presse

Valora Holding AG
Hofackerstrasse 40
4132 Muttenz
Switzerland

Phone +41 61 467 20 20
Fax +41 61 467 29 08

info@valora.com
www.valora.com

valora

Muttenz, March 28, 2012

adHoc Media release - Medienmitteilung - Communiqué de presse

Valora Group reports stable results in the face of demanding market conditions. Growth prospects favourable

- **External sales increased in 2011 – adjusted net revenues in line with 2010 levels**
- **Systematic implementation of Valora 4 Growth strategy continues**
- **Significant new initiatives taken to secure future growth**
- **Board to recommend unchanged dividend at 2012 Ordinary General Meeting**
- **Improvement on previous year's results expected for 2012, despite further acceleration of press volume decline and weak Swiss retail market**

External sales increased in 2011 – adjusted net revenues in line with 2010 levels
In a year marked by major challenges for the Swiss retail sector, the Valora Group increased its external sales (including franchisee turnover) by +0.5% to CHF 2 961.9 million. In local currency terms and after adjusting for the non-recurrence of 2010 football picture card sales, external sales were +6.3% up on their 2010 levels.
The Retail division turned in a positive performance, expanding in all the national markets in which it operates. Valora Services, conversely, was adversely affected by the sharp decline in the overall press market. Valora Trade advanced substantially thanks to its acquisitions, though its sales in Switzerland declined due to the strength of the Swiss franc and the resulting increase in parallel imports by retailers.

The Valora Group's reported operating profit for 2011 was CHF 70.5 million. After adjusting for exchange rate fluctuations and the non-recurrence of earnings from the distribution and sale of football picture cards from which it benefited in 2010, Valora's 2011 EBIT was CHF 0.4 million up on its previous year's level, which equates to an EBIT margin of 2.6%, slightly below the 2.7% achieved in 2010.

The Group's 2011 net profit was CHF 57.4 million (CHF 63.6 million in 2010). Despite an acquisition-related financing requirement of some CHF 40 million, Valora's net debt remains modest, at CHF 41.0 million. The successful completion of new syndicated loan facilities and a new bond issue mean that the Group has the financing it will need to support its operational business needs and its Valora 4 Growth strategy over the next few years. With shareholders' equity accounting for 41.9% of total assets, Valora continues to maintain a sound balance sheet structure.

Divisions
Valora Retail further increases its profitability
Valora Retail successfully mastered the market challenges facing it in 2011, further increasing its market share through a combination of organic and acquisition-led growth. The division's 2011 external sales totalled CHF 1 760.8 million, +4.9% up on their level a year earlier. Reported net revenues were CHF 1 613.2 million. Reported operating profit, at CHF 41.8 million, was CHF +0.1 million up on its 2010 level. Stripping out the effects of exchange rates and the non-recurrence of 2010 football picture card earnings, Valora Retail's 2011 operating profit advanced +11.1% on the year to CHF 4.4 million, which equates to an EBIT margin of 2.7%, compared to 2.5% in 2010.

Valora Services – sharp contraction of press volumes
The Group's Services division generated net revenues of CHF 599.7 million in 2011, -14.9% lower than a year earlier. The principal cause of this decline was the sharp contraction of press volumes in all its country units, those in Switzerland being the worst affected with a shortfall of -7%. Exchange rates were an additional adverse factor, reducing the division's revenues by CHF 19.2 million. Valora

Services' reported operating profit for 2011 was CHF 20.0 million, CHF 8.3 million lower than in 2010. After adjusting for exchange rate and football picture card effects, Valora Services' 2011 operating profit was CHF 3.0 million lower than the year before. While the various cost-cutting measures the division implemented and the new services it introduced counteracted the effects of declining press volumes, they did not fully offset them.

Valora Trade benefits from successful acquisitions
At CHF 744.5 million, the Trade division's reported net revenues for 2011 were +3.1% ahead of their 2010 levels, or +11.0% in local currency terms. Thanks to their acquisitions of cosmetics distributors EMH and ScanCo, Trade Norway and Trade Sweden achieved the most notable increases in local currency sales while Trade Germany benefited from its acquisition of Salty Snacks Delicatessen. The most demanding challenges in 2011 were those faced by the division's Swiss country unit, which came under increasing pressure from parallel imports by retailers. Valora Trade's reported operating profit for 2011 was CHF 16.3 million. In local currency terms, this equates to an improvement of CHF 0.2 million on 2010 levels.

