



## Solid operating performance by the Jelmoli Group Revaluation of the Tivona participation results in nonrecurring charge of CHF 50 million

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### Internet information

**Jelmoli financial information for e-mail subscribers:**  
At [www.huginonline.ch/JEL](http://www.huginonline.ch/JEL) or  
[www.jelmoli-holding.ch](http://www.jelmoli-holding.ch) subscribers can register  
without charge for the Jelmoli e-mail financial news.  
They will then receive all financial press releases by  
e-mail at the same time as the media.

**Jelmoli financial publications on the Internet:**  
At [www.huginonline.ch/JEL](http://www.huginonline.ch/JEL) or  
[www.jelmoli-holding.ch](http://www.jelmoli-holding.ch) all Jelmoli financial press  
releases are published, together with the Jelmoli  
Annual Report and other shareholder information  
including online stock market reports.

### Internet-Shopping at Fust:

On the [www.fust.ch](http://www.fust.ch) homepage, all products in the  
entire range can be ordered for prompt home  
delivery.

### Internet gift shop and wedding present listing:

At [www.jelmoli.ch](http://www.jelmoli.ch) you will find a host of gift ideas  
for all occasions. Attractively packed, your purchases  
can be delivered by express within a few hours any-  
where in Switzerland. Our convenient on-line wed-  
ding present listing is very popular among bridal  
couples.

Jelmoli Group operating cashflow (EBITDA) for  
the demanding first half-year 2005 rose by CHF 0.6  
million or +0.7% to CHF 86.1 million.

In connection with ongoing arbitration proceedings,  
revaluation of the Tivona participation brought a  
CHF 50 million impairment charge.

Disregarding this nonrecurring charge, Group net  
profit is slightly higher than per mid-year 2004  
despite the expected slowdown of real estate port-  
folio appreciation.

### Group key figures (consolidated, not audited)

1 <sup>st</sup> half-year	2005	2004	Change
<b>Million CHF</b>			
<b>Turnover</b>	<b>496.1</b>	<b>479.6</b>	<b>+3.5%</b>
comparable			+1.8%
<b>Rental income (incl. from own retail locations)</b>	<b>65.4</b>	<b>55.8</b>	<b>+17.2%</b>
comparable			+3.4%
<b>Operating cashflow EBITDA</b>	<b>86.1</b>	<b>85.5</b>	<b>+0.7%</b>
Depreciation	-17.2	-16.8	
Property value appreciation to IAS40	-	6.1	
Goodwill amortization	-	-6.8	
Operating income EBIT	68.9	68.0	+1.3%
<b>Impairment on Tivona participation</b>	<b>-50.0</b>	-	
Financial income	-26.6	-21.5	
Earnings before tax EBT	-7.7	46.5	
Tax	-9.2	-13.5	
<b>Group net profit</b>	<b>-16.9</b>	<b>33.0</b>	
of which Jelmoli shareholders	-17.5	32.9	
of which minorities	0.6	0.1	

With higher turnover in the first half-year, margins  
in the retail trade business segment were upheld, but  
operating income was overproportionately affected  
by higher internal rental costs at Jelmoli Zurich and  
Fust's need for more intensive advertising.  
The cost reduction measures already introduced will  
take effect during the second half-year.  
Real estate rental income rose by CHF 9.6 million to  
CHF 65.4 million, including rental adjustments at  
Jelmoli Zurich. As expected, property value apprecia-  
tion was lower than in prior year (when the Jelmoli  
Zurich courtyard was partially opened).

### Revaluation of the Tivona participation

In connection with ongoing arbitration proceedings,  
Jelmoli's current participation in Tivona AG also  
came under scrutiny. Based on the resultant assess-  
ment of all existing properties and projects, the par-  
ticipation value was adjusted downward.  
Jelmoli is still convinced that the probability of final-  
izing a transaction in the near future is very low and  
that the demands of the Tivona majority sharehold-  
ers are unjustified both in principle and quantita-  
tively. This latest evaluation supports our contractual  
interpretation.

### Group financial income

Group financial income shows an expenditure excess  
of CHF 26.6 million (prior year: CHF 21.5 million).  
The long-term refinancing of short-term loans in  
prior year and early extension of existing credit lines  
this year result in higher interest expenditure.  
Due to early refinancing in July this year of the  
CHF 200 million 4½% bond issue maturing in Feb-  
ruary 2006, with a 3½% bond issue to the same  
amount, interest expenditure in the second semester  
will also be higher than in prior year.

### Group net profit

Disregarding impairment on the Tivona partici-  
pation, Group net profit matched the prior mid-year  
level despite the expected slowdown of real estate  
revaluation gains.  
Group net profit for 2005 as a whole is expected to  
be below the prior year level due to lower real estate  
revaluation gains.  
However, the decline in real estate development gains  
will be compensated in part by the improvement in  
operating cashflow and discontinuation of goodwill  
amortisation.

### Year-end outlook: Higher operating income expected

As shown in the first half-year 2005, the operating  
performance of our business units is solid and  
developing well despite difficult conditions. The cost  
reduction measures introduced have not affected  
turnover, and will already take partial effect during  
the second half-year.  
We expect the positive trend to continue during the  
second half-year 2005.

