

Media Release

10 August 2007

Substantial rise in profit for Valartis Group in the first half of 2007

In the first half of 2007 Valartis Group's profit (incl. performance fees) rose by 124.6% to CHF 31.9 million (first half of 2006: CHF 14.2 million). Apart from higher commission income, securities income was the main contributor to this increase. Shareholders' equity amounted to CHF 226.2 million at the end of June 2007 (June 2006: CHF 177.5 million), assets under management increased to CHF 4.5 billion (CHF 3.6 billion).

Operating income rises to CHF 62.8 million

In the first half of 2007 Valartis Group reached a net operating income of CHF 62.8 million (including performance fees), exceeding the previous year's figure (CHF 29.0 million) by CHF 33.8 million or 116.4%. The securities business made a significant contribution to this advance with an income of CHF 25.6 million in the first six months (CHF -8.9 million). In a positive market environment the welcome development of this business unit was, in particular, due to the active management of Swiss small & mid cap stocks, a core competence of Valartis Bank.

In the commission business, the Group's most important source of revenue, income grew to CHF 36.5 million (CHF 35.7 million) despite lower performance fees. Apart from the brokerage and derivatives operations, asset-management activities dominated the commission business. As at the end of June the Group's assets under management amounted to CHF 4.5 billion (CHF 3.6 billion), mainly in the form of actively managed investment companies and investment funds. In wealth management, the private-banking activities were further expanded by the purchase of Valaxis Asset Management at the beginning of the year and the establishment of a branch of Valartis Bank in Geneva. In the field of real estate structured finance Valartis Bank arranged the refinancing of four commercial properties in Scandinavia and Canada totalling approximately CHF 450 million. The division also took on various consulting mandates to optimize complex real estate financings.

Higher costs – significantly more staff

General and personnel expenses rose to CHF 22.2 million in the first half of 2007 (CHF 11.5 million); this was in line with the expansion of the four business units asset management, wealth management, investment banking and real estate structured finance. The higher costs were mainly due to higher staff levels – at the end of June 2007 the Group had 85 (50) employees – and provisions for performance-related salary payments.

The operative result (gross profit) rose by 131.4% to CHF 40.6 million (CHF 17.5 million). Taking depreciations of CHF 0.9 million (CHF 0.5 million) into account, the cost/income ratio reached 36.8% (41.4%) in the first half of 2007.

Shareholders' equity at CHF 226.2 million

With a group profit of CHF 31.9 million – corresponding to CHF 6.5 (CHF 2.9) per bearer share – the Group's shareholders' equity rose to CHF 226.2 million by the end of June 2007 (end of 2006: CHF 209.2 million). On the basis of weighted shareholders' equity, which, inter alia, in-

cludes the dividend payment of CHF 13.75 million in April 2007, Valartis Group generated an annualized return on equity of 28.8% (16.0%) in the first six months of 2007.

A summary of the financial key figures for the first half of 2007 can be found on page 3 of this media release. The interim report can be downloaded in PDF format from our homepage www.valartis.ch.

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Financial key figures as at 30 June 2007

 CHF million, pro forma ¹⁾

Income statement	1.1.-30.6.07	1.1.-30.6.06	Δ%
Income from trading	25.6	-8.9	nm
Commission income (net)	36.5	35.7	+2.3
<i>Thereof performance fees</i>	4.6	7.6	-39.7
Interest income and other income (net)	0.7	2.2	-68.7
Total operating income	62.8	29.0	+116.4
General expenses	6.7	5.5	+21.7
Personnel expense	15.5	5.9	+160.9
Total operating expenses	22.2	11.5	+93.6
Operating result	40.6	17.5	+131.4
Depreciation	0.9	0.5	+63.0
Taxes	7.8	2.8	+178.7
Group profit	31.9	14.2	+124.6
Balance sheet	30.6.2007	30.6.2006	Δ%
Total assets	522.3	368.7	+41.7
Liabilities	296.1	191.2	+54.9
Shareholders' equity	226.2	177.5	+27.4
Key figures	30.6.2007	30.6.2006	Δ%
Group profit per share, CHF	6.5	2.9	+123.1
Shareholders' equity per share, CHF	45.7	35.7	+28.0
Return on equity, %	28.8	16.0	
Cost/income ratio, %	36.8	41.4	
Self-financing ratio, %	43.3	48.1	
Total assets under management	4'466	3'628	+23.1
Staff	85	50	+70.0

1) Different from the interim report 2007, which was drawn up in compliance with IFRS regulations, the financial key figures presented here also include performance fees which were generated in the first half of 2007 but will only be due at the end of the year.