



VZ Group

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1H 2008

Results and Outlook

Aarau
Basle
Berne
Frankfurt
Geneva
Lausanne
Lucerne
Munich
Rapperswil
St. Gallen
Thun
Winterthur
Zug
Zurich

Zurich, 21 August 2008

Agenda



- ▶ 1. Facts & figures
 - 1.1 Private client segment
 - 1.2 Corporate client segment
- 2. Financials
- 3. Outlook

Highlights 1H 2008



Milestones

- Business model defies difficult market conditions:
 - Continued client inflow
 - Additional banking services and net new money helped alleviate the stock market downturn
- VZ Depository Bank: 4'600 portfolio management clients transferred/in transfer
- Financial consulting capacity increased from 37.4 FTE (2007) to 43.8 FTE (2008)
- Additional branch office in CH: Rapperswil (May)

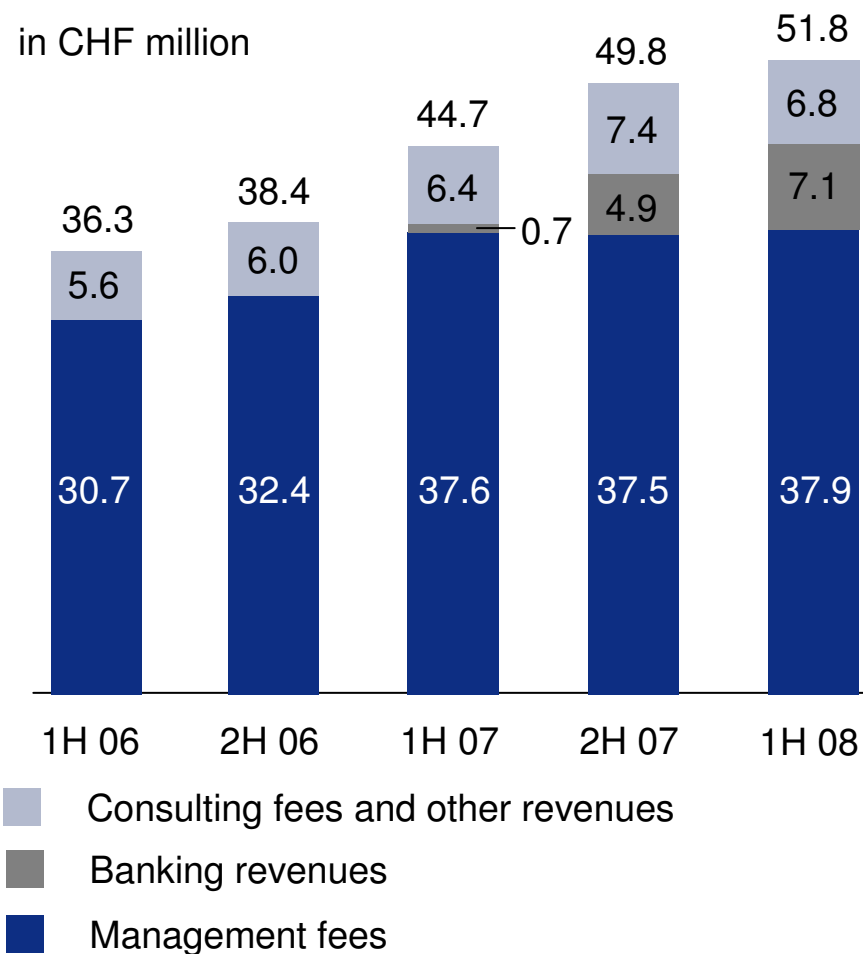
Financials

- Operating revenues +16% year-on-year
- Net profit +8% year-on-year (+31% including one-off costs in 1H 07)
- Higher cost base resulting from investments in future growth temporarily affects EBITDA-margin (41% down from 44%)
- Solid balance sheet despite strong growth of deposits with VZ Depository Bank (equity ratio: 12.6%)
- Funds under management (30.6.2008)
 - Assets under management: CHF 5'631 million (– CHF 129 million compared to 31.12.2007)
 - Insurance premium: CHF 225 million p.a. (+ CHF 22 million compared to 31.12.2007)



