



HELVEA Swiss Equities Conference Bad Ragaz

January 17, 2013 | Michael Müller | CFO Valora Holding AG

Agenda



1 Valora at a glance

2 Recent acquisition Ditsch/Brezelkönig

3 Market environment and measures

4 Summary

5 Q & A

«Valora for a fast moving world»

Lean, agile retailer with an outstanding outlet network!



2009 – H1 2012

1

Successful acquisition record over last 24 months

2

Foundation for successful sales growth at outlets now in place



H2 2012 onwards

- **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 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



Country Germany and Switzerland
outlets 190 (DE) / 35 (CH)
Net revenues CHF 140m (DE) / CHF 50m (CH)
Rationale Excellent outlet network and extraordinary profitable business model



Trade

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

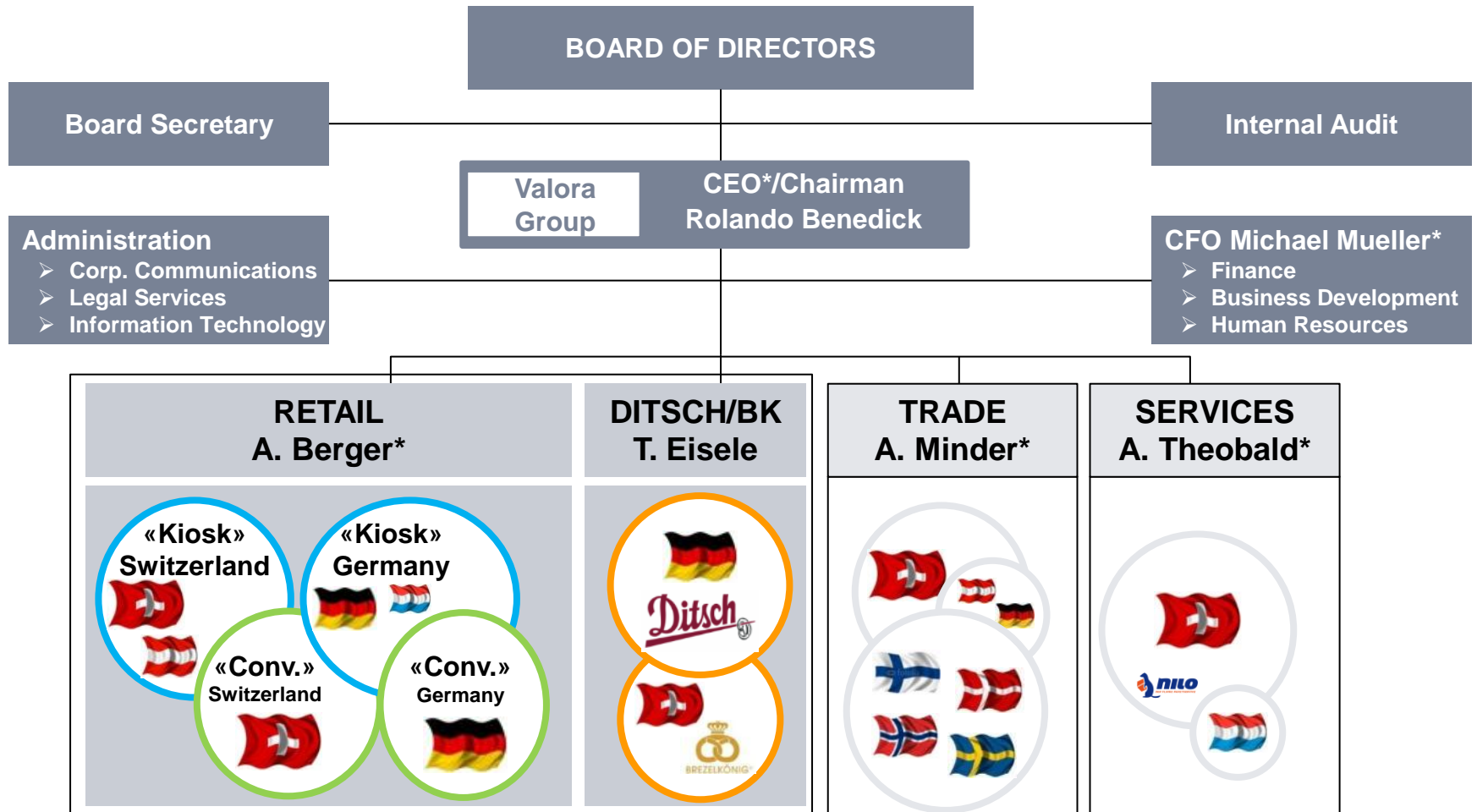
Country Norway
Sales € ~ 70 million
Rationale Access to rapidly growing categories

