

## Julius Baer Group Ltd., Zurich

### Buyback of own shares for capital reduction

On 4 February 2011, the Board of Directors of Julius Baer Group Ltd., Bahnhofstrasse 36, 8001 Zurich ("Julius Baer") resolved to buy back up to 5% of its share capital recorded in the Commercial Register, an amount of no more than CHF 500 million, which is equivalent to a maximum of 10,331,537 registered shares, each with a par value of CHF 0.02.

At present, the share capital of Julius Baer entered in the Commercial Register is CHF 4,132,615.12 and is divided into 206,630,756 registered shares with a par value per share of CHF 0.02.

The registered shares repurchased as part of the share buyback programme are designated for cancellation by means of a capital reduction. Future general meetings will make a decision about a capital reduction in the amount of the number of registered shares designated for cancellation.

#### Trading on the second line of the SIX Swiss Exchange AG

A second line will be opened on the SIX Swiss Exchange AG for shares of Julius Baer according to the Main Standard. On this second line, only Julius Baer shall be allowed to appear as the purchaser (via the bank entrusted to carry out the share buyback) and acquire its own shares. Normal trading of registered shares of Julius Baer, under the security number 10 248 496, will not be affected by this measure and shall continue as usual. This means that a shareholder of Julius Baer who wishes to sell his or her shares has the choice of either selling them via normal trading or tendering them on the second line.

<b>Buyback price</b>	The buyback price and price on the second line shall be determined in line with the price of Julius Baer shares traded on the first line.
<b>Payment of the buy-back price and delivery of shares</b>	Trades on the second line represent a normal stock exchange transaction. Therefore, the payment of the buyback price and the delivery of the Julius Baer shares bought back will take place, as per customary practice, three trading days following the transaction date.
<b>Entrusted bank</b>	Julius Baer has entrusted Zürcher Kantonalbank with the share buyback. As such, it will be the sole member of the stock exchange setting bid prices for registered shares of Julius Baer on the second line on behalf of Julius Baer.
<b>Duration of the buy-back</b>	Trading in registered shares of Julius Baer on the second line shall take place beginning 23 May 2011 and will continue until no longer than the date of the invitation to the 2012 Annual General Meeting. Julius Baer reserves the right to terminate the buyback programme at any time and shall have no obligation to buy back its own shares on the second line as part of this buyback programme; it shall make purchases depending on market conditions.
<b>On-exchange obligation</b>	According to the regulations of SIX Swiss Exchange AG, during share buyback programmes, off-exchange transactions on the second line are prohibited.
<b>Taxes and fees</b>	<p>The buyback of a company's own shares for the purpose of a capital reduction is treated, both in terms of federal withholding tax and direct taxes, as a partial liquidation of the repurchasing company. Specifically, this has the following implications for the selling shareholders.</p> <p><b>1. Withholding tax</b>  <b>Since 1 January 2011, share buybacks carried out via repayment of reserves from capital contributions are no longer subject to Swiss withholding tax (capital contribution principle). Therefore, buybacks of own shares can be carried out without a deduction of withholding tax,</b> provided that the company pays the difference between the buyback price and nominal value of the shares from the reserves from capital contributions.</p> <p><b>2. Direct taxes</b>  The following explanations relate to the levying of direct federal taxes. As a rule, the same practice applies to cantonal and municipal taxes as to direct federal taxes.</p> <p>a. Privately held shares:  The present share buyback does not constitute taxable income for shareholders domiciled in Switzerland, since the buyback will be made via repayment of capital contribution reserves (capital contribution principle).</p> <p>b. Shares held as business assets:  In the case of the present share buyback, the difference between the buyback price and the book value of the share constitute a taxable result for shareholders domiciled in Switzerland (book value principle).</p> <p><b>3. General tax consequences and fees</b>  The above explanations in section 2 are of a general nature and describe the tax treatment for shareholders with residence in Switzerland. The specific circumstances of individual investors are not known to Julius Baer. Therefore, shareholders are required to clarify their specific situation with their own legal, financial or tax advisor.</p> <p>Persons domiciled abroad will be subject to tax in accordance with the applicable legislation in their country of domicile.</p> <p>The buyback of own shares for capital reduction is <b>exempt from the federal stamp duty</b>. SIX Swiss Exchange AG fees shall be payable.</p>
<b>Non-public information</b>	Julius Baer confirms that it does not currently possess any non-public information that is classified as price-sensitive under the rules of SIX Swiss Exchange AG governing ad hoc publicity and therefore requires disclosure.
<b>Own holdings</b>	As at 18 May 2011 Julius Baer held 1'671'756 own registered shares, which is equivalent to a 0.81% share of capital and voting rights. Julius Baer also holds share acquisition rights and granted share sale rights in respect of 42'601 registered shares (corresponding to 0.02% of capital and voting rights) as well as share sale rights and granted share acquisition rights in respect of 395'554 registered shares (corresponding to 0.19% of capital and voting rights).
<b>Shareholders with more than 3% of voting rights</b>	<p>As far as Julius Baer is aware, as at 18 May 2011, the following beneficial owners hold more than 3% of the capital and votes in Julius Baer:</p> <p><b>MFS Investment Management, 500 Boylston Street, Boston, MA 02110 USA (indirect shareholder)</b>  20'712'192 Registered shares 10.02% of capital and voting rights</p> <p><b>Davis Selected Advisers L.P., 2949 E. Elvira Rd., Ste. 101, Tucson, AZ 85706 USA</b>  17'475'732 Registered shares 8.46% of capital and voting rights</p> <p><b>Harris Associates L.P., 2 N. LaSalle Street, Suite 500, Chicago, IL 60602 USA</b>  10'371'058 Registered shares 5.02% of capital and voting rights</p> <p><b>BlackRock, Inc., 40 East 52nd Street, New York, NY 10022 USA (indirect shareholder)</b>  10'343'903 Registered shares 5.01% of capital and voting rights  95'855 CFD 0.05% of capital and voting rights (sale positions)</p> <p><b>Thornburg Investment Management, 2300 North Ridgetop Road, Santa Fe, NM 87506 USA</b>  7'871'899 Registered shares 3.81% of capital and voting rights</p>
<b>Applicable law and place of jurisdiction</b>	Swiss law. The exclusive place of jurisdiction is Zurich.
<b>Security number / ISIN / ticker symbol</b>	<p>Registered shares of Julius Baer with nominal value of CHF 0.02 (first line)  10 248 496 / CH0102484968 / BAER</p> <p>Registered shares of Julius Baer with nominal value of CHF 0.02 (share buyback: second line)  12 664 577 / CH0126645776 / BAERE</p>
<b>Place and date</b>	Zurich, 23 May 2011

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Zurich, 23 May 2011

This notice does not constitute an issue prospectus for the purposes of Art. 652a and/or Art. 1156 of the Swiss Code of Obligations.

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