



Outcome of Strategic Review
9 April 2008

Jelmoli

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Introduction

- **Announcement of strategic review brought forward**
- **2007 annual results will be communicated on April 15**

Key Shareholder Issues Have Been Considered

- **Key Issues Raised at Last General Assembly**
 - Implications of dual share class structure
 - Complicated asset mix
 - Liquidity

Pursued Strategic Solutions

- **Potential offer for the Company**
- **Split of Jelmoli into two focused entities: Real Estate company and Investment company**

Potential Offer for the Company

- **The board determined that receiving an offer could be in the interest of shareholders**
 - Exit opportunity for cash
 - Participation in value upside through premium
 - Shareholders could decide to accept the offer or not
- **Approach by Pelham with indication of interest to make an offer**
 - Confidentiality agreement, standstill agreement and insider lists in line with the regulations of the SWX
- **However, an offer by Pelham for the Company has not materialized**
 - No other offer has been received

Split of Jelmoli into a Real Estate and An Investment Company

- **Two independent, separately-listed companies**
 - Focus
 - Flexibility
 - Transparency
 - Capital structure
 - Choice
- **Unification of shares in the Real Estate company in exchange for a “reverse premium”**
 - “One share/one vote” in the Real Estate company
 - Pelham would receive compensation for giving up voting majority

Two Independent, Separately-Listed Companies

Real Estate Company

- Swiss Real Estate Portfolio
- Development Projects
- House of Brands
- Bonus Card

Investment Company

- Cash
- Molino
- Beach Mountain
- Fundgrube
- Seiler Hotels
- Russian/Algerian Participations

The Real Estate Company

- Retains the Jelmoli brand name
- Top three player in Switzerland
- High quality, pure Swiss real estate portfolio
- Leading retail real estate platform in Switzerland
- Prime assets, prime locations, prime tenants
- Stable predictable cash flows
- Value upside from development pipeline and active tenant management
- Value upside from department store up-trading

The Investment Company

- Company will rank among the leading players by size in Switzerland
- Intention to list in the Investment company segment of the SWX
- Value upside in existing investments
- Current environment favours companies with cash
- No proposed exclusive asset management relationship with GVOAM

Transaction Structure and Timing

- **Tax Neutral Spin-Off**
 - Tax Ruling of the competent authorities required
- **Investment Company would be spun-off**
 - Distribution would be executed tax-efficient for shareholders
- **Shareholder Approval**
 - Spin-off and unification of shares both require shareholder approval
 - Transaction likely to be executed in two steps
- **Timing**
 - Completion of transaction targeted by Q4 2008/Q1 2009

Proposed Strategy Addresses Key Shareholder Concerns

Path to removal of dual share structure in the Real Estate company



Separation of businesses gives clarity and focus



Allows investors the choice for their investment



Preserves flexibility for the future