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

* external sales

Organisation Valora group

Focus on Retail



* Group Executive Management

Key figures Valora group 2011*

Growing external sales despite challenging environment



in CHF million

Δ vs 2010

External sales	2 961.9	➔ +0.5%
Net revenues	2 817.9	➔ -2.1%
Gross profit	876.4	➔ +0.1%
Operating costs (net)	-805.9	➔ +0.1%
EBIT	70.5	➔ -13.3%
adjusted**	75.8	
EBIT margin	2.5%	➔ -0.3%P



* without Convenience Concept and Ditsch/Brezelkönig – partly consolidated in 2012 | ** adjusted for football picture cards and exchange-rate effects

Overview business units

Capable and focused European micro-retailer



Retail

- > 3 000 outlets, 5 clear defined formats, 1 000 POS in travel-related locations
- Successful private label product range (ok.-)
- Present in four national markets (Switzerland, Germany, Luxembourg, Austria)

External sales* CHF 1.8 bn



Services

- Leading press distribution company in Switzerland and Luxembourg
- State-of-the-art processes/IT
- Over 15 000 customers
- New logistics services offerings adjacent to existing press distribution

Net revenues* CHF 0.6 bn



Trade

- Strong position in food, non-food, confectionery, beverages, and cosmetics
- 350 principals
- Present in 7 national markets (Switzerland, Germany, Austria, Denmark, Norway, Sweden, Finland)

Net revenues* CHF 0.7 bn



* FY 2011

Valora Retail

Most important formats



„Treat yourself“

The place for that daily indulgence



„C'est la vie“

The most refreshing convenience retailer



„Thought for the journey“

For a wealth of enjoyable reading



„Il vero espresso“

Typical Italian coffee bar flair



„Immer knusprig - Immer frisch - Immer Ditsch“

Passion for lye-bread products



Profile k kiosk

The micro-retailer in Switzerland, Germany and Luxembourg



Profile avec.

The fresh convenience store concept in Switzerland



Profile Press&Books

The specialist for press products in Switzerland, Germany and Austria



Profile Caffè Spettacolo

The «Italian-style» coffee bar chain in Switzerland



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Profile Ditsch/Brezelkönig

The popular specialist for lye-bread products in Switzerland and Germany



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



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 2012 - 17

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

Success factors for Ditsch/Brezelkönig in 2013 and beyond



Significant scope for expansion through symbiosis with Valora

Expected expansion in retail by realising current growth potential of outlets until 2017

