

Statement

30 September 2009

Transparent business policy and valuation criteria

In its press release of 28 September 2009, Paramount-Finanz AG accused Valartis Group of "questionable business practices" and "non-transparent valuations" in connection with ENR Russia Invest SA and Eastern Property Holdings Ltd., two investment companies managed by Valartis Group. These are serious, potentially libellous allegations. Valartis Group reserves the right to take legal steps in this matter.

ENR Russia Invest SA: No grounds for special audit

ENR Russia Invest SA (ENR) was listed on SIX Swiss Exchange in 2007 as a spin-off of Growth Value Opportunities AG, an investment company controlled by Georg von Opel. The spin-off itself and the drafting of all agreements between ENR and Valartis International Ltd. as investment manager were approved by representatives of Paramount-Finanz AG sitting on the ENR Board of Directors. As a result, all administrative fees and performance fees were verified by Rhône-Audit Société Fiduciaire, the administrator and by PricewaterhouseCoopers, the auditor, as per these agreements. Furthermore, during the entire year 2008 Paramount-Finanz AG participated directly in all major decisions through their representatives on the ENR Board of Directors.

Given this situation, Paramount-Finanz AG's allegations against ENR come as a surprise. The 2008 contingency fee of CHF 2.3 million mentioned in the press release was based on the successful sale of a participation in 2007 and was disclosed in ENR's 2007 financial statements. ENR ended financial year 2007 with a profit of CHF 16.9 million. After the 2007 financial statements received approval, including the approval of the representatives of Paramount-Finanz AG, the performance fee was paid at the beginning of 2008. No further performance-related fees have been paid since that time. To claim that Valartis paid itself a contingency fee for 2008 despite the fact that ENR posted a loss is simply false. This fact was already communicated to Paramount-Finanz AG in detail in connection with their preparation to request a special audit.

What is also difficult to understand is the accusation that in 2008, during the worst financial market and liquidity crisis since the 1930s, ENR held too much cash. The Russian stock market lost 74% of its value during this period. Due to its high cash holdings, the ENR share lost only 19% of its value. ENR is perhaps the only investment company being criticised for holding cash during the crisis. More than 90 potential investment projects were reviewed during the same period, but none were pursued due to the uncertain market and valuations situation.

Valartis Group: Transparent valuation

As a banking group listed on SIX Swiss Exchange and subject to consolidated supervision by the Swiss Financial Market Supervisory Authority (FINMA), Valartis follows the IFRS rules strictly when reporting. Valuation criteria and methods are handled consistently and transparently across the Group's entire holdings in consultation with independent valuation specialists.

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Valartis Group has a 37.4% share of the capital of Eastern Property Holdings (EPH). The Group was able to enter into this participation at a discount to the intrinsic value due to the global real estate crisis. According to the internationally applicable IFRS accounting standards, the participation is to be recorded at cost and the excess of the purchase price is to be booked as profit in the income statement (IAS 28). In both the 2008 annual financial statements and the 2009 half-year report, this was treated and explained transparently and clearly.

Given these facts, the accusations by Paramount-Finanz AG that Valartis Group prepared its statements according to questionable valuation criteria are prejudicial and potentially libellous. It is unclear how the EPH allegations are meant to support the call for a special audit at ENR. Furthermore, the claim that Valartis Group would have been forced to post a loss for the first half of 2009 if it were not for EPH's profit is false.

Valartis Group management is reviewing the possibility of initiating legal action in response to Paramount-Finanz AG's accusations.

If you have any questions, please contact:

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ENR Russia Invest SA

ENR Russia Invest (ENR) is an investment company listed on the SIX Swiss Exchange. It specialises in the management of equities and equity-like investments as well as bonds in Russia, the CIS States and the Baltic States. Valartis Group has a 52.1% share of the capital and votes in ENR; the participation is fully consolidated in the consolidated financial statements of Valartis.

ENR was founded in 1994 with a focus on investments in Russia, the CIS States and the Baltic States. Valartis took over ENR's investment management in 1996. In 2001, the investment companies of Georg von Opel acquired a controlling interest in ENR. Investment management remained under the control of Valartis. In 2007, ENR was renamed Growth Value Opportunities. Subsequently, selected holdings were transferred to a new company, the current ENR.

www.enr.ch

Eastern Property Holdings Ltd.

Eastern Property Holdings Ltd is an investment company that has been listed on the SWX Swiss Exchange since November 2003 focusing on Russia and the CIS States. EPH manages a portfolio of properties and development projects in the commercial and the residential real estate markets. Valartis Group has a 37.4% share of the capital and votes in EPH. The participation is consolidated at equity (NAV) in the consolidated financial statements of Valartis.

www.easternpropertyholdings.com