

valora



Mehr Infos unter www.ditsch.de

FAMILIENTRADITION SEIT 1919

Ditsch

Wir backen
Deutschlands
liebste
Brezel!

Genießen Sie diesen und
viele weitere herzhaft
Snacks für unterwegs!

Immer knusprig, immer frisch,
immer Ditsch.

The logo for Brezelkönig features a golden crown above a stylized, interlocking ring shape. Below the logo, the text "BREZELKÖNIG®" is written in a bold, golden, sans-serif font. Below the text is a large, golden-brown pretzel topped with green pumpkin seeds and white salt crystals. Several pumpkin seeds are scattered on the white surface around the base of the pretzel.

Media and Investor Conference
The Ditsch/Brezelkönig acquisition
Muttenz, September 25, 2012

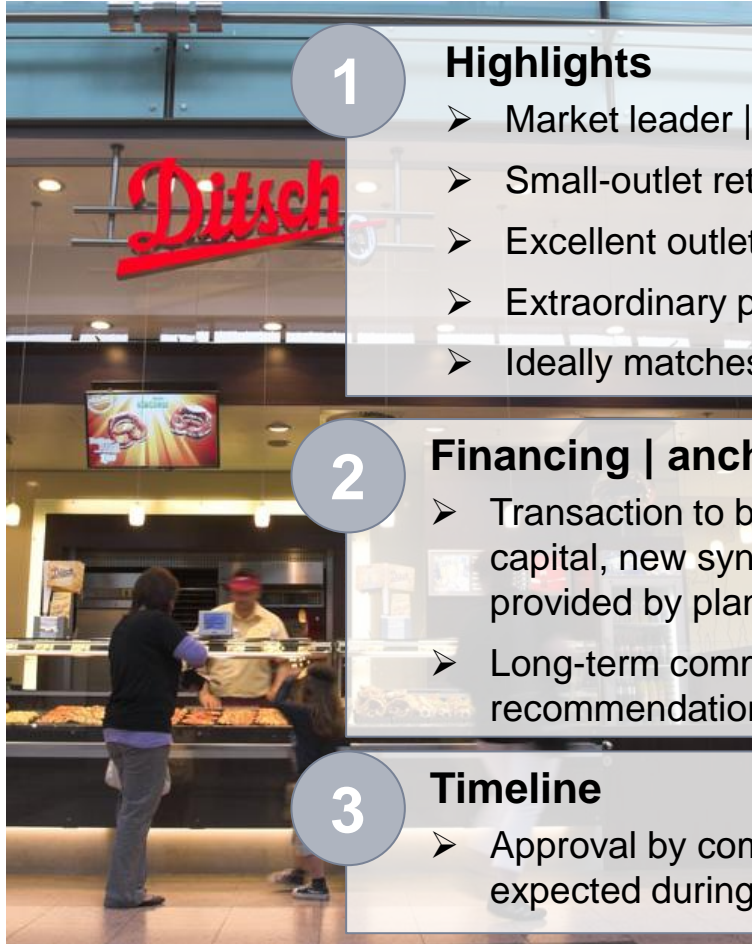
Agenda



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| 1 | Transaction overview | Rolando Benedick |
| 2 | Valora for a fast moving world! | Rolando Benedick |
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Transaction overview

Strategically significant acquisition secures Peter Ditsch as anchor shareholder



1

Highlights

- Market leader | two strong brands (Ditsch + Brezelkönig)
- Small-outlet retailer in growing immediate-consumption market
- Excellent outlet network in Germany and Switzerland
- Extraordinary profitable business model
- Ideally matches Valora's growth strategy and outlet portfolio

2

Financing | anchor shareholder

- Transaction to be financed by new shares from authorised capital, new syndicated loan facility and additional headroom provided by planned divestments
- Long-term commitment by Peter Ditsch as anchor shareholder; recommendation to the Board of Directors at AGM 2013

3

Timeline

- Approval by competition authorities and transaction completion expected during 4th quarter of 2012

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Welcome to «Valora for a fast moving world»

Lean, agile retailer with an outstanding outlet network!