Revenues: continued growth

Revenues by type

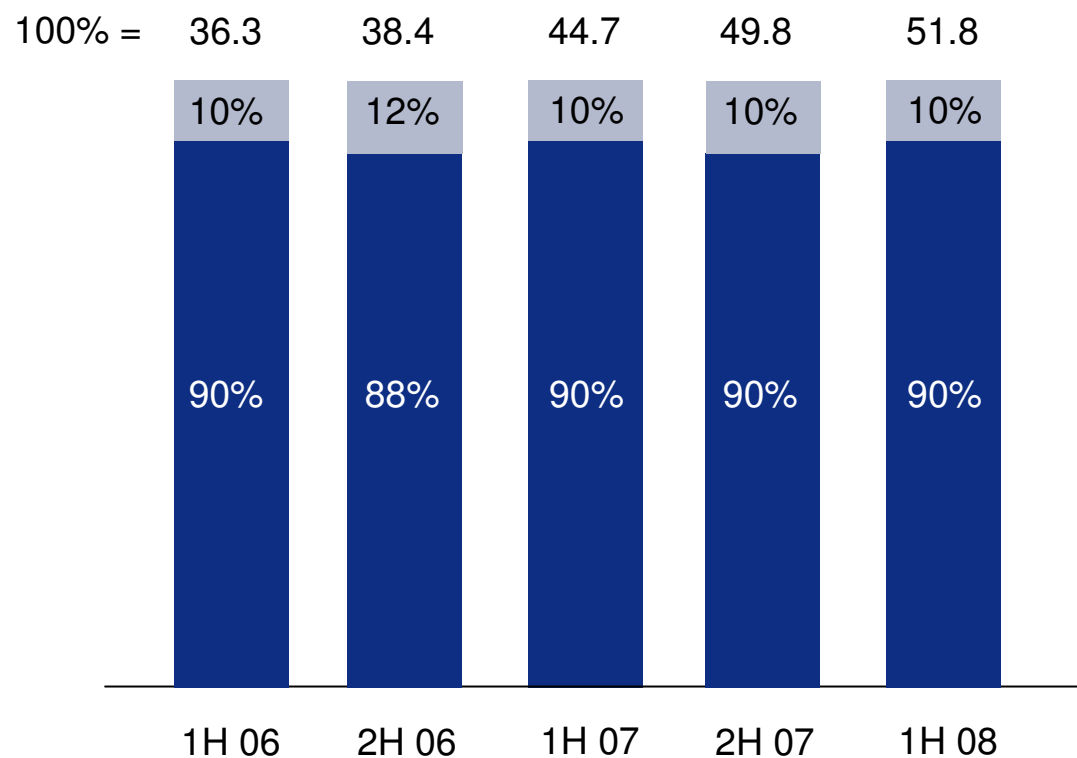


- +16% year-on-year
- Significant contribution of banking revenues
- Consulting fees grow slightly less than expected
- Management fees grow only marginally due to the financial market crisis
- No performance fees in 1H 08



