

## CONSOLIDATED INCOME STATEMENT

	Note	2009	%	2008 Restated	%
<b>January 1 to December 31, in CHF 000 (except per-share amounts)</b>					
<b>Net revenues</b>	8	<b>2 896 995</b>	<b>100.0</b>	<b>2 931 067</b>	<b>100.0</b>
Cost of goods		- 2 029 360	- 70.1	- 2 038 374	- 69.5
<b>Gross profit</b>		<b>867 635</b>	<b>29.9</b>	<b>892 693</b>	<b>30.5</b>
Personnel expense	9	- 442 753	- 15.3	- 463 968	- 15.8
Other operating expenses	10	- 331 040	- 11.4	- 336 587	- 11.5
Depreciation	20, 21, 22	- 41 693	- 1.4	- 61 853	- 2.1
Other income, net	11	15 989	0.6	7 336	0.2
<b>Operating profit (EBIT)</b>		<b>68 138</b>	<b>2.4</b>	<b>37 621</b>	<b>1.3</b>
Financial expense	12	- 6 578	- 0.2	- 12 202	- 0.4
Financial income	13	1 275	0.0	4 595	0.2
Share of result from associates and joint ventures	25	600	0.0	1 131	0.0
<b>Earnings before taxes</b>		<b>63 435</b>	<b>2.2</b>	<b>31 145</b>	<b>1.1</b>
Income taxes	14	- 10 394	- 0.4	- 6 475	- 0.3
<b>Net profit from continuing operations</b>		<b>53 041</b>	<b>1.8</b>	<b>24 670</b>	<b>0.8</b>
Net profit from discontinued operations	7	1 868	0.1	14 727	0.5
<b>Net Group profit</b>		<b>54 909</b>	<b>1.9</b>	<b>39 397</b>	<b>1.3</b>
Attributable to shareholders of Valora Holding AG		53 957	1.9	38 558	1.3
Attributable to minority interests		952	0.0	839	0.0
<i>Earnings per share (in CHF)</i>					
from continuing operations, diluted and undiluted	15	18.94		7.74	
from discontinued operations, diluted and undiluted	7	0.68		4.78	
<b>from continued and discontinued operations, diluted and undiluted</b>	<b>15</b>	<b>19.62</b>		<b>12.52</b>	

The accompanying notes from page 59 to page 107 form an integral part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2009	2008 Restated
<b>January 1 to December 31, in CHF 000</b>		
<b>Net Group profit</b>	<b>54 909</b>	<b>39 397</b>
Actuarial gains/(losses) and pension asset recognition ceiling, before tax	- 23 823	- 81 310
Deferred taxes	4 807	16 318
<b>Actuarial gains/(losses) and pension asset recognition ceiling, after tax</b>	<b>- 19 016</b>	<b>- 64 992</b>
Valuation gains on financial investments available for sale	33	46
Deferred taxes	- 8	- 10
<b>Valuation gains on financial investments available for sale</b>	<b>25</b>	<b>36</b>
Fair value losses on cash flow hedge	0	- 130
Income statement reclassification following removal of cash flow hedge	0	- 75
<b>Fair value losses on cash flow hedge</b>	<b>0</b>	<b>- 205</b>
<b>Taxes on share-based remuneration</b>	<b>0</b>	<b>- 4</b>
<b>Currency translation adjustments</b>	<b>1 845</b>	<b>- 32 028</b>
<b>Total other comprehensive income</b>	<b>- 17 146</b>	<b>- 97 193</b>
<b>Total comprehensive income</b>	<b>37 763</b>	<b>- 57 796</b>
Attributable to shareholders of Valora Holding AG	36 820	- 58 270
Attributable to minority interests	943	474

## CONSOLIDATED BALANCE SHEET

### ASSETS

	Note	31.12.2009	%	31.12.2008 Restated	%	01.01.2008 Restated	%
in CHF 000							
<i>Current assets</i>							
Cash and cash equivalents	16	161 565		158 436		153 426	
Derivative assets	33	48		712		286	
Trade accounts receivable	17	163 289		153 728		164 499	
Inventories	18	230 218		228 977		236 564	
Current income tax receivable		2 566		796		75	
Other current receivables	19	64 734		47 118		43 802	
<b>Current assets</b>		<b>622 420</b>	<b>56.6%</b>	<b>589 767</b>	<b>55.6%</b>	<b>598 652</b>	<b>43.7%</b>
Assets held in disposal groups		0		0		178 053	
Assets held for sale	20, 21	968		0		0	
<b>Total current assets</b>		<b>623 388</b>	<b>56.7%</b>	<b>589 767</b>	<b>55.6%</b>	<b>776 705</b>	<b>56.7%</b>
<i>Non-current assets</i>							
Property, plant and equipment	20	219 734		219 124		237 977	
Goodwill, software and other intangible assets	22	161 485		138 412		134 515	
Investment property	21	10 080		14 662		15 316	
Investment in associates and joint ventures	25	5 379		4 931		14 635	
Financial assets	24	9 664		10 588		28 676	
Net pension asset	30	31 077		43 824		123 279	
Deferred income tax assets	14	38 215		38 737		38 134	
<b>Total non-current assets</b>		<b>475 634</b>	<b>43.3%</b>	<b>470 278</b>	<b>44.4%</b>	<b>592 532</b>	<b>43.3%</b>
<b>Total assets</b>		<b>1 099 022</b>	<b>100.0%</b>	<b>1 060 045</b>	<b>100.0%</b>	<b>1 369 237</b>	<b>100.0%</b>

