

MEDIA RELEASE

24 May 2016

Valartis Group Consolidated Financial Statements 2015

The 2015 Valartis Group consolidated financial statements, in accordance with International Financial Reporting Standards (IFRS) and taking into consideration a range of exceptional factors, show a Group loss of CHF 58.4 m for continued and discontinued operations (previous year on a comparable basis: Group loss of CHF 73.3 m). This is made up of a loss amounting to CHF 3.1 m from discontinued operations resulting from the planned divestments of Valartis Bank (Austria) AG and Valartis Bank (Liechtenstein) AG, plus a loss from continued operations amounting to CHF 55.3 m.

In 2015, Valartis Group AG and its Liechtenstein-based holding company, Valartis Finance Holding AG, were in need of recovery due to a temporary lack of liquidity. The Boards of Directors of the two holding companies resolved to divest the two private banks in Liechtenstein and Austria within the framework of the recovery plans and, thus, to relinquish the private banking business model. Against this background, the provisions of the International Financial Reporting Standards (IFRS) for continued and discontinued operations apply for the 2015 Annual Report for Valartis Group.

Continued operations 2015

The loss from continued operations amounting to CHF 55.3 m is largely attributable to

- the impairment of goodwill positions and intangible assets amounting to CHF 9.6 m;
- value adjustments of real estate projects in Russia amounting to 15.7 m; together with
- significantly higher material expenditure relating to recovery plans for Valartis Group (see also «Implementation of recovery plans 2015/2016», page 2).

Continued operations from an operational viewpoint

From a purely operational viewpoint, i.e., without taking these exceptional factors into consideration, income from commission and services for continued operations was down at CHF 3.5 m (31.12.2014: CHF 6.0 m). Material expenditure rose to CHF 12.5 m, as a result of implementation of regulatory requirements, plus project and advisory service costs arising in connection with recovery plans for Valartis Group (31.12.2014: CHF 7.2 m). In addition, income from interest was significantly lower: down by CHF 1.0 m to minus CHF 2.2 m. This loss can be attributed to considerably lower average investment volumes in the bond portfolio and continuing low market interest rates at unchanged refinancing costs.

Business segments

Divestment of the banks in Liechtenstein and Austria means that the Private Clients segment has been dropped from continued operations (see Annual Report 2015, Note 43, www.valartisgroup.ch).

Discontinued operations

The loss from discontinued operations amounting to CHF 3.1 m includes the annual results for the two Valartis banks in Austria and Liechtenstein, impairment of goodwill positions and intangible assets amounting to CHF 12.0 m arising out of the 2008 acquisition of Valartis Bank (Austria) AG, plus value adjustments of CHF 3.8 m to deferred taxes.

Implementation of recovery plans 2015/2016

The primary objective of the current recovery plans is to divest holdings in Valartis Bank (Liechtenstein) AG and Valartis Bank (Austria) AG, plus other measures, in order to eliminate the temporary lack of liquidity at Valartis Group AG and Liechtenstein-based Valartis Finance Holding AG (see media releases from 16 November 2015 and 19 May 2016). Valartis Bank (Liechtenstein) AG was sold within the framework of a Share Purchase Agreement, end of March 2016. The transaction is subject to approvals by the competent corporate bodies and the Financial Market Authority (FMA) Liechtenstein, together with other customary conditions and taking into consideration Valartis Finance Holding AG's creditors. Closing is currently expected mid-2016. In Austria, closing took place on the takeover of all employees and the main business activities of Valartis Bank (Austria) AG by Wiener Privatbank SE on 1 April 2016, within the framework of an Asset Purchase Agreement.

Since the planned closing on the sale of the bank in Liechtenstein will take place following expiry of the current, definitive moratorium on 23 May 2016, Valartis Group AG applied to the Cantonal Court of Zug for extension of the moratorium for a further six months to 23 November 2016, which has been granted. The deadline extension will enable Valartis Group AG and Valartis Finance Holding AG to eliminate their temporary lack of liquidity as quickly as possible, based on the recovery plans which have been implemented.

Valartis Group AG (individually and on a consolidated basis) and Valartis Finance Holding AG are not over-indebted. Both companies retain adequate equity capital bases and sufficient assets to enable them to implement current recovery plans within the appropriate period.

