

Media Release

25 August 2008

Group profit first half 2008 reaches CHF 4.0 million

In the first six months of the current year Valartis Group reached a profit of CHF 4.0 million (first half of 2007: CHF 27.6 million). The profit decline was mainly due to a negative trading result of CHF -13.6 million (CHF 25.6 million). Shareholders' equity after minority interests amounted to CHF 229.8 million at the end of June 2008 (December 2007: CHF 245.0 million), while assets under management totalled CHF 3.5 billion (CHF 4.2 billion).

Differences in income development

In its trading operations, Valartis Group focuses to a significant degree on the management of larger trading positions in Swiss small & mid caps in addition to client-related stock and derivatives trading. Despite solid balance sheets and intact growth prospects, these securities were also affected by the correction on the stock markets in the first half of 2008; this resulted in a mostly unrealized loss in the trading book of CHF 13.6 million (first half of 2007: CHF +25.6 million).

With CHF 29.8 million income from the commissions and services business was only slightly below the previous year's result (CHF 31.9 million). While brokerage commissions declined marginally due to lower trading volumes in the Swiss stock market, first positive results emerged from the M&A/corporate-finance business in Eastern and Central Europe of Valartis Europe, Vienna. In asset management, fee income from the actively managed investment companies and funds remained steady on the previous year's level despite the difficult market environment.

Adding income from other operations of CHF 14.0 million, which includes income from financial investments as well as the result from the consolidation of ENR Russia Invest Ltd., overall income of Valartis Group reached CHF 32.0 million in the first half of 2008 (first half of 2007: CHF 58.2 million).

Investments in business expansion

In addition to the income decline due to trading, the lower operative half-year result 2008 of CHF 6.0 million (first half of 2007: CHF 36.0 million) was also due to a higher cost base. Total administrative expenses rose by CHF 3.8 million to CHF 26.0 million. This increase mostly reflects further investments of the group in the buildup and expansion of various business activities such as corporate finance / M&A Europe, funds-of-funds products, real estate management and private-banking services. At the end of June Valartis Group had 157 employees, mostly in Switzerland, Russia and Austria (end of 2007: 131).

Group profit after depreciation, taxes and minority interests reached CHF 4.0 million (CHF 27.6 million) or CHF 0.81 (CHF 5.6) per share. The group's shareholders' equity after minority interests amounted to CHF 229.8 million at the end of June 2008, after a dividend distribution totalling CHF 13.75 million in May 2008 (end of 2007: CHF 245.0 million) respectively CHF 47.2

per outstanding bearer share (CHF 50.2). The group's assets under management stood at CHF 3.5 billion at the end of June (December 2007: CHF 4.2 billion).

The financial key figures for the first half of 2008 are summarized on page 3 of this media release. The interim report can be downloaded in PDF format from our homepage www.valartis.ch from Thursday, 28 August 2008.

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Financial key figures as at 30 June 2008

Million CHF

<i>Income statement</i>	<i>1.1.-30.6.08</i>	<i>1.1.-30.6.07</i>	<i>Δ%</i>
Interest and dividend income	1.8	1.8	
Commission income	29.8	31.9	-6.6
Income from trading	-13.6	25.6	
Other ordinary income	14.0	-1.2	
Total operating income	32.0	58.2	-45.0
Personnel expense	-15.9	-15.5	+2.6
Business and office expenses	-10.1	-6.7	+50.7
Total administrative expenses	-26.0	-22.2	+17.1
Operative result	6.0	36.0	-83.3
Depreciation	-1.4	-0.9	
Taxes	-1.0	-7.5	
Minority interests	0.4	0	
Group profit	4.0	27.6	-85.5
Group profit per share, CHF	0.81	5.6	
Cost/income ratio, %	85.8	39.7	
Return on equity, %	3.5	24.9	
<i>Balance sheet</i>	<i>30.6.2008</i>	<i>31.12.2007</i>	<i>Δ%</i>
Total assets	533.9	490.7	+8.8
Liabilities	238.3	246.3	-3.2
Shareholders' equity (after minority interests) ¹⁾	229.8	245.0	-6.2
per share, CHF	47.2	50.2	
Self-financing ratio, %	55.4	49.8	
Total assets under management	3'467	4'239	-18.2
Staff	157	131	+19.8

¹⁾ Dividend for the 2007 business year: CHF 13.75 million (distribution May 2008)