Jelmoli Holding AG  
September 13, 2005

Walter Fust  
Chairman  
of the Board

Gustav Stenbolt  
President of the  
Executive Committee

## Retail Trade

1 <sup>st</sup> half-year			Change	
Million CHF	2005	2004	effective	comparable
Turnover Jelmoli Zurich (incl. Molino/Fashion Bazaars/Beach Mountain)	123.8	117.4	+5.5%	+3.5%
Turnover Dipl. Ing. Fust	372.3	362.1	+2.8%	+1.2%
<b>Total Group turnover</b>	<b>496.1</b>	<b>479.6</b>	<b>+3.5%</b>	<b>+1.8%</b>
<b>Operating cashflow EBITDA</b>	<b>39.9</b>	<b>42.7</b>	<b>-2.8</b>	<b>-6.6%</b>
Depreciation	-13.6	-14.7	+1.1	
Goodwill amortization	-	-6.8	+6.8	
<b>Operating income EBIT</b>	<b>26.3</b>	<b>21.2</b>	<b>+5.1</b>	<b>+24.1%</b>

### Higher turnover and operating income

Despite difficult conditions as before, turnover again rose markedly and gross margins were retained. All operating installations at Jelmoli Zurich have been taken over by the real estate segment and will now be charged to rentals (in the same way as with third-party rental agreements). While on the one hand this change of system has increased overheads in the retail trade segment by about CHF 3 million, on the other hand it eliminates the respective depreciations.

Prior to this change, EBITDA was maintained at the same level despite higher costs due to more intensive advertising needs.

Thanks also to the discontinuation of goodwill amortization, operating income EBIT rose by 24.1% to CHF 26.3 million.

### Prospects for 2005 as a whole:

All Group business units are excellently positioned in their relevant markets, and have further increased their market shares.

We are therefore confident that a general revival of consumer demand will have a positive effect on Group earnings.

### Jelmoli Zurich (The House of Brands)

Jelmoli Zurich turnover (including specialty businesses) was 5.5% higher than the prior mid-year level. Even without the substantial sales floor extensions (Nike shop in the rebuilt courtyard, etc.), turnover rose by 3.5%.

Overall turnover at Jelmoli Zurich (including third-party tenant turnover) was 11.3% higher than in prior year. This confirms that as expected, Jelmoli Zurich is now even more attractive to consumers and that the new tenants (above all ZARA) do not represent any competition to our own offering.

### Overall prospects for 2005:

Turnover continued to rise in July and August. During the first half-year 2005 various projects were launched to further optimize cost outlay and services earnings in logistics and administration. While some of these measures will already take effect in the second half-year, the main effects will be felt in 2006.

### Dipl. Ing. Fust AG

Fust turnover rose again by 2.8% (comparable: +1.2%). This was mainly attributable to the kitchen/bathroom and domestic appliances businesses.

Gross margin increased slightly thanks to more imports directly from China. Due to numerous additional advertising measures, there was a overproportionate rise in human resources costs and advertising outlay. Overall operating income is therefore slightly below the prior mid-year level.

### Overall prospects for 2005:

Turnover for July and August was significantly higher than in prior year. Taking account of the cost reduction measures already introduced, operating income for the second half-year is expected to slightly exceed the prior year level.

## Real Estate

1 <sup>st</sup> half-year			Change	
Million CHF	2005	2004	effective	comparable
<b>Total rental income</b>	<b>65.4</b>	<b>55.8</b>	<b>+17.2%</b>	<b>+3.4%</b>
<b>Operating cashflow EBITDA</b>	<b>46.2</b>	<b>42.8</b>	<b>+3.4</b>	<b>+7.9%</b>
Depreciation	-0.6	-0.4		
Value appreciation to IAS40	2.7	7.8	-5.1	
<b>Operating income EBIT</b>	<b>48.3</b>	<b>50.2</b>	<b>-1.9</b>	<b>-3.8%</b>

Most rental agreements are on a fixed long-term basis (with extension options). A fixed minimum rental clause appropriate to top-location level secures real estate income against recession in retail business, while the turnover-linked proportion allows participation in phases of economic upswing and inflation.

**Total rental income rose by 17.2% to CHF 65.4 million.**

The Jelmoli Zurich courtyard development was opened as planned at the end of October 2004. Except for the fifth floor, the additional sales floor areas were handed over to the designated operators (ZARA from the ground to second floors; Coiffina on the third floor; Nike shop on the fourth floor). In connection with the new courtyard rental agreements, existing rentals were adjusted accordingly. During the first half of 2005 this mainly applied to rental agreements with Group subsidiaries. Adjustments to third-party rentals will take effect in income during the second half-year 2005 and in 2006.

Together with the opening in autumn 2004 of the Fust logistics centre in Oberbüren, above all Group subsidiary rentals have thus increased compared with prior year.

**The 8.6% increase at Group level (third-party tenants only) is also significant.**

Operating income did not keep pace with the rise in rental income. This is mainly due to higher costs in connection with the ongoing Tivona arbitration process and to additional upkeep outlay after taking over the Jelmoli Zurich operating installations.

### Prospects for 2005 as a whole:

As expected, property value appreciation will not match that of prior year because no larger new openings are scheduled. Due to various optimization measures at existing properties (above all Jelmoli Zurich), we nevertheless expect a modest appreciation of portfolio value for the current year. The office floor areas still vacant will be reduced by further rentals during the second half-year. Rental income is expected to rise again, although the percentage increase during the first half of 2005 (new openings in autumn 2004) will not be matched.

