



Interim Report September 30, 2003



Contents

4	BOARD OF DIRECTORS AND STAFF
5	REPORT OF THE BOARD OF DIRECTORS OF OZ HOLDING
7	CONSOLIDATED FINANCIAL STATEMENTS
8	BALANCE SHEET
10	INCOME STATEMENT THIRD QUARTER
11	INCOME STATEMENT ACCUMULATED
12	CASH FLOW STATEMENT
13	STATEMENT OF CHANGES IN EQUITY
14	NOTES
17	OUTSTANDING OPTIONS
18	OZ BEARER SHARE
19	ADDRESSES

Board of Directors and Staff

BOARD OF DIRECTORS OZ HOLDING

Erwin W. Heri (Chairman)

Daniel S. Aegerter

Elfried Hasler

Stefan Holzer

Peter Rüegg

MANAGEMENT OZ BANKERS AG

Markus Eberle

Peter Rüegg

Andreas Walther

STAFF OZ BANKERS AG

Beat Arnold

Ulrich Bender

Denise Camele

Karl-Heinz Hoch

Andreas Jenny

Marcel Jordi

Béatrice Leutwiler

Reto Peczinka

Daniel Reptsis

Marco Tinnirello

Report of the Board of Directors of OZ Holding

DEAR SHAREHOLDERS

The friendly stock market trend during the second quarter continued throughout the summer despite widespread fears that the «light» summer months might somewhat dampen the markets' dynamism. It was only during the last days in the third quarter that a certain consolidation seems to have set in.

The positive market environment also impacted OZ Holding's figures and contributed to a favorable quarterly result. For the first nine months we are able to report an accumulated net profit of 18.0 million francs. You may remember that the Group had to report a loss of 32.9 million for the same period last year. At the end of September our own capital stood at 198 million francs, an increase of 10 million over the end of 2002. The positive results come from the investment of own funds and market making (approximately 9 million francs), on the one hand, and from commission income of approximately 15 million, on the other hand.

As always, a substantial part of the commission income derived from the issuing business. All in all we issued 22 new options during the first nine months. The following logos illustrate – as a kind of tombstone – some (but not all) examples of those new issues.



At the end of the second quarter we were already rather confident about the near future. Our outlook hasn't changed but we believe that the consolidation of the last September week might continue for some time. At the same time, we still believe that a somewhat more optimistic assessment of both global trends and economic developments might slowly decrease the risks for the financial markets.

Pfäffikon, October 8, 2003

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	Dec. 31, 2002 CHF	Sep. 30, 2003 CHF
<hr/>			
CURRENT ASSETS			
Due from banks		138,013,296	182,943,922
Due from clients		7,069,713	26,403,908
Trading securities		156,391,023	204,358,501
Accrued and deferred items		486,663	1,335,216
Total current assets		301,960,695	415,041,547
<hr/>			
TOTAL ASSETS		301,960,695	415,041,547

Balance Sheet

Liabilities and Shareholders' Equity

	Notes	Dec. 31, 2002 CHF	Sep. 30, 2003 CHF
LIABILITIES			
<i>Current</i>			
Due to banks		10,179,975	26,802,459
Due to clients		76,145,583	133,319,857
Due from trading		29,048,554	54,530,981
Accrued and deferred items		742,086	2,677,549
Total current liabilities		116,116,198	217,330,846
Total liabilities		116,116,198	217,330,846
SHAREHOLDERS' EQUITY			
Share capital	1	4,198,870	4,198,870
Own shares		- 9,050,000	- 6,950,000
Reserves		190,695,627	200,461,831
Total shareholders' equity		185,844,497	197,710,701
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		301,960,695	415,041,547

Income Statement Third Quarter

	Notes	July 1 - Sep. 30 2002 CHF	July 1 - Sep. 30 2003 CHF
INCOME			
Income from securities		- 30,526,718	6,016,326
Income from financial investments		- 8,338,187	0
Dividend income		94,134	42,715
Interest income		172,035	49,004
Commission income		6,356,030	5,226,865
Total income		- 32,242,706	11,334,910
EXPENSES			
Administrative expenses		880,917	908,031
Personnel expense		590,511	852,317
Financial expense		68,546	25,221
Commission expense		343,169	286,109
Loss / profit before tax		- 34,125,849	9,263,232
Taxes		- 1,199,737	1,225,943
LOSS / PROFIT JULY 1 - SEPTEMBER 30		- 32,926,112	8,037,289
Loss / profit per share	4	- 7.85	1.96

Income Statement Accumulated

	Notes	Jan. 1 - Sep. 30 2002 CHF	Jan. 1 - Sep. 30 2003 CHF
INCOME			
Income from securities		- 31,721,183	9,103,895
Income from financial investments		- 23,229,206	0
Dividend income		1,751,271	1,962,891
Interest income		927,792	173,221
Commission income		25,486,209	15,074,033
Total income		- 26,785,117	26,314,040
EXPENSES			
Administrative expenses		3,033,929	3,117,394
Personnel expense		1,768,592	2,619,996
Financial expense		487,976	81,778
Commission expense		1,701,760	733,004
Loss / profit before tax		- 33,777,374	19,761,868
Taxes		- 916,515	1,793,491
LOSS / PROFIT JANUARY 1 - SEPTEMBER 30		- 32,860,859	17,968,377
Loss / profit per share	4	- 7.83	4.38

