

Public takeover bid according to stock exchange law

Pelham/Hansa voting share participation in Jelmoli increased to 49.7%

The 33.0% Jelmoli voting share participation held by Pelham/Hansa since February 2003 has now been increased to 49.7% (26.2% of share capital).

Former majority shareholder Walter Fust, who remains chairman of the Jelmoli board, has sold to Pelham almost half his shares still retained after the February transaction. His sister Ursula Hauser-Fust has converted some of her registered shares into bearer shares for greater liquidity, and sold others, so that her remaining shareholding is now less than 5%. It has been agreed not to reveal the sale price.

Pelham is making a public takeover bid of CHF 850.- per bearer share or CHF 171.- per registered share, in line with the current stock market price. Pelham does not plan to significantly increase its Jelmoli participation or withdraw any shares, but is simply meeting its stock market law obligations after exceeding a 33.33% voting share holding. The Jelmoli Holding Ltd board of directors welcomes these transactions as a friendly transfer of voting majority, but nevertheless recommends public shareholders not to accept this takeover bid, since the fair market value of the Jelmoli share is currently assessed considerably higher.

Walter Fust's motives for relinquishing his majority holding in Jelmoli voting shares were explained in detail in the media information of September 12, 2002 on the transaction planned at that time. These motives - orderly succession planning while retaining a substantial shareholding for participation in future development - have not changed in the meantime. Also the motives and plans of Georg von Opel as owner of Hansa AG, Basle, to which 97.75% of the public-listed Pelham Investments SA belong, have not changed: profitable investment in undervalued shares of a real estate and retail trading group.

The Jelmoli board of directors welcomes this friendly transfer of voting majority to Georg von Opel, who expressed to uphold sustainable Group development based on entrepreneurial agreement, the current Jelmoli strategy and the current management.

The resultant changes in the Jelmoli shareholding structure are as follows:

	Previous shareholding	Capital	New shareholding	Capital
Pelham Investments AG	33.0%	18.3%	49.7%	26.2%
Walter Fust	26.6%	13.5%	15.2%	7.7%
Ursula Hauser-Fust	8.0%	4.1%	below 5%	
Jelmoli Holding AG	4.4%	8.7%	4.4%	8.7%
Public shareholders	28.0%	55.4%	30.7% *	57.4% *
Total	100.0%	100.0%	100.0%	100.0%

*) incl. U. Hauser-Fust

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Upon exceeding the 33.33% voting share holding limit, Pelham is complying with stock exchange law obligations by making a public takeover bid. According to legal requirements the bid price must at least meet the average opening price over the last 30 business days (CHF 848.40 per bearer share; CHF 170.45 per registered share), and may not be more than 25% below the

highest price paid by the bidder over the last twelve months for share acquisitions (CHF 1040.- per bearer share; CHF 208.- per registered share).

This public bid will now be checked by the Swiss Takeover Board for legal conformity. Afterwards the bid period should commence with a few weeks.

Board recommendation: retain shares

Based on information received from Pelham, the Jelmoli Holding Ltd board of directors establishes that the bid price of CHF 850.- per bearer share or CHF 171.- per registered share complies with stock exchange law requirements.

According to the stock exchange law, the board of directors must report or recommend on the takeover bid to the public shareholders. At an extraordinary meeting excluding those members involved in the transaction, the Jelmoli board of directors decided to recommend the public shareholders to retain their Jelmoli shares and not to accept the Pelham offer. Based on Jelmoli Group results for 2002 and developments so far or expected for the current year, the board estimates the fair value of the Jelmoli share as at least CHF 2000.- per bearer share or CHF 400.- per registered share. This is not at all reflected either in the current share price or in the Pelham bid price, presumably due to the general stock market low, insecurities regarding consumer purchasing, and open questions regarding Jelmoli's Tivona participation.

The low bid price reflects Pelham's intention of upholding the stock listing with adequate liquidity, which is welcomed by the Jelmoli board of directors.

The board estimation of current share price and bid offer as significantly below the fair value corresponds to the view of the new majority voting shareholder Pelham, whose investment in Jelmoli is founded on this undervaluation.

Significantly higher earnings for the first quarter 2003

In view of this takeover bid, the Jelmoli board of directors exceptionally reports on earnings developments for the first quarter. During the first three months of 2003 operating income before depreciation (EBITDA) rose by 37% (from CHF 25.7 million to 35.3 million) and Group profit by 58% (from CHF 6.3 million to 10.0 million). This does not yet include for real estate revaluation according to IAS40.

Forthcoming information:

July 8, 2003: Mid-year turnover and rental income

September 9, 2003: Mid-year report

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