Revenues: segment distribution unchanged

in CHF million



- Similar growth rates result in stable distribution between the segments

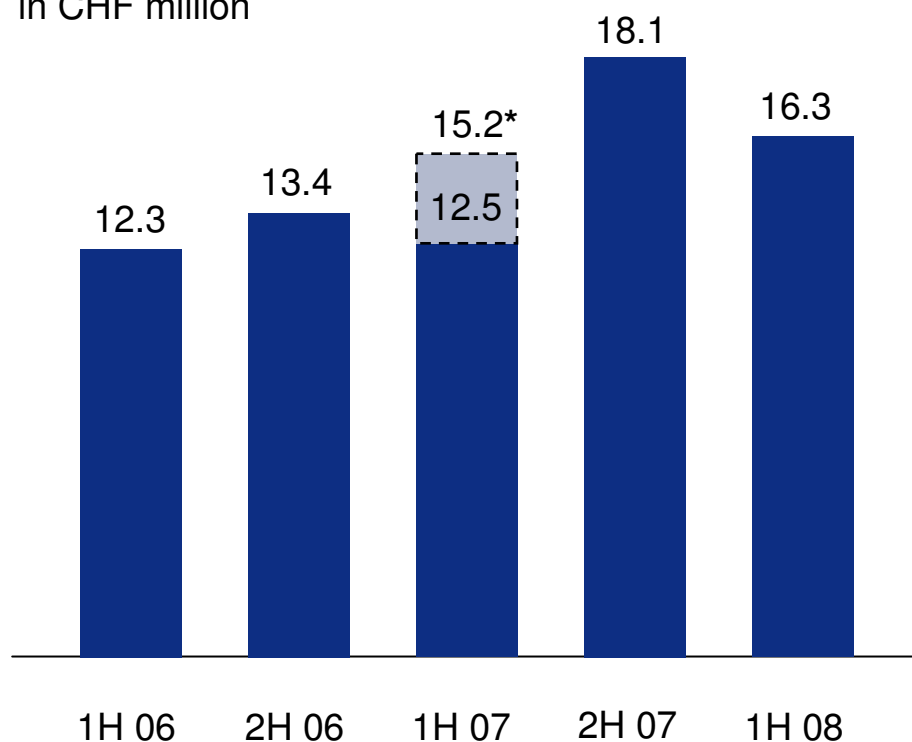
■ Corporate client segment
■ Private client segment



Net profit: financial market crisis affects growth

Net profit

in CHF million



- +31% year-on-year (+8% adjusted for one-time costs of 2.9 million pre tax in 1H 07)
- Lower margin and growth (compared with 1H 07 adjusted) as a result of:
 - Reduced revenue growth
 - Continued investments in consulting capacities and new branch offices

* adjusted for one-time costs (IPO and VZ Depository Bank)

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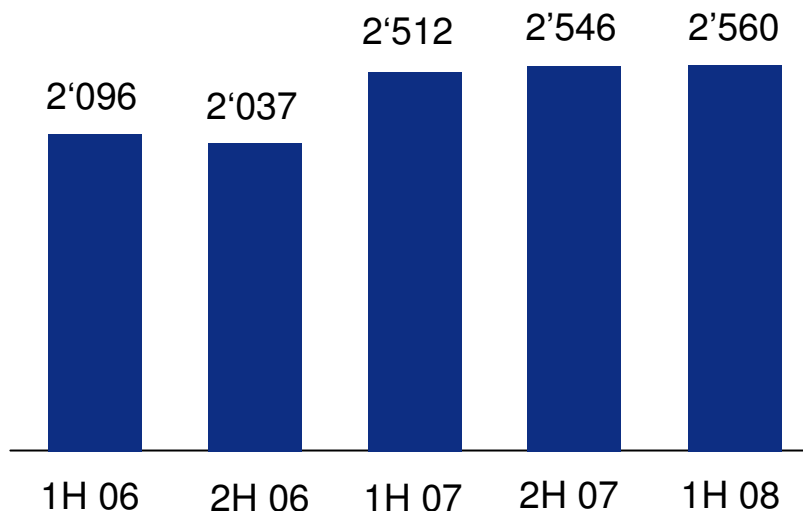
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Private client segment: affected by market turbulences



