



Interim Report 31 March 2005



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Board of Directors, Executive Board and Staff

Executive Board 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

Alexander Heeb

Karl-Heinz Hoch

Marcel Jordi

Daniel Koller

Béatrice Leutwiler

Reto Peczinka

Daniel Reptsis

Daniel Stemmler

Marco Tinnirello

Christian Waldispühl

Andreas Walther

Report of the Board of Directors of OZ Holding

Dear Shareholders

The new year began on a promising note. The equity markets kept rising and are at or near their respective year's highs in many countries. While uncertainties characterize the macroeconomic environment on various fronts – interest rates, economic development, currency trends – we must ask ourselves: when did we not have that kind of uncertainties? And, as a result, we have come to terms with them over the last years. Not surprisingly, therefore, the upturn on the equity markets which began in spring 2003 has provoked the first doomsayers as well. But we have begun coming to terms with *them* as well. After all, it has become well known that being a pessimist is easier on the investment markets than being an optimist. The latter must constantly deal with disappointed short-term expectations while the former can pride himself on «having said so all along». (Just by the way: the pessimist does not make any money, of course, because he may hardly ever invest at all following his own advice.)

OZ Group also had a good start into the new year. We generated a net profit of CHF 7.1 million in the first quarter – slightly above the already strong first quarter last year. Profit per share increased significantly. Compared to the previous year's period, there was a rise of more than 15% to CHF 2.04 per share – not least because of the capital optimisations we performed last year. As a result, we now have a return on equity of almost 18%. Compared to the previous year's period, OZ Group boosted total income 10.3% to CHF 12.5 million. Thereby, income relevant activities were varied and income dynamism broadly based. For instance, we issued 29 options, carried out the share buyback of Eichhof Holding, acted as lead manager in Nebag's capital increase and structured a number of share certificates. Assets under management increased further. We believe that the dynamism in this area will continue – not least because of the good performance of our first public investment fund (OZ Swiss Equities Optimized Fund) whose investment volume has grown to CHF 110 million.

Of course growth has its limits this year as well. Rising interest rates and/or higher commodity prices might rapidly lead to a general mood change on the financial markets and negatively impact the equity markets. But like I said: we have hardly ever seen a totally stressless environment in the past. In any case, our activities are much broader based today than they were just a few years ago and, consequently, possible volatilities in certain fields would not hit us quite as hard as they would have in the past.

Pfäffikon, 12 April 2005

For the Board of Directors

A handwritten signature in black ink, appearing to read 'Erwin W. Heri'. The signature is fluid and cursive, with a prominent initial 'E'.

Erwin W. Heri, Chairman



Consolidated Financial Statements

Balance Sheet

Assets

	Notes	31 March 2005 CHF	31 Dec. 2004 CHF
Current Assets			
Due from banks		227,202,248	206,890,687
Due from clients		45,302,802	48,509,211
Trading securities		183,282,374	141,742,000
Accrued and deferred assets		395,015	1,228,290
Total Current Assets		456,182,439	398,370,188
Total Assets		456,182,439	398,370,188

Balance Sheet

Liabilities and Shareholders' Equity

	Notes	31 March 2005 CHF	31 Dec. 2004 CHF
Liabilities			
Due to banks		44,071,919	49,190,740
Due to clients		148,902,854	117,737,334
Due from trading		98,879,794	31,054,669
Accrued and deferred liabilities		1,983,101	2,497,069
<i>Total current liabilities</i>		<i>293,837,668</i>	<i>200,479,812</i>
Due to clients		–	37,596,217
<i>Total long-term liabilities</i>		<i>–</i>	<i>37,596,217</i>
Total Liabilities		293,837,668	238,076,029
Shareholders' Equity			
Share capital	1	4,000,000	4,000,000
Own shares	2	- 39,970,000	- 43,780,000
Retained earnings		198,314,771	200,074,159
Total Shareholders' Equity		162,344,771	160,294,159
Total Liabilities and Shareholders' Equity		456,182,439	398,370,188

