701
Profit per (weighted) share		1.44	1.19

Income Statement Accumulated

	Notes	1 Jan. – 30 June 2005 CHF	1 Jan. – 30 June 2004 CHF
Income			
Income from securities		8,057,369	4,224,368
Dividend income		802,563	3,350,970
Interest income		773,274	25,893
Commission income		11,244,970	11,890,302
Total Income		20,878,176	19,491,533
Expenses			
Administrative expenses		2,773,709	2,603,160
Personnel expense		2,074,916	1,938,849
Interest expense		160,497	311,383
Commission expense		1,562,660	1,683,093
Total Expenses		6,571,782	6,536,485
Profit before tax		14,306,394	12,955,048
Taxes		2,202,115	1,376,958
Profit 1 January – 30 June		12,104,279	11,578,090
Profit per (weighted) share	4	3.48	2.96

Cash Flow Statement

	Notes	1 Jan. – 30 June 2005 CHF	1 Jan. – 30 June 2004 CHF
Profit		12,104,279	11,578,090
(Increase) decrease in accrued and deferred assets		- 64,895	- 977,397
(Decrease) increase in accrued and deferred liabilities		1,744,675	- 4,994,882
(Increase) decrease in trading securities		- 20,495,068	- 13,367,689
(Decrease) increase in amounts due to clients		- 26,533,384	7,331,981
(Increase) decrease in amounts due from clients		- 1,531,324	- 14,341,745
(Increase) decrease in amounts due from banks (over 90 days)		- 3,600,000	0
Cash flow used by operating activities		- 38,375,717	- 14,771,642
Capital repayment		- 39,000,000	- 16,854,233
Change in own shares	2	41,235,030	- 4,606,829
Dividends		- 8,750,000	- 6,000,000
Cash flow used by financing activities		- 6,514,970	- 27,461,062
(Decrease) increase in «Banks under 90 Days»		- 44,890,687	- 42,232,704
Position at 1 January		157,699,947	190,208,204
Position at 30 June		112,809,260	147,975,500
<i>«Banks under 90 Days» consists of amounts due from minus amounts due to:</i>			
Amounts due from banks at sight / callable		20,451,316	124,996,195
Other amounts due from banks (under 90 days)		142,952,970	81,000,000
Amounts due to banks at sight / callable		- 50,595,026	- 58,020,695
Total «Banks under 90 Days»		112,809,260	147,975,500
Dividends received		802,563	3,350,970
Interest received		773,274	25,893
Interest paid		160,497	311,383
Taxes paid		2,541,435	7,531,978

Statement of Changes in Equity

	Share Capital	Capital Reserves	Retained Earnings	Own Shares	Total Shareholders' Equity
	CHF	CHF	CHF	CHF	CHF
Position at 1 Jan. 2004	4,198,870	- 6,950,956	213,290,684	- 4,650,000	205,888,598
Dividend payment			- 6,298,305		- 6,298,305
Capital repayment	- 198,870		- 16,655,363		- 16,854,233
Profit 1 Jan. – 30 June 2004			11,578,090		11,578,090
Change in own shares		- 636,829		- 3,970,000	- 4,606,829
Position at 30 June 2004	4,000,000	- 7,587,785	201,915,106	- 8,620,000	189,707,321
Profit 1 July – 31 Dec. 2004			8,569,784		8,569,784
Change in own shares		- 2,822,946		- 35,160,000	- 37,982,946
Position at 31 Dec. 2004	4,000,000	- 10,410,731	210,484,890	- 43,780,000	160,294,159
Dividend payment			- 8,750,000		- 8,750,000
Capital repayment	- 500,000		- 38,500,000		- 39,000,000
Profit 1 Jan. – 30 June 2005			12,104,279		12,104,279
Change in own shares		- 194,970		41,430,000	41,235,030
Position at 30 June 2005	3,500,000	- 10,605,701	175,339,169	- 2,350,000	165,883,468

There are no minority interests.

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, investment consulting, asset management, corporate finance as well as issuing warrants.

