JELMOLI

Strong performance by all business units

Jelmoli Group operating income (EBITDA) for the first half-year 2008 rose markedly again in all divisions. Property revaluation gains were lower than the high mid-2007 level. Earnings by the continued divisions more than doubled, not including revaluation gains on investment properties.

Group key figures (consolidated, unaudited)*

First half-year Million CHF	2008	2007	Change
Turnover	145.2	111.7	+30.0%
comparable			+2.5%
Rental income (incl. from own retail locations)	87.4	73.2	+19.3%
comparable			+3.7%
Operating cashflow EBITDA	75.4	57.2	+18.2
Depreciation	–9.6	–9.0	
Value appreciation to IAS40	108.5	428.5	–320.0
Operating income EBIT	174.3	476.7	–302.4
Financial income	–17.0	–19.3	
Earnings before tax EBT	157.3	457.4	
Tax	–34.9	–113.2	
Net income from continued operations	122.4	344.2	–221.8
Net income from continued operations (without revaluation)	36.8	16.1	+20.7
Net income from discontinued operations	–	26.8	
Net income	122.4	371.0	–248.6
thereof Jelmoli shareholders (Group income)	121.0	371.8	
thereof minority interests	1.4	–0.8	

*For the first time, the mid-year accounts 2008 have been reviewed (see report page 14)

All divisions recorded markedly higher operating income than per mid-year 2007, and retail trade earnings even doubled. Earnings contributions of Dipl. Ing. Fust AG and netto24 are no longer reported in detail but summarized net under "discontinued business operations" for prior year.
The market value of investment properties was newly estimated per June 30, 2008 by the independent assessor.
The high development gains resulting from the opening of the St. Gall Shopping Arena underline Jelmoli's capability of creating added value also in the real estate business.

The financial income statement reveals lower debt of CHF –17.0 million (prior year CHF –19.3 million). This improvement is mainly attributable to high liquidity and repayment of current liabilities. Once-only costs in connection with the planned split of the Jelmoli Group likewise impacted financial outlay.
Due to lower property revaluation gains, corporate net profit did not match the exceptionally high level per June 30 of prior year in connection with the planned sale of all Swiss investment properties. This was however adjusted per year end 2007 to market changes. Not including revaluation gains on investment properties, earnings by the continued divisions more than doubled, thus exceeding expectations significantly.

Year-end outlook
All business units are well on course according to plan. Assuming stable economic conditions, Jelmoli should therefore continue to profit from the cost optimizations achieved in all divisions.
During the second half-year a strategic change of course is expected. The proposed realignment and split of the Jelmoli Group into a real estate company and an investment company should be ready for approval by shareholders durnig the fourth quarter 2008.
Preparations for the proposed split are well advanced, and no significant hindrances to implementation are expected any longer from the tax or legal points of view.

Jelmoli Holding Ltd
September 16, 2008


Christopher Chambers
Chairman
of the Board

Michael Müller
President of the
Executive Committee

Retail Trade

First half-year Million CHF	2008	2007	Change effective	comparable
Turnover Jelmoli (House of Brands, Geneva Hotel)	84.8	77.3	+9.8%	+3.1%
Turnover Specialty Businesses (Molino/Fashion Bazars/Beach Mount./Seiler)	60.4	34.4	+75.4%	+1.0%
Turnover Retail Trade (Segment total)	145.2	111.7	+30.0%	+2.5%
EBITDA Jelmoli	11.2	**7.1**	**+4.1**	
EBITDA Specialty Businesses	8.3	**3.5**	**+4.8**	
EBITDA extra ord./Holding share	–4.2	**–4.2**	**–**	
Operating cash flow EBITDA	15.3	**6.4**	**+8.9**	
Depreciation	–5.5	–5.4	–0.1	
Operating income EBIT	9.8	**1.0**	**+8.8**	
Disontinued operations: Turnover Dipl. Ing. Fust/netto24	–	420.1		

Operating income doubled

Jelmoli Zurich turnover for the first half-year 2008 was 3.1% higher than in 2007 per comparable sales floor area. Overall turnover of the Jelmoli Zurich shopping gallery including that of external tenants was even 4.1% higher than per mid-year 2007.

Two specialty business closures due to unprofitability were offset by the successful new openings of two Molino restaurants in Geneva (Lacustre) and Zermatt (Seilerhaus). For the first time, these figures also include the Seiler hotel operations in Zermatt.

Including the hotel operations taken over in Zermatt and Geneva, mid-year turnover rose overall by 30% to CHF 145.2 million.

The remaining Fundgrube Bonne Occase Ltd stores will be successively closed by mid 2009 due to unsatisfactory profitability and a long-standing decline in turnover.

Per end of May 2007 the Dipl. Ing. Fust AG and netto24 retail trade segments were sold to Coop for CHF 990 million (including financial liabilities). The relative net profit figures are summarized under "discontinued business operations" for prior year.

The operating income both of Jelmoli Zurich and the Specialty Businesses rose markedly again, reaching more than double the mid-2007 level overall.

This is set off however by significantly higher extraordinary costs in connection with strategic split planned for the Jelmoli Group (see annex).

Year-end outlook

Assuming no significant worsening of economic conditions, operating income will continue to benefit from the optimized cost basis.

