

# MEDIA RELEASE

25 August 2015

## **Valartis Group – Financial statements for the first half-year 2015**

*In accordance with International Financial Reporting Standards (IFRS) and under consideration of two exceptional non-recurring factors, Valartis Group posted a Group loss of CHF 21.4 m for the first half-year of 2015 (30.6.2014 on a comparable basis: Group loss of CHF 20.7 m). This result is mainly attributable to value adjustments on goodwill positions and immaterial assets amounting to a total of CHF 16.4 m, together with value adjustments on deferred taxes amounting to CHF 3.6 m. Earnings from commissions remained on the same level as the previous year at CHF 21.8 m (30.6.2014 on a comparable basis: CHF 21.8 m) and earnings from trading activities were up on the previous year to CHF 8.3 m. This raised operating income to CHF 32.4 m and total operating income to a gain of CHF 3.5 m.*

Against the background of political and macroeconomic framework conditions, the market environment remained extremely challenging for Valartis Group in the first half-year of 2015. In accordance with International Financial Reporting Standards (IFRS) and under consideration of two exceptional non-recurring factors, Valartis Group posted a Group loss of CHF 21.4 m for the first half-year of 2015 (30.6.2014: Group loss of CHF 20.7 m). This negative result can mainly be attributed to the following factors:

- value adjustments on goodwill positions and immaterial assets amounting to CHF 16.4 m. The value adjustments are largely the result of the continued poor profitability levels of one of the Group companies;
- value adjustments on deferred taxes amounting to CHF 3.6 m in connection with the above;
- considerably reduced earnings on interest on the current remaining bonds portfolio – down from CHF 4.8 m to CHF 1.1 m as a result of much lower average investments, the continued decline in market interest rates and the lack of attractive reinvestment opportunities in bonds.

## **The first half-year 2015 from an operating perspective**

In operating terms – that is disregarding the non-recurring factors listed above – Valartis Group posted operating income amounting to CHF 32.4 m (30.6.2014: CHF 21.9 m) and gross profit of CHF 3.5 m (30.6.2014: gross loss of CHF 5.8 m) for the first half-year 2015. This positive result can mainly be attributed to trading activities. We were able to maintain the same level of earnings from commission and services at CHF 21.8 m as for the previous year. Developments in the Private Clients segment were also positive: earnings on commission and services rose by around 10 percent to CHF 21.0 m (30.6.2014: CHF 19.1 m) despite a net new money outflow. The private bank in Lichtenstein was the main contributor to these earnings. Trading activities posted a profit of CHF 8.3 m – a considerable rise over the previous year (30.6.2014: loss of CHF 5.9 m). Personnel expenditure was reduced to CHF 16.9 m after implementation of front-office reorganisation and despite expanding the client advisor teams at the bank in Liechtenstein (30.6.2014: CHF 17.5 m). General expense rose to CHF 12.0 m (30.6.2014: CHF 10.3 m) as a result of implementation costs arising in connection with new regulatory standards and project and advisory costs arising out of the realignment of Valartis Group. Client assets under management are at CHF 5.8 bn (30.6.2014: CHF 6.2 bn).

**A look to the future**

In the first half-year of 2015, we completed the implementation of the new Group organisation. We will continue to focus on the two business segments Private Clients and Institutional Clients. During the first half-year 2015, the Board of Directors continued readjusting the business model to new framework and market conditions with a view to optimizing costs and enhancing profitability, and they will intensify their work on further realignment. The Board is currently examining a number of strategic options for Valartis Group's future business model in order to re-establish generation of appropriate returns on invested capital – as announced in earlier publications. Stakeholders will be informed accordingly which is currently expected to be made in the fourth quarter of 2015.

The Half-year Report 2015 can be viewed and downloaded under [www.valartisgroup.ch](http://www.valartisgroup.ch).

**Agenda**

ConfCall media and analysts	25 August 2015, 11.30 a.m. (registration under <a href="mailto:corporate.communications@valartisgroup.com">corporate.communications@valartisgroup.com</a> )
Results media conference 2016	End of April 2016
General Meeting 2016	11 May 2016

## Enclosed:

- Key figures half-year 2015
- Valartis Group Half-year Report 2015

## For further information, please contact:

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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 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.*

[www.valartisgroup.ch](http://www.valartisgroup.ch)

## KEY FIGURES – OVERVIEW\* HALF-YEAR REPORT 2015

In Mio. CHF	1.1.-30.6.2015	1.1.-30.6.2014
<b>Total Geschäftsertrag</b>	<b>32.4</b>	<b>21.9</b>
Erfolg aus Zinsen und Dividenden	1.1	4.8
Erfolg aus Kommissionen und Dienstleistungen	21.8	21.8
Erfolg aus dem Handelsgeschäft	8.3	-5.9
Übriger ordentlicher Erfolg	1.2	1.2
<b>Geschäftsaufwand</b>	<b>-28.9</b>	<b>-27.8</b>
Personalaufwand	-16.9	-17.5
Sachaufwand	-12.0	-10.3
<b>Bruttoergebnis</b>	<b>3.5</b>	<b>-5.8</b>
Abschreibungen, Wertberichtigungen und Rückstellungen	-20.1	-5.0
Gewinnsteuern	-4.8	-0.4
<b>Konzernergebnis aus weitergeführten Geschäftsbereichen</b>	<b>-21.4</b>	<b>-11.2</b>
<b>Konzernergebnis aus nicht weitergeführten Geschäftsbereichen</b>	<b>0.0</b>	<b>-9.5</b>
<b>Konzernergebnis</b>	<b>-21.4</b>	<b>-20.7</b>
zuzuschreiben auf Aktionäre der Valartis Gruppe	-24.1	-21.6
zuzuschreiben auf Anteile ohne beherrschenden Einfluss	2.7	0.9
<b>Bilanzsumme</b>	<b>2'390</b>	<b>3'083</b>
<b>Fremdkapital</b>	<b>2'194</b>	<b>2'783</b>
<b>Eigenkapital (inkl. Anteile ohne beherrschenden Einfluss)</b>	<b>196</b>	<b>300</b>
<b>Eigenkapitalrendite</b>	<b>-8.9%</b>	<b>-6.5%</b>
<b>Gesamtkapitalquote (regulierte Valartis Finance Gruppe)</b>	<b>18%</b>	<b>n/a</b>
<b>Total Kundenvermögen</b>	<b>5'762</b>	<b>8'033</b>
Aus weitergeführten Geschäftsbereichen	5'762	6'163
Aus nicht weitergeführten Geschäftsbereichen	0	1'870
<b>Net New Money (1.1.-30.6.)</b>	<b>-240</b>	<b>62</b>
Aus weitergeführten Geschäftsbereichen	-240	144
Aus nicht weitergeführten Geschäftsbereichen	0	-82
<b>Kalkulatorische Kommissionsmarge, in Basispunkten</b>	<b>73</b>	<b>68</b>
<b>Personalbestand, auf Vollzeitbasis</b>	<b>221</b>	<b>271</b>
Aus weitergeführten Geschäftsbereichen	221	208
Aus nicht weitergeführten Geschäftsbereichen	0	63
<b>Cost Income Ratio aus weitergeführten Geschäftsbereichen</b>	<b>89%</b>	<b>127%</b>
<b>Schlusskurs VLRT Inhaberaktie, in CHF</b>	<b>13.00</b>	<b>20.35</b>

\*Available in German only at the moment