Basic Accounting Principles

The consolidated 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 Financial Reporting Standards (IFRS).

Consolidated Companies

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

OZ Bankers AG, Freienbach SZ, Switzerland:

Share capital of OZ Bankers AG:	CHF 20,000,000
Percentage held:	100%
Number of employees:	16

Accounting and Valuation Principles

The present interim report was prepared according to the same accounting and valuation principles as the 2004 annual report.

Accounting Currency

The interim report is prepared in Swiss francs (CHF).

Notes

	30 June 2005	31 Dec. 2004
	CHF	CHF
1. Share Capital		
Share capital	3,500,000 ¹⁾	4,000,000
Number of outstanding shares	3,500,000 ¹⁾	4,000,000
Par value per share	1	1
Shareholders' equity per share	48	40 ²⁾
For the 2004 fiscal year, a dividend of CHF 2.50 per share was distributed (previous year: CHF 1.50).		
2. Own Shares		
Shares bought back for capital reduction (number)	0 ¹⁾	500,000
Shares in the trading portfolio (number)	29,717 ³⁾	57,700
Reserve for own shares	2,350,000	43,780,000
3. Shareholder Structure		
<i>Shareholders holding more than 5% of the share capital</i>		
Liechtensteinische Landesbank Aktiengesellschaft, Vaduz	n.a.	< 10.00%
Liechtensteinische Landesbank (Schweiz) AG, Zurich	< 10.00%	n.a.
Zürcher Kantonalbank, Zurich	< 10.00%	< 10.00%
Swissfirst AG, Zug	< 10.00%	n.a.
OZ board of directors, executive board and staff (shares and stock options)	10.37%	9.55%
<i>Shareholders holding 10% or more of the share capital</i>		
Pension fund of the Siemens companies in Switzerland, Zurich (including further pension institutions of Siemens in Switzerland)	< 20.00%	< 20.00%
OZ Holding, Freienbach SZ (shares bought back for capital reduction)	0 ¹⁾	12.50%

- 1) At the annual general meeting on 23 February 2005 a resolution was passed to reduce the share capital by CHF 500,000 by canceling 500,000 shares.
- 2) Prior to appropriation of profit and after capital repayment. After the repurchase of 500,000 shares, shareholders' equity per share stands at CHF 45.70.
- 3) During the reporting period 333,412 shares were bought at CHF 77.77 each and 361,395 shares were sold at CHF 78.51 each (average prices). All transactions with own shares were at regular market prices.

	1 Jan. – 30 June 2005 CHF	1 Jan. – 30 June 2004 CHF
4. Profit per Share		
Profit	12,104,279	11,578,090
Outstanding shares (weighted)	3,500,000	4,016,573
minus own shares (weighted)	- 22,243	- 101,453
Outstanding shares (weighted) for calculation	3,477,757	3,915,120
Profit per share (weighted) ¹⁾	3.48	2.96
There are no instruments outstanding that would dilute profit per share.		
	30 June 2005 CHF	31 Dec. 2004 CHF
5. Pledged Assets		
Securities pledged as collateral under covered warrant agreements	1,250,002	2,000,000
Due from banks	70,000,000	61,270,871
6. Guarantees in Favour of Third Parties		
Guarantee Commitments in favour of OZ Bankers AG	33,769,010	0

7. Post-Balance-Sheet Events

There are no post-balance-sheet events to report.

1) Profit per share (weighted): group profit divided by the number of outstanding shares.