Systematic implementation of Valora 4 Growth strategy continues
The Group made significant progress in the implementation of its Valora 4 Growth (V4G) expansion strategy, paving the way for achievement of its objectives.

- The G1 (organic margin growth) initiatives have seen adoption of the agency business model progress faster than originally planned, with 180 k kiosks now operating as agencies. Profitability at these outlets has improved, with sales growing an average of 3% while costs have declined by an average of 6%.
  Implementation of centralised purchasing procedures has made it possible to upgrade the contract and terms management system and increase professionalism in this area of Valora's operations.
- The G2 (organic revenue growth) initiatives are also achieving positive results, particularly as far as enhancement of the Retail divison's product mix is concerned. Initial test results at the pilot site for the new k kiosk format, for example, have seen food sales advance 15%. During 2012, the new k kiosk format will be refined further and rolled out to additional sites. Valora's extension of the range of logistics services it offers, principally based on exploiting its competitive advantages in start-of-day logistics, got off to a good start with a major mandate for small package distribution and now already has eleven mail order houses under contract. This service is meeting with substantial customer demand and should prove effective in offsetting the effects of declining press volumes over the next few years. Equally strong performance is being achieved by Valora's avec. convenience format, which is benefiting from enhancements to store layout and the stores' fresh produce and food product ranges.
- On the G3 (acquisition-led growth at Retail/Services) front, transformation of the tabacon outlets purchased in 2010 to Valora's k kiosk format is progressing well. Valora Retail's 2012 acquisition of the outlets operated by Schmelzer Bettenhausen, Austria's leading railway station bookseller, marks the division's entry into the Austrian market. These stores, sited at major Austrian railway stations and Vienna airport, will shortly be transformed to Valora's successful Press&Books (P&B) format.
- Implementation of the G4 (acquisition-led growth at Trade) initiatives saw Valora Trade add cosmetics to its category porftolio through its acquisition of cosmetics distributors EMH in Norway and ScanCo in Sweden, both attractive companies. In Germany, Valora Trade's acquisition of niche distributor Salty Snacks Delicatessen enabled it to add the profitable savoury baked goods category to its portfolio.

Significant new initiatives taken to secure future growth
2011 demonstrated that Valora is on the right track with its V4G strategy. The initiatives defined in the plan are the right ones for achieving the growth and sustained improvement in profitability Valora is targeting. The acquisition of the Lekkerland subsidiary Convenience Concept with its 1 300 German outlets represents a major milestone in this regard. The transaction significantly strengthens Valora's status as a micro-retailer not only in Germany itself but throughout Europe's German-speaking region as well. It also means that the Group's objective of operating more than 1 000 kiosks in Germany by 2015 has already been reached in early 2012. Acquisitions of additional travel retail formats remain a strategic focus. Valora Trade has purchased three excellent companies and will continue to pursue a strategy of adding further profitable categories to its portfolio in future. Regional expansion of the division's classical trade business, conversely, will be ascribed a lower priority in the short term, given the weakness of consumer confidence, and initiatives here will, for the time being, be pursued on an opportunistic basis only.
In aggregate, Valora expects its strategic initiatives to increase consolidated external sales to some CHF 3.9 billion by 2015, with operating profit projected in the CHF 110 million to CHF 130 million range.

Board to recommend unchanged dividend at 2012 Ordinary General Meeting
At the Ordinary General Meeting to be held on April 19, 2012, Valora's Board of Directors will recommend a dividend of CHF 11.50 per share. Once again, shareholders will also be given the opportunity of casting a consultative vote on the remuneration report for the most recent financial year. All Board members will stand for re-election.

Improvement on previous year's results expected for 2012, despite further acceleration of press volume decline and weak Swiss retail market
Across European markets, but particularly in Switzerland, business conditions affecting Valora's core business will remain very challenging in 2012. The further acceleration in the decline of the press market is impacting both the Services and the Retail divisions. This is a factor over which Valora can exercise little influence, as indeed is the weakness of retail spending in Switzerland, itself exacerbated by the strength of the Swiss franc and the ongoing shopping tourism in which Swiss consumers are engaging. Despite the adverse effects which these conditions will continue to exert, it is Valora's objective to increase its operating profit above 2011 levels this year. In the words of Thomas Vollmoeller, Valora's CEO, „We are on the right trajectory with our V4G strategy, and this has enabled us to secure a basis from which to achieve our medium-term growth objectives ."

