

**Shareholders' Information Brochure on the
Proposed Separation of the Private Banking
and Asset Management Businesses of
Julius Baer Holding Ltd.**

3 June 2009

IMPORTANT INFORMATION

This information brochure has been prepared exclusively for the shareholders of Julius Baer Holding Ltd. ("**Julius Baer Holding**") for the Extraordinary General Meeting to be held on 30 June 2009. It does not constitute an invitation or an offer to purchase, sell, trade or subscribe for any shares or other securities of the companies involved and, in particular, this information brochure is neither a prospectus according to Art. 652a of the Swiss Code of Obligations (CO) nor a listing prospectus according to the listing rules of the SIX Swiss Exchange ("**SIX**").

A notice of the Extraordinary General Meeting of Julius Baer Holding, to be held at the Maag Event Hall, Zurich, on 30 June 2009, which sets forth the agenda and proposals of the Board of Directors, in addition to a registration form for ordering the admission card, the voting materials and a hard copy of this information brochure, will be separately circulated.

This information brochure is intended to provide the shareholders of Julius Baer Holding with information about the transfer by Julius Baer Holding of its private banking business and certain related ancillary businesses to Julius Baer Group Ltd. ("**Julius Baer Group**"), which will be a newly-formed, wholly-owned subsidiary of Julius Baer Holding, and the subsequent distribution of Julius Baer Group's shares to the shareholders of Julius Baer Holding and listing of Julius Baer Group's shares on the SIX (the "**Transaction**"). Julius Baer Holding will retain its existing asset management business and, upon completion of the Transaction, will change its name to GAM Holding Ltd. ("**GAM Holding**") and will remain listed on the SIX.

If you are in any doubt as to the action you should take, you should seek your own financial advice immediately from your custodian, investment adviser, legal or tax adviser. Distribution of this information brochure and any accompanying documents may be restricted by law in certain jurisdictions. Persons and legal entities that come into possession of this information brochure must inform themselves about such restrictions and comply with them. Any failure to comply with these restrictions may constitute a violation of the securities laws of any of such jurisdictions.

In connection with the listing of Julius Baer Group's shares on the SIX, a listing prospectus will be published on or shortly before the date the Julius Baer Group's shares are first traded on the SIX.

This information brochure contains forward-looking statements which express intentions, estimates, expectations and forecasts relating to future financial, operational and other developments and results. Such statements and the underlying assumptions are subject to a variety of risks, uncertainties and other factors which could mean that the actual developments may significantly differ therefrom. Shareholders should further note that even if the Extraordinary General Meeting approves the Transaction, the Transaction may not be completed, in full or in part, or may be delayed, for example if resolutions are challenged or if necessary consents, including regulatory consents, are not granted. In view of these uncertainties, readers of this information brochure are cautioned not to place undue reliance on such forward-looking statements. Further, it should be noted that the market data and valuations as well as past trends and performances (including those of other companies) described in this information brochure are no guarantee for the future development, performance and value of Julius Baer Group and GAM Holding.

You are recommended to read this entire document. We also draw your attention to the letter to shareholders from the Chairman of the Board of Directors of Julius Baer Holding, which will be distributed separately.

The Julius Baer Group shares to be distributed in connection with the Transaction will not be registered with the US Securities and Exchange Commission (the "**SEC**") under the US Securities Act of 1933, as amended (the "**US Securities Act**") or any US state securities laws. Neither the SEC nor any US state securities commission has approved or disapproved the Julius Baer Group shares or passed comment or opinion upon the accuracy of this document or the listing prospectus.

Presentation of financial information

This information brochure contains unaudited pro forma combined financial information for each of Julius Baer Group and GAM Holding as of and for the year ended 31 December 2008. The purpose of the unaudited pro forma combined financial information is to present the relevant income statements and balance sheets as if the Transaction had occurred on 1 January 2008. The unaudited pro forma combined financial information has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation and is not necessarily indicative of actual results of operations or their related effects on the financial position that would have been achieved, had the Transaction actually occurred on this date. The unaudited pro forma combined financial information does not purport to be indicative of Julius Baer Group's or GAM Holding's performance for any future period. The unaudited pro forma combined financial information set out in Appendix I and II has been reviewed by KPMG AG, Zurich, Switzerland ("**KPMG**"). Sections 3.3, 4.2 and 5.2 of this information brochure contain adjusted financial information for Julius Baer Group and GAM Holding.

The unaudited pro forma combined financial information for Julius Baer Group has been derived from (i) Bank Julius Baer & Co. Ltd.'s audited consolidated financial statements as of and for the year ended 31 December 2008 prepared in accordance with International Financial Reporting Standards ("**IFRS**") and (ii) financial information used in the preparation of Julius Baer Holding's audited consolidated financial statements as of and for the year ended 31 December 2008 prepared in accordance with IFRS relating to other subsidiaries of Julius Baer Holding that will form part of Julius Baer Group upon completion of the Transaction.

The unaudited pro forma combined financial information presented in this information brochure for GAM Holding has been derived from Julius Baer Holding's audited consolidated financial statements as of and for the year ended 31 December 2008, prepared in accordance with IFRS.

The unaudited pro forma combined financial information has been prepared in accordance with the SIX Directive on the Presentation of a Complex Financial History in the Listing Prospectus.

Certain financial and other data in this information brochure have been rounded and totals may vary slightly from the actual arithmetic totals of such data.

THIS DOCUMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITY.

THE ENGLISH VERSION OF THIS DOCUMENT SHALL PREVAIL IN THE EVENT OF ANY CONFLICT BETWEEN THE ENGLISH VERSION AND ANY TRANSLATED VERSION.

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PART I

BACKGROUND, OVERVIEW OF THE TRANSACTION AND INDICATIVE TIMETABLE OF KEY EVENTS

1.1 Background

Julius Baer Holding Ltd. (“**Julius Baer Holding**”), headquartered in Zurich, is one of the leading publicly-traded financial services companies in Switzerland. Since its origins in 1890, Julius Baer Holding has successfully expanded its business, both in Switzerland and internationally. Julius Baer Holding has demonstrated its ability to adapt to changing market conditions in order to take advantage of opportunities to grow its business and enhance shareholder returns. As a result of its acquisition of three private banks and the specialised asset manager GAM (“**GAM**”) in 2005, Julius Baer Holding made a significant step forward in the consolidation of the Swiss private banking industry and considerably expanded its asset management operations and product offering range.

Julius Baer Holding shares are listed on the SIX. Since 2000, Julius Baer Holding’s shares have been a component of the Swiss Market Index (“**SMI**”), which comprises the 20 largest and most liquid stocks traded on the SIX, and also part of the Swiss Leader Index (“**SLI**”) launched in mid-2007. The market capitalisation of Julius Baer Holding as of 27 May 2009 was CHF 9.6 billion.

Julius Baer Holding currently conducts its business through two main reporting segments:

- The reporting segment “Bank Julius Baer” includes all client-oriented wealth and relationship management functions comprising Bank Julius Baer & Co. Ltd., the private label fund business (“**PLF business**”), and certain related ancillary businesses.
- The reporting segment “Asset Management” includes all dedicated asset management entities of Julius Baer Holding, comprising GAM, Artio Global Investors (“**Artio Global**”) and the Julius Baer-branded asset management business (“**JBAM**”).

Following a thorough strategic review, the Board of Directors of Julius Baer Holding announced on 20 May 2009 its intention to separate Julius Baer Holding’s businesses substantially along these two principal businesses and reporting segments, into two independently listed entities, the only exception being the PLF business currently within the Bank Julius Baer reporting segment but which will form part of the Asset Management reporting segment as a result of the Transaction.

1.2 Overview of the Transaction

The Board of Directors of Julius Baer Holding is proposing to separate Julius Baer Holding into two distinct, independent entities, both listed on the SIX.

Julius Baer Group Ltd. (“**Julius Baer Group**”) will be the leading pure-play Swiss private banking group, with a focus on servicing and advising private clients. It will comprise Bank Julius Baer & Co. Ltd. as well as certain related ancillary businesses.

GAM Holding Ltd. (“**GAM Holding**”) will be an independent, leading active asset manager, with a focus on the manufacturing and distribution of investment products. It will be composed of GAM, Artio Global and JBAM (including the PLF business).

The separation of the assets and liabilities of Julius Baer Holding under two independent corporate entities, Julius Baer Group and GAM Holding, is intended to be structured in an efficient manner from a tax and securities laws perspective. Upon the completion of the Transaction, the shares of Julius Baer Group will be listed on the SIX, while the shares of Julius Baer Holding, which company will have been renamed GAM Holding, will remain listed on the SIX. If the resolutions are approved at the Extraordinary General Meeting, the Transaction, the structure of which is illustrated in Section 3.1 below, will involve the following steps:

First, Julius Baer Holding will form a new wholly-owned subsidiary, Julius Baer Group, a stock corporation organised under the laws of Switzerland whose share capital will be divided into the same number of shares as Julius Baer Holding's existing share capital but will have a different nominal value.

Second, Julius Baer Holding will transfer to Julius Baer Group certain entities, assets and liabilities – including its current principal operating entity Bank Julius Baer & Co. Ltd. – and will effect such transfer. This carve-out will entail, for instance, the re-allocation of human resources and real property, the assignment of rights to and the assumption of liabilities by Julius Baer Group, and the separation and allocation of systems and processes that are currently shared across the group. The transfer of the private banking business and related ancillary businesses will be based on contribution agreements involving no consideration. The completion of this step is subject to obtaining the relevant regulatory and any other necessary consents.

Third, Julius Baer Holding will be renamed GAM Holding.

Fourth, Julius Baer Holding will distribute the Julius Baer Group shares to its shareholders in the form of a dividend in kind on a pro rata basis, i.e., one Julius Baer Group share per Julius Baer Holding share owned such that, immediately following completion of the Transaction, the shareholder of any one Julius Baer Holding share will own one share in GAM Holding and one share in Julius Baer Group. Julius Baer Holding will make a payment to the Swiss Federal Tax Administration of CHF 0.01076923 per registered share distributed (amounting to CHF 2,225,254) representing withholding tax on the nominal value of CHF 0.02 per share of Julius Baer Group being distributed to shareholders. For reasons of Swiss corporate law, this payment will technically be in the form of a dividend. Shareholders will not receive any portion of this cash dividend. There will be no consideration on the part of the shareholders for either the dividend in kind to be distributed to shareholders or the cash dividend to be distributed to the Swiss Federal Tax Administration. The completion of this step is subject to obtaining the relevant regulatory consents and shareholder approval at the Extraordinary General Meeting.

Fifth, Julius Baer Group will seek listing and admission to trading of its shares according to the Main Standard (named Main Segment until 30 June 2009) of the SIX. It is currently expected that trading in the Julius Baer Group shares will commence on or before 30 September 2009. In connection with the listing, a listing prospectus will be published on or shortly before the date the Julius Baer Group shares are first traded on the SIX.

In connection with the completion of the Transaction, Julius Baer Holding may be required to or will repay certain of its outstanding indebtedness. For further details, see "Part III – 3.2 – Treatment of outstanding indebtedness".

1.3 Indicative timetable of key events

All dates listed below represent Julius Baer Holding's current expectations of the timing of the key events of the Transaction and are subject to change and regulatory consents. All references in this information brochure to times are to Zurich times, unless otherwise indicated.

	Date
Extraordinary General Meeting	30 June 2009
Expected decision on listing by SIX	Sept. 2009
Expected record date for entitlement to receive dividend in kind	Sept. 2009
Expected distribution of Julius Baer Group shares	Sept. 2009
Expected listing and first trading day of Julius Baer Group shares on SIX, trading in shares of GAM Holding (formerly named Julius Baer Holding) ex-dividend rights	Sept. 2009

Extraordinary General Meeting: An invitation to the Extraordinary General Meeting of Julius Baer Holding to be held on 30 June 2009, including the agenda and proposals of the Board of Directors, will be sent to shareholders on 5 June 2009 and published in the Swiss Official Gazette of Commerce (SHAB) on 5 June 2009. The invitation and this information brochure will also be available on Julius Baer Holding's website (www.juliusbaer.com/egm). The Extraordinary General Meeting will deliberate and resolve on the following agenda items:

- Conversion of legal reserves into free reserves to permit the distribution of shares of Julius Baer Group
- Amendment to Julius Baer Holding's Articles of Incorporation to reflect change in corporate purpose
- Separation of the private banking and asset management business of Julius Baer Holding:
 - Distribution of a special dividend, in the form of a dividend in kind of Julius Baer Group shares to be distributed to the shareholders of Julius Baer Holding, and a cash dividend to be remitted to the Swiss tax authorities in order to satisfy Swiss withholding tax liability
 - Amendment to Julius Baer Holding's Articles of Incorporation to reflect change in name from Julius Baer Holding to GAM Holding
 - Election of new board members to the Board of Directors of Julius Baer Holding (to be renamed GAM Holding)
- Termination of the Share Buyback Programme 2008–2010

The agenda items require the approval of an absolute majority of the votes cast, with the exception of the change to corporate purpose which requires approval of at least a two-thirds majority of the votes represented at the Extraordinary General Meeting and an absolute majority of the nominal value of the shares represented at the meeting.

- *Distribution:* The record date ("**Record Date**") for the entitlement to receive the dividend is expected to be one trading day prior to the commencement of trading of Julius Baer Group shares on the SIX, after close of trading. Only shareholders holding shares in Julius Baer Holding at such time will be entitled to receive, in the form of a dividend in kind, registered shares in Julius Baer Group with a nominal value of CHF 0.02 each. Thereafter, the shares of GAM Holding will be traded ex-dividend right. Each shareholder of Julius Baer Holding shall receive one Julius Baer Group share for each Julius Baer Holding share held at such time. Shareholders of Julius Baer Holding who hold their shares in custody through a depository bank, custodian or other financial intermediary, will receive the Julius Baer Group shares they are entitled to by distribution through their depository bank. Shareholders of Julius Baer Holding who keep their shares at home, in a bank safe, or in custody with Julius Baer Holding's share register (*Heimverwahrer*), will be informed by, and allocated the Julius Baer Group shares they are entitled to, through Julius Baer Holding's share register. Delivery of the Julius Baer Group shares will take place through the clearing system of SIX SIS AG ("**SIS**").
- *Listing/Trading:*
 - *Julius Baer Group:* Application will be made for the Julius Baer Group shares to be listed according to the Main Standard of the SIX. Julius Baer Holding expects that the Julius Baer Group shares will be listed, and that trading will commence, one trading day after the Record Date. It is expected that following the listing on the SIX, the Julius Baer Group shares will be included in the SMI and the SLI; such inclusion following the listing however will depend, among other things, on Julius Baer Group's market capitalisation at that point of time.
 - *GAM Holding:* The shares of GAM Holding will remain listed in the Main Segment (to be renamed Main Standard with effect from 1 July 2009) of the SIX. It is expected that following the listing of the Julius Baer Group shares on the SIX, shares in GAM Holding will be removed from the SMI (as a result of GAM Holding's reduced market capitalisation) and added to the SMI MID ("**SMIM**"). It is expected that they will remain on the SLI.

PART II

STRATEGIC RATIONALE FOR THE TRANSACTION

2.1 Separation of two distinct businesses

The rationale for the separation of Julius Baer Holding's private banking and asset management businesses under two distinct, independently-listed corporate entities is as follows:

- *Opportunity for both businesses to deliver their full strategic potential.* The private banking and asset management businesses have distinct business agendas and the separation will better enable them to implement their individual business and growth strategies. In addition, the private banking and asset management businesses have distinct target customer bases and geographies. While private banking targets high-end private clients in both developed and emerging markets, asset management targets institutional business, third-party distributors and wealth management organisations, primarily in Europe and the United States.
- *Increased transparency and market visibility for both private banking and asset management.* A separation of the businesses will strengthen each group's individual profile with clients and investors. In addition, the separate listing of both entities will lead to an enhanced level of disclosure, and an overall improved level of transparency for clients and investors.
- *Operational and management continuity.* Separation of the businesses can achieve the benefits described above while maintaining operational continuity. Following completion of the Transaction, clients of both Julius Baer Group and GAM Holding will continue to have access to the same services and the same products from the same people as they currently do. Both private banking and asset management businesses currently have management teams and operations which are largely independent of one another. The senior management of both businesses are fully supportive of the Transaction and existing management teams will be maintained following completion of the Transaction. No significant redundancies are expected as a direct result of the Transaction.