Real Estate

First half-year Million CHF	2008	2007	Change effective	comparable
Rental income Jelmoli	80.9	73.2	+10.4%	+3.7%
Rental income Specialty Businesses	6.5	–		
Rental income segment	87.4	73.2	+19.3%	+3.7%
EBITDA Jelmoli	62.0	59.9	+2.1	
EBITDA Specialty Businesses	5.7	–	+5.7	
EBITDA extra ord./Holding share	–7.6	–9.1	+1.5	
Operating cash flow EBITDA	60.1	50.8	+9.3	
Depreciation	–0.8	–0.9	+0.1	
Value appreciation to IAS40	111.4	616.3	–504.9	
Operating income EBIT	170.7	666.2	–495.5	

Rental income up by 19.3% to CHF 87.4 million

About one third of the increase in rental income is attributable to the St. Gall Shopping Arena opened in March this year.
Including additional contributions from the Seiler Group acquisition in November 2007 and the Sihlstrasse Zurich property reopening in the second quarter 2007, rental income per mid-year rose absolute by 19.3% or CHF 14.2 million to CHF 87.4 million.
Rental income not including the Seiler acquisition rose during the period under review by 10.4% to CHF 80.9 million, or about 3.7% per comparable floor area as against mid-year 2007.
Jelmoli operating income for the first half-year 2008 did not rise quite as steeply as net rental income. This is because pre-opening costs in connection with the new St. Gall Shopping Arena primarily impact results for the first half-year.
The high level of extraordinary costs is attributable above all to projects and outlay in connection with the legal disputes, which are still pending in part (Tivona/Delek).

With a view to the planned split of the Jelmoli Group, the entire real estate portfolio was revalued per June 30, 2008. Following the high property appreciation earnings of prior year, when sale of the entire real estate portfolio was planned, the new St. Gall shopping arena opening has boosted development earnings for the first half-year 2008 to CHF 111.4 million. While significantly lower than the mid-2007 level of CHF 616.3 million – which already per year-end was reduced to CHF 288.8 million due to market changes – this nevertheless exceeds expectations significantly.

Year-end outlook

Opening of the new shopping center in Thônex (Geneva) is planned for autumn 2008. Construction and rentals are progressing according to schedule. While significant development gains are again expected here, they will be considerably lower than in St. Gall due to the lower investment involved (about CHF 50 million).
Furthermore, the first shopping center opening in Russia (Nizhny Novgorod) is planned for November this year. So far about CHF 80 million out of the approved CHF 120 million has been paid in to the respective development companies in Russia and Algeria.

Consolidated Income Statement

	Jelmoli Group consolidated						Elimination own use	
	1st half-year 2008		Change		1st half-year 2007		2008	2007
see notes in annex	CHF Million	*% of total income*	CHF Million	in %	CHF Million	% of total income	CHF Million	CHF Million
Gross sales	**145.2**		**33.5**	30.0%	**111.7**		**–**	**–**
comparable to prior year								
Sales deductions	–3.2		–0.8	–33.3%	–2.4		–	–
Net Sales	**142.0**		**32.7**	29.9%	**109.3**		**–**	**–**
Rental income	**74.0**		**10.7**	16.9%	**63.3**		**–20.8**	**–16.5**
comparable to prior year					–			
Other income	**13.1**		**3.9**	42.4%	**9.2**		**–1.4**	**–1.6**
Total income	**229.1**	*100.0%*	**47.3**	26.0%	**181.8**	100.0%	**–22.2**	**–18.1**
Cost of materials and products	–53.6	*–23.4%*	–5.1	–10.5%	–48.5	–26.7%	–	–
Personnel expenses	–61.9	*–27.0%*	–19.8	–47.0%	–42.1	–23.2%	–	–
Other expenses	–38.2	*–16.7%*	–4.2	–12.4%	–34.0	–18.7%	22.2	18.1
EBITDA[1] Earnings before interest, taxes, depreciation and amortisation	**75.4**	*32.9%*	**18.2**	31.8%	**57.2**	31.5%	**–**	**–**
Depreciation and amortisation	–9.6	*–4.2%*	–0.6	–6.7%	–9.0	–5.0%	–3.3	–2.7
Revaluation of investment property segments	108.5	*47.4%*	–320.0	–74.7%	428.5	235.7%	–2.9	–187.8
EBIT[2] Earnings before taxes	**174.3**	*76.1%*	**–302.4**	–63.4%	**476.7**	262.2%	**–6.2**	**–190.5**
Financial income	10.0		8.2		1.8		–	–
Financial expenses	–30.0		–8.3		–21.7		–	–
Share in result of associates	3.0		2.4		0.6		–	–
Finance result, net	**–17.0**	*–7.4%*	**2.3**	11.9%	**–19.3**	–10.6%	**–**	**–**
EBT[3] Earnings before taxes	**157.3**	*68.7%*	**–300.1**	–65.6%	**457.4**	251.6%	**–6.2**	**–190.5**
Deferred taxes on revaluation of investment property segments	–22.9		77.5	77.2%	–100.4		0.7	39.8
Other income taxes	–12.0		0.8		–12.8		0.7	0.6
Income taxes	**–34.9**	*–15.2%*	**78.3**	69.2%	**–113.2**	–62.3%	**1.4**	**40.4**
Net income from continuing operations	**122.4**	*53.4%*	**–221.8**	–64.4%	**344.2**	189.3%	**–4.8**	**–150.1**
Net income from discontinued operation, net of tax	**–**	*0.0%*	**–26.8**	–100.0%	**26.8**	14.7%	**–**	**–**
Net profit	**122.4**	*53.4%*	**–248.6**	–67.0%	**371.0**	204.1%	**–4.8**	**–150.1**
thereof Jelmoli shareholders (Group net profit)	121.0	*52.8%*	–250.8	–67.5%	371.8	204.5%	–4.5	–150.1
thereof minority interests	1.4	*0.6%*	2.2	275.0%	–0.8	–0.4%	–0.3	–
Shares entitled to dividend (average)	707 074		41 318	6.2%	665 756		–	–
Diluted	716 954		–1 220	–0.2%	718 174		–	–
EPS[4] Earnings per share in CHF	**171**		**–387**	–69.4%	**559**		**–6**	**–225**
Diluted EPS	169		–349	–67.4%	518		–6	–209
EPS Earnings per share from continuing operations in CHF	**173**		**–345**	–66.6%	**518**		**–7**	**–225**
Diluted EPS from continuing operations	171		–308	–64.4%	479		–7	–209
EPS Earnings per share from discontinued operation in CHF	**–**		**–**		**40**			
Diluted EPS from discontinued operation	–		–		37			

