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Valora announces satisfactory results for first-half 2008 – key platforms for future performance in place

- **Net sales increase and operating earnings double, with all areas contributing to positive results**
- **New logistics site to enhance quality and efficiency**
- **Consolidation of corporate locations in progress – further improvement initiatives being prepared**
- **2008 objectives re-affirmed – Investors' and Media Day announced for September 24, 2008**

Net turnover up, operating income doubled

The Valora Group achieved positive performance during the first six months of 2008. Net sales were increased by 6.6%, or some CHF 90 million, on the levels achieved a year earlier, with roughly half, or CHF 46 million, of the higher revenues generated from activities related to the EURO 2008 soccer championships. Gross margins were maintained at 2007 levels and operating income rose to CHF 28.6 million, of which some CHF 9 million (nearly CHF 4 million at the Group's Retail division and nearly CHF 5 million from Valora Media) was attributable to the sale and distribution of EURO 2008 related items. This represents a doubling of operating income compared to the same period of 2007 and an increase in operating margins to 2.0%. The cost/income ratio was lowered by one percentage point. Group net earnings rose CHF 11.9 million to CHF 26.6 million and has been more than doubled.
Free cash flow for the period advanced to CHF 73 million, while consolidated net debt was cut to CHF 9 million. Shareholders' equity now represents more than 45% of total assets.

Positive performance in all areas

First-half 2008 saw all divisions increase their net sales on the levels achieved a year earlier. The largest increase in revenues was notched up by the Media division, whose turnover rose 12.3%, while Retail gained 6.8% and Trade edged up 0.6%.

Retail division's Swiss kiosk sales advance 5%
Valora Retail's sales reached CHF 864 million, CHF 55 million ahead of their levels in the same period of 2007. This growth was driven by the distribution of EURO 2008 items (CHF 16 million) expanding activities in Germany and re-designed avec. convenience stores. The greatest sales increase in absolute terms was achieved by the Group's kiosk operations in Switzerland, whose turnover increased by over CHF 20 million, an increase of some 5%.

Valora Media grows Austrian sales
The Group's Media division boosted its sales by CHF 33.4 million, or 12.3%, compared to their levels a year earlier. A major contribution to this advance (CHF 26 million) came from sales of

EURO 2008 articles, especially in Austria. Media Austria also benefited from signing up two new publishers, Egmont/Ehapa and Marquard Media.
By expanding its subscription business and through various other initiatives, Valora Media's management is tapping new sources of future growth.

Trade division holds its own in a challenging market and looks to the 2nd half of 2008 with confidence
Despite pressure on prices and margins, Valora Trade succeeded in raising its sales by 0.6% to reach CHF 393.4 million and to improve its gross margins by half a percentage point to 19.8%. Although higher prices made for noticeably weaker sales in Austria, Germany and Sweden, the division's revenues performed well in Switzerland.
To reverse these adverse market effects, during first-half 2008 the Trade division succeeded in acquiring new principals, introducing new products and intensifying its building of new categories. These measures can be expected to generate positive results in the second half of this year.

Corporate Information Services – major projects on track
Corporate Information Services' main current tasks are the expansion of the modern electronic retail platform and the completion of the integrated inventory management system for Kiosk Switzerland. Valora Media and Group Finance successfully completed their migration to the new SAP platform this summer.

Financing operations generate pleasing results
Despite adverse foreign exchange trends, the Group's net financial income for the period closed with a small shortfall of CHF 2.6 million. Taxes accounted for 21.7% of pre-tax income, in line with expectations. Thanks to good operating performance and an overall inflow of funds from the sale of the production companies, the Group's net debt now stands at a modest CHF 9 million. Shareholders' equity accounts for more than 45% of total assets.

First six months set stage for important future initiatives

New management
With Thomas Vollmoeller and Kaspar Niklaus having taken up their new posts, the key roles of Group CEO and Retail division head have successfully been filled. With these proven retail specialists now on board, Valora's Group Executive Management team is complete.

Sale of Own Brands
First-half 2008 saw the successful completion of the sale of Valora's production units. Despite challenging market conditions, this generated CHF 8 million in book profit after transaction costs and before provisions for guarantees granted.

Dissolution of joint venture
Valora's intended discontinuation of its convenience store joint venture with Migros opens up promising perspectives in this rapidly expanding sector. Valora can now strengthen and further expand the activities of its successful avec. convenience store brand.

Share buy-back programme
The share buy-back programme initiated on July 1, 2008 is now well under way. As of August 14, 2008, some 113,000 shares had been re-purchased through the second trading line on SWX, representing more than 20 percent of the full projected amount. Valora's firm financial footing means that financing for the entire programme is assured.

New logistics site to usher in enhancements to quality and efficiency

With its six floors, the current logistics facility in Muttenz prevents optimisation of Valora's logistics operations. The volumes of goods and press items now being handled have reached the maximum capacity the infrastructure can support, thus impeding future growth. The Board and Valora's Executive Management have therefore decided to transfer the Group's logistics operations from Muttenz to an optimal location in Egerkingen in Switzerland's centrally located Mittelland region, discontinuing the existing goods and press logistics systems by the end of 2009. This should allow for a significant reduction in current throughput times for press items and alternatives to the current press sorting and packing system are currently also being reviewed. "Our objective is to make a rapid and substantial improvement to the overall logistics service we provide to our publishers, suppliers and customers and at the same time to offer a modern work environment to our employees" as CEO Thomas Vollmoeller sums up this undertaking.

Further process enhancement initiatives being developed

The Group's new management is conducting an in-depth analysis of Valora's businesses. This has enabled a number of additional core initiatives to be identified which aim further to enhance the firm's performance. Focus areas are:

- Developing and strengthening key competencies (particularly at k kiosk)
- Harnessing the development potential of the convenience store sector and growing the avec. brand
- Enhancing the quality and performance of internal processes in IT and elsewhere, thus raising efficiency
- Fostering a stronger corporate culture by focusing activities on fewer sites
- Promoting entrepreneurship by introducing a share-based incentive scheme for management

Strategic objectives, core initiatives and plans for their implementation are currently being developed. These will be presented in the autumn of 2008.

2008 objectives re-affirmed – Investors' and Media Day announced for September 24, 2008

Valora re-affirms its planned objectives for full-year 2008 (sales growth of 3 - 5% and EBIT gains of 10 - 15% p.a.) The additional core initiatives which have now been identified will make a decisive contribution to further improving the Group's profitability in the medium term.

Valora will present the detailed strategy it is currently developing at an Investors' and Media Day to be held on September 24, 2008. "Valora will undergo a process of fundamental transformation over the next few years. The trajectory along which this will proceed has now been set" says Thomas Vollmoeller, describing the current state of play.

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Valora's 2008 interim report
and the accompanying presentation can be found on www.valora.com

Valora Telephone Conference – 2008 Half Year Results
Thursday, August 28, 16:00 CET

Thomas Vollmoeller, CEO of Valora Holding AG, and Markus Voegeli, CFO, will provide information about the Valora Half Year Results 2008 during a telephone conference. The Dial-In Conference Call will be held in **English.**

To participate in the **conference**: call the following number (please call 5 to 10 minutes before the hour):

Switzerland toll free:	**0 800 00 18 74**
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A playback of the conference will be available one hour after the conference call for 24 hours. Participants requesting the **Digital Playback** will be dialing:

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