In addition, Julius Baer Holding expects the synergies realised in connection with the acquisition of three private banks and the specialised asset manager GAM in 2005 to be preserved following completion of the Transaction. In particular, the revenue synergies arising in connection with the acquisition of GAM in 2005, including the opportunity to enter into attractive cross-selling arrangements, to a large extent have been realised and are expected to be preserved through an arm's length preferred product provider relationship between Julius Baer Group and GAM Holding.

2.2 Benefits for both businesses

Julius Baer Holding believes that both Julius Baer Group and GAM Holding will realise significant benefits from the Transaction.

Julius Baer Group, with Bank Julius Baer & Co. Ltd. as its principal operating entity, will continue to be the leading pure-play Swiss private banking group with a strong brand. Its sharpened franchise will allow it to continue to focus on new client acquisitions and further expand its network. In addition, Julius Baer Group's "open architecture" model will provide it with an even broader access to leading in-house and external specialists, allowing for an unrestricted choice of the best services and products available for the benefit of its clients. Following completion of the Transaction, Julius Baer Group will be embedded in a less complex structure and will have increased flexibility to pursue internal and external growth opportunities.

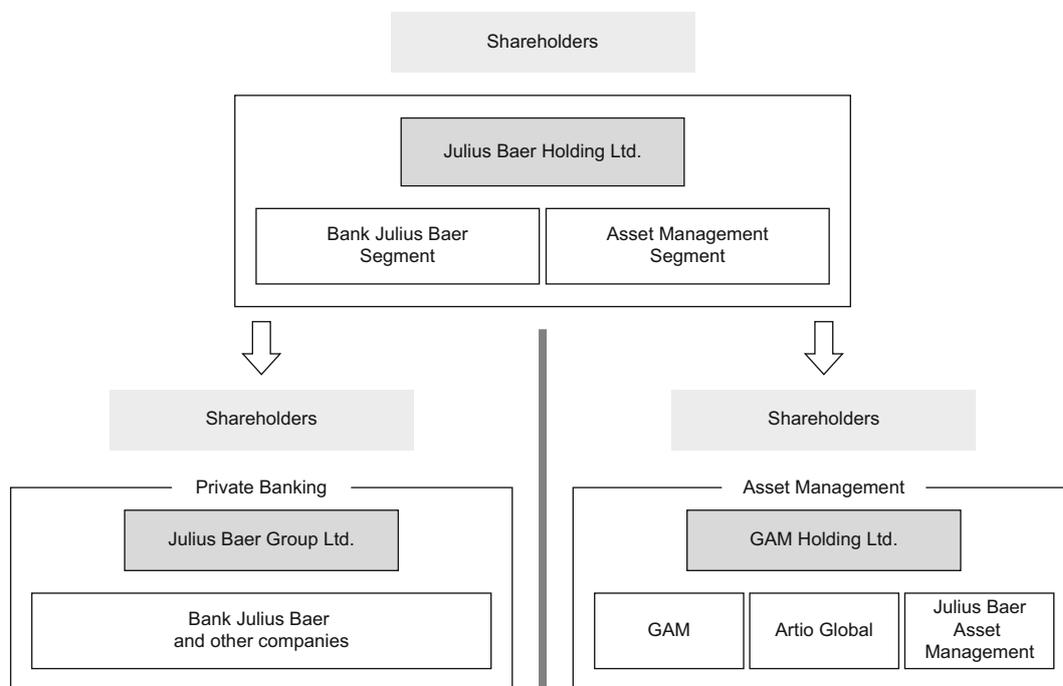
GAM Holding, comprising GAM, Artio Global and JBAM, will become an independent, leading active asset manager, with a focus on manufacturing and distribution of investment products. GAM Holding will maintain an attractive portfolio of individual businesses and will offer a broad, well diversified range of investment products, including equity and fixed income funds, discretionary portfolio management services and alternative investments. GAM Holding will focus on accelerating the development of its institutional client base and continue to cultivate a strong private client base. With increased flexibility as an independent company, GAM Holding intends to forge new partnerships and increase its global presence, particularly in the institutional segment, while maintaining its existing distribution to Julius Baer Group private clients as an arm's-length preferred product provider.

PART III

STRUCTURE AND FINANCIAL OVERVIEW

3.1 Structure before and after separation

The chart below illustrates the structure of the businesses prior to and after completion of the Transaction:



In connection with the Transaction, Julius Baer Holding's Treasury function will be transferred to Julius Baer Group and all other group functions currently performed by Julius Baer Holding will be divided as appropriate between Julius Baer Group and GAM Holding. In addition, the PLF business (accounting for CHF 31 billion of assets under management as of 31 December 2008), which currently forms part of the Bank Julius Baer reporting segment, will be transferred to GAM Holding.

3.2 Treatment of outstanding indebtedness

As of 31 December 2008, Julius Baer Holding had the following material debt outstanding: (1) a syndicated bank loan in the amount of CHF 200 million involving Julius Baer Holding as borrower, (2) 2.5% bonds in the amount of CHF 150 million due 12 March 2010 issued by Julius Baer Holding and (3) Julius Baer Holding has issued a note to Julius Baer Capital (Guernsey) I Ltd. in the amount of CHF 225 million for the proceeds of the outstanding preferred securities previously issued by Julius Baer Capital (Guernsey) I Ltd.

In addition, the following material intercompany debt was outstanding as of 31 December 2008: (1) a loan from Bank Julius Baer & Co. Ltd. to GAM in the amount of CHF 95 million, (2) a loan qualifying as lower Tier 2 regulatory capital from Julius Baer Holding to Bank Julius Baer & Co. Ltd. in the amount of CHF 300 million and (3) an intra-group loan in the amount of CHF 90 million from Bank Julius Baer & Co. Ltd. to Julius Baer Invest Ltd., which was repaid in the first quarter of 2009.

In connection with the Transaction:

- *Syndicated bank loan.* The syndicated bank loan pursuant to which Julius Baer Holding is borrower will be assigned to Julius Baer Group. The Transaction will trigger a "change of control" provision thereby requiring repayment of the loan in full. Julius Baer Group expects the loan to be refinanced.

- *Bonds.* The 2.5% CHF 150 million bonds due 12 March 2010 will remain with GAM Holding. There is no “change of control” provision requiring redemption of the bonds as a result of the Transaction.
- *Note in connection with the preferred securities in the amount of CHF 225 million.* In connection with the Transaction, Julius Baer Holding is reviewing the conditions of a potential buy back of the preferred securities issued by Julius Baer Capital (Guernsey) I Ltd. up to the full amount of CHF 225 million. As a consequence, the note issued by Julius Baer Holding to Julius Baer Capital (Guernsey) I Ltd. will be dealt with accordingly. This potential buy back would be paid out of existing funds.
- *Material intercompany debt:*
 - *Loan to GAM in the amount of CHF 95 million.* Bank Julius Baer & Co. Ltd. expects that approximately 50%, or CHF 47.5 million, of the CHF 95 million loan from Bank Julius Baer & Co. Ltd. to GAM will be refinanced externally and the remaining approximately 50% will be extended.
 - *Intra-group lower Tier 2 capital injection in the amount of CHF 300 million.* Bank Julius Baer & Co. Ltd. currently intends to repay CHF 120 million of the CHF 300 million lower Tier 2 capital injection back to Julius Baer Holding prior to completion of the Transaction, subject to regulatory consents. The remaining CHF 180 million loan will be transferred from Julius Baer Holding to Julius Baer Group.

The impact of the potential buy back of the Julius Baer Capital (Guernsey) I Ltd. preferred securities and the partial repayment of the lower Tier 2 capital injection on the income statements and balance sheets of Julius Baer Group and GAM Holding is presented in the pro forma financial information included in this information brochure as well as in the Appendices.

3.3 Summary of financials of Julius Baer Group and GAM Holding

The following table presents adjusted financial information for Julius Baer Group and GAM Holding as of and for the year ended 31 December 2008 assuming the Transaction had occurred on 1 January 2008. Consistent with the manner in which the businesses are operated and the income statement figures communicated to shareholders over the last three years by Julius Baer Holding, the “Julius Baer Group adjusted” and the “GAM Holding adjusted” figures presented in the last two columns in the adjusted income statement below have been adjusted for the amortisation of intangible assets, integration and restructuring costs relating to the acquisitions completed in 2005. These columns, together with the intercompany eliminations and other consolidation adjustments, reconcile to the 2008 adjusted income statement figures. For your convenience, the figures presented in the tables below have also been reconciled to the Julius Baer Holding audited IFRS consolidated financial statements as of and for the year ended 31 December 2008. The Appendices to this Information Brochure contain the pro forma financial information prepared for each of Julius Baer Group and GAM Holding, both of which have been reviewed by KPMG in its capacity as independent auditors.

Income Statement

Year ended 31 December 2008

	Julius Baer Holding audited IFRS consolidated accounts (1)	Amortisation of intangible assets, integration and restructuring costs (2)	Julius Baer Holding adjusted consolidated accounts	Intercompany eliminations (3)	Other adjustments (4)	Julius Baer Group adjusted	GAM Holding adjusted
(CHF in millions)							
Net interest income	478.6		478.6			462.6	16.1
Net fee and commission income	2,200.6		2,200.6	32.9		967.8	1,265.8
Net trading income	352.9		352.9			341.7	11.1
Other ordinary results	(93.6)		(93.6)	68.1		(101.6)	76.1
Operating income	2,938.6		2,938.6	101.1		1,670.5	1,369.1
Personnel expenses	1,292.2	(16.7)	1,275.5			743.7	531.7
General expenses	527.2	(0.5)	526.7	101.1	23.0	340.2	310.6
Depreciation of property and equipment	36.1		36.1			24.5	11.6
Amortisation of customer relationships	176.4	(174.7)	1.7			1.7	
Amortisation of other intangible assets	20.8	(4.3)	16.5			10.9	5.6
Operating expenses	2,052.6	(196.2)	1,856.4	101.1	23.0	1,121.0	859.5
Profit before taxes	886.0	196.2	1,082.2		(23.0)	549.6	509.6
Income taxes	224.5	5.4	229.9		(1.8)	100.6	127.5
Net profit	661.5	190.8	852.3		(21.2)	449.0	382.2

(1) Derived from audited Julius Baer Holding IFRS consolidated income statement 2008.

(2) Corresponds to the adjustments for amortisation of intangible assets, integration and restructuring costs as disclosed in the Julius Baer Holding Business Review 2008.

(3) Corresponds to the intercompany eliminations between Julius Baer Group and GAM Holding.

(4) Corresponds to the group financing adjustments. Please find detailed information in Appendix II, pro forma income statement, note (4).

Balance Sheet

As of 31 December 2008

	Julius Baer Holding audited IFRS consolidated accounts (1)	Intercompany eliminations (2)	Other adjustments (3)	Julius Baer Group pro forma	GAM Holding pro forma
(CHF in millions)					
Assets					
Cash	1,987.6			1,987.6	
Due from banks	8,862.6	261.5	(246.2)	8,489.0	388.9
Due from customers / loans	9,702.8	190.6		9,876.8	16.6
Trading assets	1,269.1			1,269.1	
Derivative financial instruments	5,950.6			5,943.1	7.5
Financial assets designated at fair value	378.4			378.4	
Financial investments available-for-sale	12,528.5	300.0	(300.0)	12,171.3	357.2
Property and equipment	363.6			332.3	31.3
Goodwill and other intangible assets	4,579.8			1,748.6	2,831.1
Accrued income and prepaid expenses	384.9	143.7	139.0	238.2	429.4
Deferred tax assets	106.3			1.5	104.8
Other assets	125.7	4.5		102.9	27.4
Total assets	46,240.0	900.4	(407.2)	42,538.9	4,194.2
Liabilities and equity					
Due to banks	3,517.3	184.6		3,516.9	185.0
Due to customers	25,301.1	567.6	(300.0)	25,564.6	4.0
Trading liabilities	336.8			336.8	
Derivative financial instruments	6,114.5			6,113.7	0.8
Financial liabilities designated at fair value	2,510.0			2,510.0	
Debt issued	380.7		(225.0)	6.2	149.5
Accrued expenses and deferred income	993.4	143.6	139.0	513.8	762.1
Current tax liabilities	50.1			12.7	37.5
Deferred tax liabilities	87.7			87.6	0.1
Provisions	37.1			36.6	0.5
Other liabilities	338.4	4.6		318.4	24.6
Total liabilities	39,666.9	900.4	(386.1)	39,017.3	1,163.9
Share capital	10.6		4.0	4.1	10.4
Reserves	7,169.6		(323.8)	3,740.3	3,105.5
Other component of equity	(279.0)			(193.3)	(85.6)
Treasury shares	(329.5)		298.6	(30.9)	
Equity attributable to shareholders of Julius Baer Holding	6,571.7		(21.2)	3,520.2	3,030.3
Non-controlling interests	1.4			1.4	
Total equity	6,573.1		(21.2)	3,521.6	3,030.3
Total liabilities and equity	46,240.0	900.4	(407.2)	42,538.9	4,194.2

(1) Derived from audited Julius Baer Holding IFRS consolidated balance sheet 2008.

(2) Corresponds to the intercompany eliminations between Julius Baer Group and GAM Holding.

(3) Corresponds to the pro forma financial information adjustments. Please find detailed information in Appendix I and II.

PART IV

JULIUS BAER GROUP AFTER COMPLETION OF THE TRANSACTION

4.1 Business and positioning of Julius Baer Group

Following completion of the Transaction, Julius Baer Group will continue to be the leading pure-play Swiss private banking group, with a strong capital base and an exclusive focus on servicing and advising private clients and independent asset managers. Julius Baer Group will have a global presence with over 30 locations in more than 20 countries and jurisdictions. Julius Baer Group will seek appropriate opportunities for continued expansion of its client base, either organically or by selected acquisitions, into Switzerland and the European core markets as well as the growth markets of the Middle and Far East, Latin America and Central and Eastern Europe.

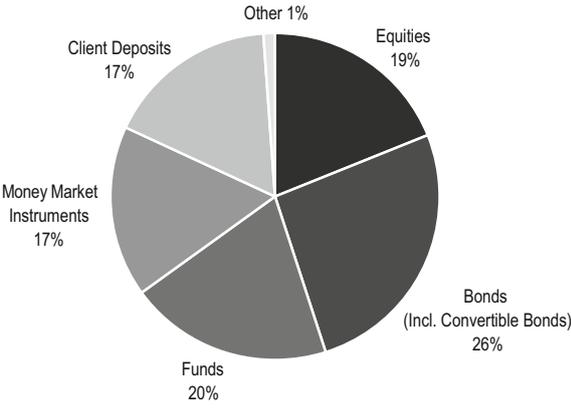
Julius Baer Group, whose principal subsidiary Bank Julius Baer & Co. Ltd. is rated Aa3 by Moody's, will continue to focus on providing clients with custom-made solutions to best suit their individual needs. Julius Baer Group's "open architecture" model will provide it with access to in-house and external specialists in areas such as wealth management and financial planning and investments, allowing for an enhanced and unrestricted choice of the best services and products available for the benefit of its clients.

Additionally, Julius Baer Group will continue to offer a broad range of further services such as foreign exchange and securities trading, custody and execution services including customised solutions for the settlement of stock exchange transactions worldwide as well as securities administration and safekeeping for its diverse client base, largely comprising individual clients, pension funds, banks, asset managers of large family offices, insurance companies and brokers in Switzerland as well as abroad.

Consistent with the separation of the two businesses of private banking and asset management, following completion of the Transaction, subject to certain limited exceptions, Julius Baer Group will cease to offer fund management services. Production and management of Julius Baer-branded fund products will instead be carried out by GAM Holding. For this purpose, Julius Baer Group will enter into an arm's-length licence agreement with GAM Holding pursuant to which GAM Holding will have the exclusive right to produce and manage Julius Baer-branded fund products worldwide. This licence will be of unlimited duration but will contain certain termination provisions designed to protect the "Julius Baer" brand and to provide both parties with longer term strategic flexibility.