DE
+25%

CH
+100%



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



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



Potential for international expansion

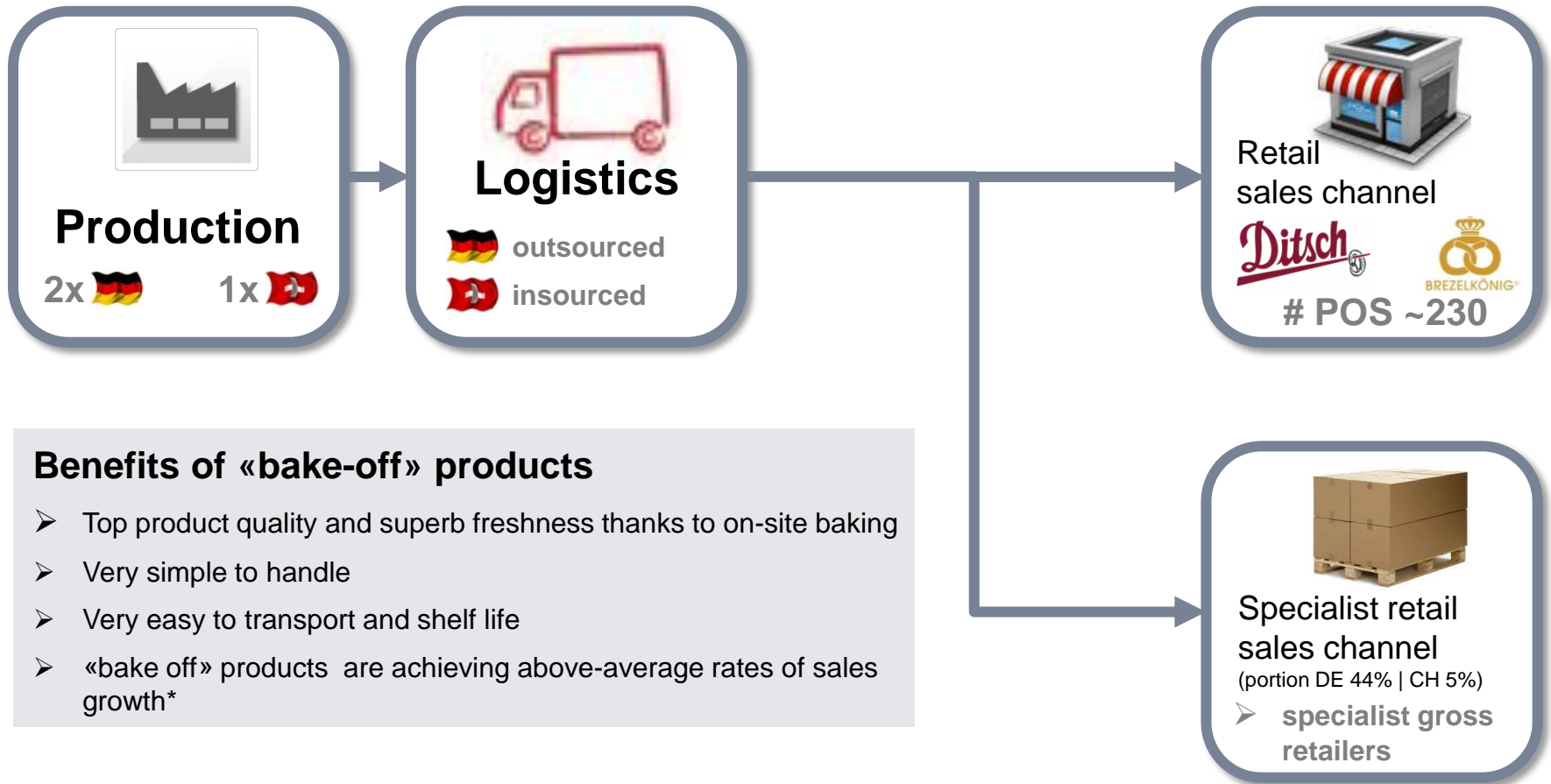


„Shop-in-shop” concepts, and introduction of selected product-range modules to existing Valora formats

Production and distribution «bake off» products

Simple business modell of Ditsch/Brezelkönig

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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

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How Valora is addressing current market challenges



Retail markets, declining overall print media and international Trade markets



RETAIL

Competitive markets and change of consumer behaviour

Measures by Valora

- Promoting innovation and new products categories at kiosks
- Promoting entrepreneurship and streamlining organisational structures
- Focus on formats with strong growth and profitability (Ditsch/Brezelkönig)



SERVICES

Decline in print media

Measures by Valora

- Divestment of Services Austria
- Develop new distribution services on existing logistics infrastructure
- Focus and improve press offering in retail outlets