1 EBITDA Earnings before Interest, Taxes, Depreciation and Amortisation
2 EBIT Earnings before Interest and Taxes
3 EBT Earnings before Taxes
4 EPS Earnings per Share

Total Segments

1st half-year 2008		Change		1st half-year 2007	
CHF Million	% of total income	CHF Million	in %	CHF Million	% of total income
145.2		33.5	30.0%	111.7	
–3.2		–0.8	–33.3%	–2.4	
142.0		**32.7**	29.9%	**109.3**	
94.8		**15.0**	18.8%	**79.8**	
14.5		3.7	34.3%	10.8	
251.3	100.0%	**51.4**	25.7%	**199.9**	100.0%
–53.6	–21.3%	–5.1	–10.5%	–48.5	–24.3%
–61.9	–24.6%	–19.8	–47.0%	–42.1	–21.1%
–60.4	–24.0%	–8.3	–15.9%	–52.1	–26.1%
75.4	30.0%	**18.2**	31.8%	**57.2**	28.6%
–6.3	–2.5%	–	0.0%	–6.3	–3.2%
111.4	44.3%	–504.9	–81.9%	616.3	308.3%
180.5	71.8%	**–486.7**	–72.9%	**667.2**	333.8%
10.0		8.2		1.8	
–30.0		–8.3		–21.7	
3.0		2.4		0.6	
–17.0	–6.8%	**2.3**	11.9%	**–19.3**	–9.7%
163.5	65.1%	**–484.4**	–74.8%	**647.9**	324.1%
–23.6		116.6		–140.2	
–12.7		0.7		–13.4	
–36.3	–14.4%	**117.3**	76.4%	**–153.6**	–76.8%
127.2	50.6%	**–367.1**	–74.3%	**494.3**	247.3%
–	0.0%	**–26.8**	–100.0%	**26.8**	13.4%
127.2	50.6%	**–393.9**	–75.6%	**521.1**	260.7%
125.5	49.9%	–396.4	–76.0%	521.9	261.1%
1.7	0.7%	2.5	312.5%	–0.8	–0.4%
707 074		41 318	6.2%	665 756	
716 954		–1 220	–0.2%	718 174	
177		**–606**	–77.4%	**784**	
175		–552	–75.9%	727	
180		**–563**	–75.8%	**743**	
177		–511	–74.2%	688	
–		**–**		**40**	
–		–		37	

Retail Trade

1st half-year 2008		Change		1st half-year 2007	
CHF Million	% of total income	CHF Million	in %	CHF Million	% of total income
145.2		33.5	30.0%	111.7	
–2.7		–0.7	2.5% –35.0%	–2.0	
142.5		**32.8**	29.9%	**109.7**	
7.4		**0.8**	12.1%	**6.6**	
13.4		3.1	30.1%	10.3	
163.3	100.0%	**36.7**	29.0%	**126.6**	100.0%
–53.6	–32.8%	–5.1	–10.5%	–48.5	–38.3%
–53.0	–32.5%	–16.4	–44.8%	–36.6	–28.9%
–41.4	–25.4%	–6.3	–17.9%	–35.1	–27.7%
15.3	9.4%	**8.9**	139.1%	**6.4**	5.1%
–5.5	–3.4%	–0.1	–1.9%	–5.4	–4.3%
–		–		–	
9.8	6.0%	**8.8**	880.0%	**1.0**	0.8%

Real Estate

1st half-year 2008		Change		1st half-year 2007	
CHF Million	% of total income	CHF Million	in %	CHF Million	% of total income
–		–		–	
–0.5		–0.1	–25.0%	–0.4	
–0.5		**–0.1**	–25.0%	**–0.4**	
87.4		**14.2**	19.3%	**73.2**	
1.1		0.6	3.7% 120.0%	0.5	
88.0	100.0%	**14.7**	20.1%	**73.3**	100.0%
–	0.0%	–		–	0.0%
–8.9	–10.1%	–3.4	–61.8%	–5.5	–7.5%
–19.0	–21.6%	–2.0	–11.8%	–17.0	–23.2%
60.1	68.3%	**9.3**	18.3%	**50.8**	69.3%
–0.8	–0.9%	0.1	11.1%	–0.9	–1.2%
111.4	126.6%	–504.9	–81.9%	616.3	840.8%
170.7	194.0%	**–495.5**	–74.4%	**666.2**	908.9%