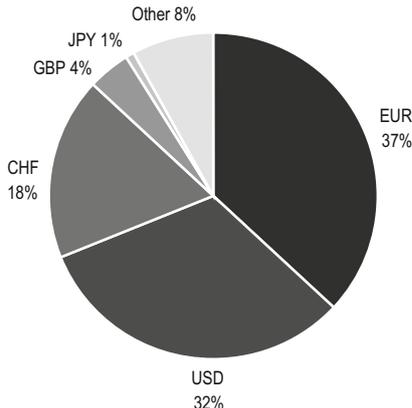
As of 31 December 2008, the Bank Julius Baer reporting segment (excluding the PLF business) accounted for CHF 128 billion, or approximately 47%, of Julius Baer Holding's total assets under management; the assets under custody amounted to CHF 64 billion resulting in total client assets of CHF 192 billion. The breakdown of private banking assets under management by asset mix and currency mix as of 31 December 2008 was as follows:

Julius Baer Group AuM by Asset Mix



Total: CHF 128 billion

Julius Baer Group AuM by Currency



Total: CHF 128 billion

Following completion of the Transaction, Julius Baer Group will focus on:

- maintaining high-quality wealth management services to private banking clients and independent asset managers both in its home market Switzerland and internationally;
- maintaining a global presence, complemented by a strong local knowledge and cultural affinity, while continuing to pursue business expansion opportunities in target markets and client segments;
- cultivating a distinct client dedication and providing sophisticated service offering by giving its clients access to innovative and exclusive investment opportunities while addressing individual personal financial and social circumstances;
- ensuring consistency in investment performance by selecting the best products and services available in the market through its “open architecture” model; and
- maintaining a solid balance sheet with low leverage, high solvency levels and a strong capital base.

4.2 Adjusted financial information for Julius Baer Group

Consistent with the manner in which the business is operated and the figures communicated to shareholders over the last three years by Julius Baer Holding, the “Julius Baer Group adjusted” figures presented in the last column of the adjusted income statement below have been adjusted for the amortisation of intangible assets, integration and restructuring costs relating to the acquisitions completed in 2005. For the basis of preparation of the unaudited pro forma combined financial information, please see Appendix I. The unaudited pro forma combined financial information set out in Appendix I has been reviewed by KPMG.

The purpose of the unaudited adjusted combined financial information is to present the balance sheet and the income statement of Julius Baer Group as if the Transaction occurred on 1 January 2008. This unaudited adjusted combined financial information has been prepared for illustrative purposes and, because of its nature, addresses a hypothetical situation and is not necessarily indicative of actual results of operations. The unaudited adjusted combined financial information does not purport to be indicative of Julius Baer Group’s performance for any future period.

Income Statement

Year ended 31 December 2008

	Julius Baer Group combined before adjustments (1)	Group financing adjustments (2)	Asset Management adjustments (3)	Group Functions adjustments (4)	Julius Baer Group pro forma (5)	Amortisation of intangible assets, integration and restructuring costs (5)	Julius Baer Group adjusted
(CHF in millions)							
Net interest income	461.2	2.3	(1.0)		462.6		462.6
Net fee and commission income	1,019.0		(51.2)		967.8		967.8
Net trading income	342.1		(0.4)		341.7		341.7
Other ordinary results	(100.1)		(1.5)		(101.6)		(101.6)
Operating income	1,722.3	2.3	(54.1)		1,670.5		1,670.5
Personnel expenses	776.1		(46.8)	22.7	752.0	(8.3)	743.7
General expenses	354.8		(25.8)	11.7	340.7	(0.5)	340.2
Depreciation of property and equipment	24.5				24.5		24.5
Amortisation of customer relationships	75.7				75.7	(74.0)	1.7
Amortisation of other intangible assets	19.4		(4.2)		15.2	(4.3)	10.9
Operating expenses	1,250.4		(76.8)	34.4	1,208.1	(87.1)	1,121.0
Profit before taxes	471.8	2.3	22.7	(34.4)	462.5	87.1	549.6
Income taxes	95.2	0.2	5.0	(2.7)	97.7	2.9	100.6
Net profit	376.7	2.1	17.7	(31.7)	364.8	84.2	449.0

(1) Please find details on the Julius Baer Group combined income statement before adjustments in the Appendix I.

(2) In connection with the Transaction, a third-party loan liability in the amount of CHF 200 million will be transferred from Julius Baer Holding to Julius Baer Group. The pro forma adjustments relate to the respective interest expense in the amount of CHF 7.1 million recognised in 2008. Furthermore, from the CHF 300 million intra-group Tier 2 capital, CHF 120 million will be repaid (subject to regulatory approval), before closing of the Transaction and will be recorded as cash with GAM Holding. The remaining intra-group Tier 2 capital of CHF 180 million will be transferred from Julius Baer Holding to Julius Baer Group. Both transfers (CHF 200 million and CHF 180 million) will be dealt with as part of the overall contribution agreements involving no consideration and are therefore presented to result in a negative net equity impact on Julius Baer Group of CHF 20 million. By way of the pro forma adjustment, the respective interest expense of CHF 9.4 million that had been recognised by Bank Julius Baer & Co. Ltd. in 2008 is eliminated.

(3) Because the Asset Management business included in Bank Julius Baer & Co. Ltd.’s consolidated financial statements will not be transferred to Julius Baer Group in connection with the Transaction, the respective income and expense items are eliminated. The carrying amounts of the related assets and liabilities of this business are insignificant.

(4) The pro forma adjustment reflects the expenses (CHF 31.7 million, net of tax impact) relating to Julius Baer Holding group functions that will be transferred from Julius Baer Holding to Julius Baer Group. The amount is based on a reasonable allocation of actual expenses that arose in 2008.

(5) Corresponds to the adjustments for amortisation of intangible assets, integration and restructuring costs as disclosed in the Julius Baer Holding Business Review 2008.

Balance Sheet

As of 31 December 2008

	Julius Baer Group combined before adjustments (1)	Group financing adjustments (2)	Dividends (3)	Treasury share adjustments (4)	Software of JBAM (5)	Income statement adjustments (6)	Julius Baer Group pro forma
(CHF in millions)							
Assets							
Cash	1,987.6						1,987.6
Due from banks	8,620.9	(120.0)				(11.9)	8,489.0
Due from customers / loans	9,876.8						9,876.8
Trading assets	1,269.1						1,269.1
Derivative financial instruments	5,943.1						5,943.1
Financial assets designated at fair value	378.4						378.4
Financial investments available-for-sale	12,202.2			(30.9)			12,171.3
Property and equipment	332.3						332.3
Goodwill and other intangible assets	1,766.1				(17.4)		1,748.6
Accrued income and prepaid expenses	238.2						238.2
Deferred tax assets	1.5						1.5
Other assets	102.9						102.9
Total assets	42,719.1	(120.0)		(30.9)	(17.4)	(11.9)	42,538.9
Liabilities and equity							
Due to banks	3,316.9	200.0					3,516.9
Due to customers	25,864.6	(300.0)					25,564.6
Trading liabilities	336.8						336.8
Derivative financial instruments	6,113.7						6,113.7
Financial liabilities designated at fair value	2,510.0						2,510.0
Debt issued	6.2						6.2
Accrued expenses and deferred income	374.9		139.0				513.8
Current tax liabilities	12.7						12.7
Deferred tax liabilities	87.6						87.6
Provisions	36.6						36.6
Other liabilities	318.4						318.4
Total liabilities	38,978.3	(100.0)	139.0				39,017.3
Share capital	4.1						4.1
Reserves	3,928.6	(20.0)	(139.0)		(17.4)	(11.9)	3,740.3
Other component of equity	(193.3)						(193.3)
Treasury shares				(30.9)			(30.9)
Equity attributable to shareholders of Julius Baer Group	3,739.4	(20.0)	(139.0)	(30.9)	(17.4)	(11.9)	3,520.2
Non-controlling interests	1.4						1.4
Total equity	3,740.8	(20.0)	(139.0)	(30.9)	(17.4)	(11.9)	3,521.6
Total liabilities and equity	42,719.1	(120.0)		(30.9)	(17.4)	(11.9)	42,538.9

(1) Please find details on the Julius Baer Group combined balance sheet before adjustments in the Appendix I.

(2) In connection with the Transaction, a third-party loan liability in the amount of CHF 200 million will be transferred from Julius Baer Holding to Julius Baer Group. Furthermore, from the CHF 300 million intra-group Tier 2 capital, CHF 120 million will be repaid (subject to regulatory approval), before closing of the Transaction and will be recorded as cash with GAM Holding. The remaining intra-group Tier 2 capital of CHF 180 million will be transferred from Julius Baer Holding to Julius Baer Group. Both transfers (CHF 200 million and CHF 180 million) will be dealt with as part of the overall contribution agreements involving no consideration and are therefore presented to result in a negative net equity impact on Julius Baer Group of CHF 20 million.

(3) Bank Julius Baer & Co. Ltd. and other subsidiaries have distributed, since 31 December 2008, CHF 139 million in dividends to Julius Baer Holding. These dividends represent the last distributions to the current shareholder and are adjusted for in the unaudited pro forma combined balance sheet in order to present a more relevant equity of the Julius Baer Group as of 31 December 2008.

- (4) For pro forma purposes, shares in Julius Baer Holding held by Julius Baer Group are treated as treasury shares. The adjustment reflects that, in accordance with IFRS, treasury shares are deducted from shareholders' equity.
- (5) In connection with the Transaction, certain software of the Asset Management business, historically included in the balance sheet of Bank Julius Baer & Co. Ltd., will not be transferred to Julius Baer Group, but will remain with GAM Holding. Therefore, the respective software costs are adjusted for in the pro forma combined balance sheet.
- (6) Corresponds to the income statement adjustments above from (2) to (4).

As of 31 December 2008

Julius Baer Group
pro forma

Key figures:

Gross margin (bps) ⁽¹⁾	114.8
Cost/income ratio ⁽²⁾	70.2%
Cost/income ratio adjusted ⁽³⁾	65.0%
Pre-tax margin adjusted (bps) ⁽⁴⁾	37.8
BIS Tier 1 ratio ⁽⁵⁾	12.8%
Return on equity (ROE)	10.9%
Return on equity adjusted (ROE) ⁽⁶⁾	20.2%
Number of employees (FTE)	3,060
Basic net profit per registered share (CHF)	1.76
Basic net profit per registered share adjusted (CHF) ⁽⁷⁾	2.17

Client assets:

Assets under management (CHF million)	127,595
Assets under custody (CHF million)	63,618
Total client assets (CHF million)	191,213
Average assets under management (CHF million)	145,577

- (1) Operating income / average assets under management.
- (2) Excluding valuation adjustments, provisions and losses.
- (3) Excluding valuation adjustments, provisions and losses, amortisation of intangible assets, integration and restructuring costs.
- (4) Adjusted profit before tax (excluding amortisation of intangible assets, integration and restructuring costs) / average assets under management.
- (5) BIS Tier 1 calculation excluding preferred securities, which potentially will be repaid in the course of the Transaction.
- (6) Adjusted net profit of the shareholders of Julius Baer Holding (excluding the amortisation of intangible assets, net integration and restructuring costs) / average equity less goodwill.
- (7) Excluding amortisation of intangible assets, net integration and restructuring costs.

4.3 Board of Directors and management

The Board of Directors of Julius Baer Group will be elected by Julius Baer Holding, as sole shareholder of Julius Baer Group, prior to the distribution of Julius Baer Group's shares, and is expected to be composed of the same members currently serving on the Board of Directors of Julius Baer Holding and Bank Julius Baer & Co. Ltd.

The following table sets forth, the name, age and title of each member of the current Board of Directors of Julius Baer Holding.

Name	Age	Title
Raymond J. Baer	50	Chairman of the Board
Peter Kuepfer	65	Independent Lead Director
Leonhard H. Fischer	46	Director
Rolf P. Jetzer	58	Director
Gareth Penny	46	Director
Monika Ribar Baumann	50	Director
Daniel J. Sauter	52	Director
Charles G.T. Stonehill	51	Director

The following sets forth a brief description of each director's business experience and education updated as of 31 December 2008.

Raymond J. Baer (born 1959), Swiss citizen; Law Degree, University of St. Gallen, 1984; LL.M. Degree in Law, Columbia Law School, New York, USA, 1985. Salomon Bros. Inc., New York and London, 1985–1988. Entry into Bank Julius Baer & Co. Ltd., Zurich, as Head of the Swiss Capital Market Group, 1988; Deputy Branch Manager of Bank Julius Baer & Co. Ltd., New York, 1990–1993; member of the Management Committee of Bank Julius Baer & Co. Ltd., Zurich, 1993–1996; member of the Group Executive Board of Julius Baer Holding Ltd. and Head of the Private Banking business line as of 1996; Vice President of the Group Executive Board of Julius Baer Holding Ltd. from 2001 until 13 May 2003; Co-Head of the Private Banking business line from January 2003 until 13 May 2003; Chairman of the Board of Directors of Julius Baer Holding Ltd. since 14 May 2003 and of Bank Julius Baer & Co. Ltd. since 28 March 2003 (first-time election in 2003, term of office until 2012).

Peter Kuepfer (born 1944), Swiss citizen; Certified Accountant's Degree, 1972. Member of the Executive Board of CS Holding, 1989–1996; Chairman of the Board of Directors of CS Life, 1989–1993; President of the Executive Board of Bank Leu, Zurich, 1993–1996; Independent Management Consultant since 1997. Member of the Board of Directors of Julius Baer Holding Ltd. and of Bank Julius Baer & Co. Ltd. since 1999; 2002 until 12 April 2006 Vice Chairman; Independent Lead Director (1999, 2011).

Leonhard H. Fischer (joined Board of Directors on 8 April 2009) (born 1963), German citizen; Master in Finance, University of Georgia, USA, 1987. J.P. Morgan Chase GmbH, 1987–1995: Managing Director and Member of the Executive Board 1992–1995; Dresdner Bank AG, 1995–2002: Member of the Executive Board of Dresdner Bank AG and Chief Executive Officer of Dresdner Kleinwort Wasserstein, 1999–2002; Allianz Holding AG, 2001–2002: Member of the Executive Board, Head Corporates and Markets; Credit Suisse Group, 2003–2007: Chief Financial Officer of Winterthur Group, 2003–2006, Member of the Group Executive Board 2003–2007, Chief Executive Officer EMEA, 2006–2007; RHJ International SA, Co-Chief Executive Officer and Member of the Board of Directors since 2007. Member of the Board of Directors of Julius Baer Holding Ltd. and Bank Julius Baer & Co. Ltd. since 2009 (2009, 2012).

Rolf P. Jetzer (born 1950), Swiss citizen; Dr. of Law, University of Zurich, 1979; Certificat des Hautes Etudes Européennes (H.E.E.), College of Europe, Bruges, Belgium, 1981; bar exam, Canton of Zurich, 1981; courses on American banking law at New York University, USA, 1981. Attorney in the law firm of Lillic McHose & Charles, Los Angeles, California, USA, 1981–1982; attorney in the law firm of Niederer Kraft & Frey, 1982–1987, and Partner in the firm since 1988. Member of the Board of Directors of Julius Baer Holding Ltd. and of Bank Julius Baer & Co. Ltd. since 2005 (2005, 2010).

Gareth Penny (born 1962), South African citizen; Master of Arts in Philosophy, Politics and Economics, Oxford University, UK, 1985. Anglo American Corporation, Johannesburg, South Africa, Head of Anglo American & De Beers Small Business Initiative, 1988–1991; Teemane Manufacturing Company, Debswana, Botswana, Project Manager, 1991–1993; with The Diamond Trading Company (DTC), London, UK, 1993–2006: Sales Executive, 1993–1994; Personal Assistant to the Chairman of De Beers SA, 1994–1996; Diamond Consultant for South Africa, 1996–1999; Head of Strategic Review, 1999–2001; Executive Director & Head of Sales & Marketing, 2001–2004; Managing Director Diamond Trading Company, 2004–2006; member of the Board of De Beers SA, Luxembourg, since 2003; Group Managing Director since 2006. Member of the Board of Directors of Julius Baer Holding Ltd. and of Bank Julius Baer & Co. Ltd. since 2007 (2007, 2010).