Conclusion of the two divestment transactions in Austria and Liechtenstein represent a precondition for successful recovery for Valartis Group AG in Switzerland and, thus, for lifting of the moratorium, and of the bankruptcy deferment for Valartis Finance Holding AG in Liechtenstein, respectively.

A look to the future – the new business model

Successful conclusion of the recovery of the two Group companies, together with the introduction of the new strategic direction of the Group, represents the pivotal objectives for FY 2016.

Once Valartis Group AG and Valartis Finance Holding AG have successfully recovered, Group structure will be realigned and the new business model will be established.

Valartis Group as an investment company

In 2015, by resolving to divest Group core holdings, the Board of Directors of Valartis Group AG also determined to relinquish the private banking business model in order to focus strategically on management of investments in the fields of banking and finance, real estate projects and private equity. Valartis Group AG thus retains its status as a holding company, but using a new business model. The strategy of the new investment company is based on the core competencies, banking and finance, plus real estate projects and comprises three operative approaches: active management of own participations, management of third-party assets and identification of new opportunities.

The Annual Report 2015 is available online and as pdf under www.valartisgroup.ch (Investor Relations).

Valartis Group AG
Blegistrasse 11a
6340 Baar ZG
Schweiz

Tel. +41 41 760 70 20
Fax +41 41 760 70 19

www.valartisgroup.ch

Agenda

Results media and analysts' conference	24 May 2016
Ordinary General Meeting of Shareholders 2016	28 June 2016
	SIX Exchange, SIX Convention Point, Zurich
Half-year Report 2016	30 August 2016

For further information, please contact:

Kim-My Schefer, Head Corporate Communications & Marketing

Tel. +41 44 503 54 02, corporate.communications@valartis.ch

Valartis Group

Valartis Group is an international finance group with offices in Switzerland, Vienna, Liechtenstein, Luxembourg, Moscow and St. Petersburg. Valartis Group AG (Baar, Switzerland) is listed on the Swiss Stock Exchange, SIX Swiss Exchange. Operations include the fields of Corporate Finance, Private Equity and Real Estate Management together with investments in the financial services sector.

www.valartisgroup.ch

KEY FIGURES

Key Figures – 2014 and 2015 shown as continued and discontinued operations

in CHF million	31.12.2011	31.12.2012	31.12.2013	31.12.2014	31.12.2015
Total operating income	63.3	70.7	73.7	-31.7	-22.1
Income from interest and dividend	41.2	18.3	17.5	1.0	-2.2
Income from commission and service fee	52.2	41.5	47.1	6.0	3.5
Income from trading book	-20.3	6.3	-3.6	-39.6	-3.5
Other ordinary income	-9.8	4.6	12.7	1.0	-19.8
Administrative expense	-81.7	-50.4	-52.0	-17.6	-20.9
Personnel expense	-50.4	-33.0	-34.1	-10.5	-8.4
General expense	-31.3	-17.4	-17.9	-7.2	-12.5
Gross (loss)/income	-18.4	20.3	21.7	-49.3	-42.9
Depreciation, valuation adjustments and provisions	-17.0	-15.9	-9.1	-12.0	-13.8
Income taxes	1.4	3.2	0.6	3.6	1.4
Net (loss)/profit from continued operations	-34.0	7.6	13.2	-57.7	-55.3
Net (loss)/profit from discontinued operations	14.5	2.6	-12.8	-15.6	-3.1
Net (loss)/profit	-19.5	10.2	0.4	-73.3	-58.4
attributable to shareholders of Valartis Group AG	-14.8	6.7	-2.5	-69.2	-57.2
attributable to non-controlling interests	-4.7	3.5	2.9	-4.1	-1.2
Total assets	2,631	3,175	3,027	2,886	2,207
Total liabilities	2,322	2,859	2,707	2,646	2,047
Total shareholders' equity (including non-controlling interests)	309	316	319	241	160
Total client assets	6,835	7,798	7,957	6,459	439
Continued operations	6,835	5,528	6,034	6,459	439
Discontinued operations		2,270	1,923	0	5,024
Employees, as full-time equivalents (FTE)	297	299	285	215	230
Continued operations		220	217	215	55
Discontinued operations		79	68	0	175
Closing price of VLRT bearer shares, in CHF	17.25	20.00	17.70	15.40	8.45
Dividend per share, in CHF	0.00	1.00	0.00	0.00	0.00
Dividend yield	n/a	5.0%	n/a	n/a	n/a