Financial consulting

of consulting projects

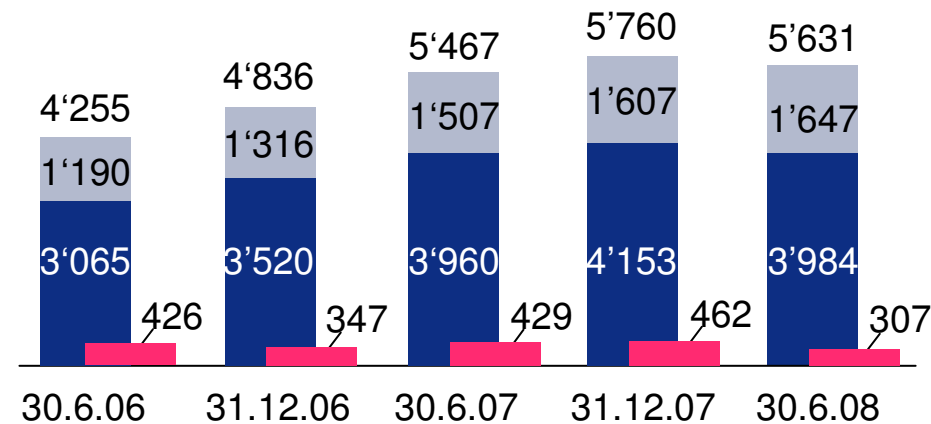


- 11% increase in initial meetings (potential new clients)
- 2% increase in consulting projects
- 6% increase in billable hours

Wealth management

Assets under management (in CHF million)

- Portfolio management mandates
- Mortgages under management and portfolios under client management
- Net new money (6 months)



- Assets under management generate
 - 64% of total revenues (private + corporate clients)
 - 71% of private client segment revenues

Private client segment: capacity growth on track

Capacity growth

Full-time equivalents (FTE) with client and budget responsibility

	2006	2007	2008
Financial consulting	30.7	37.4	43.8
Wealth management	19.9	23.5	29.0

- Financial consulting capacity is the main driver behind the VZ business model
- Existing staff base in training assures future capacity increase

Geographic expansion in 2008



- New branch in 1H 08: Rapperswil (CH)
- ▶ New branch in 2H 08: Neuchâtel (CH)

VZ Depository Bank: 15 months of successful operation



Benefits

- Benefits for clients
 - Lower transaction fees
 - Lower custody fees
 - Higher interest rates on cash account balances
- Benefits for VZ
 - Avoid custody fees
 - Operational leverage effect
 - Entry ticket for potential mandates from institutional asset managers

Status as at 30.06.2008

- 4'600 portfolio management clients transferred/
in transfer
- 1'000 clients opened a cash account
- Revenues equivalent to 25 bp of total assets
under management
- 9 out of 10 new portfolio management clients
opt for VZ Depository Bank
- New initiatives
 - Security accounts without management mandate
 - Time deposit accounts (4Q 08)

