

## Media Release

9 April 2008

### Group profit rises 8.6% to CHF 49.2 million

*In the business year 2007 Valartis Group has increased consolidated net profit to CHF 49.2 million (previous year: CHF 45.3 million). Shareholders' equity reached CHF 244.4 million (previous year: CHF 209.3 million). Assets under management rose by CHF 414 million to CHF 4.239 billion. The board of directors proposes a dividend of CHF 2.75 per bearer share (unchanged compared to the previous year) to the shareholders' meeting of 6 May 2008. Furthermore it proposes the re-election of Philipp LeibundGut and the election of Jean-François Ducrest to the board of directors of Valartis Group AG.*

### Successful commission and fee business

In 2007 Valartis Group increased total income by 21.9% to CHF 111.3 million (previous year: CHF 91.3 million). Thereof CHF 86.4 million (previous year: CHF 76.3 million) or three quarters come from the commissions business. In addition to issuing and trading derivatives and structured products as well as brokerage for Swiss small & mid caps, the commission business benefited from the good development of various investment products in the asset management division; in particular the instruments for the Russian and Eastern European market once again generated an above-average performance. On a consolidated basis assets under management increased 10.8% to CHF 4.239 billion. The management of the trading book was equally successful. Despite a difficult stock market environment in the second half of the year, income from trading for the whole of 2007 increased to CHF 23.0 million (previous year: CHF 11.7 million).

On the cost side, the increase in administrative expenses to CHF 50.0 million (previous year: CHF 37.1 million) was mainly due to the Group's expansion strategy. This, among other things, is reflected in the significant growth in staff numbers from 60 to 131. In addition to the build-up of a private-banking organization in Geneva and Zurich, the increase in staff was mostly due to the expansion of the corporate finance and M&A activities in Europe (opening of an office in Vienna) and the expansion of the real estate activities in the asset management division in Moscow and St. Petersburg. In parallel with the increase in personnel expenses to CHF 32.5 million (previous year: CHF 23.5 million), administrative expenses also rose. Business and office expenses increased to CHF 17.5 million (previous year: CHF 13.6 million). Based on total expenses including depreciation, the cost / income ratio was slightly higher than in 2006 (46.7% vs. 42.4%).

Group profit after tax (CHF 10.1 million, previous year: CHF 7.2 million) reached CHF 49.2 million in 2007; this results in a return on equity of 22% (previous year: 24.2%). At the end of December 2007 the Group's shareholders' equity stood at CHF 244.4 million (previous year: CHF 209.2 million) resp. CHF 49.80 per share (previous year: CHF 41.80).

### Changes in the group executive board

Due to the difficulties in the U.S. real estate and mortgage sectors the board of directors decided to discontinue the real estate structured finance activities as a separate business seg-

ment and instead integrate the staff's know-how into the investment banking and asset management divisions. Consequently Henrik Bartl, head real estate structured finance, will step down from the group executive board; he will, however, remain a member of the executive board of Valartis Bank AG. Furthermore Lorenzo Trezzini, CFO of Valartis Group, will leave the company at the end of April 2008 and take up a new challenge. The board of directors would like to thank Lorenzo for all his endeavors to bring the group forward and wishes him success in his future professional career. Decisions on replacement are not yet taken.

From 1 July 2008 Felix Morf will become head of the asset management division. In addition to product development in the different traditional and alternative asset classes he will be responsible for strengthening the distribution structure. After his education as an economist with focus on finance and investment in the US Felix Morf (born 1962, CH) worked mainly in the banking sector. In the past 10 years he held various management positions at Pictet Funds SA, where he was finally responsible for the worldwide marketing of the Pictet Funds.

**Unchanged dividend – election of Jean-François Ducrest to the board of directors**

The board of directors of Valartis Group AG proposes to the shareholders' meeting of 6 May 2008 to distribute an unchanged dividend of CHF 13.75 million resp. CHF 2.75 per bearer share. Furthermore it proposes to re-elect Philipp LeibundGut and the election of Jean-François Ducrest to the board of directors of Valartis Group AG. Jean-François Ducrest (born 1958, CH) is a partner at the law firm Borel & Barbey, Geneva, and inter alia vice-chairman of the Geneva Bar Association. With his election to the board of directors of Valartis Group AG Jean-François Ducrest will also take a seat on the board of Directors of Valartis Bank AG.

**Dates and information**

Press conference 2007	9.4.2008, 10.30	Widder Hotel, Zurich
Shareholders' Meeting 2008	6.5.2008, 17.00	Kongresshaus, Zurich

The annual report 2007 can be downloaded (pdf) from our homepage [www.valartis.ch](http://www.valartis.ch).

**For questions please contact:**

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**Financial key figures, million CHF**

	<b>2007</b>	<b>2006</b>	<b>Δ%</b>
<b>Income statement</b>			
Income from trading	23.0	11.7	+96.6
Net commission income	86.4	76.3	+13.2
Net financial and other income	1.9	3.3	-42.4
<b>Total income</b>	<b>111.3</b>	<b>91.3</b>	<b>+21.9</b>
Personnel expense	32.5	23.5	+38.3
Business and office expenses	17.5	13.6	+28.7
<b>Total expenses</b>	<b>50.0</b>	<b>37.1</b>	<b>+34.8</b>
<b>Gross profit</b>	<b>61.3</b>	<b>54.2</b>	<b>+13.1</b>
Depreciation and provisions	2.0	1.7	+17.6
Taxes	10.1	7.2	+40.3
<b>Group profit</b>	<b>49.2</b>	<b>45.3</b>	<b>+8.6</b>
<b>Balance sheet</b>	<b>31.12.2007</b>	<b>31.12.2006</b>	<b>Δ%</b>
Total assets	490.7	381.2	+28.7
Liabilities	246.3	172.0	+43.2
Shareholders' equity	244.4	209.2	+16.8
<b>Key figures</b>	<b>2007</b>	<b>2006</b>	<b>Δ%</b>
Group profit per share, CHF	10.1	9.2	+9.8
Shareholders' equity per share, CHF	49.8	41.8	+19.1
Dividend per share, CHF	2.75 <sup>1)</sup>	2.75	0.0
Return on equity, %	22.0	24.2	
Dividend yield, %	3.3	3.2	
Cost / income ratio, %	46.7	42.4	
Self-financing ratio, %	46.2	54.9	
Total assets under management	4'239	3'825	+10.8
Staff	131	60	+118.3

1) Proposal of the board of directors