Consolidated Balance Sheet

	Jelmoli Group consolidated				Elimination own use		Total Segments			
Million CHF	30.06.2008		31.12.2007 (adjusted)		2008	2007	30.06.2008		31.12.2007 (adjusted)	
Investment properties	2 750.9		2 440.8		–578.5	–572.2	3 329.4		3 013.0	
Land	8.6		8.6		8.6	8.6	–		–	
Buildings	236.6		239.6		236.3	239.3	0.3		0.3	
Buildings under construction	33.8		191.7				33.8		191.7	
Operating fixtures	105.1		102.6		64.9	61.9	40.2		40.7	
Furniture and equipment	33.3		33.3		4.8	4.7	28.5		28.6	
Total property, plant and equipment	417.4		575.8		314.6	314.5	102.8		261.3	
Intangible assets	8.0		8.0				8.0		8.0	
Investment in associates	66.0		66.1				66.0		66.1	
Other financial assets	66.4		56.3				66.4		56.3	
Total financial assets	132.4		122.4				132.4		122.4	
Pension asset	5.9		5.9				5.9		5.9	
Total non-current assets	**3 314.6**	*79.0%*	**3 152.9**	76.6%	**–263.9**	**–257.7**	**3 578.5**	*80.3%*	**3 410.6**	78.0%
Inventories	26.9		28.9				26.9		28.9	
Trade accounts receivable	123.6		109.3				123.6		109.3	
Other receivables	56.8		79.5				56.8		79.5	
Current tax receivables	2.4		1.6				2.4		1.6	
Prepaid expenses and accrued income	13.2		39.1				13.2		39.1	
Marketable securities	0.5		0.5				0.5		0.5	
Cash	657.1		703.7				657.1		703.7	
Total current assets	**880.5**	*21.0%*	**962.6**	23.4%	**–**	**–**	**880.5**	*19.7%*	**962.6**	22.0%
Total assets	4 195.1	*100.0%*	4 115.5	100.0%	–263.9	–257.7	4 459.0	*100.0%*	4 373.2	100.0%
Share capital	38.1		38.1				38.1		38.1	
Treasury shares and options on own shares	–83.8		–85.0				–83.8		–85.0	
Additional paid-in capital	271.1		273.1				271.1		273.1	
Reserves	2 227.6		2 143.6		–216.1	–211.5	2 443.7		2 355.1	
Equity attributable to Jelmoli shareholders	2 453.0	*58.5%*	2 369.8	57.6%	–216.1	–211.5	2 669.1	*59.9%*	2 581.3	59.0%
Equity attributable to minority interests	18.6	*0.4%*	18.9	0.5%	–0.3	–0.1	18.9	*0.4%*	19.0	0.4%
Total equity	**2 471.6**	*58.9%*	**2 388.7**	58.0%	**–216.4**	**–211.6**	**2 688.0**	*60.3%*	**2 600.3**	59.5%
Financial liabilities	1 054.7		1 076.5				1 054.7		1 076.5	
Deferred tax liabilities	414.5		388.2		–47.5	–46.1	462.0		434.3	
Provisions	4.0		3.7				4.0		3.7	
Total non-current liabilities	1 473.2		1 468.4		–47.5	–46.1	1 520.7		1 514.5	
Trade payables	24.2		34.3				24.2		34.3	
Financial liabilities	25.2		24.0				25.2		24.0	
Other liabilities	83.7		64.0				83.7		64.0	
Current tax liabilities	14.9		14.1				14.9		14.1	
Accrued expenses and deferred income	102.3		122.0				102.3		122.0	
Total current liabilities	250.3		258.4		–	–	250.3		258.4	
Total liabilities	**1 723.5**	*41.1%*	**1 726.8**	42.0%	**–47.5**	**–46.1**	**1 771.0**	*39.7%*	**1 772.9**	40.5%
Total liabilities and equity	4 195.1	*100.0%*	4 115.5	100.0%	–263.9	–257.7	4 459.0	*100.0%*	4 373.2	100.0%

Consolidated Statement of Changes in Equity

2008

Million CHF	Equity as at 01.01.2007	Restatement*	Equity as at 01.01.2007 (adjusted)	Change in fair value of interest rate SWAP	Gains and losses on interest rate swap transferred to income statement	Translation differences	Total net income recognised in Equity	Net profit	Total recognised income and expense	Transaction costs**	Acquisition of minority interests	Purchase and sale of treasury shares and options	Dividends to third parties out of profit from prior year	Shareholder's equity as at 30.06.2008
Share capital	38.1		38.1				–		–					38.1
Treasury shares and options on own shares	–85.0		–85.0				–		–			1.2		–83.8
Additional paid-in capital	273.1		273.1				–		–	–2.0				271.1
Hedging reserve	9.0		9.0	2.9	–1.5		1.4		1.4					10.4
Translation differences	0.8		0.8			–4.4	–4.4		–4.4					–3.6
Other reserves	2 157.1	–23.3	2 133.8				–	121.0	121.0		0.7	0.8	–35.5	2 220.8
Total reserves	2 166.9	–23.3	2 143.6	2.9	–1.5	–4.4	–3.0	121.0	118.0	–	0.7	0.8	–35.5	2 227.6
Attributable to Jelmoli shareholders	**2 393.1**	**–23.3**	**2 369.8**	**2.9**	**–1.5**	**–4.4**	**–3.0**	**121.0**	**118.0**	**–2.0**	**0.7**	**2.0**	**–35.5**	**2 453.0**
Attributable to minority interests	20.2	–1.3	18.9				–	1.4	1.4		–1.7			18.6
Total shareholders' equity	**2 413.3**	**–24.6**	**2 388.7**	**2.9**	**–1.5**	**–4.4**	**–3.0**	**122.4**	**119.4**	**–2.0**	**–1.0**	**2.0**	**–35.5**	**2 471.6**