.

Valora Group key financial data

Income statement in CHF million	2011	2010
External sales	**2'961.9**	2'946.5
Adjusted external sales*	*3'093.4*	*2'909.2*
Net revenues	**2'817.9**	2'877.7
Adjusted* net revenues	2'936.4	2'840.4
Gross profit	**876.4**	875.2
Gross profit margin	*31.1%*	30.4%
Operating costs, net	**-805.9**	-793.9
Operating profit (EBIT)	**70.5**	81.3
EBIT margin	*2.5%*	2.8%
Adjusted* operating profit (EBIT)	75.8	75.4
Adjusted EBIT margin*	*2.6%*	2.7%
Group net profit	**57.4**	63.6

* Adjusted for currency fluctuations and World Cup 2010 picture cards

Liquidity, balance sheet in CHF million	31.12.2011	31.12.2010
Cash and cash equivalents	109.6	130.5
Shareholders' equity	462.3	478.1
Equity cover	*41.9%*	*43.6%*
Net debt	41.0	14.1

Valora divisions' key financial data

Key metrics	Retail			Services			Trade		
in CHF million	**2011**	**2010**	**△**	**2011**	**2010**	**△**	**2011**	**2010**	**△**
External sales[1]	**1,760.8**	**1'678.8**	**+4.9%**						
Adjusted external sales*[1]	*1,819.0*	*1'669.1*	*+9.0%*						
Net revenues[1]	**1,613.2**	**1'606.5**	**+0.4%**	**599.7**	**705.1**	**-14.9%**	**744.5**	**721.8**	**+3.1%**
Adjusted net revenues*[1]	*1,658.3*	*1'596.9*	*+3.8%*	*618.9*	*677.5*	*-8.6%*	*801.2*	*721.8*	*+11.0%*
Operating profit (EBIT)	**41.8**	**41.7**	**+0.2%**	**20.0**	**28.3**	**-29.6%**	**16.3**	**17.7**	**-7.9%**
Adjusted operating profit (EBIT)*	*44.1*	*39.7*	*+11.1%*	*21.4*	*24.5*	*-12.4%*	*17.9*	*17.7*	*+1.1%*
EBIT margin	**2.6%**	**2.6%**	**+0.0pP**	**3.3%**	**4.0%**	**-0.7pP**	**2.2%**	**2.5%**	**-0.3pP**
Adjusted EBIT margin*	*2.7%*	*2.5%*	*+0.2pP*	*3.5%*	*3.6%*	*-0.1pP*	*2.2%*	*2.5%*	*-0.3pP*

* Adjusted for currency fluctuations and World Cup 2010 picture cards | [1] before inter-company eliminations

The following documents are available on www.valora.com

Annual Report 2011
http://www.valora.com/media/documents/english/reports/2011/valora_gb2011_en_gesamt.pdf

Press release
http://www.valora.com/en/media/newsinformation/news_00437.php

2011 results presentation
http://www.valora.com/media/documents/english/presentations/2011/valora_gb2011_en_praesentation.pdf

For further information on the above, please contact:

Media Relations:
Stefania Misteli
Phone: +41 61 467 36 31
E-mail: stefania.misteli@valora.com

Investor Relations:
Mladen Tomic
Phone: +41 61 467 36 50
E-mail: mladen.tomic@valora.com

Valora Telephone Conference – Analysts' and Media Conference 2012
Wednesday, March 28, 2012 | 15:00 CET

Thomas Vollmoeller, CEO of Valora Holding AG, and Lorenzo Trezzini, CFO, will provide information about the Group's 2011 results during a telephone conference. This dial-in conference call will be held in **English**.

To participate in the **conference**: call the following number
(please call 10 to 15 minutes before the hour):

+41 (0) 91 610 56 00 (Europe)
+44 (0) 203 059 58 62 (UK)
+ 1 (1) 866 291 41 66 (USA - toll-free)

The playback will be available one hour after the conference and will remain accessible for 24 hours thereafter (till the same time on March 29th, 2012). Participants wishing to listen to the digital playback should dial:

+41 (0) 91 612 43 30 (Europe)
+44 (0) 207 108 62 33 (UK)
+ 1 (1) 866 416 25 58 (USA)

and should enter the code **13443** followed by the # sign when prompted.

Disclaimer