Monika Ribar Baumann (born 1959), Swiss citizen; Business Administration Degree, University of St. Gallen, 1983; Executive Program, Stanford University, California, USA, 1999. Controlling and Group Reporting, BASF Austria, Vienna, 1984–1986; Fides (now KPMG Switzerland), Head of Planning, 1986–1990; with Panalpina since 1991: Head of project to introduce group accounting and global standardised software for the Finance and Controlling Department, 1991–1994; Corporate Controller, Panalpina, 1995–2000; Chief Information Officer and member of the Group Executive Board of Panalpina Ltd., Basle, 2000 until mid-2005; subsequently CFO and member of the Group Executive Board of Panalpina Ltd., Basle, until September 2006; CEO and President of the Group Executive Board of Panalpina Ltd., Basle, since October 2006. Member of the Board of Directors of Julius Baer Holding Ltd. and of Bank Julius Baer & Co. Ltd. since 2001 (2001, 2010).

Daniel J. Sauter (born 1957), Swiss citizen; Swiss-Certified Banking Expert, 1983. Gewerbebank, Zurich, Trainee, 1976–1978; Bank Leu, Zurich, Foreign Exchange Trader, 1978–1981; Bank fuer Kredit und Aussenhandel, Zurich, Foreign Exchange and Money Market Trader, 1981–1983; with Glencore International, Zug, 1983–1998: Treasurer and Risk Manager, 1983–1988; Chief Financial Officer, 1989–1998; with Xstrata AG, Zug, 1994–2001: development of Xstrata AG into a globally diversified mining group; Chief Executive Officer, 1995–2001; Trinsic AG, Zug, Co-founder and Chairman of the Board of Directors since 2001; Alpine Select AG, Zug, Chairman of the Board of Directors since 2001. Member of the Board of Directors of Julius Baer Holding Ltd. and of Bank Julius Baer & Co. Ltd. since 2007 (2007, 2010).

Charles G. T. Stonehill (born 1958), dual British and American citizen; Master of Arts in Modern History, Oxford University, UK, 1978. J. P. Morgan & Co., Corporate and Investment Banking, 1978–1984; Morgan Stanley & Co., Managing Director and Head of Equity Division Europe, 1984–1997; Credit Suisse First Boston, Head of Investment Banking for the Americas and member of the Operating Committee, 1997–2002; Lazard Frères, Global Head of Capital Markets and member of the Executive Committee, 2002–2004; Non-executive Director of Gulfsands Petroleum, 2005–2006; Chairman of Panmure Gordon plc., 2006–2008; Independent Director of the London Metal Exchange Ltd. since 2005. Member of the Board of Directors of Julius Baer Holding Ltd. and Bank Julius Baer & Co. Ltd. since 2006 (2006, 2011).

The senior management currently responsible for the businesses which will comprise Julius Baer Group are fully supportive of, and are expected to remain in place following the completion of the Transaction.

4.4 Dividend and dividend policy

Following completion of the Transaction, Julius Baer Group will seek to pursue broadly the same dividend and capital management policy as Julius Baer Holding's historical dividend and capital management policy. Further information will be provided in connection with the publication of Julius Baer Group's annual report for the year ending 31 December 2009.

Julius Baer Group's dividend policy and the amount of future dividends it decides to pay, if any, will depend upon a number of factors, including, but not limited to, its earnings, financial condition, debt service obligations, cash requirements (including capital expenditure and investment plans), prospects, tax, regulatory (including, in particular, banking regulation) and other legal considerations and such other factors as it may deem relevant at the time. The amount of dividends will be determined by its shareholders at their shareholders' meetings. The principal source of funds for the payment of dividends, if any, is expected to be dividends, interest and debt payments received from current and future subsidiaries. The determination of each subsidiary's ability to pay dividends will be made independently in accordance with applicable law and banking regulations. Therefore, there can be no assurance that Julius Baer Group will declare and pay any dividends in the future or that, if paid, the dividends will correspond to the policy described above. Payment of any dividends on the Julius Baer Group shares will be denominated in Swiss francs.

PART V

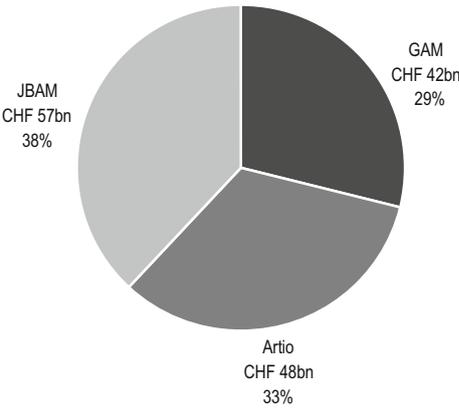
GAM HOLDING AFTER COMPLETION OF THE TRANSACTION

5.1 Business and positioning of GAM Holding

Following completion of the Transaction, GAM Holding, comprising GAM, Artio Global and JBAM, will become an independent, leading active asset manager, with a focus on manufacturing and distribution of investment products. GAM Holding will maintain an attractive portfolio of individual businesses and will offer a broad, well diversified range of investment products, including equity and fixed income funds, discretionary portfolio management services and alternative investments. GAM Holding will focus on accelerating the development of its institutional client base and continue to cultivate a strong private client base. With increased flexibility as an independent company, GAM Holding intends to forge new partnerships and increase its global presence, particularly in the institutional segment, while maintaining its existing distribution to Julius Baer Group private clients as an arm’s-length preferred product provider.

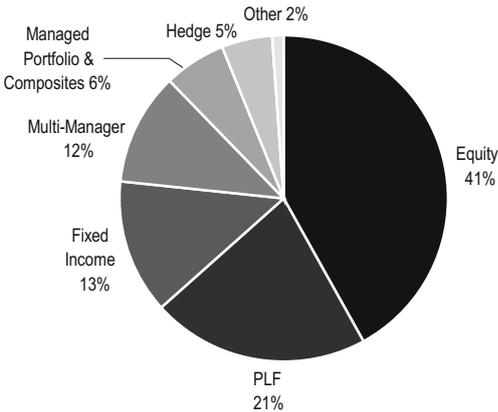
As of 31 December 2008, GAM, Artio Global and JBAM (including the PLF business) collectively accounted for CHF 147 billion, or approximately 54%, of Julius Baer Holding’s total assets under management. GAM Holding’s distribution of assets under management among GAM, Artio Global and JBAM (including the PLF business currently reported in the Bank Julius Baer reporting segment) as of 31 December 2008 and GAM Holding’s distribution of assets under management by product as of 31 December 2008 was as follows:

GAM Holding AuM by Entities



Total: CHF 147 billion

GAM Holding AuM by Products



Total: CHF 147 billion

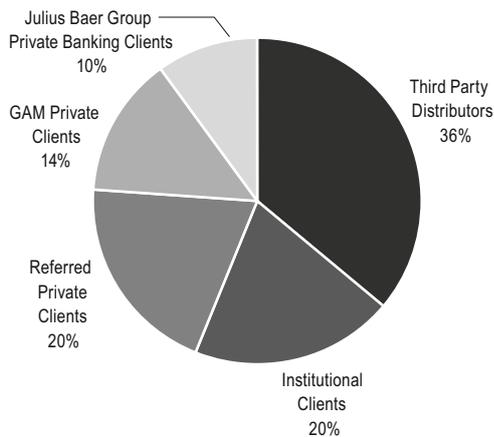
5.1.1 GAM

Following completion of the Transaction, GAM will continue to operate as a specialist asset manager, delivering active, discretionary investment management services to a broad range of clients. As of 31 December 2008, GAM accounted for CHF 42 billion, or approximately 29%, of the total assets under management of Julius Baer Holding’s Asset Management reporting segment (including the PLF business).

GAM specialises in active management of long equity, alternative, and fixed income investments. GAM’s funds and strategies cover a broad range of asset classes, currencies and market conditions. The recent acquisition of London-based Augustus Asset Managers Ltd. further strengthens GAM’s investment expertise in specialised fixed income and currency-related investments.

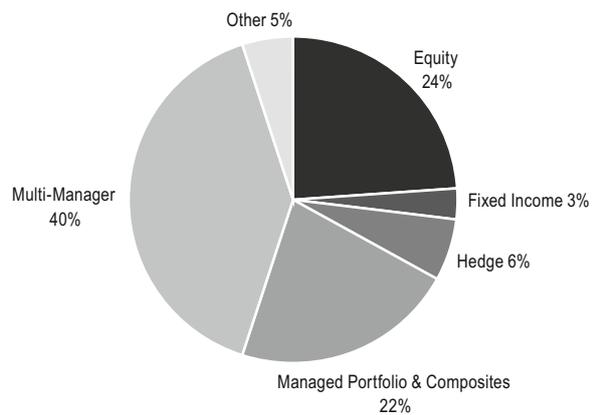
GAM's distribution of assets under management by client and product as of 31 December 2008 was as follows:

GAM AuM by Client Segments



Total: CHF 42 billion

GAM AuM by Products



Total: CHF 42 billion

Following completion of the Transaction, GAM's strategy will be to continue to focus on:

- delivering outstanding high-alpha equity and absolute return investment strategies to investors;
- expanding the distribution reach of its products, by actively targeting the European and US institutional investor segments, and seeking access to additional third-party distribution platforms;
- maintaining and further expanding a well diversified portfolio of investment products covering a broad range of asset classes, currencies and market strategies;
- identifying and attracting some of the best, most skilled fund managers through its state-of-the-art, research-driven manager selection process and distinctive, performance-driven investment culture;
- maintaining a comprehensive set of investment solutions, including both standard and customised strategy allocations, with established and superior long-term track records and a high degree of transparency;
- maintaining its superior, industry-recognised risk and liquidity management processes;
- attracting high quality investment and client service professionals in close proximity to clients;
- building excellent client relationships, in part by providing client-friendly technology, clear reporting and regular access to investment experts; and
- sharing its expertise in the areas it knows best through educational materials that make more complex strategies easy to understand, articles on topical issues, ongoing two-way dialogue with client teams and tailored training programmes.

5.1.2 Artio Global

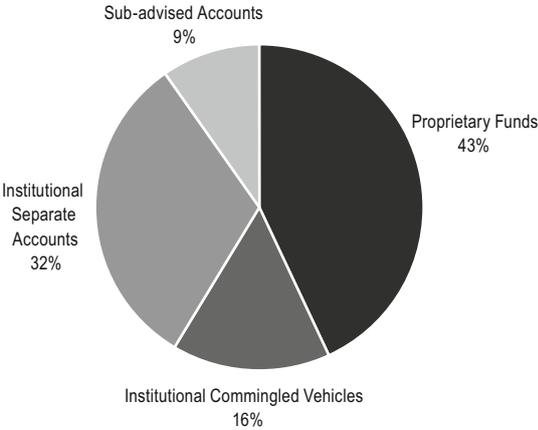
Following completion of the Transaction, Artio Global will continue to operate as a dedicated asset management company, providing investment management services to institutional and mutual fund clients. As of 31 December 2008, Artio Global accounted for CHF 48 billion, or approximately 33%, of the total assets under management of Julius Baer Holding's Asset Management reporting segment (including the PLF business).

Artio Global is best known for its International Equity strategies, which represent a substantial majority of its assets under management either in the form of investment funds or institutional mandates. Artio Global also offers a range of other investment strategies, including High Grade Fixed Income, High Yield and Global Equity.

Julius Baer Holding announced its intention to seek an initial public offering of Artio Global in February 2008. It intends to proceed with the initial public offering in 2009, depending on market conditions.

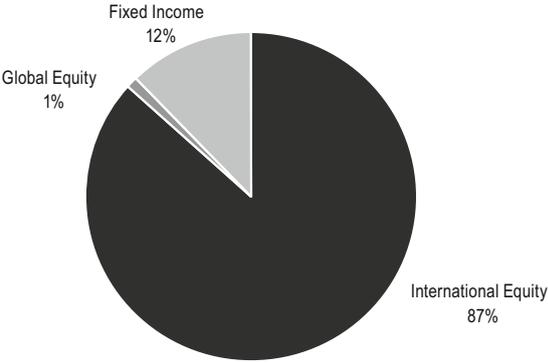
Artio Global's distribution of assets under management by distribution vehicle and product as of 31 December 2008 was as follows:

Artio Global AuM by Distribution Vehicles



Total: CHF 48 billion

Artio Global AuM by Products



Total: CHF 48 billion

Following completion of the Transaction, Artio Global's strategy will be to continue to focus on:

- achieving superior investment results for clients;
- capitalising on its strong position in international equity and growing its other investment strategies (including High Grade Fixed Income, High Yield, and Global Equity Strategies);
- maintaining effective and diverse distribution in both institutional and retail segments and expanding distribution capabilities into those markets and client segments where it sees demand for its product offerings and which it believes are consistent with its philosophy of focusing on buyers who display institutional buying behaviour through their selection process and due diligence;
- managing risk at multiple levels throughout the organisation; and
- maintaining a disciplined approach to growth.

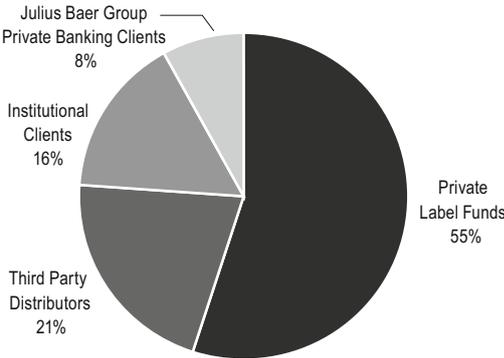
5.1.3 JBAM

Following completion of the Transaction, JBAM will continue to operate as a fund and institutional asset management business mainly focused on the traditional investment universe utilising the "Julius Baer" brand under an exclusive worldwide licence agreement entered into with Julius Baer Group. See Sections 4.1 and 6.1 of this information brochure for further details. In addition, Julius Baer Holding's PLF business which currently operates under the reporting segment Bank Julius Baer will form part of JBAM. As of 31 December 2008, JBAM accounted for CHF 57 billion, or approximately 38%, of the total assets under management of Julius Baer Holding's Asset Management reporting segment (including the PLF business).

JBAM has a global distribution network and a broadly diversified product offering, including equities, fixed-income and balanced mandates. JBAM actively uses third-party distributors and will continue to develop its extensive third-party distribution channels.

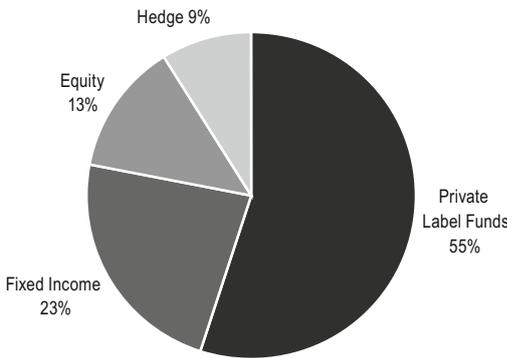
JBAM's distribution of assets under management by client and product as of 31 December 2008 was as follows:

JBAM AuM by Client Segments



Total: CHF 57 billion

JBAM AuM by Products



Total: CHF 57 billion

Following completion of the Transaction, JBAM's strategy will be to continue to focus on:

- providing comprehensive management across all asset classes with particular emphasis on traditional investments to achieve competitive investment performance within a modest risk framework, providing diversification across asset classes and investment styles and addressing absolute and relative return strategies;
- attracting experienced investment specialists in an attractive and highly scalable business model;
- further leveraging the attractive "Julius Baer" brand for its range of asset management products using its broad external distribution network and Luxembourg-based modular investment fund administration;
- utilising selected third party managers to complement internal capabilities;
- maintaining comprehensive and rigorous risk management; and
- enhancing the PLF business by focusing on satisfying client demand for more customised and complex structures.

5.2 Adjusted financial information for GAM Holding

Consistent with the manner in which the business is operated and the figures communicated to shareholders over the last three years by Julius Baer Holding, the "GAM Holding adjusted" figures presented in the last column of the adjusted income statement below have been adjusted for the amortisation of intangible assets, integration and restructuring costs relating to the acquisitions completed in 2005. For the basis of preparation of the unaudited pro forma combined financial information, please see Appendix II. The unaudited pro forma combined financial information set out in Appendix II has been reviewed by KPMG.