- **Strengthening Retail activities**
- **Using successful format portfolio to leverage excellent potential**
- **Repositioning Valora Services to reduce Group's dependence on press products**
- **Continuing to pursue Valora Trade activities with focus on categories with above-average growth**
- **Successful acquisition record over last 24 months**
- **Foundation for successful sales growth at outlets now in place**

Successful acquisitions in 2010 - 2012

Foundations for further growth now in place

Retail



| | |
|-----------|--------------------------|
| Country | Germany |
| # outlets | ~ 180 |
| Sales* | € ~ 130 million |
| Rationale | Strong franchise concept |



| | |
|-----------|---------------------------------|
| Country | Germany |
| # outlets | ~ 1,300 |
| Sales* | € ~ 450 million |
| Rationale | Germany's largest kiosk network |

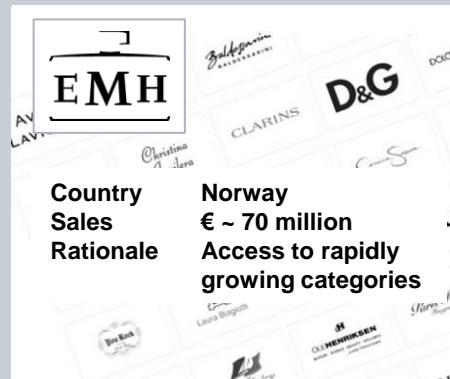


| | |
|-----------|------------------------------|
| Country | Austria |
| # outlets | 10 |
| Sales* | € ~ 10 million |
| Rationale | Beachhead in Austrian market |

Trade



| | |
|-----------|-------------------------------------|
| Country | Germany |
| Sales | € ~ 12 million |
| Rationale | Rapid growth in savoury baked goods |



| | |
|-----------|--------------------------------------|
| Country | Norway |
| Sales | € ~ 70 million |
| Rationale | Access to rapidly growing categories |



| | |
|-----------|---|
| Country | Sweden |
| Sales | € ~ 70 million |
| Rationale | Strengthening cosmetics market position |

* External sales

Agenda



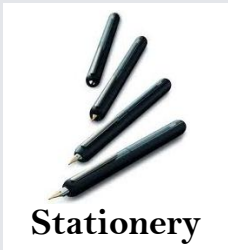
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Strategic rationale for Ditsch/Brezelkönig acquisition

Ditsch/Brezelkönig meets all the criteria governing Valora's growth strategy

Strategic objectives

- To acquire 1-2 additional categories/formats
- Potential for roll-out to rest of Valora network (no new in-house development needed)
- Scope for modular deployment within existing network



Value generated by purchase

- Outlet portfolio expanded
- Existing Valora sites can be expanded/re-designed
- Concept can be rolled out to existing formats in modular form
- Growth at heavily frequented sites

Acquisition criteria

- Growing categories related to Valora's DNA
- Suitable for micro-outlets at heavily frequented sites
- Scope for modular deployment in existing Valora formats
- Existing sites which complement Valora's portfolio



Success factors Ditsch/Brezelkönig

A new format in the growing market for immediate-consumption food products

Unique opportunity

- Top-quality products and excellent floorspace productivity
- Grants Valora access to promising, rapidly growing market for immediate-consumption food products
- Provides springboard for jump in profitability

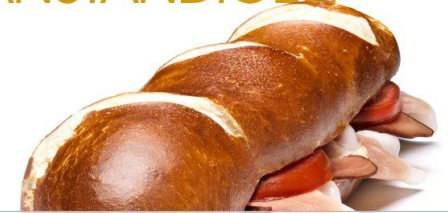
Growth plus sustainability

- Strong stand-alone potential for further growth
- Ideal modular complement to existing Valora formats
- Expandable infrastructure
- Strong anchor shareholder | Seat on Valora Board (proposal to AGM 2013)

Highly profitable business model

- Proven resistance to economic downturn, very reliable cash flows
- Vertical integration and high levels of automation support cost-leadership and specialisation
- Focus on streamlined processes and lean product range

WENN SIE SCHON
GRATISZEITUNGEN
LESEN, ESSEN SIE
WENIGSTENS WAS
ANSTÄNDIGES.



