

MEDIA RELEASE

16 November 2015

Valartis Group AG, Baar, under provisional moratorium; application for a definitive moratorium will be submitted today

- *On 21 July 2015, the Board of Directors of Valartis Group AG submitted an application for a provisional moratorium to the Cantonal Court of Zug which was approved on 24 July 2015 for a period of four months, with a waiver on a public announcement. The law firm Holenstein attorneys-at-law Ltd, Zurich, was designated as provisional administrator. The Board of Directors of Valartis Group AG has now determined that the recovery plan cannot be successfully implemented within that four-month period and is therefore today submitting an application for a definitive six-month moratorium to the Cantonal Court of Zug.*
- *The need for financial recovery of Valartis Group AG results from a temporary squeeze on liquidity. The Valartis Group reorganisation in 2014 encompassed internal financing in favour of the Swiss parent company as well as Valartis Finance Holding AG, based in Liechtenstein. This group internal financing may possibly conflict with the Capital Requirements Regulation (CRR) in Liechtenstein and Austria, which came into effect on 1 February 2015. Furthermore, the group-internal lenders have in accordance with the loan contracts terminated all loans.*
- *Valartis Group AG and Valartis Finance Holding AG are now experiencing difficulties in connection with the repayment of those liabilities. As at 31 October 2015, Valartis Finance Holding AG's liabilities due to group-internal creditors amount to around EUR 64 million, and approximately CHF 39 million. As at 31 October 2015, Valartis Group AG's group-internal liabilities amount to approximately CHF 8 million. In addition, Valartis Group AG also has an obligation to an external creditor amounting to approximately EUR 18 million payable as at 31 October 2015, which also could not be honoured by Valartis Group AG.*
- *On 18 September 2015, the Liechtenstein financial holding company, Valartis Finance Holding AG, submitted an application for postponement of bankruptcy to the Princely Court of Justice in Liechtenstein. On 28 October 2015, the Princely Court of Justice granted the postponement of bankruptcy for four months, with a waiver on a public announcement. Valartis Finance Holding AG was appointed a commissioner who was entrusted with the management of the company.*
- *Valartis Group AG (individually and on a consolidated basis) and Valartis Finance Holding AG are not over-indebted. Both companies retain their adequate equity capital base together with sufficient assets to enable them to implement the existing recovery plans within a reasonable period of time. These holding companies do not employ any personnel. In accordance with Basel III, the total capital ratio for Valartis Finance Holding Group amounted to 18 percent as at 30 June 2015 and for Valartis Group (on a consolidated basis) 24 percent.*
- *The Board of Directors' primary objective is now to cure the temporary liquidity squeeze at Valartis Group AG and Valartis Finance Holding AG on the basis of the existing recovery plans as quickly as possible.*

Valartis Bank (Liechtenstein) AG and Valartis Bank (Austria) AG are not affected

The liquidity squeeze is affecting exclusively Valartis Group's holding companies in Switzerland and Liechtenstein. Valartis Group's two private banks in Liechtenstein and

Austria – Valartis Bank (Liechtenstein) AG and Valartis Bank (Austria) AG – and their clients are not affected by the moratorium or by the postponement of bankruptcy. The banks retain their very high level of liquidity. Valartis Bank (Liechtenstein) AG and Valartis Bank (Austria) AG will continue their businesses in the ordinary course.

As the holding company for Valartis Group, Valartis Group AG fundamentally reorganised both the group structure and the internal financing structure following divestment of its Swiss bank in 2014. All the material activities of the private banking and wealth management units in Liechtenstein and Austria, together with the private equity segment, were brought together under Valartis Finance Holding AG in Liechtenstein. This financial holding was incorporated on 27 June 2014 in Liechtenstein during the course of the Valartis Group reorganisation and is subject to consolidated banking supervision by the Financial Market Authority (FMA) Liechtenstein.

Status of implementation of recovery planning at Valartis Group AG

Against the background of the need for financial recovery at the holding companies in Switzerland and in Liechtenstein, the Boards of Directors of Valartis Group AG and of Valartis Finance Holding AG have decided to divest the two private banks in Liechtenstein and Austria – Valartis Bank (Liechtenstein) AG and Valartis Bank (Austria) AG – with a view to implementing the recovery plans. In Liechtenstein and in Austria sales discussions are taking place and negotiations are pressing ahead. Currently, no concluding decisions have yet been taken. It is expected that these transactions will be completed by end-December 2015. The outcome will be communicated in due course.

Valartis Group is withdrawing from private banking

The Board of Directors of Valartis Group AG has decided that Valartis Group should renounce its private banking business model and focus its future strategy on its private equity, real estate management and financial services activities in order to position itself as an investment company.

Agenda

Results media conference 2016	12 April 2016
General Meeting 2016	11 May 2016

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Valartis Group

Valartis Group is an international banking and finance group represented today with offices in Liechtenstein, Austria, Switzerland as well as Luxembourg and Moscow. The Group's holding company is domiciled in Switzerland and is listed on the SIX Swiss Exchange. Valartis Finance Holding AG in Liechtenstein comprises the operations of the private banking and wealth management divisions, together with the private equity operations of ENR Russia Invest S.A. Valartis Finance Holding AG is subject to the consolidated banking supervision by the Financial Market Authority of Liechtenstein (FMA). Valartis Group focuses on the wealth management business for wealthy private clients and institutional investors in addition to traditional wealth management and investment advisory, it develops, manages and markets innovative niche

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investment products and offers specialized product packages. In doing so, Valartis Group combines a wide range of traditional private banking services with specialized advisory and classical banking services in the fields of Asset Management, Corporate Finance and Private Equity together with innovative investment products in the categories Stocks, Fixed Income, Alternative Investments and Real Estate. Valartis Group's core markets include Central and Eastern Europe, the Middle East and certain countries in North and South America and Asia.

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