### Further outlook – development pipeline

The following projects are to be realized during 2006–2008:

#### St. Gall Stadium West Shopping Centre

Construction starting in September 2005; opening planned for the end of 2007; together with IKEA Oberbüren and Niederwangen

2006/2007; conversion of the present logistics centre into retail trade floor areas; diverse tenants

**Thônex**  
2006/2007; demolition and rebuild; diverse tenants

**Lutry**  
2006/2007; new building with retail trade floor areas and apartments

**Zurich-Hiltl**  
2006; extension of the restaurant and courtyard floor areas

**Moscow – Russia**  
Shopping centre construction together with our Russian partner “Mosmart” and a number of other retail trade chains

Investment volume for these projects totals around CHF 360 million. Rental prospects at the target rates appear realistic at the present time. Various other projects are under assessment with regard to profitability and feasibility.

# Consolidated Income Statement

	Jelmoli Group consolidated						Elimination own use	
	1 <sup>st</sup> half-year 2005		Change		1 <sup>st</sup> half-year 2004		2005	2004
	CHF Million	% of total income	CHF Million	in %	CHF Million	% of total income	CHF Million	CHF Million
<b>Gross sales</b>	<b>496.1</b>		<b>16.5</b>		<b>479.6</b>			
<i>comparable to prior year</i>								
Sales deductions	-5.9		-1.2		-4.7			
<b>Net sales</b>	<b>490.2</b>		<b>15.3</b>		<b>474.9</b>			
<b>Rental income</b>	<b>48.2</b>		<b>3.8</b>		<b>44.4</b>	<b>-17.2</b>	<b>-11.4</b>	
<i>comparable to prior year</i>								
<b>Other income</b>	<b>5.6</b>		<b>-0.8</b>		<b>6.4</b>	<b>-2.3</b>	<b>-0.7</b>	
<b>Total income</b>	<b>544.0</b>	<b>100.0%</b>	<b>18.3</b>	<b>3.5%</b>	<b>525.7</b>	<b>100.0%</b>	<b>-19.5</b>	<b>-12.1</b>
Cost of materials and products	-274.3	-50.4%	-9.0	-3.4%	-265.3	-50.5%		
Personnel expenses	-118.9	-21.9%	-5.4	-4.8%	-113.5	-21.6%		
Other expenses	-64.7	-11.9%	-3.3	-5.4%	-61.4	-11.7%	19.5	12.1
<b>EBITDA<sup>1</sup> Earnings before interest, taxes, depreciation and amortisation</b>	<b>86.1</b>	<b>15.8%</b>	<b>0.6</b>	<b>0.7%</b>	<b>85.5</b>	<b>16.3%</b>	<b>-</b>	<b>-</b>
Depreciation and amortisation	-17.2	-3.1%	-0.4	-2.4%	-16.8	-3.2%	-3.0	-1.7
Revaluation of investment property	-	0.0%	-6.1	-100.0%	6.1	1.2%	-2.7	-1.7
<b>EBITA<sup>2</sup> Earnings before interest, taxes and goodwill amortisation</b>	<b>68.9</b>	<b>12.7%</b>	<b>-5.9</b>	<b>-7.9%</b>	<b>74.8</b>	<b>14.2%</b>	<b>-5.7</b>	<b>-3.4</b>
Amortisation of goodwill	-	-0.0%	6.8	100.0%	-6.8	-1.3%		
<b>EBIT<sup>3</sup> Earnings before interest and taxes</b>	<b>68.9</b>	<b>12.7%</b>	<b>0.9</b>	<b>1.3%</b>	<b>68.0</b>	<b>12.9%</b>	<b>-5.7</b>	<b>-3.4</b>
Impairment result Tivona	-50.0		-50.0		-			
Finance income	2.4		0.2		2.2			
Finance expenses	-28.5		-5.3		-23.2			
Share in result of associates	-0.5		-		-0.5			
<b>Finance result, net</b>	<b>-76.6</b>	<b>-14.0%</b>	<b>-55.1</b>	<b>-256.3%</b>	<b>-21.5</b>	<b>-4.1%</b>	<b>-</b>	<b>-</b>
<b>EBT<sup>4</sup> Earnings before taxes</b>	<b>-7.7</b>	<b>-1.4%</b>	<b>-54.2</b>	<b>-116.6%</b>	<b>46.5</b>	<b>8.8%</b>	<b>-5.7</b>	<b>-3.4</b>
Deferred taxes on revaluation of investment property	-		1.3		-1.3		0.6	0.3
Other income taxes	-9.2		3.0		-12.2		0.7	0.5
<b>Income taxes</b>	<b>-9.2</b>	<b>-1.7%</b>	<b>4.3</b>	<b>31.9%</b>	<b>-13.5</b>	<b>-2.6%</b>	<b>1.3</b>	<b>0.8</b>
<b>Net profit</b>	<b>-16.9</b>	<b>-3.1%</b>	<b>-49.9</b>	<b>-151.2%</b>	<b>33.0</b>	<b>6.3%</b>	<b>-4.4</b>	<b>-2.6</b>
of whom Jelmoli shareholders	-17.5	-3.2%	-50.4		32.9	6.3%	-4.4	-2.6
of whom minority shareholders	0.6	0.1%	0.5	500.0%	0.1	0.0%		
Average number of shares issued	629 877		-3 428	-0.5%	633 305		-	-
<b>EPS<sup>5</sup> Earnings per share in CHF</b>	<b>-28</b>		<b>-81</b>	<b>-152.8%</b>	<b>53</b>		<b>-7</b>	<b>-4</b>
Diluted EPS	-27		-79		52		-7	-4