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The Ditsch/Brezelkönig company

Peter Ditsch, Managing Director

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Peter Ditsch and the Ditsch pretzel bakery

- **1919** Established as family-run company
- **1960** Specialises in pretzels and salt sticks (sold through own retail units and to third-party retail)
- **1978** Peter Ditsch joins company, representing 3rd generation
- **1980** Automated pretzel rolling machine introduced
- **1993** Wholesale operations developed
- **2000** Acquired «**Brezelkönig**» in Switzerland
- **2005** Ditsch Ltd established in the UK
- **2009** Ditsch celebrates its 90th birthday
- **2011** Brezelkönig with 35 outlets
- **2012** 230 outlets (Ditsch + Brezelkönig) | sales CHF 190 million



Ditsch in Germany

Perfect vertical integration creates highly profitable retailer

2 production facilities

Mainz (incl. head office) &
Oranienbaum



195 sites in Germany



Highly automated lye-bread bakery



Brezelkönig in Switzerland

Ideally positioned retailer with superb outlet network

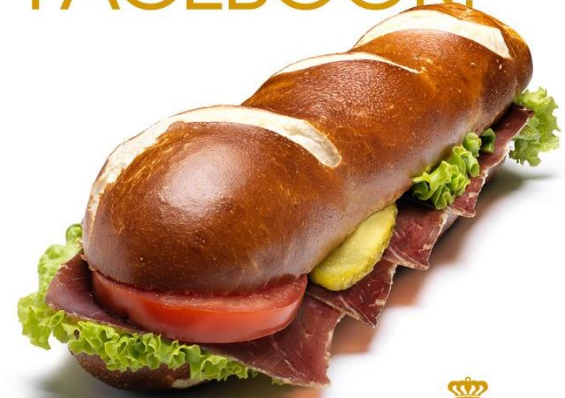
**Production facility
in Emmenbrücke**



35 sites in Switzerland

**Known and popular
specialist for snacks**

**TEILEN IST
WAS FÜR
FACEBOOK.**



Valora and Ditsch/Brezelkönig

Highly promising synergies | extremely attractive future prospects



Ideal partner

- Valora and Ditsch/Brezelkönig will work well together
- Excellent outlet network and strong product portfolio
- Significant potential for further growth
- Both firms seize unique opportunity for key strategic move

Commitment and trust

- Delighted and honoured to assume Board duties at Valora
- Long-term commitment
- Opportunity to switch from operational to strategic leadership role



The Ditsch/Brezelkönig company

Quality and family tradition

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Ditsch[®]

Quality and perfection

Agenda



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Ditsch/Brezelkönig, key financial metrics