The purpose of this unaudited adjusted combined financial information is to present the balance sheet and the income statement of GAM Holding as if the Transaction had occurred on 1 January 2008. This unaudited adjusted combined financial information has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation and is not necessarily indicative of actual results of operations or their related effects on the financial position that would have been achieved, had the Transaction actually occurred on this date. The unaudited adjusted combined financial information does not purport to be indicative of GAM Holding's performance for any future period.

Income Statement

Year ended 31 December 2008

	GAM Holding combined before adjustments	Group financing adjustments	Asset Management adjustments	Group Functions adjustments	GAM Holding pro forma	Amortisation of intangible assets, inte- gration and re- structuring costs	GAM Holding adjusted
	(1)	(2)	(3)	(4)		(5)	
(CHF in millions)							
Net interest income	17.4	(2.3)	1.0		16.1		16.1
Net fee and commission income	1,214.6		51.2		1,265.8		1,265.8
Net trading income	10.7		0.4		11.1		11.1
Other ordinary results	74.6		1.5		76.1		76.1
Operating income	1,317.3	(2.3)	54.1		1,369.1		1,369.1
Personnel expenses	516.0		46.8	(22.7)	540.1	(8.4)	531.7
General expenses	273.5	23.0	25.8	(11.7)	310.6		310.6
Depreciation of property and equipment	11.6				11.6		11.6
Amortisation of customer relationships	100.7				100.7	(100.7)	
Amortisation of other intangible assets	1.4		4.2		5.6		5.6
Operating expenses	903.2	23.0	76.8	(34.4)	968.6	(109.1)	859.5
Profit before taxes	414.2	(25.3)	(22.7)	34.4	400.5	109.1	509.6
Income taxes	129.3	(2.0)	(5.0)	2.7	125.0	2.5	127.5
Net profit	284.9	(23.3)	(17.7)	31.7	275.5	106.6	382.2

- (1) Please find details on the GAM Holding combined income statement before adjustments in Appendix II.
- (2) In connection with the Transaction, a third-party loan liability in the amount of CHF 200 million will be transferred from Julius Baer Holding to Julius Baer Group. The pro forma adjustments relate to the respective interest expense in the amount of CHF 7.1 million recognised in 2008. Furthermore, from the CHF 300 million intra-group Tier 2 capital, CHF 120 million will be repaid (subject to regulatory approval), before closing of the Transaction and will be recorded as cash with GAM Holding. The remaining intra-group Tier 2 capital of CHF 180 million will be transferred from Julius Baer Holding to Julius Baer Group. Both transfers (CHF 200 million and CHF 180 million) will be dealt with as part of the overall contribution agreements involving no consideration and are therefore presented to result in a positive net equity impact on GAM Holding of CHF 20 million. By way of the pro forma adjustment, the respective interest expense of CHF 9.4 million that had been recognised by Bank Julius Baer & Co. Ltd. in 2008 is eliminated. Furthermore, in connection with the Transaction, Julius Baer Holding is reviewing the conditions of a potential buy back of the preferred securities issued by Julius Baer Capital (Guernsey) I Ltd. up to the full amount of CHF 225 million. Such a potential early buy back could involve a premium. The pro forma adjustments reflect a conservative case in which potentially a premium of up to an amount of CHF 23 million would have to be paid.
- (3) Because the Asset Management business currently included in the Bank Julius Baer & Co. Ltd. consolidated financial statements will not be transferred to Julius Baer Group in connection with the Transaction, the respective income and expense items are added back. The carrying amounts of the related assets and liabilities of these businesses are insignificant.
- (4) The pro forma adjustment reflects the reduction in expenses (CHF 31.7 million, net of tax impact) relating to Julius Baer Holding group functions that will be transferred from Julius Baer Holding to Julius Baer Group. The amount is based on a reasonable allocation of actual expenses that arose in 2008.
- (5) Corresponds to the integration and restructuring expenses as well as the amortisation of intangible assets in connection with the acquisition of the three private banks and GAM completed at the end of 2005 (estimation based on current yield curves).

Balance Sheet

As of 31 December 2008

	GAM Holding combined before adjustments (1)	Group financing adjustments (2)	Dividends (3)	Treasury share adjustments (4)	Software of JBAM (5)	Income statement adjustments (6)	GAM Holding pro forma
(CHF in millions)							
Assets							
Cash							
Due from banks	503.2	(105.0)				(9.3)	388.9
Due from customers / loans	16.6						16.6
Trading assets							
Derivative financial instruments	7.5						7.5
Financial assets designated at fair value							
Financial investments available-for-sale	657.2	(300.0)					357.2
Property and equipment	31.3						31.3
Goodwill and other intangible assets	2,813.7				17.4		2,831.1
Accrued income and prepaid expenses	290.5		139.0				429.4
Deferred tax assets	104.8						104.8
Other assets	27.4						27.4
Total assets	4,452.1	(405.0)	139.0		17.4	(9.3)	4,194.2
Liabilities and equity							
Due to banks	385.0	(200.0)					185.0
Due to customers	4.0						4.0
Trading liabilities							
Derivative financial instruments	0.8						0.8
Financial liabilities designated at fair value							
Debt issued	374.5	(225.0)					149.5
Accrued expenses and deferred income	762.1						762.1
Current tax liabilities	37.5						37.5
Deferred tax liabilities	0.1						0.1
Provisions	0.5						0.5
Other liabilities	24.6						24.6
Total liabilities	1,588.9	(425.0)					1,163.9
Share capital	10.6			(0.2)			10.4
Reserves	3,236.8	20.0	139.0	(298.4)	17.4	(9.3)	3,105.5
Other component of equity	(85.6)						(85.6)
Treasury shares	(298.6)			298.6			
Equity attributable to shareholders	2,863.2	20.0	139.0		17.4	(9.3)	3,030.3
Non-controlling interests							
Total equity	2,863.2	20.0	139.0		17.4	(9.3)	3,030.3
Total liabilities and equity	4,452.1	(405.0)	139.0		17.4	(9.3)	4,194.2

(1) Please find details on the GAM Holding combined balance sheet before adjustments in Appendix II.

(2) In connection with the Transaction, a third-party loan liability in the amount of CHF 200 million will be transferred from Julius Baer Holding to Julius Baer Group. Furthermore, from the CHF 300 million intra-group Tier 2 capital, CHF 120 million will be repaid (subject to regulatory approval), before closing of the Transaction and will be recorded as cash with GAM Holding. The remaining intra-group Tier 2 capital of CHF 180 million will be transferred from Julius Baer Holding to Julius Baer Group. Both transfers (CHF 200 million and CHF 180 million) will be dealt with as part of the overall contribution agreements involving no consideration and are therefore presented to result in a positive net equity impact on GAM Holding of CHF 20 million. Furthermore, in connection with the Transaction, Julius Baer Holding is reviewing the conditions of a potential buy back of the preferred securities issued by Julius Baer Capital (Guernsey) I Ltd. up to the full amount of CHF 225 million. Such a potential early buy back has been reflected as if it had taken place in 2008.

- (3) Bank Julius Baer & Co. Ltd. and other subsidiaries have distributed, since 31 December 2008, CHF 139 million in dividends to Julius Baer Holding. These dividends represent the last distributions to the current shareholder and are adjusted for in the unaudited pro forma combined balance sheet in order to present a more relevant equity of GAM Holding as of 31 December 2008.
- (4) This adjustment relates to the reclassification of Julius Baer Holding shares held by Julius Baer Group to treasury shares for pro forma purposes.
- (5) In connection with the Transaction, certain software of the Asset Management business, historically included in the balance sheet of Bank Julius Baer & Co. Ltd., will not be transferred to Julius Baer Group, but will remain with GAM Holding. Therefore, the respective software costs are adjusted for in the pro forma combined balance sheet.
- (6) Reflects the income statement adjustments above from (2) to (4).

As of 31 December 2008

	GAM Holding pro forma
Key figures:	
Gross margin (bps) ⁽¹⁾	66.4
Cost/income ratio ⁽²⁾	70.0%
Cost/income ratio adjusted ⁽³⁾	62.0%
Pre-tax margin adjusted (bps) ⁽⁴⁾	24.7
Return on equity (ROE)	9.5%
Return on equity adjusted (ROE) ⁽⁵⁾	36.4%
Number of employees (FTE)	1,275
Basic net profit per registered share (CHF)	1.33
Basic net profit per registered share adjusted (CHF) ⁽⁶⁾	1.85
Client assets:	
Assets under management (CHF million)	146,939
Average assets under management (CHF million)	206,250

- (1) Operating income / average assets under management.
- (2) Excluding valuation adjustments, provisions and losses.
- (3) Excluding valuation adjustments, provisions and losses, amortisation of intangible assets, integration and restructuring costs.
- (4) Adjusted profit before tax (excluding amortisation of intangible assets, integration and restructuring costs) / average assets under management.
- (5) Adjusted net profit of the shareholders of Julius Baer Holding (excluding the amortisation of intangible assets, net integration and restructuring costs) / average equity less goodwill.
- (6) Excluding amortisation of intangible assets, net integration and restructuring costs.

5.3 Board of Directors and management

In connection with the Transaction, and to reflect the strategy and business needs of GAM Holding post separation, it is proposed that the composition of the Board of Directors of GAM Holding will be changed from the current Board of Directors of Julius Baer Holding. It is expected that at the completion of the Transaction, the Board of Directors will comprise the three members as set out below. It is intended to increase the Board of Directors to five members at or before the next Annual General Meeting of GAM Holding.

The following table sets forth, the name, age, title of the individuals who have been nominated for election to the GAM Holding Board of Directors at the Extraordinary General Meeting to be held on 30 June 2009.

Name	Age	Prospective Title
Johannes A. de Gier	64	Chairman of the Board
Hugh Scott-Barrett	50	Director
Dieter A. Enkelmann	50	Director

The following sets forth a brief description of each prospective director's business experience and education:

Johannes A. de Gier (born 1944), Dutch citizen; Law Degree, University of Amsterdam, 1970. Swiss Bank Corporation, SBC Warburg and Warburg Dillon Read, various functions, 1980–1991; UBS Warburg, Chairman and CEO and member of the Group Executive Board of UBS AG, 1991–2001; UBS AG, Executive Vice Chairman of the Board of Directors, 2001–2003; SBC Wealth Management AG, Chairman of the Board of Directors, 2003 until November 2005; Banco di Lugano, Vice Chairman of the Board of Directors, 2003 until November 2006; Ehinger & Armand von Ernst, 2003 until March 2006, Chairman of the Board of Directors; Ferrier Lullin & Cie SA, 2003 until February 2006, Vice Chairman of the Board of Directors. In December 2005, entry as President of the Group Executive Board and as Group Chief Executive Officer of Julius Baer Holding Ltd. (until October 2007), President of the Executive Board and Group Chief Executive Officer of Julius Baer Holding Ltd. from November 2007 until August 2008; Chief Executive Officer of Bank Julius Baer & Co. Ltd. from December 2008 until April 2009; Chairman of the Board of Directors of GAM Holding Ltd. since 2002.

Hugh Scott-Barrett (born 1958), British citizen: Bachelor of Arts in Modern History, Oxford University, UK, 1980. Kleinwort Benson Limited, Corporate Finance 1980-1984; Swiss Bank Corporation, 1984–1996; Managing Director – Investment Banking (1990–1994); Head of Corporate Finance and Deputy CEO Europe (1994–1995); Managing Director, SBC Warburg and Member of Corporate Finance Executive Committee (1995–1996). Entry into ABN AMRO in 1996 as Chief Executive, ABN AMRO Corporate Finance Ltd; Head of Strategy Review (1999); Member of the Managing Board, Wholesale Clients (2000–2003); Member of the Managing Board & Chief Operating Officer (2003–2005); Head of SOXA404 Implementation Team 2006; Member of Managing Board & Chief Financial Officer (2006–July 2007). Chief Executive, Capital & Regional plc since April 2008.

Dieter A. Enkelmann (born 1959), Swiss citizen; Law Degree, University of Zurich, 1985. Credit Suisse Group, various functions in Investment Banking in Switzerland and abroad, 1985–1997; Swiss Re, Head Corporate Financial Management and Investor Relations, 1997–2000; Swiss Re, Chief Financial Officer of the business unit Financial Services, 2001–2003; Barry Callebaut, Chief Financial Officer, 2003–2006. In December 2006, entry as member of the Group Executive Board and as Group Chief Financial Officer of Julius Baer Holding Ltd. (until October 2007); member of the Executive Board and Group Chief Financial Officer of Julius Baer Holding Ltd. from November 2007 until August 2008; administrative and organisational manager of the Executive Board and Group Chief Financial Officer of Julius Baer Holding Ltd. since 1 September 2008.

The senior management currently responsible for the businesses which will comprise GAM Holding are fully supportive of, and are expected to remain in place following the completion of the Transaction.

5.4 Dividend and dividend policy

GAM Holding's dividend policy and the amount of future dividends it decides to pay, if any, will depend upon a number of factors, including, but not limited to, its earnings, financial condition, cash requirements, prospects, statutory profit retention requirements, tax, regulatory and other legal considerations, and such other factors as it may deem relevant at the time. GAM Holding will seek to return profits to shareholders in the most tax efficient manner possible (which may include share buy-backs or dividends), whilst taking into account the current and future liquidity requirements of GAM Holding and the need for additional capital to grow and expand its various businesses. There can be no assurance that GAM Holding will declare and pay any dividends in the future or that, if paid, the dividends will correspond to the policy described above. Payment of any dividends on the GAM Holding shares will be denominated in Swiss francs.

PART VI

DESCRIPTION OF THE TRANSACTION

6.1 Future relationship of Julius Baer Group and GAM Holding

Following completion of the Transaction, Julius Baer Group and GAM Holding will operate as separate, publicly-listed corporate groups, neither group having a significant or strategic shareholding in the other. Each group will be managed by its own independent Board of Directors and management team, and will deal on an arm's-length basis with each other. Each of the two listed groups will address its own capital management separately.

The Transaction and intended future relationship between Julius Baer Group and GAM Holding will be subject to regulatory consents, notably by the FINMA, the Swiss Financial Market Supervisory Authority. Julius Baer Holding intends to structure the Transaction and the future relationship of Julius Baer Group and GAM Holding such that the two groups will not be subject to consolidated supervision on a combined basis.

Consistent with the separation of the two businesses of private banking and asset management, following completion of the Transaction, subject to certain limited exceptions, Julius Baer Group will cease to offer fund management services. Production and management of Julius Baer-branded fund products will instead be carried out by GAM Holding. For this purpose, Julius Baer Group will enter into an arm's-length licence agreement with GAM Holding pursuant to which GAM Holding will have the exclusive right to produce and manage Julius Baer-branded fund products worldwide. This licence will be of unlimited duration but will contain certain termination provisions designed to protect the "Julius Baer" brand and to provide both parties with longer term strategic flexibility.

6.2 Separation and carve-out arrangements between Julius Baer Group and GAM Holding

In connection with the Transaction, Julius Baer Group and GAM Holding will enter into such agreements as are necessary to complete the separation of the asset management and private banking businesses. These agreements will cover the mechanics of the Transaction, will govern the relationship between Julius Baer Group and GAM Holding after completion of the Transaction and will also provide for the allocation of employee benefits, real property, taxes and other liabilities and obligations.

The primary purposes of the separation agreements, which will become effective upon completion of the Transaction, are:

- to arrange for the provision of a limited range of services on a transitional basis, customary for a transaction of this nature;
- to ensure that all affected parties have appropriate access to all necessary documents and relevant information relating to their historical operations going forward and that, where relevant, information is subject to appropriate data privacy, data protection and confidentiality provisions;
- to allocate properly amongst the parties' contingent and other liabilities and losses that may arise following the Transaction or relating to their historical operations; and
- to set forth the understanding of the parties about employment matters including treatment of stock options, restricted stock, pension and other employee benefit plans as well as any arrangements regarding non-solicitation and/or non-competition, information sharing and confidentiality.

Under the terms of the transition services arrangements to be entered into, Julius Baer Group and GAM Holding will provide each other with, or procure the provision to each other of, certain services which will be provided on commercial terms and on an arm's-length basis for a limited duration. The services include, but are not limited to, the provision of information technology, administrative support, and facilities management services. The majority of these services are likely to be provided by Julius Baer Group to GAM Holding, in respect of the JBAM business. The provision and receipt of the services will not create significant dependencies between the two parties.