TRADE

Competitive market environment in «classic» trade categories

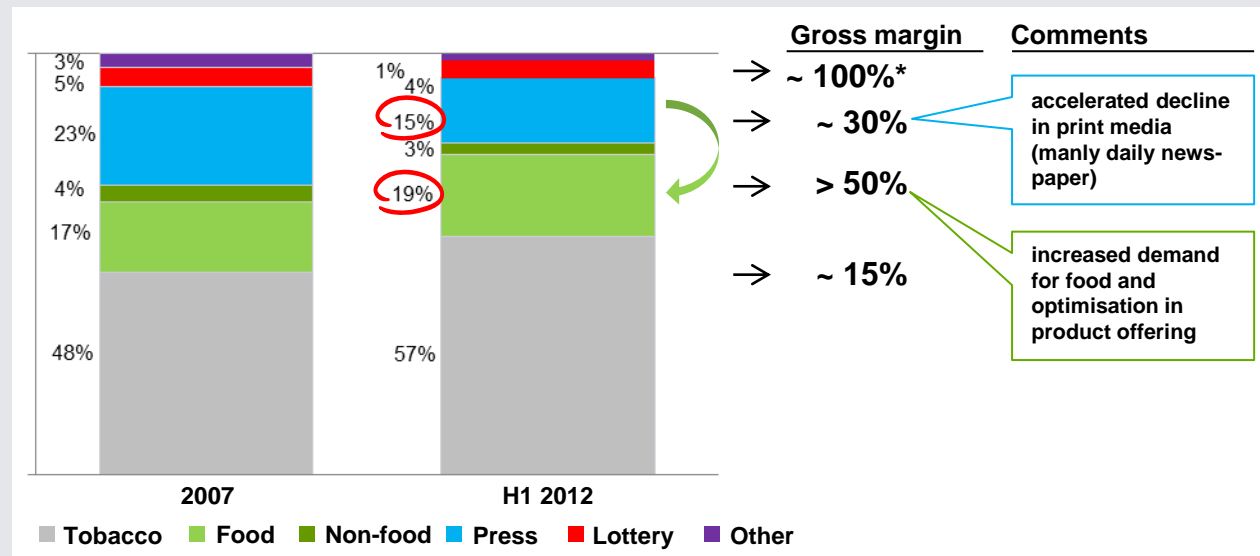
Measures by Valora

- Active shift on highly profitable categories (cosmetics, food-service, travel retail and salty snacks)
- Focus on profitable contracts with principals and retailers
- Cost improvements incl. adjustments of service offerings mainly in «classic» food categories

Valora Retail (1/3) – demanding press market at outlets

Product-mix enhancements at Swiss kiosks

Product sales mix at Swiss kiosks (in % of net revenues)



- Food sales rose > 5% p.a. across all outlets
- Shift in product-mix composition (press product share down significantly due to decline in daily newspaper | increasing demand and food products offering)
- Tobacco sales stable thanks to gains in market share and price increases

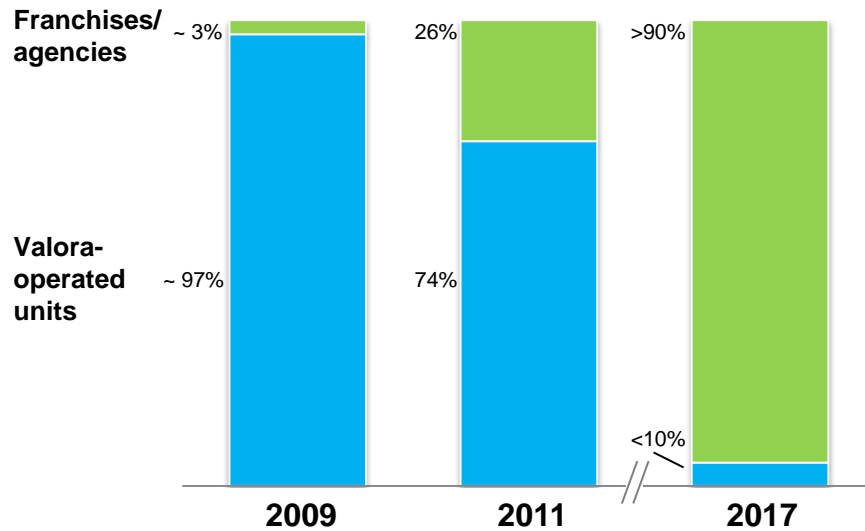


* commission based

Valora Retail (2/3) – promoting entrepreneurship

Sales and cost benefits through different operating model

Evolution of business model (in % of all outlets)



