

Purchaser of Jelmoli Real Estate Portfolio Refuses Closing

Agenda items of EGM to be announced until November 9 – Renewal of the Board of Directors

The Israeli purchasers of Jelmoli's real estate portfolio have not confirmed their commitment to close the transaction within the time period set by Jelmoli. Jelmoli must therefore conclude that the purchasers intend, in breach of contract, not to close the transaction. The agenda items for the extraordinary shareholders' meeting will be announced until November 9. Walter Fust, Chairman, announces his resignation from the board of directors. Given the strategic reorientation of the Jelmoli group, new members of the board of directors will be proposed.

On July 31, 2007, Jelmoli announced the sale of its Swiss real estate portfolio to Igal Ahouvis Blenheim Properties Group, Delek Global Real Estate and Delek Belron International. The contractual purchase price is CHF 3.4 billion.

As announced on September 20, 2007, the purchasers asked for a renegotiation of the purchase price. Under the terms of the share purchase agreement, there is no such right.

Following extended discussions with the purchasers, Jelmoli has given notice to the purchaser, requesting performance and closing of the transaction on October 31, 2007 at the terms and conditions agreed. Jelmoli has further asked for a reconfirmation of the continuing commitment to close. The period of time set by Jelmoli for the purchasers to reconfirm has now elapsed to no avail. Jelmoli must therefore conclude that the purchasers intend, in breach of the share purchase agreement, not to close the transaction. In the interest of its shareholders, Jelmoli will therefore consider all available legal and other measures.

Jelmoli will convene an extraordinary shareholders' meeting at the end of November. At this shareholders' meeting Jelmoli will inform its shareholders of the strategic reorientation of the Jelmoli group. The invitation to the extraordinary shareholders' meeting will set forth the agenda items and the motions of the board of directors as well as of the shareholders. It will be published until November 9, 2007.

With effect as of the date of the extraordinary shareholders' meeting, Walter Fust, Chairman, has declared his resignation from the board of directors of Jelmoli Holding AG: "As a principal shareholder I have of course every interest in a successful future growth of the company. After having acted for eleven years as chairman, I would now like to step aside for continuous successful future. Personally, I fully support the strategic reorientation of the company and hope that the strategy will be successfully implemented." Proposals for new members of the board of directors will be presented to the extraordinary shareholders' meeting.

Jelmoli's board of directors further anticipates that holders of bearer shares will present to the extraordinary shareholders' meeting a proposal for election to the Jelmoli board of directors of a representative of the bearer share category.

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