Income Statement

	Notes	1 Jan. – 31 March 2005 CHF	1 Jan. – 31 March 2004 CHF
Income			
Income from securities		5,622,481	4,128,934
Dividend income		88,015	300,332
Interest income		335,257	21,707
Commission income		6,482,838	6,912,309
Total Income		12,528,591	11,363,282
Expenses			
Administrative expenses		- 1,675,775	- 1,424,975
Personnel expense		- 1,075,792	- 936,902
Interest expense		- 105,972	- 200,467
Commission expense		- 1,067,718	- 851,850
Total Expenses		- 3,925,257	- 3,414,194
Profit before tax		8,603,334	7,949,088
Taxes		- 1,499,107	- 986,726
Profit 1 January – 31 March		7,104,227	6,962,362
Profit per (weighted) share	4	2.04	1.77

Cash Flow Statement

	Notes	1 Jan. – 31 March 2005 CHF	1 Jan. – 31 March 2004 CHF
Profit		7,104,227	6,962,362
(Increase) decrease in accrued and deferred assets		833,275	805,334
(Decrease) increase in accrued and deferred liabilities		- 513,968	- 1,267,409
(Increase) decrease in trading securities		26,284,751	- 11,249,689
(Decrease) increase in amounts due to clients		- 6,430,697	24,661,624
(Increase) decrease in amounts due from clients		3,206,409	- 229,800
Cash flow provided by operating activities		30,483,997	19,682,422
Repayment of shareholders' equity		–	- 16,854,233
Change in own shares	2	3,696,385	- 2,873,112
Dividends		- 8,750,000	- 6,000,000
Cash flow used by financing activities		- 5,053,615	- 25,727,345
(Decrease) increase in «Banks under 90 Days»		25,430,382	- 6,044,923
Position at 1 January		157,699,947	190,208,204
Position at 31 March		183,130,329	184,163,281
<i>«Banks under 90 Days» consists of amounts due from minus amounts due to:</i>			
Amounts due from banks at sight / callable		28,202,248	118,258,241
Other amounts due from banks (under 90 days)		199,000,000	96,200,000
Amounts due to banks at sight / callable		- 44,071,919	- 30,294,960
Total «Banks under 90 Days»		183,130,329	184,163,281
Dividends received		88,015	300,332
Interest received		335,257	21,707
Interest paid		105,972	200,467
Taxes paid		2,140,221	2,966,278

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. – 31 March 2004			6,962,362		6,962,362
Change in own shares		- 323,112		- 2,550,000	- 2,873,112
Position at 31 March 2004	4,000,000	- 7,274,068	197,299,378	- 7,200,000	186,825,310
Profit 1 April – 31 Dec. 2004			13,185,512		13,185,512
Change in own shares		- 3,136,663		- 36,580,000	- 39,716,663
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
Profit 1 Jan. – 31 March 2005			7,104,227		7,104,227
Change in own shares		- 113,615		3,810,000	3,696,385
Position at 31 March 2005	4,000,000	- 10,524,346	208,839,117	- 39,970,000	162,344,771

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:	18

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

	31 March 2005 CHF	31 Dec. 2004 CHF
1. Share Capital		
Number of outstanding shares	4,000,000 ¹⁾	4,000,000
Share capital	4,000,000 ¹⁾	4,000,000
Par value per share	1	1
Shareholders' equity per share ²⁾	47	40
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)	500,000 ¹⁾	500,000
Shares in the trading portfolio (number)	12,265 ³⁾	57,700
Reserve for own shares	39,970,000	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)	9.19%	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)	12.50% 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. The capital reduction will be entered in the register of companies in May 2005 according to the regulations of article 734 OR (Swiss code of obligations).

2) Prior to appropriation of profit, after capital repayments and after deduction of own shares.

3) During the reporting period 293,139 shares were bought at CHF 78.14 each and 338,574 shares were sold at CHF 78.91 each (average prices).