Exceptional profitability and attractive business model for outlet operators



190
million in sales*



>14%
EBIT margin



230
outlets



~100%
agencies

CAGR

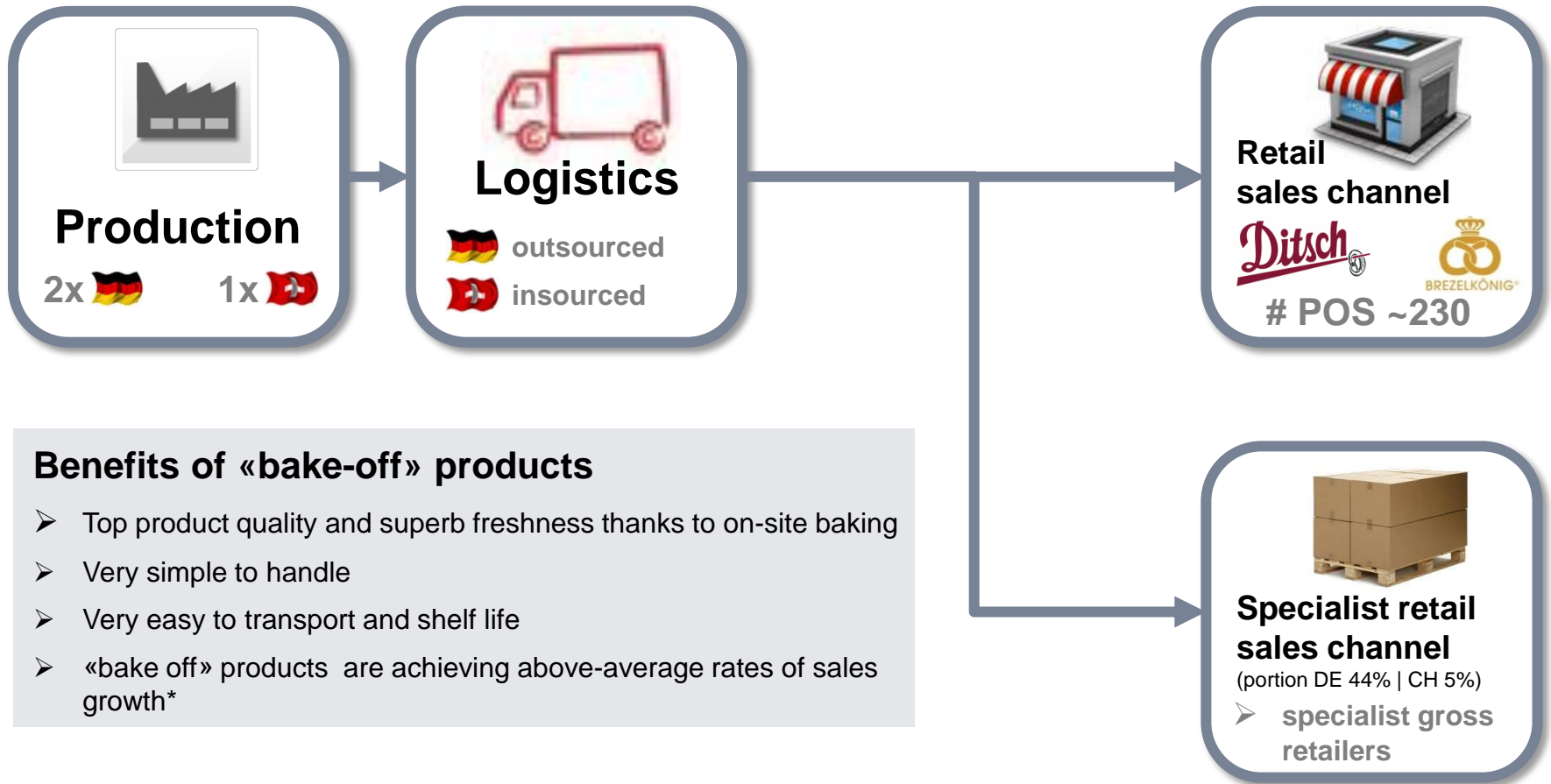
~ 8%
sales till 2017



* Expectation 2012 in Swiss Francs | Germany CHF ~ 140 Mio., Switzerland CHF ~ 50 Mio.

Production and distribution «bake off» products

Simple business model of Ditsch/Brezelkönig



Benefits of «bake-off» products

- Top product quality and superb freshness thanks to on-site baking
- Very simple to handle
- Very easy to transport and shelf life
- «bake off» products are achieving above-average rates of sales growth*

* source: Gira Consultancy & Research

Vertical integration

Significant advantage over competition



Production



Retail

Benefits of vertical integration

- 1 Control of entire value chain**
 - enables firm to secure entire margin
 - high quality and production capabilities are all in house
- 2 Co-ordinating production with the firm's own needs**
 - development of exclusive products for distribution by firm
 - allows great flexibility in reacting to consumer behaviour and volume requirements
- 3 High barriers to entry for competitors**
 - Pretzel and lye-bread baking know how is protected
 - Lowest-cost producer
- 4 Insourced production ensures high profitability levels in retail channel**
 - Retail market share in Germany 44%, Switzerland 5%
 - Profitability of sales to 3rd party specialist retail in line with firm's own retail sales

Retail business model success factors

Integrated business model is key element in firm's success

High quality and freshness

- Superb high product quality
- Freshness thanks to on site bake off
- Very easy to handle at outlets