**LIABILITIES AND EQUITY**

	Note	31.12.2009	%	31.12.2008 Restated	%	01.01.2008 Restated	%
in CHF 000							
<i>Current liabilities</i>							
Short-term financial debt	26	1 527		1 447		1 708	
Derivative liabilities	33	727		617		0	
Trade accounts payable	27	284 167		252 988		281 854	
Current income tax liabilities		13 585		8 834		9 696	
Other current liabilities	28	148 725		136 095		122 170	
Current provisions	29	3 232		7 652		250	
<b>Current liabilities</b>		<b>451 963</b>	<b>41.1%</b>	<b>407 633</b>	<b>38.5%</b>	<b>415 678</b>	<b>30.4%</b>
Liabilities from disposal groups		0		0		69 963	
<b>Total current liabilities</b>		<b>451 963</b>	<b>41.1%</b>	<b>407 633</b>	<b>38.5%</b>	<b>485 641</b>	<b>35.5%</b>
<i>Non-current liabilities</i>							
Other non-current liabilities	26	153 440		160 181		207 047	
Long-term accrued pension cost	30	15 063		13 634		15 073	
Long-term provisions	29	10 019		12 770		8 812	
Deferred income tax liabilities	14	14 819		15 422		31 721	
<b>Total non-current liabilities</b>		<b>193 341</b>	<b>17.6%</b>	<b>202 007</b>	<b>19.0%</b>	<b>262 653</b>	<b>19.2%</b>
<b>Total liabilities</b>		<b>645 304</b>	<b>58.7%</b>	<b>609 640</b>	<b>57.5%</b>	<b>748 294</b>	<b>54.7%</b>
<i>Equity</i>							
Share capital	36	2 800		3 300		3 300	
Treasury stock		- 10 323		- 108 180		- 28 481	
Mark-to-market, financial instruments		8		- 17		152	
Retained earnings		472 962		569 401		628 309	
Cumulative translation adjustments		- 15 570		- 17 424		14 239	
<b>Equity of Valora Holding AG shareholders</b>		<b>449 877</b>	<b>40.9%</b>	<b>447 080</b>	<b>42.2%</b>	<b>617 519</b>	<b>45.1%</b>
Minority interest in shareholders' equity		3 841		3 325		3 424	
<b>Total equity</b>		<b>453 718</b>	<b>41.3%</b>	<b>450 405</b>	<b>42.5%</b>	<b>620 943</b>	<b>45.3%</b>
<b>Total liabilities and equity</b>		<b>1 099 022</b>	<b>100.0%</b>	<b>1 060 045</b>	<b>100.0%</b>	<b>1 369 237</b>	<b>100.0%</b>

The accompanying notes from page 59 to page 107 form an integral part of these consolidated financial statements.

## CONSOLIDATED CASH FLOW STATEMENT

	Note	2009	2008 Restated
<i>January 1 to December 31, in CHF 000</i>			
<b>Operating profit (EBIT) from continuing operations</b>		<b>68 138</b>	<b>37 621</b>
<i>Elimination of non-cash transactions in operating profit (EBIT)</i>			
Depreciation on property, plant, equipment and investment property	20, 21	29 666	45 609
Amortisation of intangible assets	22	12 027	16 244
(Book gains) book losses on sale of fixed assets, net	11	- 8 120	956
Share-based remuneration	31	1 812	1 404
(Release) creation of provisions, net	29	- 1 415	5 873
Decrease in accrued pension cost		- 10 514	- 842
<i>Changes in net working capital, net of acquisitions and disposals of business units</i>			
Increase in trade accounts receivable		- 7 426	- 2 051
Decrease (increase) in inventories		2 021	- 4 503
Increase in other current assets		- 7 925	- 4 787
Increase (decrease) in trade accounts payable		28 461	- 11 851
Provisions assigned	29	- 4 377	- 501
Increase in other liabilities		10 511	16 422
<b>Net cash provided by operating activities from continuing operations</b>		<b>112 859</b>	<b>99 594</b>
Interest paid		- 6 577	- 10 429
Income taxes paid		- 2 998	- 9 199
Interest received		2 452	6 245
Dividend payments received		430	370
<b>Total net cash provided by operating activities from continuing operations</b>		<b>106 166</b>	<b>86 581</b>
Total net cash provided by operating activities from discontinued operations	7	0	4 917
<b>Total net cash provided by operating activities</b>		<b>106 166</b>	<b>91 498</b>

	Note	2009	2008 Restated
<b>January 1 to December 31, in CHF 000</b>			
<i>Cash flow from investing activities</i>			
Investment in fixed assets	20	- 29 258	- 26 025
Proceeds from sale of fixed assets	20	3 706	643
Proceeds from sale of investment property	21	2 924	0
Acquisition of subsidiaries, net of cash acquired	6	- 10 562	- 3 556
Disposal of business units, net of cash sold	7, 6	0	118 238
Sale of financial investments		664	18 524
Purchases of other intangible assets	22	- 27 972	- 17 889
Proceeds from sale of other intangible assets	22	333	158
<b>Net cash (used in)/provided by investing activities from continuing operations</b>		<b>- 60 165</b>	<b>90 093</b>
Net cash used in investing activities from discontinued operations	7	0	- 17 598
<b>Net cash (used in)/provided by investing activities</b>		<b>- 60 165</b>	<b>72 495</b>
<i>Cash flow from financing activities</i>			
Repayment of short-term financial liabilities		- 1 188	- 1 743
Increase in long-term financial liabilities	26	32 503	43 506
Repayment of long-term financial liabilities	26	- 38 624	- 89 798
Treasury stock purchased		- 24 695	- 84 661
Treasury stock sold		12 612	1 140
Dividends paid		- 24 705	- 28 606
Dividends paid to minorities		- 427	- 573
<b>Net cash used in financing activities from continuing operations</b>		<b>- 44 524</b>	<b>- 160 735</b>
Net cash provided by financing activities from discontinued operations	7	0	1 046
<b>Net cash used in financing activities</b>		<b>- 44 524</b>	<b>- 159 689</b>
<b>Net increase in cash and cash equivalents from continuing operations</b>		<b>1 477</b>	<b>15 939</b>
Net decrease in cash and cash equivalents from discontinued operations		0	- 11 635
<b>Net increase in cash and cash equivalents</b>		<b>1 477</b>	<b>4 304</b>
Translation adjustments on cash and cash equivalents		1 652	- 12 363
Cash and cash equivalents at beginning of year from continuing operations		158 436	153 426
Cash and cash equivalents at beginning of year from discontinued operations		0	13 069
Cash and cash equivalents at beginning of year		158 436	166 495
<b>Cash and cash equivalents at year end from continuing operations</b>	16	<b>161 565</b>	<b>158 436</b>
Cash and cash equivalents at year end from discontinued operations		0	0
<b>Cash and cash equivalents at year end</b>		<b>161 565</b>	<b>158 436</b>

The accompanying notes from page 59 to page 107 form an integral part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