	1 Jan. – 31 March 2005	1 Jan. – 31 March 2004
	CHF	CHF
4. Profit per Share		
Profit	7,104,227	6,962,362
Outstanding shares (weighted)	4,000,000	4,016,573
minus own shares	- 512,265	84,578
Outstanding shares (weighted) for calculation	3,487,735	3,931,995
Profit per share (weighted) ¹⁾	2.04	1.77
There are no instruments outstanding that would dilute profit per share.		
	31 March 2005	31 Dec. 2004
	CHF	CHF
5. Pledged Assets		
Securities pledged as collateral under covered warrant agreements	846,000	2,000,000
Due from banks	60,000,000	61,270,871
6. Guarantees in Favour of Third Parties		
Guarantee commitments in favour of OZ Bankers AG	49,770,421	–

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 31 March 2005)

Symbol	Issue	Underlying	Strike Price	Maturity Date	Ratio	Capitalization of Underlyings
			CHF			Million CHF
VALUE	10,000,000	VALN	350	18-05-2005	1/50	55
BALIX	15,000,000	BALN	197.10	15-06-2005	1/50	12
BALUP	4,000,000	BALN	167.80	15-06-2005	1/10	9
CHROG-PUT	10,000,000	CHRN	7.50	15-06-2005	1/2	55
FINPU-PUT	5,000,000	FI/N	300	15-06-2005	1/50	37
GEBOT	4,000,000	GEBN	900	15-06-2005	1/100	35
HEPOZ	20,000,000	HEPN	160	15-06-2005	1/100	37
JELLO	4,000,000	JEL	1,750	15-06-2005	1/200	35
MASIV	5,000,000	MASN	60	15-06-2005	1/10	25
PHOPT-PUT	7,500,000	PHBN	37.50	15-06-2005	1/10	31
PSPOZ	6,000,000	PSPN	45	15-06-2005	1/10	18
UMSUP	20,000,000	UMS	12.50	15-06-2005	1/10	29
YPSOZ	8,000,000	YPSN	75	15-06-2005	1/20	49
GALLO	6,000,000	GALN	200	17-08-2005	1/20	61
BBITE	30,000,000	BBIN	10.50	14-09-2005	1/10	30
UHRPT-PUT	8,000,000	UHR	165	14-09-2005	1/20	64
CHRUG	25,000,000	CHRN	11	16-09-2005	1/10	28
CHRUP-PUT	5,000,000	CHRN	10	16-09-2005	1/2	28
SIKUP	8,000,000	SIK	750	16-09-2005	1/200	36
MOVER	25,000,000	MOV	320	21-09-2005	1/250	34
SAKIR	4,000,000	SAKN	125	21-09-2005	1/20	26
BBISS	30,000,000	BBIN	9	14-12-2005	1/10	30
CHREM	15,000,000	CHRN	8.50	14-12-2005	1/5	34
EMMIL	6,250,000	EMMN	115	14-12-2005	1/25	32
FTOOL	10,000,000	FTON	250	14-12-2005	1/100	28
GEBPU-PUT	3,000,000	GEBN	900	14-12-2005	1/100	26
INDIO	5,000,000	INDN	260	14-12-2005	1/50	30
INRUN	10,000,000	INRN	160	14-12-2005	1/50	36
JELPU-PUT	2,000,000	JEL	1,450	14-12-2005	1/100	35
KARIO	10,000,000	KARO	35	14-12-2005	1/10	43
OFNOZ	10,000,000	OFN	137.50	14-12-2005	1/50	29
ATLER	5,000,000	ATLN	120	16-12-2005	1/20	30
ATLOZ-PUT	5,000,000	ATLN	110	16-12-2005	1/20	30
BAGGR	16,000,000	BAGN	16.50	16-12-2005	1/10	29
BARNI	10,000,000	BARN	290	16-12-2005	1/100	29

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Outstanding Options

(continued from page 15)