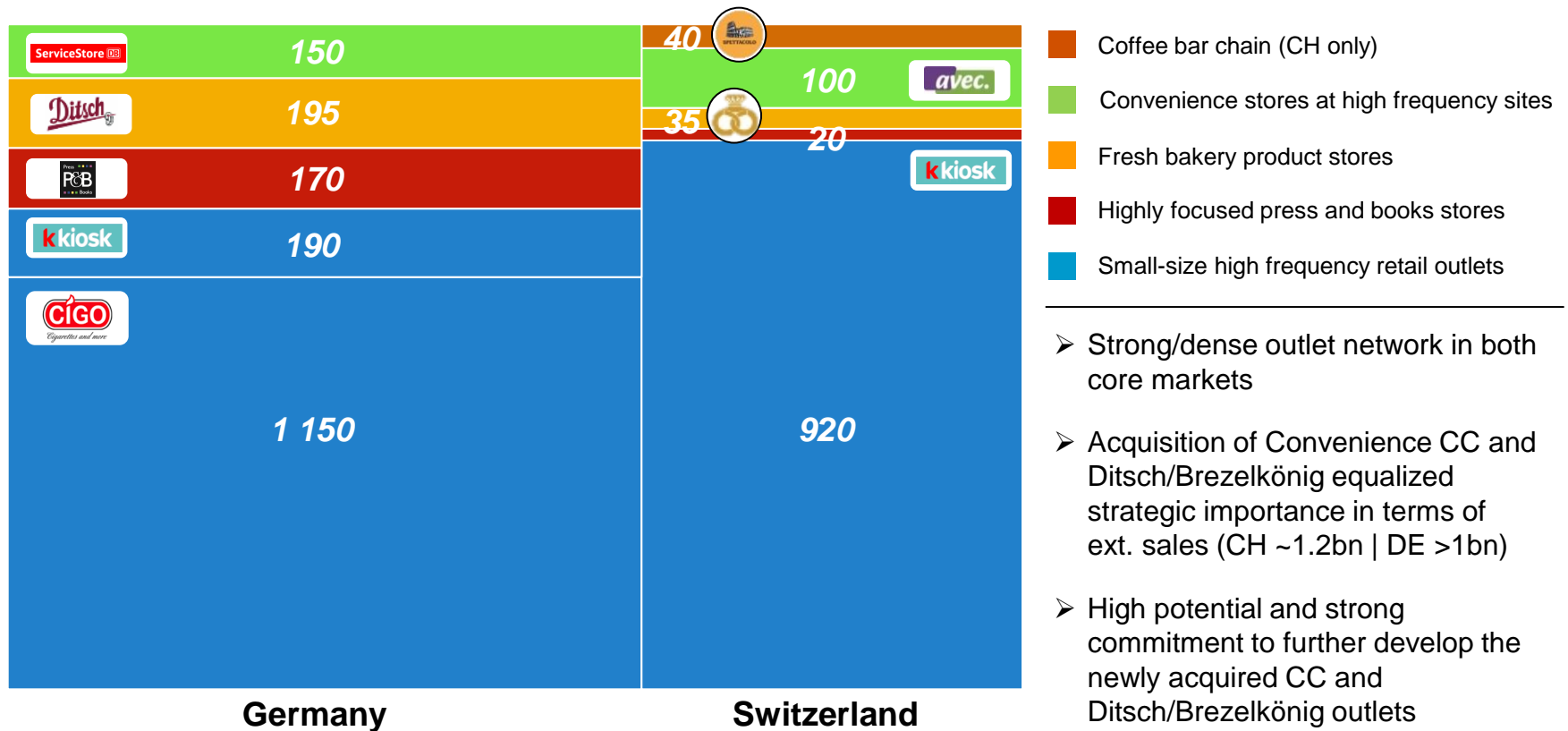
- Higher sales through individual responsibility, specific local product ranges and regional opening hours
- Cost benefits through repositioned support functions and enhanced cost control