In connection with the Transaction, and subject to shareholder approval, the Julius Baer Holding Share Buyback Programme 2008–2010 of up to CHF 2 billion will be cancelled.

6.3 Organisation of Julius Baer Group

Julius Baer Group is expected to be formed as a stock corporation (*Aktiengesellschaft*) for an unlimited period of time under Swiss Law and registered in the Commercial Register of the Canton of Zurich in June 2009.

Julius Baer Group's corporate seat will be located in Zurich, Switzerland and its registered office will be at Bahnhofstrasse 36, 8001 Zurich, Switzerland. The main corporate purpose of Julius Baer Group will be the acquisition and management of its permanent participations, particularly in banks and other companies engaged in financial services. Julius Baer Group's independent auditors will be KPMG.

Julius Baer Group's Articles of Incorporation will be substantially in the same form as the current Articles of Incorporation of Julius Baer Holding except that, among other things, a technical aspect of the corporate purpose and the share capital will be different and that they will provide for no individual physical delivery of share certificates (*aufgehobener Titeldruck*).

After the incorporation, the private banking business and certain related ancillary businesses of Julius Baer Holding will be transferred from Julius Baer Holding to Julius Baer Group by way of contribution in kind to be made by Julius Baer Holding against no consideration (*i.e.*, no share capital increase at the level of Julius Baer Group will be required). The transfer of the private banking business and certain related ancillary businesses will be subject to receipt of the required regulatory consents of FINMA and foreign regulators as well as other third-party consents.

Immediately after the listing of the Julius Baer Group shares on SIX, Julius Baer Group's issued share capital is expected to amount to CHF 4,132,615.12, fully paid up, divided into 206,630,756 registered shares (*Namenaktien*) with a nominal value of CHF 0.02 each. There will be only one type of shares which will rank *pari passu* in all respects with each other, including voting rights, entitlements and pre-emptive rights (*Bezugsrechte*).

Each share will carry one vote at any shareholders' meeting. Holders of shares will be able to exercise their voting rights only if and to the extent they are registered in Julius Baer Group's share register (*Aktienregister*) as a shareholder with voting rights.

Julius Baer Group's shares will not be certificated (*aufgehobener Titeldruck*). Delivery of Julius Baer Group shares will be made in book-entry form through the facilities of SIS. Share certificates will not be available for individual physical delivery. However, any registered shareholder may, at any time, request Julius Baer Group to confirm its shareholding in written form. Such confirmation will not constitute a negotiable instrument.

A transfer of Julius Baer Group shares requires a shareholder to file a share registration form in order to be registered in Julius Baer Group's share register with voting rights. Failing such registration, a shareholder may not vote at or participate in a shareholders' meeting. A transferee of Julius Baer Group shares will be registered in Julius Baer Group's share register as a shareholder with voting rights upon request. Julius Baer Group may refuse to record the transferee in the share register as a shareholder with voting rights if the transferee does not expressly state that he has acquired Julius Baer Group shares in his own name and for his own account.

Fiduciaries and nominees may be entered as a shareholder in the share register with voting rights for Julius Baer Group shares up to a maximum of 2% of the share capital. Shares held by a fiduciary and nominee that exceed this limit may be registered in the share register with voting rights if such fiduciary and nominee discloses to Julius Baer Group the name, address, nationality or registered office and shareholdings of any person or legal entity for whose account it is holding 0.5% or more of the share capital, directly or indirectly. Fiduciaries and nominees which are affiliated with other fiduciaries and nominees by means of ownership structure or voting rights or which have a common management or are otherwise affiliated are deemed one fiduciary and nominees as regards the application of such entry limitations.

The Board of Directors of Julius Baer Group may cancel the entry in the share register of a shareholder or fiduciary and nominee with voting rights, upon a hearing of such shareholder or fiduciary and nominee if the entry in the share register is based on false information. The affected shareholder or fiduciary and nominee has to be notified of the cancellation immediately.

It is the intention that Julius Baer Group's Articles of Incorporation will provide for conditional share capital (*bedingtes Aktienkapital*) of CHF 200,000 pursuant to which Julius Baer Group's share capital may be increased by the issue of up to 10,000,000 registered shares, to be fully paid-up and each with a nominal value of CHF 0.02, in a maximum total amount of CHF 200,000 through the exercise of conversion or warrants rights in connection with bonds issued by Julius Baer Group or its subsidiaries. When issuing convertible or warrant bonds, the Board of Directors may rescind priority subscription rights of existing shareholders for important reasons. Important reasons can be the securing of optimal conditions in issuing of bonds and ensuring equal treatment of shareholders domestically and abroad.

6.4 Conditions to completion of the Transaction

If Julius Baer Holding's shareholders approve the proposed resolutions at the Extraordinary General Meeting to be held on 30 June 2009, the consummation of the Transaction is expected to be subject to satisfaction or waiver of the following conditions precedent:

- all relevant regulatory consents required under any applicable banking and financial services laws and any other necessary consents shall have been obtained and all required notifications shall have been made;
- satisfactory tax rulings by the Swiss tax authorities shall have been obtained relating to tax considerations;
- no judgement, injunction or order shall have been issued by any applicable governmental, regulatory, administrative or judicial authority and no proceeding shall have been instituted, be pending or threatened by any such authority which would challenge or prohibit the consummation of the Transaction; and
- the approval by SIX to the listing of the Julius Baer Group shares shall have been obtained.

6.5 Tax considerations

The following is a summary of the main anticipated tax consequences which are anticipated to arise for certain Julius Baer Holding shareholders, in respect of their receipt of Julius Baer Group shares as a result of the Transaction. It does not purport to address all tax consequences for Julius Baer Holding shareholders of the Transaction, and does not take into account the specific circumstances for any particular shareholder. This summary is based on the tax laws of Switzerland, the United States and the United Kingdom as in effect on the date hereof, which are subject to change (or changes in interpretation), possibly with retroactive effect.

Shareholders who are in any doubt as to their tax position should consult their own tax adviser regarding the specific applicable federal, foreign, state and local tax consequences of the distribution of the Julius Baer Group shares.

Swiss tax considerations

Swiss tax considerations for the Transaction

Swiss tax consequences for Julius Baer Holding, for Julius Baer Group and for the respective subsidiaries

Except as discussed below and apart from any potential tax consequences resulting from the separation of JBAM, the Transaction will very likely be tax-free in Switzerland for Julius Baer Holding, Julius Baer Group and the respective subsidiaries.

Withholding tax on dividend: The separation requires a dividend by Julius Baer Holding to its shareholders, who will receive one Julius Baer Group share and a cash dividend per one Julius Baer Holding share. After distribution each Julius Baer Holding shareholder will hold additional nominal share capital of CHF 0.02 per one distributed Julius Baer Group share. The increase in nominal share capital will be treated as a taxable dividend subject to Swiss withholding tax at a rate of 35%. In total Julius Baer Group's nominal share capital will amount to CHF 4,132,615.12 as 206,630,756 new shares will be issued by Julius Baer Group. Simultaneously with the distribution of the Julius Baer Group shares to its shareholders Julius Baer Holding will declare a cash dividend of CHF 2,225,254 or CHF 0.01076923 per Julius Baer Holding share, respectively, which will be directly payable by Julius Baer Holding to the Swiss Federal Tax Administration in order to settle the Swiss withholding tax liability of CHF 2,225,254. Julius Baer Holding will declare this cash dividend in order to fulfil its 35% Swiss withholding tax liability resulting from the distribution. As regards any refund of this withholding tax please refer to the below sections.

Tax consequences resulting from separation: The potential Swiss tax consequences of the separation of the JBAM business at the level of the involved subsidiaries are currently being assessed.

Swiss tax consequences for individuals resident in Switzerland holding their shares as private assets (Privatvermögen)

Income tax: For individual shareholders resident in Switzerland and holding their Julius Baer Holding shares as private assets the aggregate amount of the cash dividend and the received additional nominal share capital which in total is CHF 0.03076923 per one Julius Baer Holding share will be subject to Swiss federal income tax. In most Cantons the same principles apply. However, in some Cantons, like the Canton of Zurich, the additional nominal share capital is not taxable upon distribution to the shareholders. Here, resident shareholders will only be subject to income tax on the cash payment of CHF 0.01076923 per share.

Withholding tax: Under Swiss tax law holders of Julius Baer Holding shares are generally eligible to reclaim the Swiss withholding tax of CHF 0.01076923 per Julius Baer Holding share, provided they are Swiss residents and beneficially own the Julius Baer Holding shares.

Swiss tax consequences for individuals holding their shares as business assets and legal entities

Income tax: If a shareholder resident in Switzerland holds the Julius Baer Holding shares as business assets, the taxation depends on the accounting treatment of the dividend at the level of this shareholder. The shareholder realises taxable dividend income if such shareholder books the shares and/or the refund of the withholding tax as income in the income statement. However, corporate shareholders may benefit from the participation reduction.

Withholding tax: Under Swiss tax law holders of Julius Baer Holding shares are generally eligible to reclaim the Swiss withholding tax of CHF 0.01076923 per Julius Baer Holding share, provided they are Swiss residents and beneficially own the Julius Baer Holding shares.

Swiss withholding tax consequences for shareholders residing outside of Switzerland

A non-resident of Switzerland but a resident of a country that concluded a double taxation treaty with Switzerland may qualify for a full or partial refund of the Swiss withholding tax resulting from the Transaction by virtue of the provisions of the applicable double taxation treaty. Under the double taxation treaty between Switzerland and the United States (the "**Treaty**"), the withholding tax rate on dividends paid to US Shareholders entitled to the benefit of the Treaty generally shall not exceed 15%. Eligible US Shareholders may apply for a refund of the amount of the withholding tax in excess of the 15% rate.

US federal income tax considerations

This disclosure is limited to the US federal tax issues addressed herein. Additional issues may exist that are not addressed in this disclosure and that could affect the US federal tax treatment of the Transaction. This tax disclosure was written in connection with the Transaction, and it cannot be used by any shareholder for the purpose of avoiding penalties that may be asserted against the shareholder under the Internal Revenue Code of 1986, as amended (the "Code"). Shareholders should seek their own advice based on their particular circumstances from an independent tax adviser.

The following is a general discussion of certain US federal income tax consequences of the Transaction to the US Shareholders described below. The discussion applies only to US Shareholders who hold Julius Baer Holding shares as capital assets for tax purposes and does not describe all of the tax consequences that may be relevant to US Shareholders subject to special rules, such as:

- certain financial institutions;
- insurance companies;
- dealers and traders in securities or foreign currencies;
- persons holding Julius Baer Holding shares as part of a hedge, straddle, conversion transaction or other integrated transaction;
- persons whose functional currency for US federal income tax purposes is not the US dollar;
- partnerships or other entities classified as partnerships for US federal income tax purposes;
- persons liable for the alternative minimum tax;
- tax-exempt organisations;
- persons holding Julius Baer Holding shares that own or are deemed to own ten percent or more of the company's voting stock; or
- persons who acquired Julius Baer Holding shares pursuant to the exercise of any employee stock option or otherwise as compensation.

This discussion is based on the Internal Revenue Code of 1986, as amended, administrative pronouncements, judicial decision, final, temporary and proposed Treasury regulations and the Treaty, all as of the date hereof. These laws are subject to change, possibly on a retroactive basis. US Shareholders should consult their own tax advisers concerning the US federal, state, local and foreign tax consequences of the Transaction in their particular circumstances.

As used in this discussion, the term "US Shareholder" means a beneficial owner of Julius Baer Holding shares that, for US federal income tax purposes, is:

- a citizen or resident of the United States;
- a corporation, or other entity taxable as a corporation, created or organised in or under the laws of the United States or any political subdivision thereof; or
- an estate or trust the income of which is subject to US federal income taxation, regardless of its source

and who is entitled to the benefits of the Treaty.

Because Julius Baer Holding will change its name to GAM Holding upon completion of the Transaction, references herein to Julius Baer Holding should be read to refer to GAM Holding and vice versa, where appropriate.

US federal income taxation implications of the Transaction

Subject to the discussion under "Passive Foreign Investment Company Considerations" below, Julius Baer Holding expects that (a) the distribution of Julius Baer Group shares pursuant to the Transaction should qualify as a tax-free spin-off for US federal income tax purposes, (b) a US Shareholder should realise taxable dividend income equal to its share of the cash dividend declared and used to pay Swiss withholding tax (the "**Cash Dividend**") and (c) US Shareholder's basis in Julius Baer Holding shares should be allocated between the Julius Baer Group shares distributed and its Julius Baer Holding shares in accordance with their respective fair market values. However, since certain details of the Transaction structure have yet to be finalised and no ruling is being sought from the Internal Revenue Service (the "**IRS**"), it is possible that the IRS or a court could take a contrary view.

Subject to the discussion under “Passive Foreign Investment Company Considerations” below, if the Transaction does not qualify as a tax-free spin-off for US federal income tax purposes, US Shareholders will be taxed as if they had received a cash distribution equal to the sum of the fair market value of the Julius Baer Group shares they receive and the Cash Dividend. Such distribution would be taxed as a dividend to the extent of the US Shareholder’s *pro rata* share of Julius Baer Holding’s current or accumulated earnings and profits (as determined under US federal income tax principles). Distributions in excess of earnings and profits are generally treated as a non-taxable return of capital to the extent of the US Shareholder’s US tax basis in the shares; and thereafter as a capital gain with respect to the remaining value. Because Julius Baer Holding does not maintain calculations of its earnings and profits under US federal income tax principles, it is expected that taxable distributions will generally be reported to US Shareholders as dividends.

Subject to applicable limitations, Swiss taxes withheld from dividends at a rate not exceeding the rate provided by the Treaty should be creditable against the US Shareholder’s US federal income tax liability. See “Swiss Tax Considerations – Swiss withholding tax consequences for shareholders residing outside of Switzerland” for a discussion of how a Shareholder may obtain a refund of any amount in excess of the Treaty rate. Subject to applicable limitations, dividends received by certain non-corporate US Shareholders from qualified foreign corporations in taxable years beginning before January 1, 2011 may be taxable at a maximum rate of 15%. Non-corporate US Shareholders should consult their own tax advisers with respect to the applicability of the 15% tax rate and to determine whether they are subject to any special rules that may limit their ability to be taxed at the preferential rate.

Passive foreign investment company considerations

Julius Baer Holding believes that it was not a passive foreign investment company (“PFIC”) for US federal income tax purposes for its 2008 taxable year. Julius Baer Holding has not sought to determine whether Julius Baer Holding has been a PFIC in any prior taxable year. Julius Baer Holding does not express any view on whether GAM Holding or Julius Baer Group may be a PFIC for its 2009 taxable year. Because PFIC status is based on an annual test that depends upon the composition of a company’s income and assets and the value of its assets, which may be determined in part by reference to the market price of its shares (which, in the case of GAM Holding and Julius Baer Group, will not be publicly traded until after the Transaction) from time to time, there can be no assurance that Julius Baer Holding has not been, or Julius Baer Group or GAM Holding will not be, a PFIC for any taxable year. Furthermore, Julius Baer Group’s status will depend upon certain proposed regulations applicable to “active foreign banks” which are not yet effective but are proposed to be effective from December 31, 1994. If Julius Baer Holding were a PFIC for any taxable year during which a US Shareholder held a Julius Baer Holding share, GAM Holding were a PFIC for any taxable year during which a US Shareholder held a GAM Holding share or Julius Baer Group were a PFIC for any taxable year during which a US Shareholder held a Julius Baer Group share, certain adverse consequences could apply to the US Shareholder.