2007

Million CHF	Equity as at 01.01.2007	Restatement*	Equity as at 01.01.2007 (adjusted)	Change in fair value of interest rate SWAP	Gains and losses on interest rate swap transferred to income statement	Translation differences	Total net income recognised in Equity	Net profit	Total recognised income and expense	Change in scope of consolidation	Capital increase	Purchase and sale of treasury shares and options	Dividends to third parties out of profit from prior year	Shareholder's equity as at 30.06.2007
Share capital	34.3		34.3				–		–		3.8			38.1
Treasury shares and options on own shares	–90.0		–90.0				–		–			4.6		–85.4
Additional paid-in capital	78.0		78.0				–		–		195.2			273.2
Hedging reserve	–7.0		–7.0	8.0	–2.2		5.8		5.8					–1.2
Translation differences	0.1		0.1			–	–		–					0.1
Other reserves	1 151.1	–17.5	1 133.6				–	371.8	371.8			0.8	–31.4	1 474.8
Total reserves	1 144.2	–17.5	1 126.7	8.0	–2.2	–	5.8	371.8	377.6	–		0.8	–31.4	1 473.7
Attributable to Jelmoli shareholders	**1 166.5**	**–17.5**	**1 149.0**	**8.0**	**–2.2**	**–**	**5.8**	**371.8**	**377.6**	**–**	**199.0**	**5.4**	**–31.4**	**1 699.6**
Attributable to minority interests	4.2		4.2				–	–0.8	–0.8					3.4
Total shareholders' equity	**1 170.7**	**–17.5**	**1 153.2**	**8.0**	**–2.2**	**–**	**5.8**	**371.0**	**376.8**	**–**	**199.0**	**5.4**	**–31.4**	**1 703.0**

* see note 1
**Stamp duty on prior year capital increase

Group Statement of Cashflow

Million CHF	Group consolidated 1st half-year 2008	1st half-year 2007
Cashflow from operating activities	**63.7**	**70.2**
Cashflow from investing activities	–68.3	–83.3
Free Cashflow	**–4.6**	**–13.1**
Cashflow from financing activities	–42.0	–15.6
Net cashflow	**–46.6**	**–28.9**
Cash and cash equivalents		
at the beginning of the year	703.7	82.6
at the end of the period	657.1	53.7

Group Accounting Principles and Notes to the consolidated financial information

1. Accounting and valuation principles
The consolidated financial statements for the first half year 2008 are based on the individual financial statements of the subsidiaries of Jelmoli Holding Ltd (Jelmoli Group) as at June 30, 2008 and have been prepared in accordance with IAS 34. The accounting and valuation principles are consistent with those applied in the annual consolidated financial statements as at December 31, 2007, with the exception set out below. The consolidated financial statements are presented in CHF millions. Where necessary due to changes in presentation, comparative information has been reclassified or extended. The consolidated financial statements for the first half year do not contain all the disclosures required in annual financial statements and should therefore be read in conjunction with the consolidated financial statements for the year ended December 31, 2007.

The consolidated financial statements for the first half year 2008 were authorized for issue by the Board of Directors on September 5, 2008.

As of January 1, 2008 Jelmoli applies interpretation IFRIC 14 "IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction". This has resulted in restated comparative figures, and the effect was charged to retained earnings as at January 1, 2007. The first-time application of IFRIC 14 resulted in a decreased pension asset. The effects on the balance sheets as at January 1 and December 31, 2007 are presented in the table below.

IFRIC 11 and IFRIC 12, the other interpretations with effective date on January 1, 2008, do not have any impact on Jelmoli's consolidated equity or net income.

Restated balance sheet (selected items) as at December 31, 2007

Million CHF	Financial statements 2007 as published	Application of IFRIC 14	Acquisition Seiler *	Group (restated)
Investment property	2435.1	–	5.7	2440.8
Intangible assets	6.5	–	1.5	8.0
Pension asset	30.0	–24.1	–	5.9
Deferred tax liabilities	395.1	–5.3	–1.6	388.2
Accrued expenses and deferred income	107.4	–	14.6	122.0
Total adjustments		**–18.8**	**–5.8**	
Equity attributable to Jelmoli shareholders	2393.1	–18.8	–4.5	2369.8
Equity attributable to minority interests	20.2	–	–1.3	18.9

* see note 2

Restated balance sheet (selected items) as at January 1, 2007

Million CHF	Financial statements 2006 as published	Application of IFRIC 14	Acquisition Seiler *	Group (restated)
Pension asset	30.0	–22.5	–	7.5
Deferred tax liabilities	315.9	–5.0	–	310.9
Total adjustments		**–17.5**	**–**	
Equity attributable to Jelmoli shareholders	1166.5	–17.5	–	1149.0
Equity attributable to minority interests	4.2	–	–	4.2

As a result of the implementation of IFRIC 14 personnel expense of the year 2007 increased by CHF 1.6 million, while deferred tax expense decreased by CHF 0.4 million.

2. Seiler Hotels Zermatt AG

Since the increase in shareholding to 84.9% on 6 November 2007 Jelmoli controls Seiler Hotels Zermatt AG as well as its subsidiaries. The provisional purchase price allocation has been finalized since the completion of the consolidated financial statements 2007. Furthermore it was noted that the accrued expenses balance had not included CHF 14.6 million accruals for investment costs. Overall, this resulted in the following value adjustments to the acquired assets and liabilities as at acquisition date:

Million CHF	Financial statements 2007 as published	Adjustment/ correction	IFRS carrying amount (adjusted)
Investment property	34.9	5.7	40.6
Property, plant and equipment	146.8	–	146.8
Intangible assets	0.0	1.5	1.5
Financial assets	0.6	–	0.6
Inventories	3.1	–	3.1
Trade and other receivables, prepaid expenses	21.3	–	21.3
Securities	0.5	–	0.5
Cash	4.0	–	4.0
Financial liabilities	–53.5	–	–53.5
Deferred tax liabilities	–23.3	1.6	–21.7
Current financial liabilities	–2.0	–	–2.0
Trade and other payables	–9.1	–	–9.1
Accrued expenses	–12.2	–14.6	–26.8
Total identifiable assets and liabilities	**111.1**	**–5.8**	**105.3**
Minority interests	16.9	–1.3	15.6
Share Jelmoli Holding Ltd	94.2	–4.5	89.7

In accordance with IFRS 3, the adjustments are presented retrospectively in the year 2007. The effect of the finalized and corrected purchase price allocation on the consolidated balance sheet as at December 31, 2007 is disclosed in the first table in note 1. The effect includes an decrease in the negative goodwill of CHF 2.2 million that was recognized in the income statement of the second half year 2007 as well as an increase in equity due to the step acquisition of CHF 2.4 million, also recognized in the second half year 2007.