### Equity

		<i>Equity of Valora Holding AG</i>							
	Note	Share capital	Treasury stock	Mark-to-market, financial instru- ments	Retained earnings	Cumulative translation adjustments	Total equity of majority shareholders	Minority interest	Total equity
in CHF 000									
<b>Balance at December 31, 2007</b>		<b>3 300</b>	<b>- 28 481</b>	<b>152</b>	<b>606 637</b>	<b>14 239</b>	<b>595 847</b>	<b>3 424</b>	<b>599 271</b>
IAS 19 restatement, change in accounting method					31 576		31 576		<b>31 576</b>
Restatement, IAS 19 error					- 7 214		- 7 214		<b>- 7 214</b>
Restatement, VAT liabilities error					- 2 690		- 2 690		<b>- 2 690</b>
<b>Balance at January 1, 2008</b>		<b>3 300</b>	<b>- 28 481</b>	<b>152</b>	<b>628 309</b>	<b>14 239</b>	<b>617 519</b>	<b>3 424</b>	<b>620 943</b>
Total comprehensive income				- 169	- 26 438	- 31 663	- 58 270	474	<b>- 57 796</b>
Share-based remuneration	31				- 1 893		- 1 893		<b>- 1 893</b>
Dividend paid on 2007 result					- 28 606		- 28 606	- 573	<b>- 29 179</b>
Treasury stock purchased			- 84 661				- 84 661		<b>- 84 661</b>
Decrease in treasury stock			4 962		- 1 971		2 991		<b>2 991</b>
<b>Balance at December 31, 2008</b>		<b>3 300</b>	<b>- 108 180</b>	<b>- 17</b>	<b>569 401</b>	<b>- 17 424</b>	<b>447 080</b>	<b>3 325</b>	<b>450 405</b>
Total comprehensive income				25	34 941	1 854	36 820	943	<b>37 763</b>
Share-based payments	31				339		339		339
Dividend paid on 2008 result					- 24 705		- 24 705	- 427	<b>- 25 132</b>
Treasury stock purchased			- 24 695				- 24 695		<b>- 24 695</b>
Decrease in treasury stock			19 043		- 4 005		15 038		15 038
Share capital reduction		- 500	103 509		- 103 009		0		0
<b>Balance at December 31, 2009</b>		<b>2 800</b>	<b>- 10 323</b>	<b>8</b>	<b>472 962</b>	<b>- 15 570</b>	<b>449 877</b>	<b>3 841</b>	<b>453 718</b>

The accompanying notes from page 59 to page 107 form an integral part of these consolidated financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1 INFORMATION REGARDING THE GROUP

Valora is a Swiss trading group, whose parent company, Valora Holding AG, is listed on the Swiss Stock Exchange. Valora's consolidated financial statements for the 2009 financial year were approved by the Board of Directors on March 24, 2010. These consolidated financial statements are subject to approval by the General Meeting of Shareholders to be held on April 22, 2010.

## 2 ACCOUNTING POLICIES

*Basis of financial statement presentation.* In preparing its consolidated financial statements Valora generally applies the historical cost principle. The exceptions to this are derivative financial instruments and financial assets available for sale, both of which are stated at fair value. Consolidation is based on the individual group companies' financial statements, which are prepared according to a uniform set of accounting principles. The Group consolidates its accounts in Swiss francs. Unless otherwise stated, all values stated in money terms have been rounded to the nearest thousand Swiss francs.

*Compliance with IFRS, the Swiss Code of Obligations and Swiss Stock Exchange listing rules.* The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and in compliance with the legal provisions of the Swiss Code of Obligations. They also meet all the listing regulations promulgated by the Swiss Stock Exchange.

### *Key accounting principles.*

*Consolidation.* In addition to the accounts of Valora Holding AG, Muttenz, Switzerland, the Valora Group's financial statements also encompass those of its subsidiaries and participations as follows:

*Consolidated companies.* Group companies which Valora Holding AG directly or indirectly controls are fully consolidated. In determining whether such control exists, any potential voting rights arising from shares which could currently be acquired through exercise or conversion are also taken into account. Group companies acquired are consolidated from the day Valora assumes control over them and deconsolidated from the day Valora ceases to exercise such control.

*Consolidation method.* All intra-Group assets, liabilities, revenues and expenditures, and all unrealised gains or losses on intra-Group transactions, are fully eliminated. The shareholders' equity of consolidated Group companies matches and offsets the book value of the parent company's participation in them at the time these companies are acquired or established. Once initial consolidation has taken place, profit or loss attributable to each accounting period is passed to the subsidiaries' retained earnings. Minority interests are defined as that part of subsidiaries' net profit and net equity which are not attributable to the Valora Group. These minority interests are disclosed separately in the consolidated income statement, consolidated statement of comprehensive income and the balance sheet. In the Group balance sheet, minority interests are shown in the shareholders' equity section, but are reported separately from the equity attributable to shareholders of Valora Holding AG. Valora's purchases of minority interests are treated according to the purchase method, with the difference between the purchase price paid and the book value of net assets acquired being recognised as goodwill.

*Non-consolidated participations (associated companies and joint ventures).* Associated companies and joint ventures are treated according to the equity method. Associated companies are companies over which Valora exerts significant influence, but does not control. Significant influence is assumed to be exerted on companies in which Valora holds between 20% and 50% of the voting shares. Joint ventures are defined as joint undertakings which are managed with one partner under a contractual agreement. Participations treated under the equity method are recorded on the balance sheet at purchase cost and reported under «Investments in associates and



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

joint ventures». In the reporting periods following acquisition, the value of this item is adjusted to reflect Valora's share of the changes in shareholders' equity of the associated companies and joint ventures. Any valuation gains or losses not affecting net income of associated companies and joint ventures are credited or debited directly to Valora's other comprehensive income. Dividends received by Valora reduce the value of its investments.

*Scope of consolidation.* Note 38 provides an overview of the Valora Group's significant subsidiaries.

*Changes in consolidation scope.* As of January 1, 2009, the Valora Group acquired 100% of Konrad Wittwer GmbH Bahnhofsbuchhandlungen, a German company with registered offices in Stuttgart. In 2008, Valora acquired Media Center Gesellschaft für Presse- & Tabakhandel mbH, a German company with registered offices in Berlin. Cevanova AG, which originally operated the avec. retail chain in Switzerland, was a joint venture between Valora and Migros which was dissolved with effect from July 1, 2008. Valora's Own Brands companies, which had already been classified as discontinued operations in 2007, were sold during the first half of 2008. Additional information on these transactions is presented in notes 6 and 7 below.

*Consolidation period.* The consolidation period applied to all Group companies is the calendar year. The financial statements are presented as of December 31.

### 3 CHANGES TO ACCOUNTING POLICIES

#### *Implementation of new International Financial Reporting Standards (IFRS) and interpretations thereof.*

Adoption of the following changes to International Financial Reporting Standards (IFRS) and interpretations thereof was first required for the Group's 2009 accounts:

IFRS 8 'Operating Segments' came into effect on January 1, 2009, replacing the previous IAS 14 'Segment Reporting' standard. This new standard requires that the definition of segments be made according to the management approach. Application of IFRS 8 did not result in any material changes in presentation, since the previous business segments used under IAS 14 were largely in line with those now required under IFRS 8. Operating segments are identified on the basis of the type of product and the way in which it is distributed. The reporting segments used in these financial statements cover a number of formats and geographical regions as explained and presented in note 8 below.