1 EBITDA Earnings before interest, taxes, depreciation and amortisation

2 EBITA Earnings before interest, taxes and amortisation

3 EBIT Earnings before interest and taxes

4 EBT Earnings before Taxes

5 EPS Earnings per share (average)

6 Taking into account the share of associated companies in earnings (including impairment loss), the segment earnings are CHF -2.2 million (prior year: CHF 49.7 million)

	Total Segments					
	1 <sup>st</sup> half-year 2005		Change		1 <sup>st</sup> half-year 2004	
	CHF Million	% of total income	CHF Million	in %	CHF Million	% of total income
<b>Gross sales</b>	<b>496.1</b>		<b>16.5</b>		<b>479.6</b>	
Sales deductions	-5.9		-1.2		-4.7	
<b>Net sales</b>	<b>490.2</b>		<b>15.3</b>		<b>474.9</b>	
<b>Rental income</b>	<b>65.4</b>		<b>9.6</b>		<b>55.8</b>	
<b>Other income</b>	<b>7.9</b>		<b>0.8</b>		<b>7.1</b>	
<b>Total income</b>	<b>563.5</b>	<b>100.0%</b>	<b>25.7</b>	<b>4.8%</b>	<b>537.8</b>	<b>100.0%</b>
Cost of materials and products	-274.3	-48.7%	-9.0	-3.4%	-265.3	-49.3%
Personnel expenses	-118.9	-21.1%	-5.4	-4.8%	-113.5	-21.1%
Other expenses	-84.2	-14.9%	-10.7	-14.6%	-73.5	-13.7%
<b>EBITDA<sup>1</sup> Earnings before interest, taxes, depreciation and amortisation</b>	<b>86.1</b>	<b>15.3%</b>	<b>0.6</b>	<b>0.7%</b>	<b>85.5</b>	<b>15.9%</b>
Depreciation and amortisation	-14.2	-2.5%	0.9	-6.0%	-15.1	-2.8%
Revaluation of investment property	2.7	0.5%	-5.1	-65.4%	7.8	1.5%
<b>EBITA<sup>2</sup> Earnings before interest, taxes and goodwill amortisation</b>	<b>74.6</b>	<b>13.2%</b>	<b>-3.6</b>	<b>-4.6%</b>	<b>78.2</b>	<b>14.5%</b>
Amortisation of goodwill	-	-0.0%	6.8	100.0%	-6.8	-1.3%
<b>EBIT<sup>3</sup> Earnings before interest and taxes</b>	<b>74.6</b>	<b>13.2%</b>	<b>3.2</b>	<b>4.5%</b>	<b>71.4</b>	<b>13.3%</b>
Impairment result Tivona	-50.0		-50.0		-	
Finance income	2.4		0.2		2.2	
Finance expenses	-28.5		-5.3		-23.2	
Share in result of associates	-0.5		-		-0.5	
<b>Finance result, net</b>	<b>-76.6</b>	<b>-13.6%</b>	<b>-55.1</b>	<b>-256.3%</b>	<b>-21.5</b>	<b>-4.0%</b>
<b>EBT<sup>4</sup> Earnings before taxes</b>	<b>-2.0</b>	<b>-0.4%</b>	<b>-51.9</b>	<b>-104.0%</b>	<b>49.9</b>	<b>9.3%</b>
Deferred taxes on revaluation of investment property	-0.6		1.0		-1.6	
Other income taxes	-9.9		2.8		-12.7	
<b>Income taxes</b>	<b>-10.5</b>	<b>-1.8%</b>	<b>3.8</b>	<b>26.6%</b>	<b>-14.3</b>	<b>-2.7%</b>
<b>Net profit</b>	<b>-12.5</b>	<b>-2.2%</b>	<b>-48.1</b>	<b>-135.1%</b>	<b>35.6</b>	<b>6.6%</b>
of whom Jelmoli shareholders	-13.1		-48.6		35.5	
of whom minority shareholders	0.6	0.1%	0.5	500.0%	0.1	0.0%
Average number of shares issued	629 877		-3 428	-0.5%	633 305	
<b>EPS<sup>5</sup> Earnings per share in CHF</b>	<b>-21</b>		<b>-78</b>	<b>-136.8%</b>	<b>57</b>	
Diluted EPS	-20		-76		56	