In general, if Julius Baer Holding were a PFIC for any taxable year during which a US Shareholder held a Julius Baer Holding share and the Transaction did not qualify as a tax-free spin-off for US federal income tax purposes, the excess of the fair market value of the Julius Baer Group shares received by a US Shareholder in the Transaction over 125% of the average of the annual distributions on Julius Baer Holding shares received by the US Shareholder during the preceding three years or the US Shareholder’s holding period, whichever if shorter, would be allocated ratably over the US Shareholder’s holding period for the Julius Baer Holding share. The amounts allocated to the taxable year of the Transaction and to any year before Julius Baer Holding became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for individuals or corporations, as appropriate, and an interest charge would be imposed on the amount allocated to such taxable year. If Julius Baer Holding, Julius Baer Group or GAM Holding were a PFIC for any taxable year during which a US Shareholder held a Julius Baer Holding, Julius Baer Group or GAM Holding share, respectively, similar treatment would apply to any gain on disposition of Julius Baer Group shares or GAM Holding shares, respectively, and to any distribution in excess of 125% of the average of the annual distributions on Julius Baer Group shares or GAM Holding shares, respectively, received by the US Shareholder during the preceding three years or the US Shareholder’s holding period, whichever is shorter. Under certain proposed regulations, if Julius Baer Holding were a PFIC for any taxable year during which a US Shareholder held a Julius Baer Holding share and the Transaction would otherwise qualify as a tax-free spin-off for US federal income tax purposes, the Transaction may nevertheless be treated as a disposition of Julius Baer Holding shares subject to the treatment described above. Certain elections may be available (including a mark to market election, if the shares are regularly traded on a qualified exchange) to US Shareholders that may result in different tax consequences in certain circumstances.

In addition, the 15% dividend rate discussed above with respect to dividends paid to non-corporate holders would not apply if Julius Baer Holding, Julius Baer Group or GAM Holding, respectively, were to be a PFIC for the taxable year of a distribution by such corporation or for the prior taxable year.

UK tax considerations

The following information is intended as a general guide and applies only to Julius Baer Holding shareholders who are resident (and for individuals who are ordinarily resident and domiciled) in the United Kingdom for tax purposes. Furthermore, the information relates only to Julius Baer Holding shareholders who will hold their Julius Baer Holding shares directly as an investment (other than under a personal equity plan or an individual savings account) and who are beneficial owners of Julius Baer Holding shares.

This information does not deal with certain types of shareholders, such as persons holding or acquiring Julius Baer Holding shares in the course of trade, or by reason of their, or another’s employment, collective investment schemes and insurance companies. Further, this guidance does not take into account short-term resident individuals who may be taxed in the United Kingdom on their foreign income on a remittance basis.

The information contained in this section is general in nature and does not take into account the specific circumstances of shareholders. Shareholders should seek their own advice based on their particular circumstances from an independent tax adviser.

Distribution of Julius Baer Group shares and the cash dividend

Julius Baer Holding expects that the distribution of Julius Baer Group shares and the cash dividend as contemplated by the Transaction should be regarded as a capital distribution for UK tax purposes subject to anti-avoidance provisions as noted below. For UK tax resident shareholders, the receipt of Julius Baer Group shares and the cash dividend should be treated as a part-disposal of an interest in the underlying Julius Baer Holding shares.

However, since certain details of the Transaction structure have yet to be finalised and the matter is in any case complex, it is possible that the HMRC or a court could take a contrary view.

UK resident shareholders should consult their own tax advisers to determine whether any of the Swiss withholding taxes described under “Swiss Tax Considerations” will be creditable against the UK resident shareholders’ tax liability.

Individual shareholders

The part disposal calculation taxes the difference between the capital distribution received (i.e. the value of the Julius Baer Group share capital received plus the cash dividend) and the deemed base cost. The deemed base cost is the historic base cost of the Julius Baer Holding shareholding multiplied by:

$$\frac{A}{A + B}$$

A = the value of the capital distribution

B = the market value of the Julius Baer Holding shareholding after the capital distribution.

The calculation of the deemed base cost can be complex depending on the particular circumstances of the shareholder. Shareholders should seek their own advice based on their particular circumstances from an independent tax adviser.

Any chargeable gain arising under the part disposal calculation should be taxable at 18% for UK resident individuals. The gain should be calculated according to normal UK tax principles, unless the value of the distribution is less than 5% of the value of the shareholder’s Julius Baer Holding shareholding, or in any case, £3,000, or less in which case the value can instead be deducted from the base cost in the Julius Baer Holding shareholding.

A specific anti-avoidance rule may apply to UK tax resident individuals pursuant to section 682 of the Income Tax Act 2007 which could operate to tax a distribution of this kind as income in certain circumstances.

It is the view of Julius Baer Holding that section 682 should not apply due to the commercial nature of the Transaction, which should be regarded as being carried out for bona fide commercial reasons and not for the avoidance of tax, and therefore within the terms of an exclusion from that anti-avoidance provision.

Corporate shareholders

The same computational rules described above in relation to individuals should apply here, except that the historic base cost of the shareholding in Julius Baer Holding should be adjusted for an indexation allowance based on the period of time the shareholding has been held for. Any chargeable gains arising on the part disposal calculation should be taxed at the main UK corporation tax rate of 28% (or 21% if the company is regarded as small for UK tax purposes).

As for individual shareholders above, a similar anti-avoidance rule may apply to the distribution received by UK corporate investors pursuant to section 703 of the Income and Corporate Taxes Act 1988 ("ICTA 1988") which could operate to tax a distribution of this kind as income in certain circumstances.

It is the view of Julius Baer Holding that section 703 should not apply due to the commercial nature of the Transaction, which should be regarded as being carried out for bona fide commercial reasons and not for the avoidance of tax, and therefore within the terms of an exclusion from that anti-avoidance provision.

Exempt shareholders

Shareholders such as charities and pensions funds are exempt from UK taxation on capital distributions. In order to obtain this tax treatment, such bodies need to have the appropriate status under UK law.

Certain UK mutual or investment funds, are exempt from all capital gains taxation. Such shareholders should seek their own professional tax advice.

Stamp duty

No UK stamp duty or stamp duty reserve tax should be payable by Julius Baer Holding shareholders as a result of the Transaction.

APPENDIX I

PRO FORMA COMBINED FINANCIAL INFORMATION OF JULIUS BAER GROUP (REVIEWED BY KPMG)

1. Introduction

In May 2009, the Board of Directors of Julius Baer Holding Ltd. ("**Julius Baer Holding**") resolved to transfer, subject to shareholder and regulatory approval, its private banking business and certain related ancillary businesses to Julius Baer Group Ltd. ("**Julius Baer Group**"), which will be a newly-formed, wholly-owned subsidiary of Julius Baer Holding, and the subsequent distribution of Julius Baer Group's shares to the shareholders of Julius Baer Holding and listing of Julius Baer Group's shares on the SIX (the "**Transaction**").

Julius Baer Group will consist of Bank Julius Baer & Co. Ltd. and its subsidiaries as at 31 December 2008, except for the private label fund business ("**PLF business**") that will remain with Julius Baer Holding (to be renamed GAM Holding Ltd. ("**GAM Holding**")), and the entities listed under section 6 of this Appendix (together, the "**other subsidiaries**").

2. Basis of preparation

The unaudited pro forma combined financial information has been derived from:

- Bank Julius Baer & Co. Ltd. audited consolidated financial statements as of and for the year ended 31 December 2008 prepared in accordance with IFRS; and
- Financial information used in the preparation of Julius Baer Holding's audited consolidated financial statements as of and for the year ended 31 December 2008 prepared in accordance with IFRS relating to the other subsidiaries of Julius Baer Holding that will form part of the Julius Baer Group upon completion of the Transaction.

The underlying financial information has been prepared using consistent accounting policies, as described in the notes to the above mentioned consolidated financial statements.

The unaudited pro forma combined financial information has been prepared in accordance with the SIX Directive on the Presentation of a Complex Financial History in the Listing Prospectus.

The purpose of this unaudited pro forma combined financial information is to present the balance sheet and the income statement of Julius Baer Group as if the Transaction occurred on 1 January 2008. This unaudited pro forma combined financial information has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation and is not necessarily indicative of actual results of operations or their related effects on the financial position that would have been achieved, had the Transaction actually occurred on this date. The pro forma combined financial information does not purport to be indicative of Julius Baer Group's future performance for any future period. This pro forma combined financial information has been reviewed by KPMG AG, Zurich ("**KPMG**").

The pro forma adjustments are based on available information and certain assumptions that Julius Baer Holding considers to be reasonable. The pro forma combined financial information neither reflects any adjustments for synergies expected to arise from the abovementioned transactions, nor any costs that may be incurred to achieve such synergies.

Pro forma combined income statement – Julius Baer Group

Year ended 31 December 2008

	Bank Julius Baer & Co. Ltd. audited IFRS consolidated (1)	Other subsidiaries and elimination (2)	Julius Baer Group combined before adjustments	Group financing adjustments (3)	Asset Management adjustments (4)	Group Functions adjustments (5)	Julius Baer Group pro forma
(CHF in millions)							
Net interest income	452.7	8.5	461.2	2.3	(1.0)		462.6
Net fee and commission income	879.5	139.5	1,019.0		(51.2)		967.8
Net trading income	311.9	30.2	342.1		(0.4)		341.7
Other ordinary result	(95.8)	(4.3)	(100.1)		(1.5)		(101.6)
Operating income	1,548.3	174.0	1,722.3	2.3	(54.1)		1,670.5
Personnel expenses	700.5	75.7	776.1		(46.8)	22.7	752.0
General expenses	374.6	(19.8)	354.8		(25.8)	11.7	340.7
Depreciation of property and equipment	21.8	2.6	24.5				24.5
Amortisation of customer relationships	75.3	0.4	75.7				75.7
Amortisation of other intangible assets	19.4		19.4		(4.2)		15.2
Operating expenses	1,191.6	58.9	1,250.4		(76.8)	34.4	1,208.1
Profit before taxes	356.7	115.1	471.8	2.3	22.7	(34.4)	462.5
Income taxes	69.4	25.7	95.2	0.2	5.0	(2.7)	97.7
Net profit	287.3	89.4	376.7	2.1	17.7	(31.7)	364.8
Earnings per share in CHF ⁽⁶⁾							1.76

3. Explanatory notes to the unaudited pro forma combined income statement

The following note references refer to the columns of the pro forma combined income statement and provide explanations for items included in each of these columns.

- (1) Extracted without any adjustments from the IFRS audited consolidated financial statements of Bank Julius Baer & Co. Ltd. for the year ended 31 December 2008.
- (2) Income and expense of the other subsidiaries, derived without change from the financial information used in Julius Baer Holding's consolidated financial statements as of and for the year ended 31 December 2008, and related intra-group eliminations (including licence fees).
- (3) In connection with the Transaction, a third-party loan liability in the amount of CHF 200 million will be transferred from Julius Baer Holding to Julius Baer Group. The pro forma adjustment relates to the respective interest expense in the amount of CHF 7.1 million recognised in 2008. Furthermore, from the CHF 300 million intra-group Tier 2 capital, CHF 120 million will be repaid (subject to regulatory approval), before closing of the Transaction and will be recorded as cash with GAM Holding. The remaining intra-group Tier 2 capital of CHF 180 million will be transferred from Julius Baer Holding to Julius Baer Group. Both transfers (CHF 200 million and CHF 180 million) will be dealt with as part of the overall contribution agreements involving no consideration and are therefore presented to result in a negative net equity impact on Julius Baer Group of CHF 20 million. By way of the pro forma adjustment, the respective interest expense of CHF 9.4 million that had been recognised by Bank Julius Baer & Co. Ltd. in 2008 is eliminated.
- (4) Because the Asset Management business included in the Bank Julius Baer & Co. Ltd. consolidated financial statements will not be transferred to Julius Baer Group in connection with the Transaction, the respective income and expense items are eliminated. The carrying amounts of the related assets and liabilities of this business are insignificant.
- (5) The pro forma adjustment reflects the expenses (CHF 31.7 million net of tax impact) relating to Julius Baer Holding group functions that will be transferred from Julius Baer Holding to Julius Baer Group. The amount is based on a reasonable allocation of actual expenses that arose in 2008.
- (6) Pro forma combined earnings per share are determined based on the pro forma combined net income attributable to shareholders of CHF 364.5 million (non-controlling interests of CHF 0.3 million) and a weighted average number of share equivalents outstanding of 206,993,552.

Pro forma combined balance sheet – Julius Baer Group

As of 31 December 2008

	Bank Julius Baer & Co. Ltd. audited IFRS consolidated (1)	Other subsidiaries and elimination (2)	Julius Baer Group combined before adjustments	Group financing adjustments (3)	Dividends (4)	Treasury share adjustments (5)	Software of JBAM (6)	Income statement adjustments (7)	Julius Baer Group pro forma
(CHF in millions, unless otherwise indicated)									
Assets									
Cash	1,985.0	2.7	1,987.6						1,987.6
Due from banks	8,651.9	(31.0)	8,620.9	(120.0)				(11.9)	8,489.0
Due from customers / loans	9,817.5	59.3	9,876.8						9,876.8
Trading assets	1,264.3	4.8	1,269.1						1,269.1
Derivative financial instruments	5,953.6	(10.5)	5,943.1						5,943.1
Financial assets designated at fair value		378.4	378.4						378.4
Financial investments available-for-sale	11,684.5	517.7	12,202.2			(30.9)			12,171.3
Property and equipment	288.7	43.6	332.3						332.3
Goodwill and other intangible assets	1,767.3	(1.3)	1,766.1				(17.4)		1,748.6
Accrued income and prepaid expenses	220.9	17.3	238.2						238.2
Deferred tax assets		1.5	1.5						1.5
Other assets	143.9	(41.0)	102.9						102.9
Total assets	41,777.6	941.5	42,719.1	(120.0)		(30.9)	(17.4)	(11.9)	42,538.9
Liabilities and equity									
Due to banks	3,705.1	(388.3)	3,316.9	200.0					3,516.9
Due to customers	25,189.8	674.8	25,864.6	(300.0)					25,564.6
Trading liabilities	336.8		336.8						336.8
Derivative financial instruments	6,102.4	11.3	6,113.7						6,113.7
Financial liabilities designated at fair value	2,131.6	378.4	2,510.0						2,510.0
Debt issued	6.2		6.2						6.2
Accrued expenses and deferred income	363.3	11.6	374.9		139.0				513.8
Current tax liabilities	3.3	9.3	12.7						12.7
Deferred tax liabilities	83.7	3.9	87.6						87.6
Provisions	36.5		36.6						36.6
Other liabilities	402.1	(83.8)	318.4						318.4
Total liabilities	38,361.0	617.3	38,978.3	(100.0)	139.0				39,017.3
Share capital	575.0	(570.9)	4.1						4.1
Reserves	2,991.2	937.4	3,928.6	(20.0)	(139.0)		(17.4)	(11.9)	3,740.3
Other component of equity	(149.6)	(43.7)	(193.3)						(193.3)
Treasury shares						(30.9)			(30.9)
Equity attributable to shareholders	3,416.6	322.8	3,739.4	(20.0)	(139.0)	(30.9)	(17.4)	(11.9)	3,520.2
Non-controlling interests		1.4	1.4						1.4
Total equity	3,416.6	324.2	3,740.8	(20.0)	(139.0)	(30.9)	(17.4)	(11.9)	3,521.6
Total liabilities and equity	41,777.6	941.5	42,719.1	(120.0)		(30.9)	(17.4)	(11.9)	42,538.9

4. Explanatory notes to the unaudited pro forma combined balance sheet

The following note references refer to the columns of the pro forma combined balance sheet and provide explanations for items included in each of these columns.

- (1) Extracted without any adjustments from the audited consolidated financial statements of Bank Julius Baer & Co. Ltd. for the year ended 31 December 2008.
- (2) Assets and liabilities of the other subsidiaries, derived without change from the financial information used in Julius Baer Holding's consolidated financial statements as of and for the year ended 31 December 2008, and related intra-group eliminations.
- (3) In connection with the Transaction, a third-party loan liability in the amount of CHF 200 million will be transferred from Julius Baer Holding to Julius Baer Group. Furthermore from the CHF 300 million intra-group Tier 2 capital, CHF 120 million will be repaid (subject to regulatory approval), before closing of the Transaction and will be recorded as cash with GAM Holding. The remaining intra-group Tier 2 capital of CHF 180 million will be transferred from Julius Baer Holding to Julius Baer Group. Both transfers (CHF 200 million and CHF 180 million) will be dealt with as part of the overall contribution agreements involving no consideration and are therefore presented to result in a negative net equity impact on Julius Baer Group of CHF 20 million.
- (4) Bank Julius Baer & Co. Ltd. and other subsidiaries have distributed, since 31 December 2008, CHF 139 million in dividends to Julius Baer Holding. These dividends represent the last distributions to the current shareholder and are adjusted for in the pro forma combined balance sheet in order to present a more relevant equity of the Julius Baer Group as of 31 December 2008.
- (5) For pro forma purposes, shares in Julius Baer Holding held by Julius Baer Group are treated as treasury shares. The adjustment reflects the fact that, in accordance with IFRS, treasury shares are deducted from shareholder's equity.
- (6) In connection with the Transaction, certain software of the Asset Management business, historically included in the balance sheet of Bank Julius Baer & Co. Ltd., will not be transferred to Julius Baer Group, but will remain with GAM Holding. Therefore, the respective software costs are adjusted for in the pro forma combined balance sheet.
- (7) Corresponds to the income statement adjustments above from (3) to (5).