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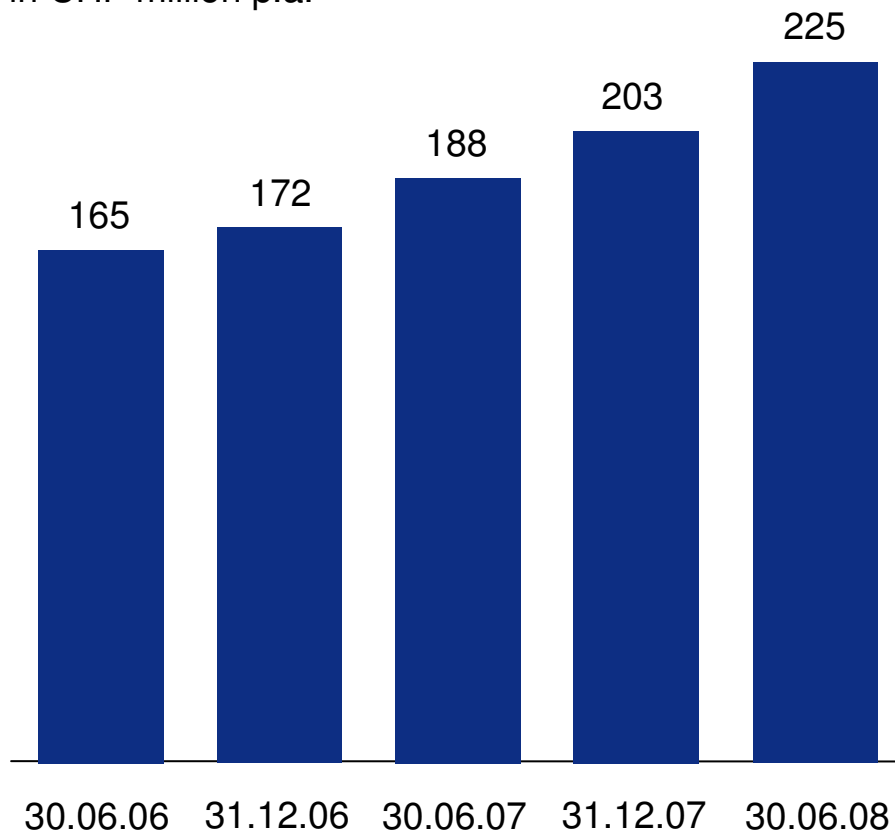
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Corporate client segment: important synergies



Premium volume under management

in CHF million p.a.



- Insurance portfolios under management generate
 - 9% of total revenues (private and corporate clients)
 - 90% of corporate client segment revenue
- Benefits for the private client segment
 - Knowledge transfer on pension fund and benefit planning topics
 - Referral of management members and employees to our financial consulting
- Operational margin (EBITDA) improved from 6% to 20%

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Financials: income statements – unaudited (1)

in CHF million*	1H 06	2H 06	1H 07	1H 07 <i>adjusted**</i>	2H 07	1H 08	yoy 1H 07 adj**
Consulting fees	5.3	5.7	6.0	6.0	7.0	6.5	+9%
Banking revenues	0.0	0.0	0.7	0.7	4.9	7.1	+873%
Management fees	30.7	32.4	37.6	37.6	37.5	37.9	+1%
Other operating revenues	0.3	0.3	0.4	0.4	0.4	0.3	-29%
Total operating revenues	36.3	38.4	44.7	44.7	49.8	51.8	+16%
Personnel expenses	(14.9)	(15.8)	(20.8)	(18.4)	(19.2)	(21.9)	+19%
Other operating expenses	(5.5)	(5.9)	(7.2)	(6.6)	(7.2)	(8.7)	+31%
Total operating expenses	(20.4)	(21.7)	(28.0)	(25.0)	(26.4)	(30.6)	+22%
EBITDA	15.9	16.7	16.7	19.7	23.4	21.2	+8%

* numbers may differ slightly from the published income statements due to rounding differences

** adjusted for one-time costs related to IPO (CHF 2.2 million after tax) and VZ Depository Bank (CHF 0.5 million after tax)



Financials: income statements – unaudited (2)

in CHF million*

	1H 06	2H 06	1H 07	1H 07 <i>adjusted**</i>	2H 07	1H 08	yoy 1H 07adj**
EBITDA	15.9	16.7	16.7	19.7	23.4	21.2	+8%
Depreciation and amortisation	(0.6)	(0.7)	(0.8)	(0.9)	(1.1)	(1.1)	+33%
EBIT	15.3	16.0	15.9	18.8	22.3	20.1	+7%
Net finance income	0.2	0.2	0.3	0.3	0.0	0.0	-106%
Profit before income tax	15.5	16.2	16.2	19.1	22.3	20.1	+5%
Income tax	(3.2)	(2.8)	(3.7)	(3.9)	(4.2)	(3.8)	-4%
Net Profit	12.3	13.4	12.5	15.2	18.1	16.3	+8%

