



Interim Report March 31, 2002



Contents

4	BOARD OF DIRECTORS AND STAFF
5	REPORT OF THE BOARD OF DIRECTORS OF OZ HOLDING
7	CURRENT TOPIC: INVESTOR RELATIONS ON THE STOCK EXCHANGE
9	CONSOLIDATED FINANCIAL STATEMENTS
10	BALANCE SHEET
12	INCOME STATEMENT
13	CASH FLOW STATEMENT
14	STATEMENT OF CHANGES IN EQUITY
15	NOTES
18	OUTSTANDING OPTIONS
20	OZ BEARER SHARE
22	ADDRESSES

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

Veruska Kamm

Reto Peczinka

Daniel Reptsis

Irma Sander (from April 1, 2002)

Marco Tinnirello

Report of the Board of Directors of OZ Holding

DEAR SHAREHOLDERS

OZ Group reports a consolidated profit of 7.6 million francs for the first quarter 2002 (previous year's period: 18.4 million loss), equaling a profit of 1.81 francs per share (4.41 loss). On March 31, 2002, shareholders' equity amounted to 219 million francs after a dividend payment of 12.6 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 52 francs on March 31, 2002 (December 31, 2001: 55).

During the first three months of 2002 the Swiss stock exchange as measured by the SPI moved sideways. During this period, investments of own funds, market making and financial investments resulted in a positive income from securities of 0.4 million francs (first quarter 2001: 34.7 million loss). The negative result in the first quarter of 2001 had mainly been due to the stock market's poor performance at the beginning of 2001.

Commission income reached 10.1 million francs during the first quarter 2002 (previous year's period: 15.8 million). This was in line with the difficult market environment during the last quarter 2001. With 16 new options, our issuing activity was again successful. Financial income decreased by 1.5 million to 1.0 million francs due to lower dividend income.

Business and office expenses remained unchanged during the first quarter 2002 at 1.4 million francs. Both personnel and financial expenses were slightly higher than in the previous year's period. Commissions paid decreased by 0.6 million, while tax expenses rose to 1.0 million francs.

On February 20, 2002, the annual general meeting of OZ Holding approved a dividend payment of 3 francs for the 2001 fiscal year. Payment to the shareholders was made on February 25.

Pfäffikon, April 17, 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:

Investor Relations on the Stock Exchange

Investor relations – the relations between a company and its investors and shareholders – are commonly known to encompass all kinds of communications instruments. These include recruiting an investor relations manager, organizing regular meetings with analysts, investor roadshows and one-on-one talks as well as public relations efforts in the media. The goal is to contact, inform and convince investors and to goad them into action.

Marketing and PR efforts are crowned with success if the targeted public buys the company's shares. Many small and mid cap companies, however, disappoint investors because investor relations still too often ignore the actual point of sale, the stock exchange. As a result many small and mid caps still remain wallflowers. Often the bid-ask spreads pass the 2% limit which leads to trading breaks of 15 minutes. This can happen several times a day. Such stocks are unpopular with investors because they often prevent them from trading as they plan. An investor relations manager may well claim that stock trading itself is not one of his responsibilities but lies in the hands of the stock exchange. Indeed, our stock exchange is “quote-based” and not “market-maker-based”. Consequently trading is based on all the buy and sell orders of all the market participants and not on the deals with designated market makers. This whole system leads to customer-friendly low transaction costs for blue chips but entails the mentioned trading disadvantages for small and mid caps. In other words: The stock exchange alone is in no position to satisfy the needs of small and mid cap investors.

DIFFICULT TIMES FOR SMALL UND MID CAPS

Small and mid cap companies have a hard time anyway. They often have to draw on capital increases instead of bank credits. With the expansion of their indifferent business lines and the rise of their own capital returns, banks have increased their credit margins and decreased their credit volume. In addition, many large investors pursue asset-management policies that put small and mid caps at a disadvantage: Index investing and low tracking errors lead to an overweighting and valuation premiums for blue chips. Finally, generational changes and low entrance requirements lead to a rush of a growing number of smaller companies to join the stock exchange. How can small and mid caps attract investors' interest in such an environment? And how can the diverging investor interests be brought in line?

The answer can be found in a comprehensive investor relations approach. Apart from the mentioned measures, this also includes the way the shares are traded on the stock market. For instance, trading breaks triggered by passing the 2% limit should happen as seldom as possible. Small investors, often a company's own employees who participate in an employee stock option plan, who are so important for a company's image, should be able to buy and sell stocks for perhaps up to 20,000 francs within a maximum price spread of 2%. Larger investors should be able to trade stocks for up to 100,000 or 200,000 francs without moving the stock more than 5%. Unfortunately this is not the case today for many small and mid caps. Larger transactions are handled by specialized block traders anyway.