In the first half year 2008, further 1.5% interest in Seiler Hotels Zermatt AG was acquired. The difference between the acquisition price and the proportionate minority interest to be derecognized amounts to CHF 0.7 million and was credited to equity.

3. Sale of FUST Group

On 28 May 2007 Jelmoli signed a contract to sell Dipl. Ing Fust AG including its subsidiaries Service 7000 (50.1%) and netto24 AG (formerly Preisinsel AG, 80%) to the Coop Group. The real estate held by Fust was not part of the transaction. The sales price before financial liabilities amounted to CHF 990 million, the gain on sale CHF 640.6 million. The transaction was effected on November 29, 2007.

In accordance with IFRS 5 the result of the FUST Group is presented separately as net income from discontinued operation.

4. Seasonality

Business in the retail trade segment fluctuates according to season. Based on experience, the net income of the second half year exceeds that of the first six months, as turnover of the first half year accounts for less than 50% of the annual turnover.

5. Segment reporting/income statement

Since the Jelmoli Group operates in two different segments (rental and development of retail real estate on the one hand, retail trade including hotel services on the other), segment information is presented in a way that all properties included in the segment real estate are stated as investment property, whose value is assessed as at December 31 by Wüest & Partner according to uniform principles. With regard to Jelmoli's planned split, the fair value of investment property has been reassessed in these half-year financial statements.

The income statement of the segment real estate therefore includes the change in fair value of all properties, while the differences between fair value and IFRS carrying amounts (cost less accumulated depreciation) is presented in segment equity. The balance sheet for all segments (column "Total segments") therefore includes all properties at fair value. As a result the valuation reserves relating to properties, which are predominantly or entirely own-used, are disclosed.

In the column "Elimination own use", the respective differences between fair value and the carrying amount of property considered from a Group perspective as own-used are eliminated. The corresponding depreciation is recognized in the consolidated income statement.

Million CHF	1.1.–30.06.2008	1.1.–30.06.2007
Net sales retail trade	145.2	111.7
Rental income	94.8	79.8
Total net sales/rental income continuing operations	240.0	191.5
Net sales/rental income discontinued operations	–	420.2
Total net sales/rental income continuing and discontinued operations	**240.0**	**611.7**
Elimination own use	–20.8	–16.5
Total net sales/rental income continuing and discontinued operations	**219.2**	**595.2**

Million CHF	1.1.–30.06.2008	1.1.–30.06.2007
EBIT retail trade	9.8	1.0
EBIT real estate	170.7	666.2
Total EBIT continuing operations	180.5	667.2
EBIT discontinued operation	–	33.4
Elimination own use	–6.2	–190.5
Total EBIT continuing and discontinued operations	**174.3**	**510.1**

Compared to the comparative period, EBITDA increased from CHF 57.2 million to CHF 75.4 million. Various exceptional effects due to projects and the pending legal proceedings (Tivona/Delek) were offset by the positive effect of the full consolidation of the Seiler Group. Not considering these special items, EBIT was again increased more than proportionally.

Million CHF	1.1.–30.06.2008	1.1.–30.06.2007
EBITDA retail trade (planned real estate company; Jelmoli Zurich and Bonus Card)	11.2	7.1
EBITDA retail trade (planned investment company; Seiler and specialty stores)	8.3	3.5
Proportionate holding expenses	–4.2	–3.1
Project costs	0.0	–1.1
EBITDA as published	**15.3**	**6.4**

Million CHF	1.1.–30.06.2008	1.1.–30.06.2007
EBITDA real estate (planned real estate company)	62.0	59.9
EBITDA real estate(planned real estate company; Seiler)	5.7	0.0
Proportionate holding expenses	–4.3	–4.1
Project costs	–3.3	–5.0
EBITDA as published	**60.1**	**50.8**

With regards to the development of the individual segments, refer to the business commentary.

The opening of the shopping centre in St Gall and the related development gain is the main driver of the significant revaluation gains on investment property of overall CHF 108.5 million. Despite this investment revaluation gains decreased by CHF 320 million due to the one-time effect of revaluing all investment properties to the planned sales prices in the comparative period.

The finance result has improved considerably owing to the significant amount of cash held, however, it was additionally charged with CHF 7.1 million expenses in connection with the planned split.

Net profit amounts to CHF 122.4 million compared to CHF 371.0 million in the comparative period. The decrease is due to the sale of the Fust Group and the decline in revaluation gains mentioned above, and strong operating improvements are therefore not reflected.

6. Balance sheet

While investment property increased by CHF 108.5 million due to the reasons described above, property, plant and equipment decreased by CHF 158.4 million. Main cause was the opening of the shopping centre in St Gall, which resulted in a reclassification from buildings under construction to investment property in the amount of CHF 198.8 million.

Financial liabilities of CHF 1 079.9 million varied only insignificantly as compared to the balance as at December 31, 2007, when the balance amounted to CHF 1 100.5 million.

Owing to the positive result and the fair value changes of investment property, the equity ratio improved from 58.0% to 58.9%. After taking into account the dividend paid during the reporting period, equity amounts to CHF 2 471.6 million.