	Retail Trade					
	1 <sup>st</sup> half-year 2005		Change		1 <sup>st</sup> half-year 2004	
	CHF Million	% of total income	CHF Million	in %	CHF Million	% of total income
<b>Gross sales</b>	<b>496.1</b>		<b>16.5</b>	<b>3.5%</b>	<b>479.6</b>	
Sales deductions	-5.0		-0.8		-4.2	
<b>Net sales</b>	<b>491.1</b>		<b>15.7</b>		<b>475.4</b>	
<b>Rental income</b>	<b>65.4</b>		<b>9.6</b>		<b>55.8</b>	
<b>Other income</b>	<b>7.6</b>		<b>0.9</b>		<b>6.7</b>	
<b>Total income</b>	<b>498.7</b>	<b>100.0%</b>	<b>16.6</b>	<b>3.4%</b>	<b>482.1</b>	<b>100.0%</b>
Cost of materials and products	-274.2	-55.0%	-8.9	-3.4%	-265.3	-55.0%
Personnel expenses	-114.9	-23.0%	-4.3	-3.9%	-110.6	-22.9%
Other expenses	-69.7	-14.0%	-6.2	-9.8%	-63.5	-13.2%
<b>EBITDA<sup>1</sup> Earnings before interest, taxes, depreciation and amortisation</b>	<b>39.9</b>	<b>8.0%</b>	<b>-2.8</b>	<b>-6.6%</b>	<b>42.7</b>	<b>8.9%</b>
Depreciation and amortisation	-13.6	-2.7%	1.1	7.5%	-14.7	-3.0%
Revaluation of investment property	-		-		-	
<b>EBITA<sup>2</sup> Earnings before interest, taxes and goodwill amortisation</b>	<b>26.3</b>	<b>5.3%</b>	<b>-1.7</b>	<b>-6.1%</b>	<b>28.0</b>	<b>5.8%</b>
Amortisation of goodwill	-		6.8	100.0%	-6.8	-1.4%
<b>EBIT<sup>3</sup> Earnings before interest and taxes</b>	<b>26.3</b>	<b>5.3%</b>	<b>5.1</b>	<b>24.1%</b>	<b>21.2</b>	<b>4.4%</b>
Impairment result Tivona	-50.0		-50.0		-	
Finance income	2.4		0.2		2.2	
Finance expenses	-28.5		-5.3		-23.2	
Share in result of associates	-0.5		-		-0.5	
<b>Finance result, net</b>	<b>-76.6</b>	<b>-13.6%</b>	<b>-55.1</b>	<b>-256.3%</b>	<b>-21.5</b>	<b>-4.0%</b>
<b>EBT<sup>4</sup> Earnings before taxes</b>	<b>-2.0</b>	<b>-0.4%</b>	<b>-51.9</b>	<b>-104.0%</b>	<b>49.9</b>	<b>9.3%</b>
Deferred taxes on revaluation of investment property	-0.6		1.0		-1.6	
Other income taxes	-9.9		2.8		-12.7	
<b>Income taxes</b>	<b>-10.5</b>	<b>-1.8%</b>	<b>3.8</b>	<b>26.6%</b>	<b>-14.3</b>	<b>-2.7%</b>
<b>Net profit</b>	<b>-12.5</b>	<b>-2.2%</b>	<b>-48.1</b>	<b>-135.1%</b>	<b>35.6</b>	<b>6.6%</b>
of whom Jelmoli shareholders	-13.1		-48.6		35.5	
of whom minority shareholders	0.6	0.1%	0.5	500.0%	0.1	0.0%
Average number of shares issued	629 877		-3 428	-0.5%	633 305	
<b>EPS<sup>5</sup> Earnings per share in CHF</b>	<b>-21</b>		<b>-78</b>	<b>-136.8%</b>	<b>57</b>	
Diluted EPS	-20		-76		56	

	Real Estate					
	1 <sup>st</sup> half-year 2005		Change		1 <sup>st</sup> half-year 2004	
	CHF Million	% of total income	CHF Million	in %	CHF Million	% of total income
<b>Gross sales</b>						
Sales deductions	-0.9		-0.4		-0.5	
<b>Net sales</b>	<b>-0.9</b>		<b>-0.4</b>		<b>-0.5</b>	
<b>Rental income</b>	<b>65.4</b>		<b>9.6</b>	<b>17.2%</b>	<b>55.8</b>	
<b>Other income</b>	<b>0.3</b>		<b>-0.1</b>	<b>3.4%</b>	<b>0.4</b>	
<b>Total income</b>	<b>64.8</b>	<b>100.0%</b>	<b>9.1</b>	<b>16.3%</b>	<b>55.7</b>	<b>100.0%</b>
Cost of materials and products	-0.1	-0.2%	-0.1		-	
Personnel expenses	-4.0	-6.2%	-1.1	-37.9%	-2.9	-5.2%
Other expenses	-14.5	-22.4%	-4.5	-45.0%	-10.0	-18.0%
<b>EBITDA<sup>1</sup> Earnings before interest, taxes, depreciation and amortisation</b>	<b>46.2</b>	<b>71.3%</b>	<b>3.4</b>	<b>7.9%</b>	<b>42.8</b>	<b>76.8%</b>
Depreciation and amortisation	-0.6	-0.9%	-0.2	-50.0%	-0.4	-0.7%
Revaluation of investment property	2.7	4.2%	-5.1	-65.4%	7.8	14.0%
<b>EBITA<sup>2</sup> Earnings before interest, taxes and goodwill amortisation</b>	<b>48.3</b>	<b>74.5%</b>	<b>-1.9</b>	<b>-3.8%</b>	<b>50.2</b>	<b>90.1%</b>
Amortisation of goodwill	-		-		-	
<b>EBIT<sup>3</sup> Earnings before interest and taxes</b>	<b>48.3<sup>4</sup></b>	<b>74.5%</b>	<b>-1.9</b>	<b>-3.8%</b>	<b>50.2</b>	<b>90.1%</b>
Impairment result Tivona	-50.0		-50.0		-	
Finance income	2.4		0.2		2.2	
Finance expenses	-28.5		-5.3		-23.2	
Share in result of associates	-0.5		-		-0.5	
<b>Finance result, net</b>	<b>-76.6</b>	<b>-13.6%</b>	<b>-55.1</b>	<b>-256.3%</b>	<b>-21.5</b>	<b>-4.0%</b>
<b>EBT<sup>4</sup> Earnings before taxes</b>	<b>-2.0</b>	<b>-0.4%</b>	<b>-51.9</b>	<b>-104.0%</b>	<b>49.9</b>	<b>9.3%</b>
Deferred taxes on revaluation of investment property	-0.6		1.0		-1.6	
Other income taxes	-9.9		2.8		-12.7	
<b>Income taxes</b>	<b>-10.5</b>	<b>-1.8%</b>	<b>3.8</b>	<b>26.6%</b>	<b>-14.3</b>	<b>-2.7%</b>
<b>Net profit</b>	<b>-12.5</b>	<b>-2.2%</b>	<b>-48.1</b>	<b>-135.1%</b>	<b>35.6</b>	<b>6.6%</b>
of whom Jelmoli shareholders	-13.1		-48.6		35.5	
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<b>EPS<sup>5</sup> Earnings per share in CHF</b>	<b>-21</b>		<b>-78</b>	<b>-136.8%</b>	<b>57</b>	
Diluted EPS	-20		-76		56	