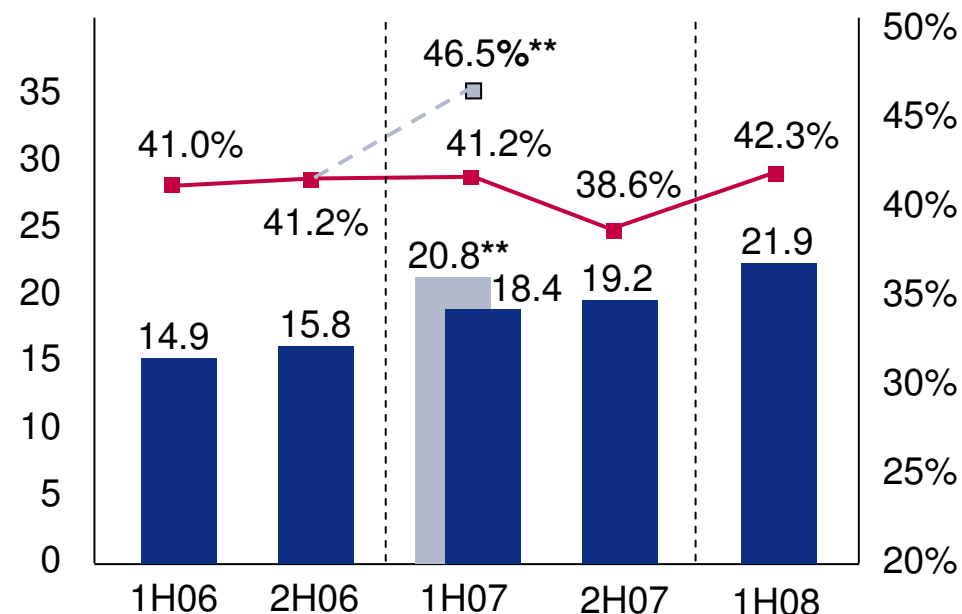
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Financials: operating expenses (1)

Personnel expenses

in CHF million*



- Personnel expenses
- Portion of total operating revenues

- +5% year-on-year (+19% if adjusted for one-time costs in 1H 07)
 - Stagnating management fees due to the financial market crisis
 - Business expansion (additional capacities in new branches and in banking services)
- Under normal market conditions: cost increase absorbed by additional revenues

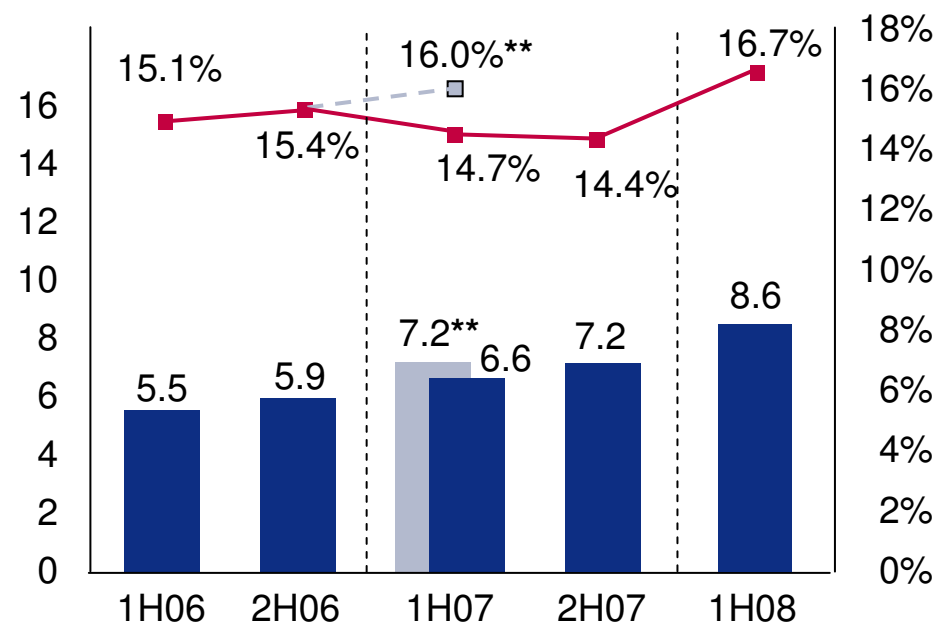
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Financials: operating expenses (2)