7. Tivona

As disclosed in earlier communications, shareholders of Tivona Ltd ("claimants") had commenced a lawsuit before an arbitral tribunal. Since 2001 Jelmoli Holding Ltd owns 44.5% of the share capital in Tivona Ltd, while the claimants hold 55.5%. The claimants assert against Jelmoli Holding Ltd a claim of about CHF 505 million for the remaining 55.5% investment in Tivona Ltd (to be compensated in Jelmoli shares at a value of about CHF 997.– per bearer share and about CHF 201.– per registered share, in the alternative in cash) plus penalty for breach of contract and payment of dividends after July 15, 2004.

By an arbitrament of June 22, 2007 the arbitral tribunal has assessed certain preliminary issues; first of all, whether the claimants have a right of execution of the transaction for the remaining 55.5% of the Tivona shares. The arbitral tribunal has adjudicated among others:

1. That Jelmoli Holding Ltd be ordered to take over the 2 738 000 Tivona shares (equivalent to 54.76% of Tivona Ltd) offered by the remaining claimants on January 9, 2003, concurrently against transfer, at Jelmoli Holding Ltd's option, of Jelmoli registered shares and/or Jelmoli bearer shares, to each claimant corresponding to the number of his Tivona shares tendered.
2. That the number of Jelmoli registered shares and/or Jelmoli bearer shares be determined according to the following formula: (2 738 000 x value of Tivona share) divided by the value of one Jelmoli bearer share or Jelmoli registered share, respectively, whereby this formula be based on the following value determinants:
   a. The value of the Jelmoli bearer share or Jelmoli registered share, respectively, be determined on the basis of the average market rates during the last six months prior to January 9, 2003 (reference date).
   b. For the value of the Tivona share, the lower value is to prevail, which results from an evaluation of Tivona Ltd
      i. as at the end of 2003 according to the contract on the one hand, and
      ii. according to generally accepted valuation principles as at January 9, 2003 (reference date) on the other hand, whereby the upper bound of the spread of reasonable values calculated is to apply.
3. That the arbitral tribunal will, in a further arbitrament, determine the value of the Tivona share and the value of the Jelmoli registered share and Jelmoli bearer share for the purpose of calculating the number of shares owed by Jelmoli Holding Ltd as well as the cash amounts, to be paid to the claimants by Jelmoli Holding Ltd, if the share swap transaction were not effected within the term to be determined by the arbitral tribunal.

The aforementioned calculation formula of the arbitrament was object of a demand of rectification put forward by Jelmoli Holding Ltd to the arbitral tribunal as well as of an appeal with the federal Supreme Court on the issue whether, and if so, the assignment to Tivona Ltd of a part of the consideration claimed in the amount of CHF 45 million should be deducted in the calculation formula. The arbitral tribunal has decided to adjudicate in this matter on the quantitative in its final decision, whereupon the appeal with the federal Supreme Court therefore became irrelevant and could be written off.

The arbitrament entails that the remaining claimants have a claim based on the paragraphs 1 and 2 above. The quantitative elements of the value of the equity stake of the claimants of 2 738 000 shares in Tivona Ltd and therefore the exchange relation will be determined by the arbitral tribunal based on the valuation appraisal in a later stadium of the procedure. The appraiser appointed by the arbitral tribunal for this purpose has presented a first draft of its appraisal report, according to which:

- the consolidated enterprise value of Tivona Ltd (100%) amounts to between CHF 130 300 000.– and CHF 149 201 000 as per 9 January 2003;
- in the opinion of the appraiser, the consolidated enterprise value of Tivona Ltd as per 31 December 2003 based on the methodology deemed correct by Jelmoli Holding Ltd amounts to CHF 60 940 000.–;
- in the opinion of the appraiser, the consolidated enterprise value of Tivona Ltd as per 31 December 2003 based on the methodology deemed correct by the claimants amounts to CHF 180 499 000.–

On the basis of the draft and in accordance with the above-mentioned arbitrament dated June 22, 2007, of these values the amount of CHF 60 940 000.– would be prevailing if the arbitral tribunal were to follow Jelmoli Holding Ltd's interpretation of the contract. Otherwise, the amount of CHF 149 201 000.–, i.e. the higher value determined based on generally accepted valuation principles, would constitute the upper limit (see 2b above).

The amounts according to the draft appraisal report are to be seen in the context of the claimants contending an enterprise value 2003 of Tivona Ltd (100%) of CHF 910 million, while Jelmoli Holding Ltd considers this amount overstated by a factor of 10.

In the meantime, the arbitral tribunal has instructed the appraiser to supplement the first draft with valuation documents, references, explanations and editorial clarifications in order to improve its understandability. In the arbitration proceedings, the parties will have the opportunity to comment the draft appraisal report. Only then will the appraiser report on their final appraisal. The arbitral tribunal will determine the prevailing value after completion of a procedure of taking evidence in its final award.

In the context of the further procedure also those legal demands will have to be decided on which have not yet been adjucated. These demands relate to a – contested – claim of CHF 38.25 million (plus interest) by the claimants, which Jelmoli Holding Ltd allegedly owes as penalty for breaches of the shareholders' agreement that underlies the disagreement. Extra judicially, the claimants have asserted further claims in the total amount of CHF 33.75 million for newly alleged breaches of the shareholders' agreement. Further, there is the issue of a compensation claim by the claimants for dividends, which would have been paid after 15 June 2004 on the Jelmoli shares to be delivered. Finally, an arbitral decision will have to be taken on the counter action by Jelmoli Holding Ltd for payment of approximately CHF 120 million (plus interest). Jelmoli Holdings Ltd's counterclaim is based on contract penalties due to breach of the shareholders' agreement on the part of the claimants and false information made in the context of the sale of the 44.5% equity stake in Tivona Ltd to Jelmoli Holding Ltd.