Attractive margins

- Vertical integration and control of entire value chain ensure cost leadership
- High degree of automation
- Specialisation focused on a limited number of products

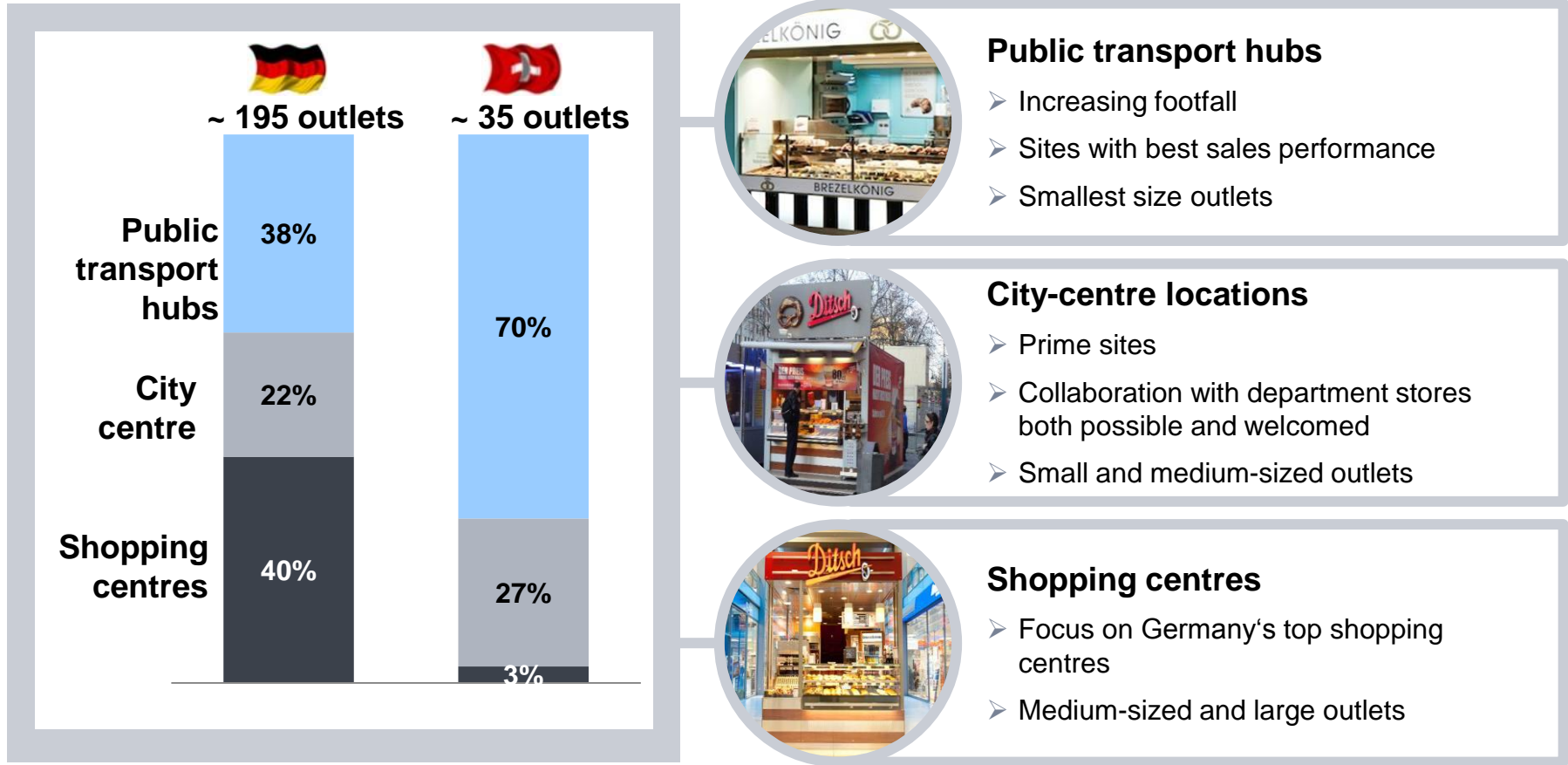


Modest space requirements

- Great flexibility in choice of locations
- Extremely high floorspace productivity
- Attractive tenant