The revised IAS 1 'Presentation of Financial Statements' standard came into effect on January 1, 2009. This revised standard provides for new designations for individual sections of the financial statements. The use of these new designations is not compulsory, however, and Valora has not adopted them. The standard also requires a comprehensive statement of income, either in the form of a comprehensive presentation of all income components or as a separate statement. Valora has elected to present two separate statements (a consolidated income statement and a consolidated statement of comprehensive income).

The revised IAS 23 'Borrowing Costs', IAS 32 'Financial instruments: Presentation' and IFRS 2 'Share-based Payment' standards all came into effect on January 1, 2009 and did not result in any changes to the consolidated financial statements of the Valora Group.

IFRIC 15 'Agreements for the Construction of Real Estate', which came into effect on January 1, 2009, and IFRIC 16 'Hedges of Net Investment in a Foreign Operation', which came into effect on October 1, 2008, do not have any effect on the Valora Group's consolidated financial statements, since no transactions or positions of the type covered by these standards exist. The effects of IFRIC 13 'Customer Loyalty Programmes' are not material, since Valora operates short-term oriented loyalty programmes only to a very limited extent. These programmes are subject to ongoing assessment in this regard.

The changes to IFRIC 14 'The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction' set out by the International Accounting Standards Board (IASB) in November 2009, have already been taken into account. Their retro-active application as of January 1, 2008 did not result in any changes.

Neither the changes to IFRS 7 'Liquidity Risk and Fair Value Disclosures', nor the Annual Improvements (2008) which came into effect on January 1, 2009 had any material effect on Valora's accounts.

In addition the treatment of actuarial gains and losses on defined-benefit pension plans was changed. In accordance with IAS 19, Valora switched from the corridor method to the direct recognition in equity approach (Comprehensive Income Method). As required by IAS 8, this change in accounting method was applied retro-actively as of January 1, 2008.

*Future implementation of International Financial Reporting Standards (IFRS) and interpretations thereof.* These consolidated financial statements have not yet adopted the following new standards or modifications to existing standards and their interpretation, all of which the Valora Group will be required to apply in its accounts for 2010 or thereafter:

The changes to IAS 27 'Consolidated and Separate Financial Statements' and IFRS 3 'Business Combinations' will not have any financial consequences for the Valora Group. Future business combinations will be affected.

The new IFRIC 17 interpretation 'Distribution of Non-cash Assets to Owners' will not have any effect on the Valora Group's accounts.

The effects of IFRIC 18 'Transfer of Assets from Customers' are not material.

The changes to IAS 39 'Exposures Qualifying for Hedge Accounting' will not have any effect on the Valora Group's accounts. The effects of the changes in IFRS 2 'Group Cash-settled Share-based Payments' are not material.

The changes to IFRIC 9 'Reassessment of Embedded Derivatives', IAS 32 'Classification of Rights Issues' and IFRIC 19 'Extinguishing Financial Liabilities with Equity Instruments' will not have any effect on the Valora Group.

The changes to IAS 24 'Related Party Disclosures', IFRS 9 'Financial Instruments' and the Annual Improvements (2009) which will come into effect on January 1, 2010 or thereafter will not have any material effect on the Valora Group.

*Restatement of the consolidated financial statements.* In accordance with IAS 19, the Valora Group switched from the corridor method to the direct recognition in shareholders' equity method for actuarial gains and losses (Comprehensive Income Method). As stipulated in IAS 8, this change in accounting method was applied retro-actively with effect from January 1, 2008. This resulted in an increase in the valuation of the pension fund asset by CHF 40 359 thousand and an increase in the long-term pension obligations by CHF 996 thousand. The opening balance of the retained earnings account was therefore increased by a corresponding amount, which was reduced by the effect of the CHF 7 787 thousand adjustment in deferred taxes.

In addition, pension reinsurance contracts concluded abroad did not meet the criteria required for recognition as pension plan assets, and long-term pension obligations had been recognised as short-term liabilities. Contrary to IAS 19 requirements, no accruals had historically been recognised in respect of employment anniversary awards to employees. These errors from prior accounting periods were corrected retro-actively with effect from January 1, 2008, in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'. This resulted in an increase in financial investments of CHF 2 327 thousand, an increase in other current liabilities of CHF 1 738 thousand, an increase in long-term pension obligations of CHF 4 065 thousand, an increase in other non-current liabilities of CHF 9 307 thousand and an increase in deferred income tax assets of CHF 2 093 thousand.

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As a result of errors in VAT returns, VAT liabilities abroad had not been fully recognised. In accordance with IAS 8, this error was corrected retro-actively as of January 1, 2008 and resulted in an increase of CHF 2 690 in other current liabilities.

The effects of these restatements are shown in the table below:

in CHF 000	January 1, 2008 before restatement	January 1, 2008 restated
Net pension asset	82 920	123 279
Deferred income tax assets	36 041	38 134
Financial investments	26 349	28 676
Other current liabilities	121 218	122 170
Long-term accrued pension cost	10 012	15 073
Other non-current liabilities	197 740	207 047
Deferred income tax liabilities	23 934	31 721
Total equity	599 271	620 943

in CHF 000	December 31, 2008 before restatement	December 31, 2008 restated
Net pension asset	83 997	43 824
Deferred income tax assets	36 677	38 737
Financial investments	8 458	10 588
Other current liabilities	134 522	136 095
Long-term accrued pension cost	8 335	13 634
Other non-current liabilities	151 022	160 181
Deferred income tax liabilities	23 952	15 422
Total equity	493 889	450 405
Net revenues	2 931 656	2 931 067
Personnel expenses	- 464 077	- 463 968
Income taxes	- 6 451	- 6 475
Net Group profit	39 901	39 397
Earnings per share	7.91	7.74

#### 4 GENERAL ACCOUNTING POLICIES

**Conversion of foreign currencies.** Transactions in foreign currencies are converted into Swiss francs at the exchange rate applicable on the transaction date. At the balance sheet date, amounts receivable and payable in foreign currencies are converted into Swiss francs at the exchange rate applicable on that date, and any exchange rate differences so arising are booked to the income statement.