The final award of the arbitral tribunal may be, upon appeal by one of the parties, the subject of a limited review by the Federal Supreme Court.

If the procedure results in a share swap, it cannot be ruled out that all or some of the claimants demand, based on the shareholders' agreement, that Jelmoli Holding Ltd writes put options on the Jelmoli shares delivered against half a market-based premium. The claimants have not made any corresponding claims to date. Jelmoli Holding Ltd assumes it is under no obligation to write such put options.

As Jelmoli Holding Ltd, despite the arbitrament described above, has still no power to govern the financial and operating policies of Tivona Ltd, Jelmoli Holding Ltd does not control Tivona Ltd As at June 30, 2008 the investment therefore remains accounted for using the equity method. At the reporting date, interim financial statements 2008 of Tivona Ltd were not available, therefore the figures are based on the latest available financial statements as per December 31, 2007. As the audit report 2007 emphasized valuation and recognition uncertainties for material positions, the consolidated financial statements 2007 of Tivona Ltd have a limited information value. Based on the existing uncertainties Jelmoli Holding Ltd decided, as in the prior years, not to recognize any share of profit of Tivona Ltd in the current reporting period.

From today's viewpoint, Jelmoli Holding Ltd expects no impairment loss from the subsequent first consolidation (at the date control will exist). This assessment is based on estimates of valuations of Tivona Ltd, taking account of the above-mentioned draft of the valuation report, and on the market value of the Jelmoli shares at the time of preparation of this half-year report.

Attention should be paid to the fact that this assessment is subject to significant uncertainties: Firstly, the market value of the Jelmoli share may fluctuate significantly until the date of first consolidation; secondly, the result of valuation of Tivona Ltd as per the relevant point in time in 2003 is pending.

8. Failed sale of the real estate portfolio
In connection with the failed sale of the Swiss real estate portfolio to Empario Holding GmbH, the parties agreed in June 2008 in oral form on the settlement of all mutual claims and counterclaims relating to the sale and purchase agreement signed on July 31, 2007 as well as on the arbitration between Jelmoli and Empario Holding GmbH, Blenheim Properties Group Ltd, Delek Global Real Estate Ltd as well as Delek Belron International Ltd ("Delek Blenheim Group"). The binding written settlement agreement is date August 22, 2008 and settles that the Delek Blenheim Group will pay a total amount of CHF 21.5 million in two installments and waives reclaiming the down-payment of CHF 10 million made to the Jelmoli Group after the closing of the sale and purchase agreement (recognized as other income in the second half year 2007). Half of the settlement amount was received by Jelmoli on August 26, 2008 within the agreed time. The second half is due to be paid on November 17, 2008. The settlement agreement has been submitted to the arbitral tribunal for settlement of proceedings.

As the binding written settlement agreement with the Delek Blenheim Group did not yet exist in signed form on June 30, 2008, the settlement amount was not recognized in the interim financial statements.

9. Capital commitments
As at June 30, 2008 Jelmoli Group had decided to invest the amount of CHF 240 million in ongoing projects to purchase property, plant and equipment and financial assets. Two thirds thereof had been contractually committed and already paid at June 30, 2008. In the first half year of 2008, the majority of this amount relates to the construction of the shopping centre in Thonex and to real estate projects outside of Switzerland.

10. Subsequent events
On August 22, 2008 the binding settlement agreement with Delek Blenheim Group was duly signed and an initial payment of CHF 10.75 million was obtained on August 26, 2008. The final payment of CHF 10.75 million is planned for mid November.

An extraordinary general meeting of shareholders in the fourth quarter of 2008 will decide upon the planned split of the Jelmoli Group into two separate and independent listed entities. The plan is to continue the real estate business (including development of real estate projects), the House of Brands in Zurich and Bonus Card on the one hand, and an investment company on the other hand. The latter will mainly comprise the excess cash and the investments in Seiler, Molino restaurants, Beach Mountain and the projects outside of Switzerland.

Review Report to the Board of Directors of **Jelmoli Holding Ltd, Zurich**

Introduction
We have been engaged to review the accompanying consolidated balance sheet of Jelmoli Holding Ltd as at June 30, 2008 and the related consolidated statements of income, changes in equity and condensed statement of cash flows for the 6-month period then ended, and selected explanatory notes (the consolidated half-year report) on pages 4 to 13. The Board of Directors is responsible for the preparation and presentation of this consolidated interim financial information in accordance with International Accounting Standard 34 Interim Financial Reporting. Our responsibility is to express a conclusion on this consolidated interim financial information based on our review.

Scope of Review
We conducted our review in accordance with the International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated half-year report as at June 30, 2008 is not prepared, in all material respects, in accordance with International Accounting Standard 34 Interim Financial Reporting.

KPMG AG

Jürg Meisterhans Michael Herzog

Zurich, September 5, 2008

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This Half-Year Report is a translation from the original German version. In case of inconsistencies the German version prevails.

Internet information
Jelmoli information for the e-mail subscribers:
At **www.huginonline.ch/JEL** or **www.jelmoliholding.ch** subscribers can register without charge for the Jelmoli e-mail news. They will then receive all press releases by e-mail at the same time as the media.

Jelmoli publications on the internet:
At **www.huginonline.ch/JEL** or **www.jelmoliholding.ch** all Jelmoli press releases are published, together with the Jelmoli Annual Report and other shareholder information including online stock market reports.

Internet gift shop and wedding present listing:
At **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 anywhere in Switzerland. Our convenient on-line wedding present listing is very popular among bridal couples.