Valora Retail (3/3) – high potential in Germany

Equalization of market importance between Switzerland and Germany

of outlets in Germany (~ 1 855) and Switzerland (~ 1 115) – total ~ 3 000

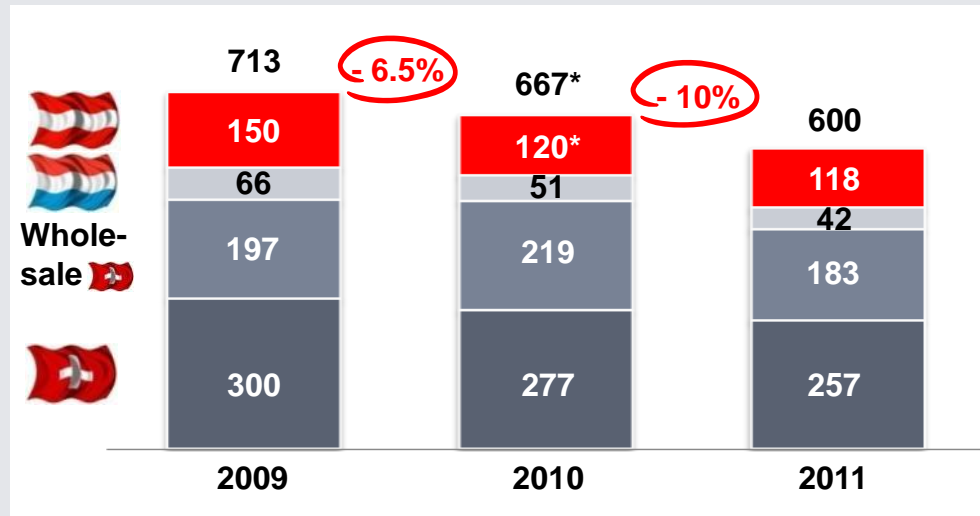


- Strong/dense outlet network in both core markets
- Acquisition of Convenience CC and Ditsch/Brezelkönig equalized strategic importance in terms of ext. sales (CH ~1.2bn | DE >1bn)
- High potential and strong commitment to further develop the newly acquired CC and Ditsch/Brezelkönig outlets