SMALL AND MID CAPS ON THE STOCK EXCHANGE

Often a company is not in a position to organize a regular market itself for legal or administrative reasons. This job can be delegated to specialized banks who guarantee a continuous trade in the stocks with a maximum spread for a turnover charge. Another solution to this problem lies in the issue of options. The greatest added value in this respect follows the issue of the first options on a company's stock. This opens a wider market for the company's securities – the market of options buyers. Many investors in this market are not so much interested in buying a company's stocks as they are in options rights. But as the buyer of a call option is nothing else but a conditional forward stock buyer, a company is able to approach a greater number of investors this way. In addition to adding liquidity, the options also increase trading volumes in the stocks due to the interrelationship between options and stocks. It is exactly this additional and increased liquidity that attracts the attention of more and more investors to small and mid caps.

OZ Bankers AG specializes in financial services for small and mid cap companies. In the Swiss market, the bank has been a pioneer in this kind of market making for small and mid caps. At the same time the bank is active in block trading for the stocks of more than 50 such companies. Finally, OZ Bankers AG is a market leader in the issue of call options on these stocks.



Consolidated Financial Statements

Balance Sheet

Assets

	Notes	Dec. 31, 2001 CHF	March 31, 2002 CHF
CURRENT ASSETS			
Due from banks		141,411,760	184,799,237
Due from clients		4,366,093	1,762,029
Trading securities		317,166,232	326,263,154
Accrued and deferred items		6,052,169	628,756
Total current assets		468,996,254	513,453,176
FIXED ASSETS			
Financial investments	1	30,494,226	28,412,392
Total fixed assets		30,494,226	28,412,392
TOTAL ASSETS		499,490,480	541,865,568

Balance Sheet

Liabilities and Shareholders' Equity

	Notes	Dec. 31, 2001 CHF	March 31, 2002 CHF
LIABILITIES			
<i>Current</i>			
Due to banks		70,135,902	74,697,143
Due to clients		113,523,848	137,526,457
Due from trading		76,274,951	103,441,133
Accrued and deferred items		7,436,789	6,296,032
Total current liabilities		267,371,490	321,960,765
<i>Long-term</i>			
Deferred taxes		1,181,041	1,009,879
Total long-term liabilities		1,181,041	1,009,879
Total liabilities		268,552,531	322,970,644
SHAREHOLDERS' EQUITY			
Share capital	2	4,198,870	4,198,870
Own shares		620,000	7,470,000
Reserves		226,119,079	207,226,054
Total shareholders' equity		230,937,949	218,894,924
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		499,490,480	541,865,568

Income Statement

	Notes	Jan. 1 – March 31 2001 CHF	Jan. 1 – March 31 2002 CHF
INCOME			
Income from securities		- 19,559,915	2,327,452
Income from financial investments		- 15,149,970	- 1,942,738
Financial income		2,536,921	977,935
Commission income		15,817,515	10,108,928
Total income		- 16,355,449	11,471,577
EXPENSES			
Administrative expenses		1,473,239	1,401,189
Personnel expense		451,240	524,438
Financial expense		162,333	212,987
Commission expense		1,265,404	668,499
Loss / profit before tax		- 19,707,665	8,664,464
Taxes		- 1,284,796	- 1,043,838
LOSS / PROFIT JANUARY 1 – MARCH 31		- 18,422,869	7,620,626
Loss / profit per share	6	- 4.41	1.84

Cash Flow Statement

	Notes	Jan. 1 – March 31 2001 CHF	Jan. 1 – March 31 2002 CHF
Profit		- 18,422,869	7,620,626
(Decrease) increase in valuation adjustments and provisions		- 1,346,575	- 171,162
(Increase) decrease in accrued and deferred items (asset side)		- 350,327	5,423,412
(Decrease) increase in accrued and deferred items (liability side)		- 10,210,512	- 1,140,756
(Increase) decrease in amounts due from banks		- 78,730,000	- 20,989,300
(Increase) decrease in trading securities		80,693,318	18,069,260
(Decrease) increase in amounts due to clients		18,138,094	24,002,609
(Increase) decrease in amounts due from clients		- 157,446,412	2,604,064
(Increase) decrease in valuation of financial investments		15,156,870	1,943,058
Net cash flow provided by / used by operating activities		- 152,518,413	37,361,811
Purchases of financial assets	1	0	0
Sales of financial assets	1	1,053,516	138,776
Net cash flow used by / provided by investing activities		1,053,516	138,776
Repayment of shareholders' equity		- 38,006,000	0
Change in own shares		- 12,148,442	- 7,067,041
Dividends		- 12,964,410	- 12,596,610
Cash flow used by financing activities		- 63,118,852	- 19,663,651
(Decrease) increase in "Banks at Sight"		- 214,583,749	17,836,936
"Banks at Sight" on January 1		- 7,141,609	- 24,742,842
"Banks at Sight" on March 31		- 221,725,358	- 6,905,906

"Banks at Sight" consists of amounts due from banks to a total of CHF 67,791,237 less amounts due to banks to a total of CHF 74,697,143.