## Consolidated Balance Sheet

Million CHF	Jelmoli Group consolidated		Elimination own use		Total Segments	
	30.06.2005	31.12.2004	2005	2004	30.06.2005	31.12.2004
Investment property	1 665.4	1 660.0	-562.8	-516.0	2 228.2	2 176.0
Land	35.3	35.3	35.3	35.3	-	-
Buildings	196.7	198.5	196.4	191.0	0.3	7.5
Buildings under construction	43.8	25.8			43.8	25.8
Operating fixtures	115.2	122.4	57.6	21.9	57.6	100.5
Furniture and equipment	88.1	85.8			88.1	85.8
Total property, plant and equipment	479.1	467.8	289.3	248.2	189.8	219.6
Intangible assets	5.5	5.7			5.5	5.7
Goodwill	79.9	80.0			79.9	80.0
Investments in associates	75.6	97.4			75.6	97.4
Other financial assets	1.9	2.7			1.9	2.7
Total financial assets	77.5	100.1			77.5	100.1
Pension asset	30.0	30.0			30.0	30.0
Deferred tax assets	-	-			-	-
<b>Total non-current assets</b>	<b>2 337.4</b> 83.0%	<b>2 343.6</b> 79.5%	<b>-273.5</b>	<b>-267.8</b>	<b>2 610.9</b> 84.5%	<b>2 611.4</b> 81.2%
Inventories	190.6	183.2			190.6	183.2
Trade accounts receivable	154.6	158.1			154.6	158.1
Other receivables	57.1	54.0			57.1	54.0
Current tax receivables	2.3	0.9			2.3	0.9
Prepaid expenses and accrued income	38.3	28.2			38.3	28.2
Marketable securities	-	-			-	-
Cash	35.3	181.1			35.3	181.1
<b>Total current assets</b>	<b>478.2</b> 17.0%	<b>605.5</b> 20.5%	<b>-</b>	<b>-</b>	<b>478.2</b> 15.5%	<b>605.5</b> 18.8%
<b>Total assets</b>	<b>2 815.6</b> 100.0%	<b>2 949.1</b> 100.0%	<b>-273.5</b>	<b>-267.8</b>	<b>3 089.1</b> 100.0%	<b>3 216.9</b> 100.0%
Share capital	34.3	34.3			34.3	34.3
Treasury shares and options on own shares	-96.3	-107.9			-96.3	-107.9
Additional paid-in capital	78.0	78.0			78.0	78.0
Reserves	879.5	920.1	-226.2	-221.8	1 105.7	1 141.9
Jelmoli shareholders in equity	895.5	924.5	-226.2	-221.8	1 121.7	1 146.3
Minority shareholders in equity	2.1	1.8			2.1	1.8
<b>Total shareholders' equity</b>	<b>897.6</b> 31.9%	<b>926.3</b> 31.4%	<b>-226.2</b>	<b>-221.8</b>	<b>1 123.8</b> 36.4%	<b>1 148.1</b> 35.7%
Financial liabilities	1 152.5	1 222.9			1 152.5	1 222.9
Deferred tax liabilities	258.4	253.1	-47.3	-46.0	305.7	299.1
Provisions	3.7	4.7			3.7	4.7
Total non-current liabilities	1 414.6	1 480.7	-47.3	-46.0	1 461.9	1 526.7
Trade payables	47.8	65.3			47.8	65.3
Financial liabilities	215.2	219.2			215.2	219.2
Other liabilities	120.7	131.5			120.7	131.5
Current tax liabilities	10.4	10.0			10.4	10.0
Accrued expenses and deferred income	109.3	116.1			109.3	116.1
Total current liabilities	503.4	542.1	-	-	503.4	542.1
<b>Total liabilities</b>	<b>1 918.0</b> 68.1%	<b>2 022.8</b> 68.6%	<b>-47.3</b>	<b>-46.0</b>	<b>1 965.3</b> 63.6%	<b>2 068.8</b> 64.3%
<b>Total liabilities and shareholders' equity</b>	<b>2 815.6</b> 100.0%	<b>2 949.1</b> 100.0%	<b>-273.5</b>	<b>-267.8</b>	<b>3 089.1</b> 100.0%	<b>3 216.9</b> 100.0%