Symbol	Issue	Underlying	Strike Price	Maturity Date	Ratio	Capitalization of Underlyings
			CHF			Million CHF
CHRAG	5,000,000	CHRN	12	16-12-2005	1/2	28
CHRAP-PUT	5,000,000	CHRN	11	16-12-2005	1/2	28
ENROL	8,000,000	ENR	145	16-12-2005	1/40	31
FINTE	10,000,000	FI/N	310	16-12-2005	1/100	37
GURU	7,500,000	GUR	925	16-12-2005	1/200	34
HEPGO	15,000,000	HEPN	190	16-12-2005	1/100	28
LOGOZ-PUT	10,000,000	LOGN	67.50	16-12-2005	1/20	36
MASPU-PUT	5,000,000	MASN	50	16-12-2005	1/10	25
SAUSE	8,000,000	SAUN	72.50	16-12-2005	1/20	31
SLOGO	40,000,000	SLOG	1.30	16-12-2005	1/2	23
FINGO	6,500,000	FI/N	400	17-03-2006	1/100	24
FTOPU	4,500,000	FTON	285	17-03-2006	1/50	25
GALOP	6,250,000	GALN	225	17-03-2006	1/50	26
MASSE	12,500,000	MASN	57.50	17-03-2006	1/25	25
OFNNU	20,000,000	OFN	160	17-03-2006	1/100	31
OZZUP	15,000,000	OZI	85	17-03-2006	1/50	24
ROLER	3,980,000	ROL	1.65	17-03-2006	1/2	5
ROLLO	30,000,000	ROL	2	17-03-2006	1/2	37
UMSAZ	20,000,000	UMS	15.50	17-03-2006	1/10	29
FTOPP-PUT	4,700,000	FTON	250	15-06-2006	1/50	26
ROLUP	20,000,000	ROL	3	16-06-2006	1/2	25
BALEG	4,000,000	BALN	170	20-06-2007	1/10	17

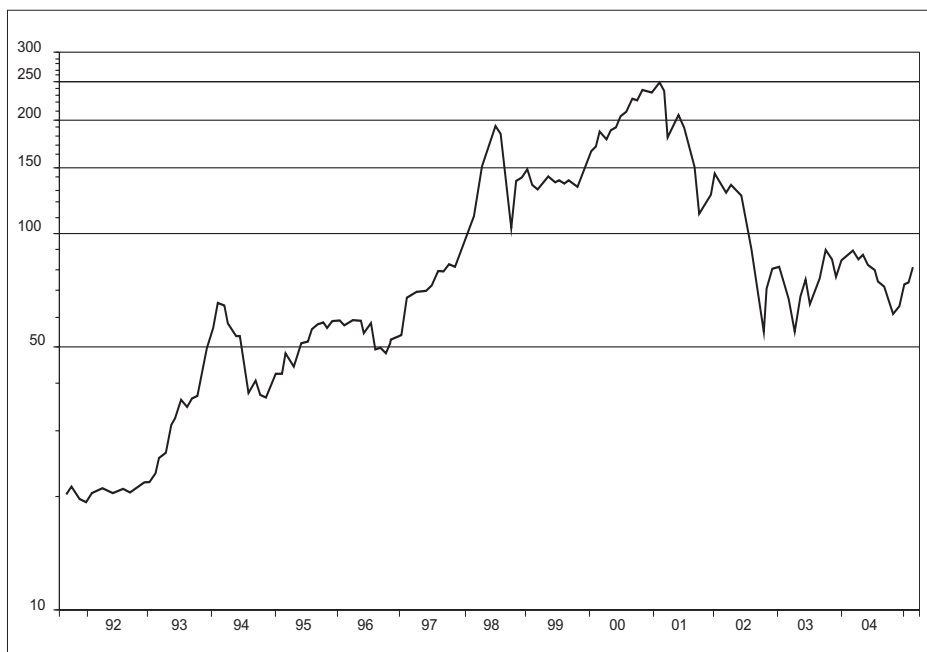
Outstanding Certificates (as at 31 March 2005)

Symbol	Issue	Underlying	Maturity Date
SMCOZ	300,000	Basket	28-09-2005
REBOZ	300,000	Basket	30-08-2007
DIVOZ	300,000	Basket	14-09-2007
TELKB	300,000	Basket	21-09-2007
STROM	300,000	Basket	29-02-2008

OZ Bearer Share

Performance of OZ Bearer Share

26 August 1991 to 31 March 2005, in CHF



Source: Datastream

Since it was first listed on 26 August 1991, the OZ bearer share has achieved an average annual performance of 10.6%. Taking all the payouts into consideration – dividends, par value reductions and stock buybacks – the annual performance was 13.0%. Over the same period, the Swiss Performance Index (SPI) reached an overall performance of 10.7%.

OZI closing price on 31 December 2004	73.00
OZI closing price on 31 March 2005	79.00
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 31 March 2005)	3.16%
Reuters symbol	OZI.S

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OZ Market Information

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Only the German version is legally binding.