Ditsch/Brezelkönig outlet locations

Key focus on travel retail sites



Retail sales channel

Strong market position through attractive retail concept with significant growth potential

Strong market position

- Clear profile and market position thanks to focus on limited number of product groups
- Lye-bread products generally enjoy wide market appeal
- Strong presence at public transport hubs
- Ditsch and Brezelkönig enjoys strong brand recognition

Attractive retail concept

- High margins
- Top-quality products which are very easy to handle
- Limited space requirements combined with high floorspace productivity
- Clearly defined concepts, stringently implemented

Significant growth potential

- Scope for additional outlet sites
- Food for immediate consumption is a highly attractive, rapidly growing market
- Travel retail sites achieving impressive growth

The specialist retailer sales channel

Strong market position, growth potential and attractive business area

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Market leader in lye-bread bakery products

- Specialisation in lye-bread products
- Highly developed know how, first-rate product quality
- Popular business partner with 3rd party specialist retailers

Attractive business area

- High, stable profitability in 3rd party retail
- Efficient production
- Well-balanced, highly diversified customer portfolio

Growth potential

- Significant potential for international expansion
- Existing infrastructure will support further volume growth



GESAMTSORTIMENT 2012
TIEFGEKÜHLTE PREMIUM-BACKWAREN

Wir backen Deutschlands liebste Brezel!

Factors conducive to acquisition's success

Smooth transition assured

Well-structured company

- Existing lean organisational structure and efficient processes will remain in place
- No major changes required
- Ditsch will remain an independent business unit

Long-term commitment by Peter Ditsch

- Seat on Valora Board (will be recommended to AGM)
- Switch from operational to strategic duties
- Anchor shareholder for Group
- Peter Ditsch's know how remains with firm



Successful integration

- Retention of know how remains with firm
- Smooth transition from family-run firm to company unit within an exchange-listed group
- Entrepreneurial culture of Ditsch/Brezelkönig will be maintained

Success factors for Ditsch/Brezelkönig in 2013 and beyond



Significant scope for expansion through symbiosis with Valora

1 Increased expansion in retail by realising current growth potential

DE
+25%*

CH
+100%*

2 Selective outlet make-overs will leverage Valora's existing site network of about 2 800 outlets

3 „Shop-in-shop” concepts, and introduction of some product-range modules to existing Valora formats

4 Development of new products for Ditsch/Brezelkönig and existing Valora formats

5 Opportunity for internationalisation of the business model

* growth of number of outlets till 2017

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Financing aspects of the transaction

Requisite funding in place



Transaction multiples | key metrics

| | |
|------------------------|-----------------|
| ➤ Sales | CHF 190 million |
| ➤ EBITDA margin | ~ 20% |
| ➤ EBITDA multiple (EV) | 7 – 9x |
| ➤ Balance-sheet total | CHF 110 million |

Financing

- Valora Holding AG to increase share capital by CHF ~ 100 million ¹⁾
- Existing CHF 300 million syndicated loan replaced by new CHF 450 million facility ²⁾
- Further financial flexibility from planned divestments (Muttentz building, Valora Services Austria)

¹⁾ About 635'000 Valora Holding AG shares of CHF 1.- nominal value each to be issued from authorised share capital under article 3b of Articles of Incorporation. Peter Ditsch will become anchor shareholder in Valora with 18.5% of total new share capital.

²⁾ The loan covenants require adherence to certain key financial metrics. For 2013, Valora projects that its equity cover will be $\geq 35\%$ and its leverage ratio $\leq 3.0x$.