## Consolidated Statement of Changes in Equity

Million CHF	Share capital	Treasury shares and options on own shares	Reserve capital	Hedging reserve	Cumulative translation differences	Other reserves	Total reserves	Percentage of Jelmoli shareholders	Percentage of minority shareholders	Total shareholders' equity
<b>Shareholders' equity as at 31.12.2003</b>	<b>34.3</b>	<b>-110.6</b>	<b>78.0</b>	<b>-2.2</b>	<b>-</b>	<b>823.4</b>	<b>821.2</b>	<b>822.9</b>	<b>1.7</b>	<b>824.6</b>
Change in fair value of interest rate swap				-1.9			-1.9	-1.9		-1.9
Gains and losses on interest rate swap transferred to income statement				1.0			1.0	1.0		1.0
Translation differences					-		-	-		-
<b>Total earnings included in equity</b>				<b>-0.9</b>			<b>-0.9</b>	<b>-0.9</b>		<b>-0.9</b>
Net profit first half-year 2004						23.4	23.4	23.4	0.1	23.5
<b>Overall performance</b>				<b>-0.9</b>		<b>23.4</b>	<b>22.5</b>	<b>22.5</b>	<b>0.1</b>	<b>22.6</b>
Purchase and sale of treasury shares and options		27.7					25.3	25.3		53.0
Dividends to third parties out of profit 2003							-19.9	-19.9		-19.9
<b>Shareholders' equity as at 30.06.2004</b>	<b>34.3</b>	<b>-82.9</b>	<b>78.0</b>	<b>-3.1</b>	<b>-</b>	<b>852.2</b>	<b>849.1</b>	<b>878.5</b>	<b>1.8</b>	<b>880.3</b>
<b>Shareholders' equity as at 31.12.2004</b>	<b>34.3</b>	<b>-107.9</b>	<b>78.0</b>	<b>-9.3</b>	<b>-</b>	<b>929.4</b>	<b>920.1</b>	<b>924.5</b>	<b>1.8</b>	<b>926.3</b>
Change in fair value of interest rate swap				-1.0			-1.0	-1.0		-1.0
Gains and losses on interest rate swap transferred to income statement				0.8			0.8	0.8		0.8
Translation differences					-		-	-		-
<b>Total earnings included in equity</b>				<b>-0.2</b>			<b>-0.2</b>	<b>-0.2</b>		<b>-0.2</b>
Net profit first half-year 2005						-17.5	-17.5	-17.5	0.6	-16.9
<b>Overall performance</b>				<b>-0.2</b>		<b>-17.5</b>	<b>-17.7</b>	<b>-17.7</b>	<b>0.6</b>	<b>-17.1</b>
Change in scope of consolidation							-	-		-0.3
Purchase and sale of treasury shares and options		11.6					-2.9	-2.9	8.7	8.7
Dividends to third parties out of profit 2004							-20.0	-20.0		-20.0
<b>Shareholders' equity as at 30.06.2005</b>	<b>34.3</b>	<b>-96.3</b>	<b>78.0</b>	<b>-9.5</b>	<b>-</b>	<b>889.0</b>	<b>879.5</b>	<b>895.5</b>	<b>2.1</b>	<b>897.6</b>

  

Million CHF	Group consolidated	
	2005	2004
<b>Cashflow from operating activities</b>	<b>48.7</b>	<b>46.2</b>
<b>Cashflow generated from investing activities</b>	<b>-48.5</b>	<b>-32.7</b>
<b>Cashflow generated from internal financing</b>	<b>0.2</b>	<b>13.5</b>
<b>Cashflow generated from financing activities</b>	<b>-146.0</b>	<b>-22.1</b>
<b>Net cashflow</b>	<b>-145.8</b>	<b>-8.6</b>
Cash and cash equivalents		
at the beginning of the year	181.1	65.0
at the end of the period	35.3	56.4

Group Statement of Cashflow (1<sup>st</sup> Half-Year)

## Group Accounting Principles and Notes to the Consolidated Income Statement

### 1. Accounting and valuation principles

The nonaudited consolidated financial statements for the first half-year are based on the individual Jelmoli Holding AG (Jelmoli Group) subsidiaries' nonaudited financial statements per June 30, 2005, which have been prepared in accordance with uniform accounting guidelines to IAS 34. The same accounting and valuation principles were applied during the reporting period as in the consolidated annual accounts per December 31, 2004, with the exceptions set out below. Wherever necessary, comparative figures have been rearranged or extended in order to show up changes in the consolidated mid-year accounts.

In 2003 the International Accounting Standards Board (IASB) published a revised version of IAS 32 "Financial Instruments: Disclosure and Presentation", a revised version of IAS 39 "Financial Instruments: Recognition and Measurement" and a general revision of the International Accounting Standards in which 14 existing standards were revised. In 2004 the IASB published the IFRS 2 standard "Share-based Payment", IFRS 3 "Business Combinations", IFRS 4 "Insurance Contracts", IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", revised versions of IAS 36 "Impairment of Assets" and of IAS 38 "Intangible Assets", and further additions to IAS 39. Jelmoli applies these standards with effect from January 1, 2005.