Upon consolidation, the assets and liabilities of subsidiaries whose operating currency is not the Swiss franc are converted into Swiss francs at the exchange rate prevailing on the balance sheet date. Income statement, cash flow statement and other movement items are converted into Swiss francs at average exchange rates for the period, provided such presentation sufficiently approximates the figures which would result from the application of transaction date rates. If not, movement items are converted at effective transaction rates. Exchange rate gains and losses

arising from the translation of annual financial statements of non-Swiss-franc subsidiaries are booked directly to consolidated shareholders' equity and reported separately as accumulated currency translation differences.

*Exchange rates applied for key foreign currencies*

	Average rate for 2009	Rate at December 31, 2009	Average rate for 2008	Rate at December 31, 2008
Euro, 1 EUR	1.510	1.486	1.587	1.487
Swedish krona, 100 SEK	14.23	14.49	16.49	13.72
Danish krone 100 DKK	20.28	19.97	21.29	19.97
Norwegian krone, 100 NOK	17.31	17.89	19.32	15.31

*Net revenues and revenue recognition.* Net revenues include all proceeds from the sale of goods and services, net of any deductions including rebates, discounts and other agreed concessions. Retail sales by the Valora Retail division are recognised upon sale to the customer. Payment is made in cash or by credit card. The sales value recorded is the amount received net of credit card fees. Wholesale revenues are recognised when the goods have been delivered, the customer has accepted them and there is sufficient certainty of the amount being received. Goods sold wholesale may be supplied on a sale-or-return basis. Where this applies, net revenues will be reduced by estimated return rates based on experience and other appropriate assumptions.

*Equity-based remuneration.* The Valora Group pays some of the remuneration it grants in the form of Valora shares. The expense from this recorded in the income statement is calculated by multiplying the number of shares granted by the market price prevailing on the grant date (minus any amount payable by the recipients). The expense arising from schemes which will definitely be paid out in shares (equity settled schemes) is accrued against shareholders' equity. The expense from schemes where payment in shares is not certain is accrued as a liability. If the conditions for the allocation of shares extend over several years, the relevant expenses are accrued in appropriate proportions to the years concerned, based on the degree to which the targets are expected to be achieved. Expenses for services provided by third parties which are paid for with Valora shares are charged to the income statement at the market value of the services provided.

*Net financial results.* Net gains and losses on the valuation of financial instruments at balance sheet dates which are credited or debited to the income statement do not include any dividend or interest payments. Dividend and interest income is reported separately (see notes 12 and 13).

*Income tax.* Income tax is calculated based on the tax laws of each applicable sovereign jurisdiction and is charged to the income statement for the accounting period in which the net income in question arose. Taxes on capital are reported under «Other operating expenses». The applicable effective tax rates are applied to net income.

Deferred taxes which arise as a result of timing differences between the values of assets and liabilities reported on the balance sheet and their applicable tax values are shown as deferred tax assets or deferred tax liabilities. Deferred tax assets are recognised when there is a probability that sufficient taxable income will be available to offset against them. Deferred income taxes are calculated based on the rates of tax which are expected to apply in the tax period in which the deferred tax asset or liability concerned will be realised or settled. Deferred tax liabilities on temporary differences are generally recorded. Deferred tax assets are recognised only if it is expected that they will be used. Taxes receivable are offset against taxes payable if they relate to the same taxable entity and there is an enforceable legal basis for them to be offset against each other. Changes to deferred tax liabilities or assets are reported as tax expense or income in the income

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

statement. This does not apply to deferred taxes relating to positions which are either shown under other income or are accrued directly to shareholders' equity.

*Disposals of business units.* When business units which are not classified as discontinued operations are sold, their operating results until the date of their sale are included under the appropriate line items in the income statement and cash flow statement.

*Net profit/loss from discontinued operations.* When business segments or significant business areas are sold, all the income statement items relating to these units are aggregated and shown in a separate income statement line as results from discontinued operations. The cash flow statement shows detailed cash flows from continuing operations only. The net cash flows from discontinued operations generated by operating, investing and financing activities are disclosed in one line each.

*Earnings per share.* Earnings per share are calculated by dividing the net profit from continuing operations attributable to shareholders of Valora Holding AG by the average number of shares of the Valora Holding AG parent company outstanding. Diluted earnings per share take account of potentially dilutive effects such as those arising from convertible bond issues or option schemes. These shares are included in the calculation of the number of outstanding shares and the diluted earnings per share figures are reported accordingly.

*Cash and cash equivalents.* Cash and cash equivalents comprise cash balances, sight deposits with banks and short-term money market investments with a maturity not exceeding 3 months.

*Trade accounts receivable.* Trade accounts receivable are recorded at amortised costs minus any necessary adjustments for doubtful accounts. Adjustments are made if there is objective evidence that the amount may not be received in full.

*Inventory.* Inventory is carried at the lower of purchase cost or net realisable value. For Valora's Retail division, inventory is valued at average purchase cost, based on a moving average method. The Valora Media and Valora Trade divisions use the first-in, first-out method (FiFo). Slow-moving or obsolete inventory items are valued according to standard business practices, with the items in question being partially or wholly written off.

*Non-current assets held for sale.* Fixed assets are classified as held for sale and valued at the lower of book or market value minus selling costs, if their book value is expected to be realised principally from their sale rather than from their continued operational use. If entire business units are held for sale, all their fixed assets and all their directly attributable liabilities are recorded in the balance sheet separately as assets held in, or liabilities from, disposal groups.

*Property, plant and equipment.* Property plant and equipment, excluding property held for investment, is recorded at cost minus accumulated depreciation. Subsequent expenditure for renovation is capitalised only if the costs can be reliably determined and an economic benefit results from them. If these conditions are met, the renovation costs so capitalised are depreciated over the economically useful life of the property. All other renovation and maintenance costs are expensed directly to the income statement. Capitalised extensions and installations in rented premises are depreciated over their estimated economically useful life or the remaining term of the rental lease, if this is shorter. Interest payable on loans for facilities under construction is capitalised where incurred.

A straight line amortisation schedule is used, based on the following estimates of economically useful life:

	Years
Real estate used for operations	20-40
Machinery, equipment, fixtures and fittings	6-10
Vehicles	5
IT hardware	3-5

**Investment property.** Investment property is recorded at cost minus accumulated depreciation. The fair values stated in the notes are based on capitalisations of current earnings value calculations. Increases in fair value are not capitalised. Subsequent expenditure for renovation is capitalised only if the costs can be reliably determined and an economic benefit results from them. If these conditions are met, the renovation costs so capitalised are depreciated over their useful economic life. All other renovation and maintenance costs are expensed directly to the income statement.