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 - March 31, 2002			7,620,626		7,620,626
Change in own shares		- 217,041		- 6,850,000	- 7,067,041
Position at March 31, 2002	4,198,870	662,346	221,503,708	- 7,470,000	218,894,924

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	March 31, 2002 CHF
1. FIXED ASSETS		
Available-for-sale financial assets (OM AB)		
Market value	30,494,226	28,412,392
At cost	16,599,620	16,531,459
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	52
3. OWN SHARES		
Number of bearer shares	3,170	53,979 ³⁾
Reserve for own shares	620,000	7,470,000

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, 87,867 shares were bought at CHF 136.31 each and 37,058 shares were sold at CHF 136.16 each (average prices).

	Dec. 31, 2001	March 31, 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 – March 31 2001 CHF	Jan. 1 – March 31 2002 CHF
5. PROFIT PER SHARE		
Profit per share: group profit divided by the number of outstanding bearer shares.		
Loss / profit	- 18,422,869	7,620,626
Outstanding bearer shares (weighted)	4,219,303	4,198,870
minus own shares	39,440	53,979
Outstanding bearer shares for calculation	4,179,863	4,144,891
Loss / profit per share	- 4.41	1.84

There are no instruments outstanding that would dilute profit per share.

	Dec. 31, 2001 CHF	March 31, 2002 CHF
6. PLEDGED ASSETS		
Securities pledged as collateral under covered warrant agreements	0	33,505,000
Due from banks	99,927,902	119,254,811

7. POST-BALANCE-SHEET EVENTS

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

Outstanding Options (as at March 31, 2002)

Symbol	Number	Underlying	Strike Price CHF	Maturity Date	Ratio	Capitalization of Underlyings Million CHF
RESI	3,250,000	RESN	102	04-25-2002	1/5	64
ALLES	4,000,000	ALLN	90	06-19-2002	1/10	33
BALUZ *	900,000	BALN	70.30	06-19-2002	1/10	12
FEHNO	5,000,000	RESN	110	06-19-2002	1/10	49
LOGOZ-PUT	3,000,000	LOGN	48	06-19-2002	1/10	24
CSGIU	13,840,000	CSGN	82.50	06-21-2002	2/25	71
RIEPA-PUT	5,000,000	RIEN	410	06-21-2002	1/50	38
SRNOZ-PUT	7,600,000	SRN	130	06-21-2002	1/20	0
UBSIU	5,200,000	UBSN	90	06-21-2002	3/20	65
UMSO	2,500,000	UMS	125	06-21-2002	1/10	22
CSGIA	4,190,000	CSGN	75	07-19-2002	1/5	53
ROGIU	1,000,000	ROG	135	07-19-2002	1/10	13
SYSOZ-PUT	3,500,000	SYST	1,000	07-19-2002	1/100	39
UBSIA	10,850,000	UBSN	85	07-19-2002	1/10	90
UHRPU-PUT	5,600,000	UHR	145	07-19-2002	1/20	48
BUCHT	1,000,000	BUC	1,650	08-21-2002	1/50	25
SAUPU-PUT	10,000,000	SAUN	45	09-18-2002	1/20	16
ADEIU	7,000,000	ADEN	75	09-20-2002	1/10	75
KUDPO-PUT	3,550,000	KUD	100	09-20-2002	1/20	15
NESIO	4,000,000	NESN	340	09-20-2002	1/50	30
NOVIO	14,000,000	NOVN	65	09-20-2002	1/10	93
RUKIO	5,200,000	RUKN	160	09-20-2002	1/20	40
ZUOZ-PUT	3,750,000	ZURN	360	09-20-2002	1/20	73
FTOOL	4,440,000	FTON	650	10-16-2002	1/100	16
CFTIU	4,000,000	CFT	190	12-11-2002	1/20	40
CSGAP	8,800,000	CSGN	75	12-12-2002	1/10	56
NESIA	4,000,000	NESN	370	12-12-2002	1/20	75