Other operating expenses

in CHF million*



- Other operating expenses
- Portion of total revenues

- +21% year-on-year (+31% if adjusted for one-time costs in 1H 07)
- Higher cost base (banking operation and additions in infrastructure related to the geographic expansion)
- Under normal market conditions: cost increase absorbed by additional revenues

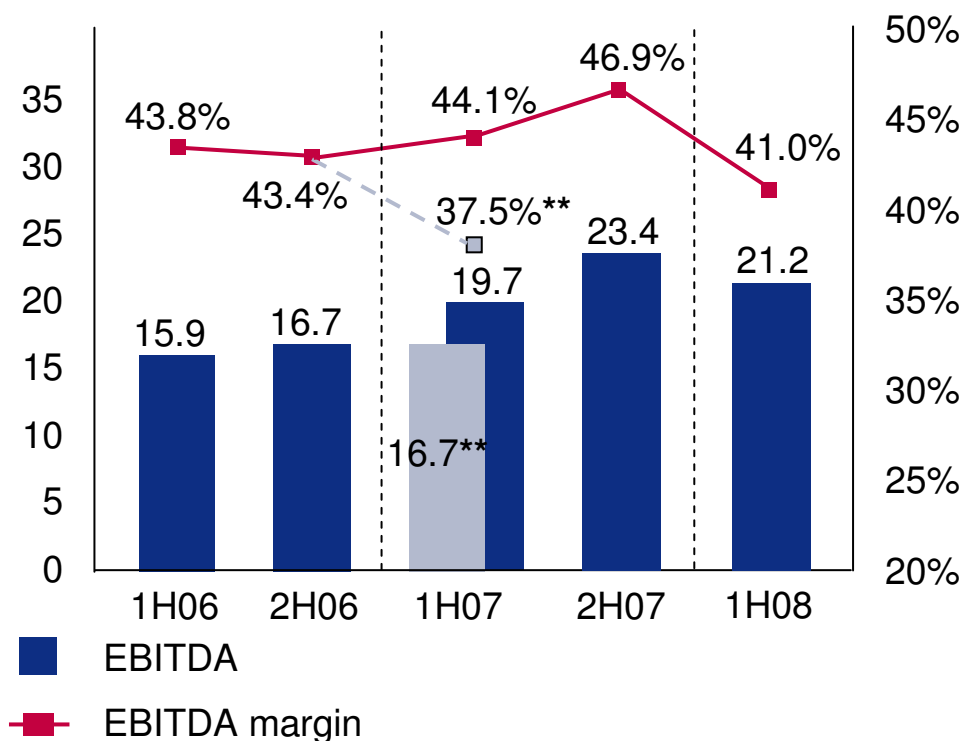
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Financials: EBITDA and margin

EBITDA

in CHF million*



- Temporary margin decline due to
 - Negative effects of the financial market crisis
 - Investments in geographic expansion, capacities and the new banking operation
- 45% margin realistic in the long term