The depreciation method is straight line, based on the following estimates of economically useful life:

	Years
Investment property	20-60

**Impairments to property, plant and equipment.** The current values of property, plant and equipment are reviewed whenever changing circumstances or specific events suggest that their current book values might be too high. If the current book value of an asset exceeds its realisable value, which is defined as the higher of its current fair value minus selling costs or its value in use, the asset will be written down to its realisable value. Once made, an impairment may be reversed only if the assumptions previously used in determining the realisable value of the asset concerned have been subject to change. If such a change has occurred, the book value of the asset in question will be raised to its current realisable value. This new realisable value may not, however, exceed the value at which the asset would have been carried if no previous impairments had occurred and it had simply been subject to regular straight-line depreciation. Any increase in value resulting from such a reversal is recorded in the income statement immediately.

**Leases.** Assets acquired under leasing agreements which transfer the benefits and risk of ownership from the lessor to the lessee are classified as non-current assets of the relevant category. Assets acquired under finance leases are initially capitalised at the lower of their market value or the net present value of all binding future leasing payments contracted at the beginning of the lease. On the liabilities side this same amount is recognised as a finance lease liability. Leased assets are amortised over their anticipated economically useful lives or the life of the lease if this is shorter and transfer of ownership at the end of the lease is not certain.

Similarly, fixed assets leased to third parties under agreements transferring substantially all the benefits and risks of ownership to the lessee are classified not as property, plant and equipment but as financial assets, recorded at the present value of the future leasing payments receivable.

Operating lease payments are charged – and operating lease payments received are credited – to the income statement linearly over the life of the leases.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**Intangible assets, excluding goodwill.** Intangible assets are classified into one of the following three categories: software, intangible assets of limited duration or intangible assets of unlimited duration. All intangible assets, excluding goodwill, are carried at historical purchase or production cost minus accumulated depreciation.

**Software.** The purchase or production costs of software are recognised on the balance sheet if Valora expects to derive future economic benefit from the software concerned. Straight-line depreciation is applied over the expected economically useful life of the software.

**Intangible assets of limited duration.** These are depreciated according to the straight-line method.

**Intangible assets of unlimited duration.** Valora does not currently own any assets in this category.

Amortisation is carried out based on the following estimates of economically useful life:

	Years
Software	3-5
Intangible assets of limited duration	3-10

**Impairments to intangible assets.** The current values of intangible assets excluding goodwill are reviewed whenever changing circumstances or specific events suggest that their current book values might be too high. If the current book value of an asset exceeds its realisable value, which is defined as the higher of its current fair value minus selling costs or its value in use, the asset will be written down to its realisable value. Once made, an impairment may be reversed only if the assumptions previously used in determining the realisable value of the asset concerned have been subject to change. If such a change has occurred, the book value of the asset in question will be raised to its current realisable value. This new realisable value may not, however, exceed the value at which the asset would have been carried if no previous impairments had occurred and it had simply been subject to regular straight-line depreciation. Any increase in value resulting from such a reversal is recorded in the income statement immediately.

**Goodwill.** Goodwill is the amount by which the purchase price which the Group paid for a company it acquired exceeds the fair value of that company's net assets. Goodwill is recognised on the balance sheet in accordance with IFRS 3, and is attributed to the appropriate cash generating unit (CGU). The CGU is then subjected to an impairment test, which is carried out at least once a year, and more frequently should there be evidence suggesting possible impairment. This involves comparing the book value of the CGU to which the goodwill was assigned with the CGU's current realisable value. This realisable value is defined as the higher of the fair value of the CGU minus selling costs and its value in use. The fair value minus selling costs is defined as the amount which could be obtained for its disposal in an arm's length transaction on current market terms between willing and knowledgeable transacting parties after deduction of selling costs. If the book value of the cash generating unit exceeds this realisable value, the goodwill is impaired and the amount of the impairment will be charged to the income statement. No increases in the carrying value of goodwill are permitted.

**Financial assets.** Financial assets are classified according to one of the following categories:

- at fair value through profit or loss
- loans and receivables
- held to maturity
- available for sale



Classification depends on the purpose for which the financial assets were acquired and is determined when the assets are first recognised.

*Financial assets at fair value through profit or loss.* These include financial assets and derivatives held for trading purposes, as well as other assets assigned to this category on initial recognition. Financial assets are assigned to this category if they are acquired with a view to short-term sale. Financial assets in this category are recorded as current financial assets if they are held for trading purposes or are intended to be sold within 12 months.

*Loans and receivables.* Loans and receivables are financial assets whose payment dates and amounts are either fixed or can be determined and which are not traded in a market. They include the trade accounts receivable and other receivables which are shown separately on the balance sheet. They are classified as current assets unless their maturity is more than 12 months after the balance sheet date.

*Held to maturity.* This category covers financial assets which the company has the intention and the ability to hold until they mature. They are classified as current assets if they mature within 12 months of the balance sheet date or non-current assets if they mature thereafter.

*Available for sale.* This category covers minority interests (i.e. shareholdings of less than 20%) and financial assets not assigned to any other category. Financial assets available for sale are classified as non-current assets.

All purchases and sales of financial assets are recorded on the trade date. Financial assets, except those held at fair value through profit and loss, are initially recorded at fair value plus transaction costs. Financial assets held for trading purpose are initially recorded at market value excluding transaction costs and thereafter, like all other «at fair value through profit or loss» assets, at their market value. Loans and receivables and financial assets held to maturity are recorded at their amortised value calculated by the effective yield method. Financial assets available for sale are carried at market value, using market offered prices where available or model-based valuations where no market exists. Equity participations which are not traded in a market and for which insufficient data is available to perform a valuation are carried at cost. Unrealised gains and losses are credited or debited to other comprehensive income. Enduring or significant impairments are recorded and charged to the income statement. When an available for sale financial asset is sold, the valuation adjustments which have been accumulated against shareholders' equity in respect of it are passed to the income statement.

*Interest-bearing debt.* Interest-bearing liabilities are carried at their amortised value, with differences between their initial and maturity values being determined by the effective yield method and charged to financial expense.

*Provisions.* Provisions are recorded when the result from the past event can be reliably estimated and for whose settlement an outflow of cash is probable. Provisions are carried at the present value, as of the balance sheet date, of the estimated future disbursement due.