#### IAS 1 (revised): "Presentation of Financial Statements":

Among other requirements of this revised standard, which takes retrospective effect, is that minority interest in net assets of a subsidiary must be disclosed under consolidated equity and not as a separate balance sheet item, and that minority interest in the net profit of a subsidiary must be disclosed under consolidated net profit in the group accounts. In compliance with the new definition for classifying current and non-current liabilities (IAS 1.63), CHF 185 million were reclassified per 31.12.2004 from non-current to current liabilities.

#### IFRS 2 "Share-based Payment":

This new standard comes into force for reporting periods as of January 1, 2005. Among its requirements are that share-based payments such as staff remuneration in the form of shares or stock options must be disclosed at fair value under human resources costs. The costs disclosed are based on the fair values of equity instruments per date of payment, calculated on a straight line basis over the contractually agreed term of service. If the company is not contractually obliged to make cash payment instead of share-based payment, equity is to be increased in compensation to human resources costs. If the company has to make cash payment instead of share-based payment, share-based payment forms a liability. This standard must be applied retrospectively, with certain exceptions.

According to the Jelmoli stock option plan in operation since 2004, management staff can choose between cash payment and share-based payment. Accounting practice hitherto already includes for the respective liability, so that the first-time application of IFRS 2 to this stock option plan requires no adjustment of the prior year figures or opening balance per 1.1.2005. According to the transitional regulations, outstanding options from the former stock option plan are not subject to IFRS 2. Accounting practice for these instruments will therefore be continued as before, i.e. on execution of options the amount defined upon issue is dissolved without affecting income, and the same amount is booked to equity.

#### IFRS 3: "Business Combinations":

One of the requirements of this new standard is the discontinuation of linear goodwill amortisation plans as of January 1, 2005. Instead, goodwill items will be valued by annual impairment tests. This standard is applicable prospectively. If this standard had already been applied to the mid-year accounts 2004, the respective planned amortisation to the amount of CHF 2.4 million would not have been disclosed.

After assessing the effects of the other revised and newly applicable standards, Jelmoli did not establish any significant influence on Group equity or net profit.

### 2. Changes in scope of consolidation

Since May 2005 Tivona Terra AG (minority holder: Tivona AG) is fully controlled by Jelmoli, which previously had a 70 percent participation in this company. The balance sheet item "Investments in associates" has therefore been reclassified accordingly.

The full consolidation of this company has the following effect on consolidated balance:

	Million CHF
Total property, plant and equipment	10.3
Current liabilities	0.6
Cash	0.2
Non-current liabilities	-1.0
Other liabilities	-11.6
Total fully consolidated net assets	-1.5
Minority interests	0.3
Reclassification from associated companies	1.2

Since this is not an acquisition, no purchase price was paid and no goodwill resulted from reclassification.

### 3. Seasonal nature of operating activities

Business in the retail trade segment fluctuates according to season. Net income for the second half of the year is generally higher than in the first half year, which usually accounts for less than 50% of annual turnover.

### 4. Segment reporting

Since Jelmoli operates in two different business segments (retail real estate rentals and development on the one hand, retail trade on the other), segment information is arranged so that all properties in the real estate segment are presented as rental properties, valued according to the same principles per December 31 each year by Wüest & Partner. For the mid-year report only new openings and significantly reutilized properties are re-valued.

Reporting for this segment thus discloses the change in market value of all properties in the income statement, and the total differences between market values and IFRS book values in the equity statement. In the segment balance sheet ("Total segments" column) all real estate properties are therefore disclosed at market value, so that sleeping reserves in the form of mainly or completely self-utilized properties are also disclosed.

In the elimination column the respective value appreciation on properties regarded by Jelmoli as self-utilized according to IFRS is deducted accordingly, the pro rata amortisation being charged to consolidated income.

### 5. Income statement

EBIT improved compared with the prior mid-year status from CHF 68 million to CHF 68.9 million. The reasons and the individual segment developments are explained in the business commentary. Since financial result declined from CHF -21.5 million to CHF -76.6 million, above all due to the CHF 50 million impairment loss on the Tivona participation, Group net profit declined from CHF 33 million to CHF -16.9 million.

**6. Balance sheet**

Balance relations have not changed significantly compared with the year-end status per 31.12.2004. The balance sum has declined by about 4.5 percent.

Fixed assets have declined by CHF 6 million. Additional participations in associated companies totalling CHF 28 million (mainly 36% in Seiler Hotels Zermatt AG, 49% in Hypercenter Investment SA, and participation increase to 36% in the parking garage company Parkgest S.A, Geneva), were countered by the CHF 50 million impairment loss on the Tivona AG participation (c.f. business commentary).

Under current assets, liquid funds declined by CHF 146 million to CHF 35 million.

Liabilities have reduced by about CHF 105 million. This is mainly due to CHF 74 million lower financial liabilities. In connection with the extension of an existing credit line, committed lines were increased as a whole but at the same time funds not currently required were paid back.

Shareholders' equity declined to CHF 898 million because of the Tivona AG impairment. Due to the lower balance sum, however, the equity to total assets ratio has improved slightly from 31.4 percent to 31.9 percent.

**7. Further notes**

Per 30.06.2005 planned investments in tangible fixed assets and financial assets totalled around CHF 360 million, of which about one third already implemented. These investments are mainly for the St. Gall shopping centre project.

With regard to the dispute between Tivona AG majority shareholders and Jelmoli Holding AG, please refer to our commentary on the annual report.

**8. Events after balance-sheet settlement date**

None.