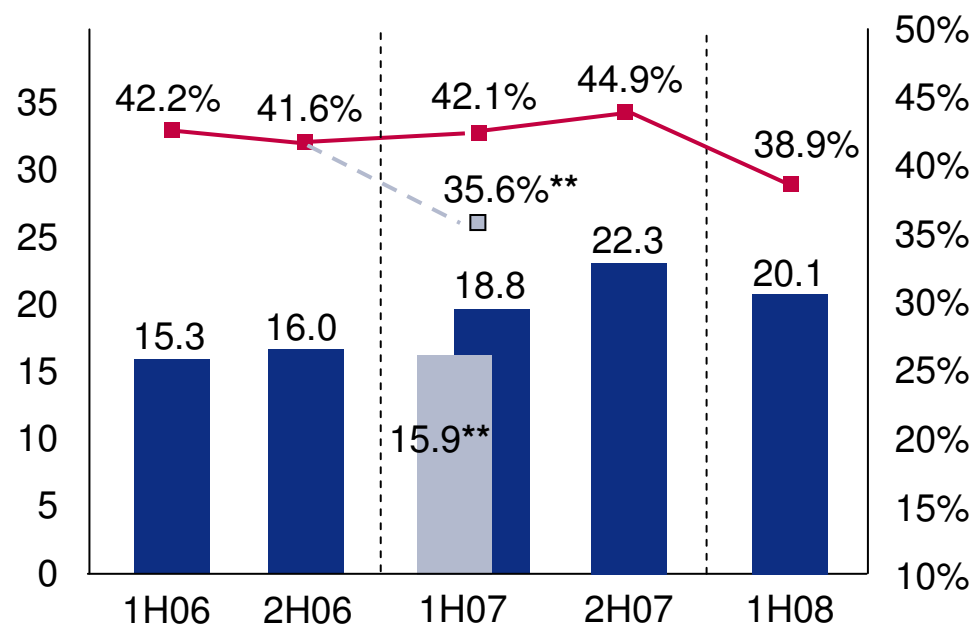
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** including one-time costs (IPO and VZ Depository Bank)

Financials: EBIT and margin

EBIT

in CHF million*



■ EBIT

—■ EBIT margin

- Growth in depreciation and amortisation of CHF 0.3 million year-on-year (CHF 0.1 versus 2H 07)
 - Bank start-up
 - Expansion of capacities/new branch offices
- 43% margin realistic in the long term

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** including one-time costs (IPO and VZ Depository Bank)



Balance sheets

in CHF million*	30.6.07	31.12.07	30.6.08
Net cash position**	53.6	80.8	86.4
Cash position due to customers	213.8	433.6	632.6
Other current assets	26.6	25.1	24.6
Total current assets	294.0	539.5	743.6
Financial assets	0.5	0.2	0.2
Property, equipment, intangible assets	7.2	8.1	8.0
Other non-current assets	1.2	1.1	1.2
Total non-current assets	8.9	9.4	9.4
Total assets	302.9	548.9	753.0
Current liabilities due to customers	213.8	433.6	632.6
Other current liabilities	17.1	23.5	25.4
Non-current liabilities	0.2	0.2	0.2
Total liabilities	231.1	457.3	658.2
Total equity	71.8	91.6	94.8
Total liabilities and equity	302.9	548.9	753.0

- Strong growth of balance sheet total due to VZ Depository Bank
- No interest bearing liabilities besides client money with VZ Depository Bank
- Strong growth of total assets and dividend pay-out reduce equity ratio from 16.7% to 12.6%

* numbers may differ slightly from the published balance sheets due to rounding differences

** including cash & cash equivalents, short term investments and marketable securities, excluding current liabilities due to customers

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Outlook 2H 2008



Business development

- Further development of banking unit
 - Transfer 80% of existing portfolio management clients by year-end
 - Broaden the range of services in order to support the conversion of consultancy clients into wealth management clients
- Continue expansion of consulting capacities and branch network
- Increase operational efficiency across the business system
 - Front unit productivity
 - Portfolio management workflow and IT-interfaces to VZ Depository Bank

Financial targets

- Private client segment: unless markets recover sustainably, we are unlikely to meet our mid-term growth target in 2008
- Corporate client segment: growth rate 2008 in line with mid-term expectation
- Contribution of banking revenues to total revenues set to increase further in 2H 08
- Investments in banking services and additional capacities/branch offices should pay-off over the next 6–12 months