*Liabilities from employee pension schemes.* Valora pays employer contributions to various pension schemes established according to local legislation. For defined benefit schemes, the present value of the benefit obligation is determined by an annual actuarial assessment under the projected unit credit method. These assessments take account of the contribution years accumulated by employees at the assessment date as well as their expected future remuneration trajectories. The employer's pension expense, interest costs and expected investment returns are booked to the income statement in the period in which they occur. Actuarial gains and losses and the effect of any ceiling applied to the net pension fund assets are accumulated under other comprehensive income.

Expenses for defined contribution pension schemes are charged to the income statement in the period in which they are incurred.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*Accounting for derivative financial instruments and hedging transactions.* Derivative financial instruments are recorded at their market value prevailing on the balance sheet date. Recognition methods for gains or losses depend on whether the instrument was used to hedge an identifiable risk and whether the conditions for hedge accounting are met. The objective of recognising a transaction as a hedge is to ensure that changes in value of the item being hedged and those in the hedging instrument cancel each other out in the income statement. If a derivative financial instrument is not designated as a hedge or if it does not meet hedge accounting criteria, gains and losses arising from changes in its market value are recognised in the income statement. To qualify for hedge accounting treatment, a hedging transaction must meet a number of strict criteria relating to transaction documentation, probability, hedge effectiveness and valuation reliability. When engaging in a hedging transaction, the Group documents the relationship between the hedging instrument and the hedged item and the purpose and strategy of the hedge. This process also requires that all derivatives used for hedging purposes be linked to specific assets or liabilities, or to firm commitments and expected future transactions. Both when a hedge is set up and during its life the Group documents the extent to which changes in the fair value of the derivative offset changes in the value of the item it hedges. When hedges which qualify for hedge accounting treatment are initially transacted, they are classified either as a) hedging the fair value of a specific asset or liability (fair value hedges), b) hedging future cash flows arising from an expected future transaction or a firm commitment (cash flow hedges), or c) hedging a net investment in a foreign subsidiary.

Any gains or losses from hedging instruments classified as cash flow hedges which effectively offset changes in the value of future cash flows are booked to other comprehensive income. Gains or losses which do not meet this effectiveness requirement are immediately recorded in the income statement. The amounts recorded under other comprehensive income are then transferred to the income statement when the cash flows they hedge are booked.

When a derivative financial instrument held for hedging purposes matures, is sold or no longer meets hedge accounting criteria, any unrealised gains or losses accumulated to other comprehensive income up to that time are not transferred to the income statement until the expected transaction for which the hedge was established is recognised in the income statement. However, if a previously anticipated transaction is no longer expected to occur, any such gains or losses previously accumulated to other comprehensive income are transferred to the income statement immediately.

### 5 MANAGEMENT'S ESTIMATIONS, ASSUMPTIONS AND EXERCISE OF DISCRETION

*Significant assumptions in the application of accounting principles.* The application of accounting principles to the Group requires assessments by management which – while no estimates are used to this end – may have a significant influence on the figures reported in the consolidated financial statements. In particular, management assessments are needed in the analysis of the substance of complex transactions. In the opinion of management, these financial statements do not contain any assumptions regarding the application of accounting principles which have a material effect on the figures reported.

*Significant estimations.* Preparation of the consolidated financial statements under IFRS requires the use of estimations regarding the future and may have an influence on the amount of certain items reported in the income statement, the statement of comprehensive income, the balance sheet and their explanatory notes. Any estimations underlying the figures reported in the consolidated financial statements are based on experience and the information available at the time the statements were prepared. Estimations and assumptions are reviewed regularly and adapted where necessary. Nevertheless, subsequent actual outcomes may diverge from earlier estimations. Any changes resulting from modifications of estimated values are recognised in the consolidated finan-

cial statements in the year in which such modifications are made. Estimations and assumptions bearing significant risks of substantial future changes to book values are listed below:

*Goodwill.* The consolidated balance sheet carries goodwill from continuing operations at CHF 101.1 million (see note 22). As explained above, this goodwill is subjected to an impairment test whenever evidence suggests that its realisable value may have diminished and in any event at least once annually.

The impairment tests are based on estimated future free cash flows, using discounted cash flow analysis, for each of the cash generating units concerned. The principal factors affecting these valuations are the estimated net revenues, estimated operating margins and the discount rate applied.

*Net pension asset.* The Group maintains occupational pension schemes of its own which are classified as defined benefit schemes for IFRS purposes. IFRS requires an annual comparison of the pension plans' assets with the dynamically calculated net present value of their benefit obligations. These valuations showed a pension plan surplus for the Swiss schemes which is capitalised in the consolidated balance sheet and which corresponds to that portion of the surplus which the Group is entitled to offset against its benefit obligations under the plans concerned. These valuations are based on a number of assumptions, principal among which are the discount rate applied to future benefits, the expected rate of return on the invested capital, and the expected future pensions and salaries of the plan participants (see note 30). Actual outcomes may diverge considerably from the assumptions made.

*Income tax.* Under IFRS rules, that portion of any tax loss carry forwards which can be expected to result in future tax savings should be recognised as a deferred tax asset. The amount of tax savings which are then actually achieved will depend on the level of net income generated before the tax loss carry forwards expire. This means that future net income may be impacted by impairments on deferred tax assets if the profits the Group generates during the relevant period are below initial expectations. Conversely, additional net income may be recognised if the profits the Group generates exceed expectations and previously unrecognised tax loss carry forwards can be drawn on.

*Provisions.* Provisions are created in respect of imminent litigation, if applicable expert opinion holds that the probability of a loss occurring is greater than that of its failing to materialise. A further prerequisite for the creation of such provisions is that the amount of the potential loss can be reliably estimated. In assessing whether a provision is appropriate and what its amount should be, the best available estimates and assumptions are made with regard to the situation as of the balance sheet date. Since new evidence and unfolding events can have a significant effect on subsequent outcomes, earlier estimates and assumptions may be revised in the light of later evidence and events, if their effect on these estimates and assumptions is substantial (see note 29).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 6 ACQUISITIONS AND DISPOSALS OF BUSINESS UNITS

*Transactions completed in 2009.* As of January 1, 2009, Valora acquired a 100% stake in Konrad Wittwer GmbH railway station bookstores, a German company with registered offices in Stuttgart. The company owns a total of 19 railway station bookstores, of which 16 are in Baden-Wuerttemberg and 3 are in Saxony.