Outstanding Options (as at 30 June 2005)

Symbol	Issue	Underlying	Strike Price	Maturity Date	Ratio	Capitalization of Underlyings
			CHF			Million CHF
GALLO	6,000,000	GALN	200	17-08-2005	1/20	65
BBITE	30,000,000	BBIN	10.50	14-09-2005	1/10	29
UHRPT-PUT	7,800,000	UHR	165	14-09-2005	1/20	70
CHRUG	25,000,000	CHRN	11	16-09-2005	1/10	26
CHRUP-PUT	5,000,000	CHRN	10	16-09-2005	1/2	26
SIKUP	7,976,000	SIK	750	16-09-2005	1/200	32
MOVER	25,000,000	MOV	320	21-09-2005	1/250	29
SAKIR	3,980,000	SAKN	125	21-09-2005	1/20	28
BBISS	30,000,000	BBIN	9	14-12-2005	1/10	29
CHREM	15,000,000	CHRN	8.50	14-12-2005	1/5	31
EMMIL	6,250,000	EMMN	115	14-12-2005	1/25	29
FTOOL	10,000,000	FTON	250	14-12-2005	1/100	29
GEBPU-PUT	3,000,000	GEBN	900	14-12-2005	1/100	25
INDIO	5,000,000	INDN	260	14-12-2005	1/50	31
INRUN	9,849,800	INRN	160	14-12-2005	1/50	37
JELPU-PUT	2,000,000	JEL	1,450	14-12-2005	1/100	35
KARIO	9,600,000	KARO	35	14-12-2005	1/10	40
OFNOZ	9,350,000	OFN	137.50	14-12-2005	1/50	28
ATLER	4,800,000	ATLN	120	16-12-2005	1/20	32
ATLOZ-PUT	4,800,000	ATLN	110	16-12-2005	1/20	32
BAGGR	16,000,000	BAGN	16.50	16-12-2005	1/10	28
BARNI	10,000,000	BARN	290	16-12-2005	1/100	33
CHRAG	5,000,000	CHRN	12	16-12-2005	1/2	26
CHRAP-PUT	5,000,000	CHRN	11	16-12-2005	1/2	26
ENROL	8,000,000	ENR	145	16-12-2005	1/40	30
FINTE	10,000,000	FI/N	310	16-12-2005	1/100	39
GURU	7,500,000	GUR	925	16-12-2005	1/250	34
HEPGO	14,700,000	HEPN	190	16-12-2005	1/100	31
LOGOZ-PUT	8,490,000	LOGN	33.75	16-12-2005	1/10	18
MASPU-PUT	4,950,000	MASN	50	16-12-2005	1/10	24
RIEPU-PUT	5,000,000	RIEN	325	16-12-2005	1/50	36
SAUSE	7,960,000	SAUN	72.50	16-12-2005	1/20	32
SLOGO	40,000,000	SLOG	1.30	16-12-2005	1/2	22
FINGO	6,500,000	FI/N	400	17-03-2006	1/100	26
FTOPU-PUT	5,920,000	FTON	285	17-03-2006	1/50	35

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Outstanding Options

(continued from page 16)

Symbol	Issue	Underlying	Strike Price	Maturity Date	Ratio	Capitalization of Underlyings
			CHF			Million CHF
GALOP	6,250,000	GALN	225	17-03-2006	1/50	27
GEBOZ	3,000,000	GEBN	875	17-03-2006	1/100	25
INDIA	4,000,000	INDN	330	17-03-2006	1/50	25
JELGO	3,000,000	JEL	1,750	17-03-2006	1/200	27
LGSUP	3,500,000	LGSN	375	17-03-2006	1/50	33
MASLO	5,000,000	MASN	50	17-03-2006	1/10	24
MASSE	12,500,000	MASN	57.50	17-03-2006	1/25	24
OFNNU	20,000,000	OFN	160	17-03-2006	1/100	30
OZZUP	15,000,000	OZI	85	17-03-2006	1/50	22
QUACK	3,500,000	QUAN	150	17-03-2006	1/20	24
ROLER	39,800,000	ROL	1.65	17-03-2006	1/2	46
ROLLO	30,000,000	ROL	2	17-03-2006	1/2	35
SBENI	3,500,000	SBEN	825	17-03-2006	1/100	32
SBENO	3,400,000	SBEN	750	17-03-2006	1/100	32
SEZGO	40,000,000	SEZN	32.50	17-03-2006	1/50	25
TECER	35,000,000	TECN	37.50	17-03-2006	1/50	29
UMSAZ	20,000,000	UMS	15.50	17-03-2006	1/10	31
KABOZ	3,500,000	KABN	375	16-06-2006	1/50	25
ROLUP	20,000,000	ROL	3	16-06-2006	1/2	23
SAHNE	15,000,000	SAHN	170	16-06-2006	1/100	24
SAKIG	4,000,000	SAKN	150	16-06-2006	1/20	28
UMSGO	20,000,000	UMS	14	16-06-2006	1/10	31
BALEG	2,938,460	BALN	170	20-06-2007	1/10	19