Cash Flow Statement

	Notes	Jan. 1 - Sep. 30 2002 CHF	Jan. 1 - Sep. 30 2003 CHF
Profit		- 32,860,859	17,968,377
(Decrease) increase in valuation adjustments and provisions		- 1,181,041	0
(Increase) decrease in accrued and deferred items (asset side)		5,615,708	- 848,553
(Decrease) increase in accrued and deferred items (liability side)		- 5,520,933	1,935,463
(Increase) decrease in amounts due from banks		43,189,700	8,017,000
(Increase) decrease in trading securities		94,947,286	- 22,485,051
(Decrease) increase in amounts due to clients		- 16,850,560	57,174,274
(Increase) decrease in amounts due from clients		- 19,566,094	- 19,334,195
(Increase) decrease in valuation of financial investments		23,229,973	0
Net cash flow provided by operating activities		91,003,180	42,427,315
Sale of financial assets		248,241	0
Net cash flow provided by investing activities		248,241	0
Change in own shares	2	- 7,832,555	196,132
Dividends		- 12,596,610	- 6,298,305
Net cash flow used by financing activities		- 20,429,165	- 6,102,173
(Decrease) increase in «Banks at Sight»		70,822,256	36,325,142
«Banks at Sight» on January 1		- 24,742,842	79,216,321
«Banks at Sight» on September 30		46,079,414	115,541,463
«Banks at Sight» consists of amounts due from minus amounts due to:			
Amounts due from banks at sight		67,487,369	142,343,922
Amounts due to banks at sight		21,407,955	26,802,459
Total «Banks at Sight»		46,079,414	115,541,463
Dividends received (excluding financial investments)		1,526,556	1,962,891
Interest received		927,792	173,221
Interest paid		487,976	81,778
Taxes paid		1,039,399	203,131

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, 2002	4,198,870	879,387	226,479,692	- 620,000	230,937,949
Dividend payment			- 12,596,610		- 12,596,610
Annual loss			- 19,439,787		- 19,439,787
Change in own shares		- 4,627,055		- 8,430,000	- 13,057,055
Position at Dec. 31, 2002	4,198,870	- 3,747,668	194,443,295	- 9,050,000	185,844,497
Dividend payment			- 6,298,305		- 6,298,305
Profit Jan. 1 - Sep. 30, 2003			17,968,377		17,968,377
Change in own shares		- 1,903,868		2,100,000	196,132
Position at Sep. 30, 2003	4,198,870	- 5,651,536	206,113,367	- 6,950,000	197,710,701

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 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 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, 2002 CHF	Sep. 30, 2003 CHF
1. SHARE CAPITAL		
Number of bearer shares	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⁾	44	47
2. OWN SHARES		
Number of bearer shares	107,255	97,187 ³⁾
Reserve for own shares	9,050,000	6,950,000

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, 534,261 shares were bought at CHF 68.45 each and 544,329 shares were sold at CHF 63.68 each (average prices).

	Dec. 31, 2002	Sep. 30, 2003
3. 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)	23.34%	19.25%
	Jan. 1 - Sep. 30 2002 CHF	Jan. 1 - Sep. 30 2003 CHF
4. PROFIT PER SHARE		
Profit per share: group profit divided by the number of outstanding bearer shares.		
Loss / profit	- 32,860,859	17,968,377
Outstanding bearer shares (weighted)	4,198,870	4,198,870
minus own shares	4,725	97,187
Outstanding bearer shares (weighted) for calculation	4,194,145	4,101,683
Loss / profit per share	- 7.83	4.38
There are no instruments outstanding that would dilute profit per share.		
	Dec. 31, 2002 CHF	Sep. 30, 2003 CHF
5. PLEDGED ASSETS		
Securities pledged as collateral under covered warrant agreements	32,545,500	13,742,000
Due from banks	49,182,462	24,438,613
6. POST-BALANCE-SHEET EVENTS		
There are no post-balance-sheet events to report.		