5. Significant subsequent events

The General Meeting of Bank Julius Baer & Co. Ltd. held on 11 March 2009 approved the distribution of CHF 120 million in dividends to Julius Baer Holding (see note (4) to the balance sheet above).

The loan from Bank Julius Baer & Co. Ltd. to Julius Baer Invest Ltd. in the amount of CHF 90 million was repaid in the first quarter of 2009.

There were no other significant events after 31 December 2008 that would require modification of the value of the assets and liabilities or additional disclosure.

6. List of other subsidiaries

Bank Julius Bär (Deutschland) AG, Frankfurt; Julius Bär Capital GmbH, Frankfurt; Julius Baer (Middle East) Ltd., Dubai; Julius Baer (Hong Kong) Limited, Hong Kong; Julius Baer International (Panama) Inc., Panama; AG formerly Waser Söhne & Cie., Werdmühle, Alstetten, Zurich; Loteco Foundation, Zurich; Julius Baer Family Office Ltd., Zurich; Infidar Investment Advisory Ltd., Zurich; JB Private Equity Holding AG, Zurich; JB Swiss Capital Market Research Ltd., Zurich; Cantrade Trustee AG, Zurich; Julius Baer International Ltd., London; Julius Baer Financial Markets LLC, New York; Julius Baer Società di Intermediazione Mobiliare S.p.A., Milan; Julius Baer Fiduciaria S.r.l., Milan; Julius Baer (Uruguay) S.A., Montevideo; Julius Baer Consultores S.A., Caracas; Julius Baer Consultores (Peru) S.A.C., Lima; Julius Baer Financial Consultancy S.A., Buenos Aires; Julius Baer (Monaco) S.A.M., Monaco; PT Julius Baer Advisors (Indonesia) Ltd., Jakarta; Julius Baer Advisory S.A.E., Cairo; Julius Baer Investment Advisory GesmbH, Vienna; Julius Baer Consultores S. de R.L. de C.V., Mexico City; Julius Baer Trust Company (New Zealand) Limited, Auckland; BCT Services Ltd., Zug; Julius Baer Trust Company (Channel Islands) Ltd., Guernsey; Infidar (Liechtenstein) AG, Vaduz; Julius Baer Trust Company (Cayman) Ltd., Grand Cayman; Cantrade Trust Company (Cayman) Ltd. (in liquidation), Grand Cayman; C.I. Directors, Grand Cayman; Ursa Company Ltd., Grand Cayman; Julius Baer Bank and Trust Company Ltd., Grand Cayman; Directorate Inc., Tortola, BVI; Bronte International SA, BVI; Cantrade Corporate Directors Ltd., BVI; Julius Baer Life (Bahamas) Ltd., Nassau; Julius Baer Bank & Trust (Bahamas) Ltd., Nassau.

APPENDIX II

PRO FORMA COMBINED FINANCIAL INFORMATION OF GAM HOLDING (REVIEWED BY KPMG)

1. Introduction

In May 2009, the Board of Directors of Julius Baer Holding Ltd. (“**Julius Baer Holding**”) resolved to transfer, subject to shareholder and regulatory approval, its private banking business and certain related ancillary businesses to Julius Baer Group Ltd. (“**Julius Baer Group**”), which will be a newly-formed, wholly-owned subsidiary of Julius Baer Holding, and the subsequent distribution of Julius Baer Group’s shares to the shareholders of Julius Baer Holding and listing of Julius Baer Group’s shares on the SIX (the “**Transaction**”).

As part of the Transaction, Julius Baer Holding will be renamed GAM Holding Ltd. (“**GAM Holding**”). After completion of the Transaction, GAM Holding will consist of the remaining entities and businesses of Julius Baer Holding that are not transferred to Julius Baer Group.

2. Basis of preparation

The unaudited pro forma combined financial information has been derived from the Julius Baer Holding audited consolidated financial statements as of and for the year ended 31 December 2008, prepared in accordance with IFRS.

The underlying financial information has been prepared using consistent accounting policies, as described in the notes to the above mentioned consolidated financial statements.

The unaudited pro forma combined financial information has been prepared in accordance with the SIX Directive on the Presentation of a Complex Financial History in the Listing Prospectus.

The purpose of this unaudited pro forma combined financial information is to present the balance sheet and the income statement of GAM Holding as if the Transaction had occurred on 1 January 2008. This unaudited pro forma combined financial information has been prepared for illustrative purposes only, and because of its nature, addresses a hypothetical situation and is not necessarily indicative of actual results of operations or their related effects on the financial position that would have been achieved, had the Transaction actually occurred on this date. The unaudited pro forma combined financial information does not purport to be indicative of GAM Holding’s future performance for any future period. This unaudited pro forma combined financial information has been reviewed by KPMG AG, Zurich (“**KPMG**”).

The pro forma adjustments are based on available information and certain assumptions Julius Baer Holding considers to be reasonable. The pro forma combined financial information neither reflects any adjustments for synergies expected to arise from the above mentioned transactions, nor any costs that may be incurred to achieve such synergies.

Unaudited pro forma combined income statement – GAM Holding

Year ended 31 December 2008

	Julius Baer Holding audited IFRS consolidated accounts (1)	Elimination of Julius Baer Group combined before adjustments (2)	Intercompany eliminations (3)	GAM Holding combined before adjustments	Group financing adjustments (4)	Asset Management adjustments (5)	Group Functions adjustments (6)	GAM Holding pro forma
(CHF in millions)								
Net interest income	478.6	(461.2)		17.4	(2.3)	1.0		16.1
Net fee and commission income	2,200.6	(1,019.0)	32.9	1,214.6		51.2		1,265.8
Net trading income	352.9	(342.1)		10.7		0.4		11.1
Other ordinary results	(93.6)	100.1	68.1	74.6		1.5		76.1
Operating income	2,938.6	(1,722.3)	101.1	1,317.3	(2.3)	54.1		1,369.1
Personnel expenses	1,292.2	(776.1)		516.0		46.8	(22.7)	540.1
General expenses	527.2	(354.8)	101.1	273.5	23.0	25.8	(11.7)	310.6
Depreciation of property and equipment	36.1	(24.5)		11.6				11.6
Amortisation of customer relationships	176.4	(75.7)		100.7				100.7
Amortisation of other intangible assets	20.8	(19.4)		1.4		4.2		5.6
Operating expenses	2,052.6	(1,250.4)	101.1	903.2	23.0	76.8	(34.4)	968.6
Profit before taxes	886.0	(471.8)		414.1	(25.3)	(22.7)	34.4	400.5
Income taxes	224.5	(95.2)		129.3	(2.0)	(5.0)	2.7	125.0
Net profit	661.5	(376.7)		284.9	(23.3)	(17.7)	31.7	275.5
Earnings per share in CHF ⁽⁷⁾								1.33

3. Explanatory notes to the unaudited pro forma combined income statement

- (1) Extracted without any adjustments from the audited consolidated financial statements of Julius Baer Holding for the year ended 31 December 2008.
- (2) Derived without change from the unaudited pro forma combined financial information of Julius Baer Group prepared as of and for the year ended 31 December 2008.
- (3) Corresponds to the intercompany eliminations between Julius Baer Group and GAM Holding.
- (4) In connection with the Transaction, a third-party loan liability in the amount of CHF 200 million will be transferred from Julius Baer Holding to Julius Baer Group. The pro forma adjustment relates to the respective interest expense in the amount of CHF 7.1 million recognised in 2008. Furthermore, from the CHF 300 million intra-group Tier 2 capital, CHF 120 million will be repaid (subject to regulatory approval), before closing of the Transaction and will be recorded as cash with GAM Holding. The remaining intra-group Tier 2 capital of CHF 180 million will be transferred from Julius Baer Holding to Julius Baer Group. Both transfers (CHF 200 million and CHF 180 million) will be dealt with as part of the overall contribution agreements involving no consideration and are therefore presented to result in a positive net equity impact on GAM Holding of CHF 20 million. By way of the pro forma adjustment, the respective interest expense of CHF 9.4 million that had been recognised by Bank Julius Baer & Co. Ltd. in 2008 is eliminated. Furthermore, in connection with the Transaction, Julius Baer Holding is reviewing the conditions of a potential buy back of the preferred securities issued by Julius Baer Capital (Guernsey) I Ltd. up to the full amount of CHF 225 million. Such a potential early buy back could involve a premium. The pro forma adjustments reflect a conservative case in which potentially a premium of up to an amount of CHF 23 million would have to be paid.
- (5) Because the Asset Management business included in the Bank Julius Baer & Co. Ltd. consolidated financial statements will not be transferred to Julius Baer Group in the course of the Transaction, the respective income and expense items are added back. The carrying amounts of the related assets and liabilities of this business are insignificant.
- (6) The pro forma adjustment reflects the reduction in expenses (CHF 31.7 million net of tax impact) relating to Julius Baer Holding Group functions that will be transferred from Julius Baer Holding to Julius Baer Group. The amount is based on a reasonable allocation of actual expenses that arose in 2008.
- (7) Pro forma combined earnings per share are determined based on the pro forma combined net income attributable to shareholders of CHF 275.5 million and a weighted average number of share equivalents outstanding of 206,993,552.

Pro forma combined balance sheet – GAM Holding

As of 31 December 2008

	Julius Baer Holding audited IFRS consolidated accounts (1)	Elimination of Julius Baer Group combined before adjustments (2)	Inter-company eliminations (3)	Other adjustments (4)	GAM Holding combined before adjustments	Group financing adjustments (5)	Dividends (6)	Treasury share adjustments (7)	Software of JBAM (8)	Income statement adjustments (9)	GAM Holding pro forma
(CHF in millions, unless otherwise indicated)											
Assets											
Cash	1,987.6	(1,987.6)									
Due from banks	8,862.6	(8,620.9)	261.5		503.2	(105.0)				(9.3)	388.9
Due from customers/loans	9,702.8	(9,876.8)	190.6		16.6						16.6
Trading assets	1,269.1	(1,269.1)									
Derivative financial instruments	5,950.6	(5,943.1)			7.5						7.5
Financial assets designated at fair value	378.4	(378.4)									
Financial investments available-for-sale	12,528.5	(12,202.2)	300.0	30.9	657.2	(300.0)					357.2
Property and equipment	363.6	(332.3)			31.3						31.3
Goodwill and other intangible assets	4,579.8	(1,766.1)			2,813.7			17.4			2,831.1
Accrued income and prepaid expenses	384.9	(238.2)	143.7		290.5		139.0				429.4
Deferred tax assets	106.3	(1.5)			104.8						104.8
Other assets	125.7	(102.9)	4.5		27.4						27.4
Total assets	46,240.0	(42,719.1)	900.4	30.9	4,452.1	(405.0)	139.0		17.4	(9.3)	4,194.2
Liabilities and equity											
Due to banks	3,517.3	(3,316.9)	184.6		385.0	(200.0)					185.0
Due to customers	25,301.1	(25,864.6)	567.6		4.0						4.0
Trading liabilities	336.8	(336.8)									
Derivative financial instruments	6,114.5	(6,113.7)			0.8						0.8
Financial liabilities designated at fair value	2,510.0	(2,510.0)									
Debt issued	380.7	(6.2)			374.5	(225.0)					149.5
Accrued expenses and deferred income	993.4	(374.9)	143.6		762.1						762.1
Current tax liabilities	50.1	(12.7)			37.5						37.5
Deferred tax liabilities	87.7	(87.6)			0.1						0.1
Provisions	37.1	(36.6)			0.5						0.5
Other liabilities	338.4	(318.4)	4.6		24.6						24.6
Total liabilities	38,666.9	(38,978.3)	900.4		1,588.9	(425.0)					1,163.9
Share capital	10.6	(4.1)		4.1	10.6			(0.2)			10.4
Reserves	7,169.6	(3,928.6)		(4.1)	3,236.8	20.0	139.0	(298.4)	17.4	(9.3)	3,105.5
Other component of equity	(279.0)	193.3			(85.6)						(85.6)
Treasury shares	(329.5)			30.9	(298.6)			298.6			
Equity attributable to shareholders	6,571.7	(3,739.4)		30.9	2,863.2	20.0	139.0		17.4	(9.3)	3,030.3
Non-controlling interests	1.4	(1.4)									
Total equity	6,573.1	(3,740.8)		30.9	2,863.2	20.0	139.0		17.4	(9.3)	3,030.3
Total liabilities and equity	46,240.0	(42,719.1)	900.4	30.9	4,452.1	(405.0)	139.0		17.4	(9.3)	4,194.2

4. Explanatory notes to the unaudited pro forma combined balance sheet

The following note references refer to the columns of the pro forma combined balance sheet and provide explanations for items included in each of these columns.

- (1) Extracted without any adjustments from the audited consolidated financial statements of Julius Baer Holding for the year ended 31 December 2008.
- (2) Derived without change from the unaudited pro forma combined financial information of Julius Baer Group prepared as of and for the year ended 31 December 2008.
- (3) Corresponds to the intercompany eliminations between Julius Baer Group and GAM Holding.
- (4) Corresponds to a reclassification of the share capital and the treasury share adjustments of Julius Baer Group.
- (5) In connection with the Transaction, a third-party loan liability in the amount of CHF 200 million will be transferred from Julius Baer Holding to Julius Baer Group. Furthermore, from the CHF 300 million intra-group Tier 2 capital, CHF 120 million will be repaid (subject to regulatory approval), before closing of the Transaction and will be recorded as cash with GAM Holding. The remaining intra-group Tier 2 capital of CHF 180 million will be transferred from Julius Baer Holding to Julius Baer Group. Both transfers (CHF 200 million and CHF 180 million) will be dealt with as part of the overall contribution agreements involving no consideration and are therefore presented to result in a positive net equity impact on GAM Holding of CHF 20 million. Furthermore, in connection with the Transaction, Julius Baer Holding is reviewing the conditions of a potential buy back of the preferred securities issued by Julius Baer Capital (Guernsey) I Ltd. up to the full amount of CHF 225 million. Such a potential early buy back has been reflected as if it had taken place in 2008.
- (6) Bank Julius Baer & Co. Ltd. and other subsidiaries have distributed, since 31 December 2008, CHF 139 million in dividends to Julius Baer Holding. These dividends represent the last distributions to the current shareholder and are adjusted for in the pro forma combined balance sheet in order to present a more relevant equity of the GAM Holding as of 31 December 2008.
- (7) This adjustment relates to the cancellation of treasury shares decided at the last Annual General Meeting held on 8 April 2009.
- (8) In connection with the Transaction, certain software of the Asset Management business, historically included in the balance sheet of Bank Julius Baer & Co. Ltd., will not be transferred to the Julius Baer Group, but will remain with GAM Holding. Therefore, the respective software costs are adjusted for in the pro forma combined balance sheet.
- (9) Reflects the income statement adjustments above from (4) to (6).

5. Significant subsequent events

Julius Baer Holding received CHF 120 million dividends from Bank Julius Baer & Co. Ltd. Zurich, as approved by Bank Julius Baer & Co. Ltd.'s General Meeting on 11 March 2009, as well as CHF 19 million dividends from other subsidiaries (see note (6) above).

The loan from Bank Julius Baer & Co. Ltd. to Julius Baer Invest Ltd. in the amount of CHF 90 million was repaid in the first quarter of 2009.

There were no other significant events after 31 December 2008 that would require modification of the value of the assets and liabilities or additional disclosure.

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