

## 17.07.2003 Julius Baer to withdraw from institutional brokerage and refocus on asset management

**The Julius Baer Group wants to refocus on asset management and will therefore withdraw from institutional brokerage. This decision is motivated primarily by strategic considerations. Lightyear Capital, a U.S.-based private equity investment firm, will take over the institutional brokerage operations of Julius Baer. In order for Lightyear Capital to carry on the brokerage activities on a competitive basis, a restructuring will be required, involving one-time restructuring costs of about CHF 55 million for the Julius Baer Group. The acquisition is subject to regulatory and other associated approvals and conditions.**

In accordance with a fundamental strategic decision by the Board of Directors of Julius Baer Holding Ltd., the Julius Baer Group will withdraw from pan-European institutional brokerage. "In the future we want to refocus on our traditional business of asset management", says Raymond J. Baer, Chairman of the Board of Julius Baer Holding Ltd.

"After thoroughly reviewing the various options, the Board of Directors of Julius Baer considers the withdrawal from the brokerage operations to be the best solution for the Group. Apart from cost considerations, the possibility of retaining the majority of jobs led to this decision", explained CEO Walter Knabenhans. "Julius Baer will retain a 15% minority interest in Julius Baer Brokerage SA to support a smooth transfer of the existing client base", he added.

Commenting on the sale, Lightyear chairman Donald B. Marron said: "We are excited by the acquisition of Julius Baer's brokerage business and were impressed by the caliber of the management team and the division's fundamentals. We look forward to working with Julius Baer's experienced brokerage team to build the business and continue its success and growth in Europe."

Julius Baer Brokerage has incurred a loss of around CHF 20 million in the first half of this year. In order for Lightyear Capital to carry on the brokerage activities on a competitive basis, a restructuring will be required, involving one-time restructuring costs of about CHF 55 million for the Julius Baer Group. The restructuring costs will be charged to the consolidated financial statements of the Julius Baer Group in the first half-year.

### **About Julius Baer**

Julius Baer, one of the leading private banks in Switzerland, specializes in asset management, investment counseling and investment funds for private and institutional investors from around the world. It also offers related services in securities trading. Julius Baer will henceforth employ a staff of around 1700 worldwide. As per end-March 2003, the Group had approximately CHF 103 billion worth of assets under management.

### **About Julius Baer Brokerage**

Julius Baer Brokerage (JBB) is an independent, multi-local brokerage firm that focuses on providing high-quality service and research to institutional investors on European equities. As a leader in the European secondary market for equities, JBB offers both local market knowledge and a major European presence - through an integrated network of full-service brokers in all major markets in continental Europe. Complementing JBB's personalized service based on local presence and long-term relationships, JBB's research capabilities are top-ranked and fully independent, offering in-depth coverage of more than 600 stocks in 15 countries. JBB is headquartered in Paris and maintains branches in Amsterdam, Frankfurt, Madrid, Milan, Stockholm and Zurich.

### **About Lightyear Capital**

Lightyear Capital is a New York-based private equity investment firm that manages approximately USD 2 billion in assets, including The Lightyear Fund, a USD 750 million private equity fund. The Lightyear Fund was formed to invest in leveraged buyout, recapitalization and growth capital opportunities in financial services and other select industries. Lightyear pursues and sponsors transactions where it can create substantial value for its management partners and investors through leveraging its investment and operational expertise and relationship network spanning the financial, corporate and governmental landscapes.

**The half-year results of Julius Baer will be released on 15 August 2003, at 7:00 a.m. CEST.**

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