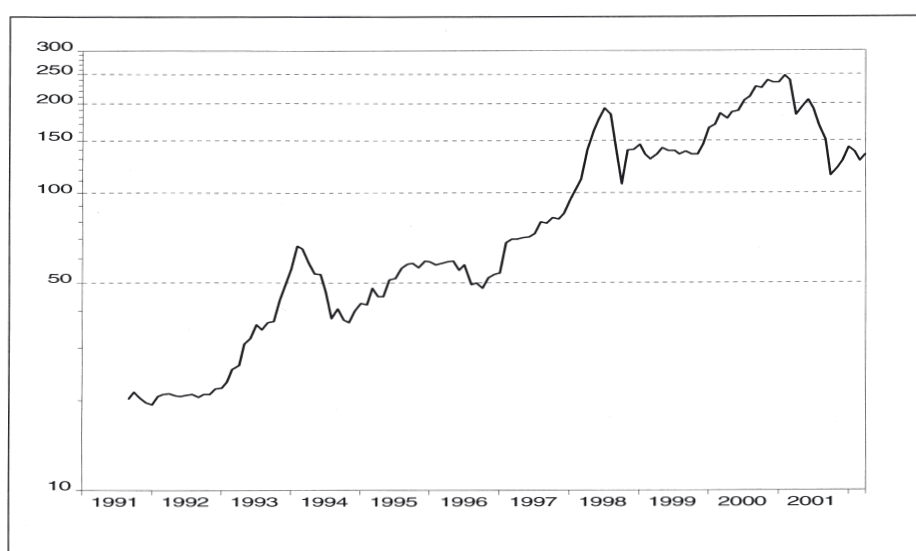
Symbol	Number	Underlying	Strike Price CHF	Maturity Date	Ratio	Capitalization of Underlyings Million CHF
DMSOZ-PUT	5,000,000	DMSN	700	12-18-2002	1/100	41
GEBGO	5,000,000	GEBN	500	12-18-2002	1/50	44
GURU	2,000,000	GUR	1,350	12-18-2002	1/100	23
HILPU-PUT	2,500,000	HILP	1,100	12-18-2002	1/100	32
JELOZ-PUT	2,000,000	JEL	1,300	12-18-2002	1/100	28
JELPU-PUT	3,000,000	JEL	2,000	12-18-2002	1/100	42
SAKIG	1,900,000	SAKN	1,800	12-18-2002	1/200	13
ADER	20,000,000	ADEN	90	12-20-2002	1/20	107
CSGIO	8,800,000	CSGN	65	12-20-2002	1/10	56
NOVIZ	12,800,000	NOVN	70	12-20-2002	1/10	85
PHOPT-PUT	7,000,000	PHBN	47.50	12-20-2002	1/10	20
ROGIA	10,000,000	ROG	120	12-20-2002	1/20	65
ROGIX	5,000,000	ROG	130	12-20-2002	1/10	65
RORO	5,000,000	RO	150	12-20-2002	1/10	81
SEOLO	6,400,000	SEO	1,400	12-20-2002	1/200	47
SEOUL	7,600,000	SEO	1,500	12-20-2002	1/200	56
UBSEU	7,500,000	UBSN	85	12-20-2002	1/10	62
DMSOL	5,000,000	DMSN	825	03-19-2003	1/100	41
JELLY	3,000,000	JEL	1,450	03-19-2003	1/100	42
RESLI	5,000,000	RESN	102	03-19-2003	1/10	49
ZEHEN	3,000,000	ZEH	1,050	03-19-2003	1/100	28
BBIRD	5,150,000	BBIN	550	06-19-2003	1/100	46
BBISE	4,400,000	BBIN	800	06-19-2003	1/100	39
BBITE	5,000,000	BBIN	1,000	06-19-2003	1/100	44
SELES *	1,163,800	SELN	400	12-30-2003	1/20	32
LLBOZ	1,900,000	LLB	1,000	01-21-2004	1/20	71
RESTL	3,000,000	RESN	100	03-16-2005	1/10	29
BALIX	15,000,000	BALN	197.10	05-15-2005	1/50	39
BALUP	1,848,460	BALN	167.80	06-15-2005	1/10	24
BALEG	4,000,000	BALN	170	06-20-2007	1/10	52

* Issued by OZ Holding

OZ Bearer Share

PERFORMANCE OF OZ BEARER SHARE

August 26, 1991, to March 31, 2002, in CHF



Source: Datastream

Since it was first listed on August 26, 1991, the OZ bearer share has achieved an average performance of 21.3%. For comparison: Over the same period Swiss bank shares rose 16.0% on average while the Swiss Market Index gained 14.7%.

OZI closing price on Dec. 31, 2001	142
OZI closing price on March 31, 2002	133.75
Year's high on January 7, 2002	145.50
Year's low on February 26, 2002	127
Dividend paid per share for the 2001 fiscal year	3
Dividend yield (closing price on March 31, 2002)	2.24%
Reuters symbol	OZZH.S

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OZ Market Information

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