Outstanding Funds and Certificates

Symbol	Issue	Underlying	Maturity Date	Security Number
OPTIF		Investment fund		1912.460
SELOF *		Investment fund		2186.497
SMCOZ	300,000	Basket	28-09-2005	1814.514
CONOZ **	300,000	Basket	10-07-2006	2196.251
REBOZ	300,000	Basket	30-08-2007	1896.458
DIVOZ	300,000	Basket	14-09-2007	2011.126
TELKB	300,000	Basket	21-09-2007	2071.272
STROM	300,000	Basket	29-02-2008	2054.827

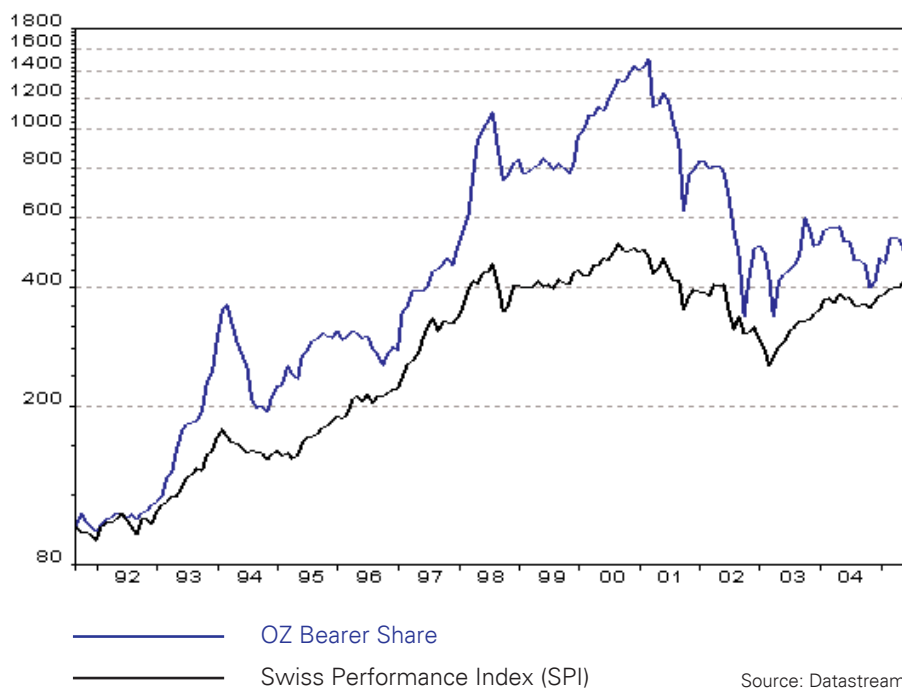
* launched on 1 July 2005

** launched on 6 July 2005

OZ Bearer Share

Performance of OZ Bearer Share

26 August 1991 to 30 June 2005, in CHF



Since it was first listed on 26 August 1991, the OZ bearer share has achieved an average annual performance of 9.89%. Taking all the payouts into consideration – dividends, par value reductions and stock buybacks – the annual performance was 12.23%. Over the same period, the Swiss Performance Index (SPI) reached an overall performance of 11.03%.

OZI closing price on 31 December 2004	73.00
OZI closing price on 30 June 2005	73.75
Year's high on 25 February 2005	82.00
Year's low on 24 January 2005	70.50
Dividend paid per share for the 2004 fiscal year	2.50
Dividend yield (closing price 30 June 2005)	3.39%
Reuters symbol	OZI.S

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OZ Market Information

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