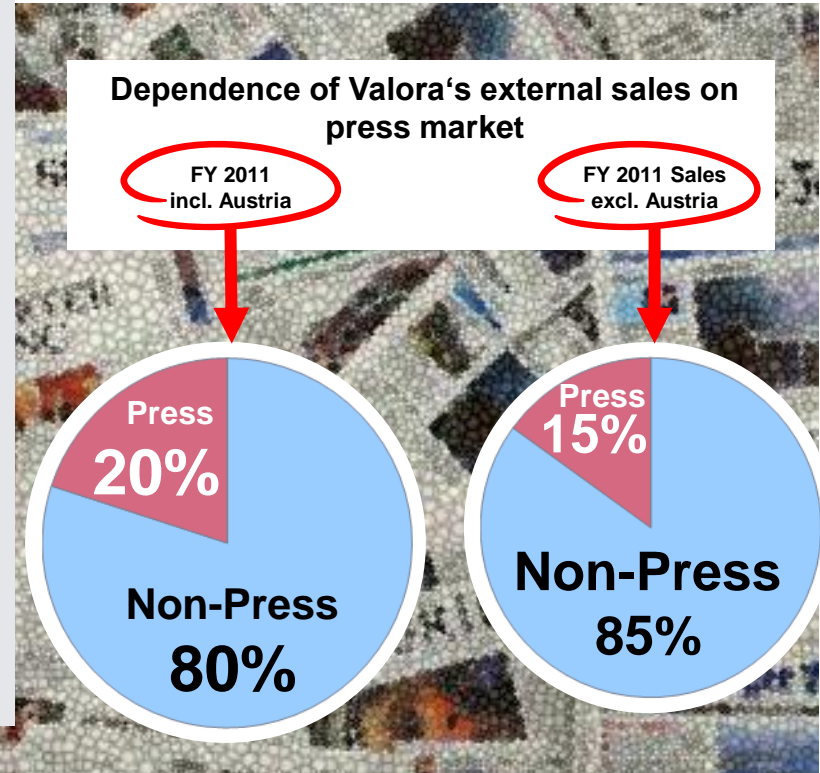
Valora Services

Review of all strategic options for the entire division | disposal of Services Austria as first step

Sales development division Services (in CHF million)



- All strategic options for all business units under review
 - Wholesale: evaluation includes a potential divestment
- De-complexation of processes through segmentation of distribution services (press, non-press and third party)

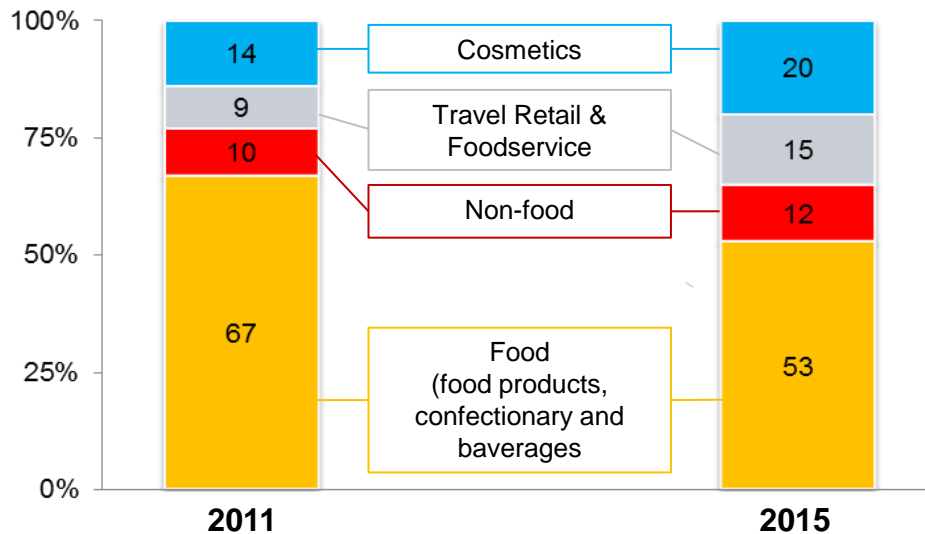


* adjusted for Panini football picture cards (CHF 39m)

Valora Trade

Classic categories declining | focus shifts to highly profitable categories

Trade portfolio composition (in % of sales)



- Challenging trading conditions in Scandinavia due to currency effects and highly consolidated retail markets
- Portfolio analysis and segmentation of category food based on profitability | potential short term amendment/termination of contracts
- Marked increase of «new categories» (cosmetics, travel retail, foodservice, salty snacks)



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Summary

	International acquisitions	Empowerment of outlet network in Retail and margin diversification in Trade through important international acquisitions
	Category-mix	Successful and ongoing shift in category-mix: press product share down – food product offering up
	Agency/Franchise	Highly effective promotion of entrepreneurship with positive effects on cost base and net revenues – further evolution planned
	German retail market	Repositioning and refurbishment of recently acquired outlets (Convenience Concept) and integration of Ditsch/Brezelkönig
	Press market	Review of all strategic options within division Services – divestment of Services Austria as first step; disposal of wholesale as an option
	Trade diversification	Strong focus on new and high margin categories in Trade – margin protection in “classic” categories

1

Tuesday, March 26, 2013 – Full Year Reporting

2

Thursday, April 18, 2013 – Annual General Meeting

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