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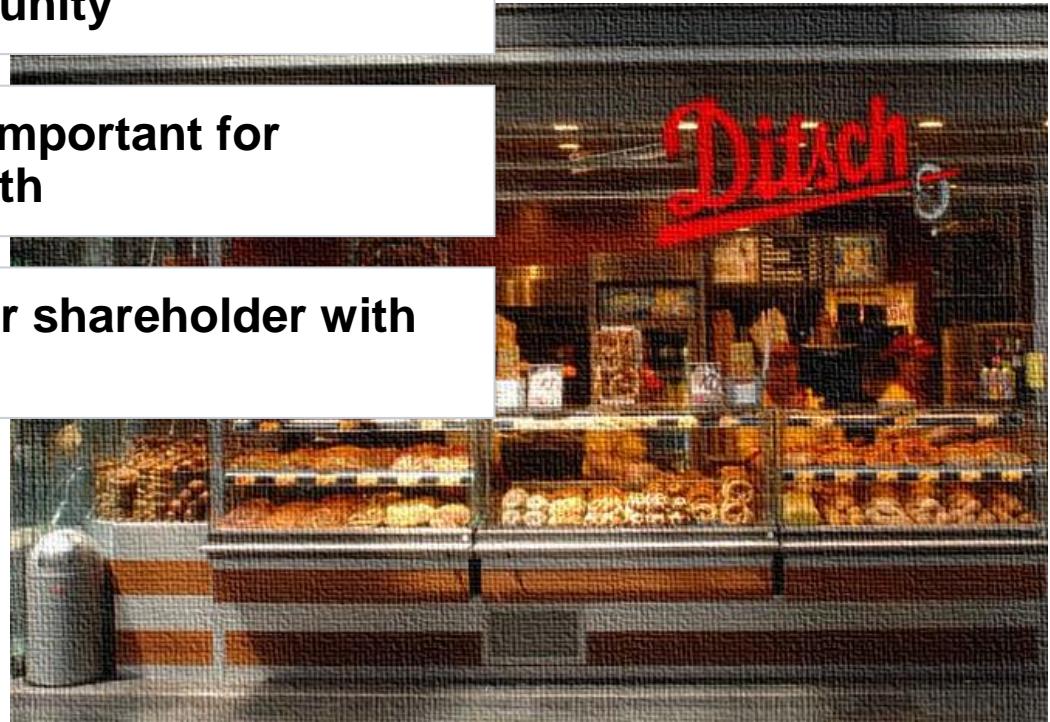
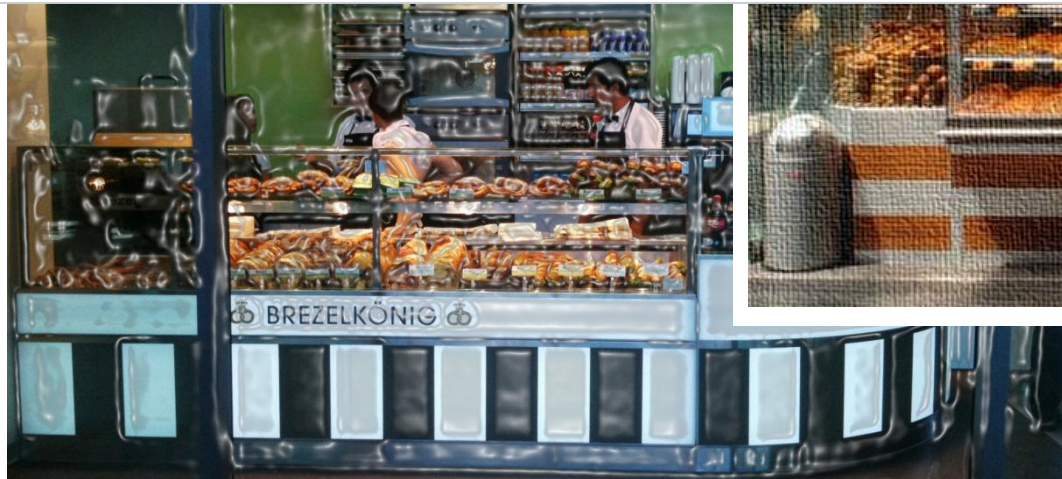
Ditsch/Brezelkönig acquisition represents ideal strategic milestone for Valora



1 Valora seizes unique opportunity

2 Acquisition is strategically important for sustainable, profitable growth

3 Valora gains a strong anchor shareholder with Board commitment



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Corporate calendar



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Corporate calendar

2012 results conference

March 26, 2013

2013 Ordinary General Meeting of Shareholders

April 18, 2013

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www.valora.com

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