Outstanding Options (as at September 30, 2003)

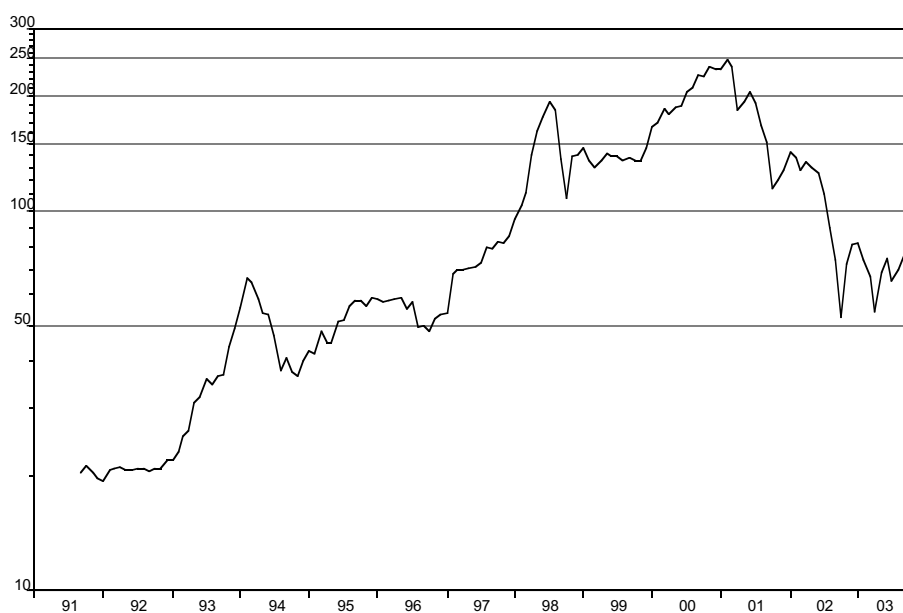
Symbol	Number	Underlying	Strike Price CHF	Maturity Date	Ratio	Capitalization of Underlyings Million CHF
TUXOZ	833,309	TUXN	38	11-26-2003	1/9	6
DMSPP-PUT	3,275,000	DMSN	625	12-17-2003	1/100	29
GEBIG	3,750,000	GEBN	425	12-17-2003	1/50	37
GEMOZ-PUT	3,750,000	GEBN	400	12-17-2003	1/50	37
GEBPP-PUT	3,750,000	GEBN	370	12-17-2003	1/50	37
JELOZ-PUT	3,100,000	JEL	825	12-17-2003	1/100	38
JELPU-PUT	3,000,000	JEL	900	12-17-2003	1/100	37
RESQU	3,000,000	RESN	90	12-17-2003	1/10	24
RIEPA-PUT	5,000,000	RIEN	350	12-17-2003	1/50	27
ALLEE	2,000,000	ALLN	77.50	12-18-2003	1/10	17
DMSUN	4,100,000	DMSN	650	12-19-2003	1/100	36
PHOBI	3,540,000	PHBN	16	12-19-2003	1/2	35
SELES *	1,163,800	SELN	400	12-30-2003	1/20	31
LLBOZ	1,900,000	LLB	1,000	01-21-2004	1/20	50
ALLOT	1,750,000	ALLN	82.50	03-17-2004	1/5	30
ALLPO-PUT	1,750,000	ALLN	80	03-17-2004	1/5	30
BBIPO-PUT	2,255,000	BBIN	10	03-17-2004	1/1	36
FINOZ-PUT	9,625,000	FIN	145	03-17-2004	1/50	33
CFTOZ	3,900,000	CFI	70	04-21-2004	1/10	42
BBISS	5,000,000	BBIN	13	06-16-2004	1/2	40
JELPP-PUT	3,000,000	JEL	950	06-16-2004	1/100	37
BALAZ-PUT	10,000,000	BALN	50	06-18-2004	1/10	49
JELMO	4,045,000	JEL	900	06-18-2004	1/100	49
RIEPU-PUT	5,000,000	RIEN	260	06-18-2004	1/50	27
ROLER	15,000,000	ROLE	1.30	06-18-2004	1/1	16
BOSS	2,750,000	BOS	42.50	09-15-2004	1/5	25
PHOPU-PUT	7,500,000	PHBN	20	09-15-2004	1/5	30
SAKKO	4,000,000	SAKN	125	09-15-2004	1/20	24
INROL	2,500,000	INRN	110	12-17-2004	1/10	31
RESTL	3,000,000	RESN	115	03-16-2005	1/10	24
VALUE	10,000,000	VALN	350	05-18-2005	1/50	58
BALIX	10,588,103	BALN	197.10	06-15-2005	1/50	10
BALUP	1,607,309	BALN	167.80	06-15-2005	1/10	8
BALEG	2,938,460	BALN	170	06-20-2007	1/10	14

* Issued by OZ Holding

OZ Bearer Share

PERFORMANCE OF OZ BEARER SHARE

August 26, 1991, to September 30, 2003, in CHF



Source: Datastream

Since it was first listed on August 26, 1991, the OZ bearer share has achieved an average performance of 13.3%. For comparison: Over the same period Swiss bank shares rose 11.3% on average while the SMI gained 9.3%.

OZI closing price on December 31, 2002	81.50
OZI closing price on September 30, 2003	90.00
Year's high on September 12, 2003	94.75
Year's low on April 4, 2003	52.35
Dividend paid per share for the 2002 fiscal year	1.50
Dividend yield (closing price on September 30, 2003)	1.66%
Reuters symbol	OZZH.S

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OZ Market Information

Market Making Reuters: OZBANKERS
Telekurs: 85,OZWTS1 - 6
Bloomberg: OZOZ

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