*Balance sheet values of the company initially consolidated during the period*

	Fair Value	Book values in the acquired entity's books
in CHF 000		
Current assets	3 583	2 601
Non-current assets	521	521
Current liabilities	- 1 422	- 1 422
Non-current liabilities	- 544	- 227
<b>= Net assets/shareholders' equity acquired</b>	<b>2 138</b>	<b>1 473</b>
Goodwill	9 061	
<b>= Purchase cost</b>	<b>11 199</b>	
Cash purchase price paid	11 066	
Direct acquisition costs	133	
Cash and cash equivalents acquired	- 792	
Cumulative translation adjustments	155	
<b>= Cash flow from acquisition of new Group companies</b>	<b>10 562</b>	

The capitalised goodwill detailed above results from the portions of the purchase price which were not separately recognisable for developing and strengthening Valora's leadership position in the German railway station bookstore market, for establishing a market presence in Baden-Wuerttemberg, for the improvement in its purchasing terms resulting from higher sales volumes and from the enhancement to Valora's marketing stance vis-à-vis publishers. Since their acquisition by Valora, Konrad Wittwer GmbH railway station bookstores have generated turnover of CHF 30.5 million and net profit of CHF 0.9 million.

*Transactions completed in 2008.* In Germany, the Valora Group purchased 100% of the shares of Media Center Gesellschaft für Presse- & Tabakhandel mbH, Berlin, assuming control on December 1, 2008. This company operates 12 non-travel retail outlets. Goodwill capitalised from this purchase was CHF 3.0 million and the purchase price was CHF 3.6 million. The capitalised goodwill results from the portions of the purchase price which were not recognisable for developing Valora's market presence in Berlin, for the improvement in its purchasing terms in the convenience store sector and for the establishment of a strategic negotiating position vis-à-vis the landlord.

cevanova AG, the company which previously operated the avec. outlets in Switzerland, and was set up as a joint venture between Valora and Migros, was dissolved with effect from July 1, 2008. Valora's 50% stake, which was held by Valora Retail, was sold to Migros, with some cevanova assets being transferred to the Valora Group. Valora took over 24 outlets from cevanova AG, 20 of which were already in operation when the transaction was finalised, with 1 unit opening in the second half of 2008 and 3 further units which were at the planning stage.

The assets and liabilities assumed as a result of these transactions are recorded in the consolidated balance sheet under the relevant headings.

	Fair Value	Book values in the acquired entity's books
in CHF 000		
Current assets	3 074	3 074
Non-current assets	8 493	8 684
Current liabilities	– 978	– 978
Non-current liabilities	0	0
<b>= Net assets/shareholders' equity acquired</b>	<b>10 589</b>	<b>10 780</b>
Goodwill	2 976	
Derecognition of joint venture	– 10 000	
<b>= Purchase costs</b>	<b>3 565</b>	
Cash purchase price paid	3 565	
Cash and cash equivalents acquired	– 91	
Cumulative translation adjustments	82	
<b>= Cash flow from acquisition of new Group companies</b>	<b>3 556</b>	

Valora's Own Brands companies, which had already been classified as discontinued operations in the 2007 financial statements, were sold in the first half of 2008 (see note 7).

## 7 DISCONTINUED OPERATIONS

During the first half of 2008, the Group sold its Trade division's Own Brands companies, which had already been classified as discontinued operations. Roland Murten AG, Kägi Söhne AG and Cansimag France SA were sold as a single package. Sale of these three units was backdated to February 29, 2008, while that of Gillebagaren AB was backdated to April 30, 2008 and the sale of Sørlandships AS was backdated to May 31, 2008. The results generated by the units sold until control over them was transferred to their new owners, including net book profits arising from their sale, are shown as net profit from discontinued operations in the consolidated financial statements. In 2009 it was possible to release provisions established for guarantees made in connection with the disposal of Sørlandships AS, Roland Murten AG, Kägi Söhne AG and Cansimag France SA which were no longer needed.

### *Income statement for discontinued operations*

	2009	2008
January 1 – December 31, in CHF 000		
Net revenues	0	42 018
<b>Gross profit</b>	<b>0</b>	<b>22 954</b>
Operating expenses	0	– 18 248
Other income, net	1 868	2 919
<b>Operating profit (EBIT)</b>	<b>1 868</b>	<b>7 625</b>
Financial result	0	– 387
<b>Profit before taxes</b>	<b>1 868</b>	<b>7 238</b>
Income taxes	0	– 330
<b>Operating profit</b>	<b>1 868</b>	<b>6 908</b>
Accumulated currency translation differences	0	7 819
<b>Net profit from discontinued operations</b>	<b>1 868</b>	<b>14 727</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Earnings per share from discontinued operations amounted to CHF 0.68 in 2009 (CHF 4.78 in 2008). There were no dilutive effects in 2009 and 2008.

### Cash flow from discontinued operations

	1.1.–31.12.2009	1.1.–31.12.2008
in CHF 000		
Net cash generated by operating activities	0	4 917
Net cash used in investing activities	0	- 17 598
Net cash from financing activities	0	1 046
Currency translation adjustments on cash and cash equivalents	0	- 270
<b>Total change in cash and cash equivalents</b>	<b>0</b>	<b>- 11 905</b>

## 8 SEGMENT REPORTING

The Valora Group is a trading company operating on a Europe-wide scale, with business activities carried out in the following three reportable business segments:

**Valora Retail:** Valora Retail operates small retail outlets at heavily frequented locations in Switzerland, Germany and Luxembourg. The division operates country-wide marketing and distribution systems for press, tobacco and consumer products for daily use and the impulse buyer's market. Valora Retail's market presence comprises the kiosk, avec., P & B and Caffè Spettacolo formats.

**Valora Media:** Valora Media is a specialised wholesaler intermediating between book and press publishers and the retail sector. The division supplies press products, books, food, non-food and tobacco products to the Group's own retail outlets and those of third parties in Switzerland, Austria and Luxembourg.

**Valora Trade:** Valora Trade deploys a variety of customer-specific distribution and marketing solutions to supply fast moving consumer goods to the organised retail sector in eight European markets.

**Other:** This division comprises the Group support functions provided by finance, HR, business development, legal services and corporate communication. It also includes Group IT and the central logistics functions for Valora Retail Switzerland and Valora Media Switzerland. The net revenues shown for this division are those arising from the logistics services it provides. The assets for this segment predominantly consist of loans to Group companies, cash and cash equivalents and short-term receivables. Its liabilities essentially consist of the bond issue detailed in note 26 and short-term liabilities.

Reportable segments are identified on the basis of the type of products each segment deals in and the way in which these are distributed. At Valora, these segments comprise a variety of retail formats and geographical regions. The net revenues generated by these segments relate to the sale of goods. Their non-current assets comprise property, plant and equipment, investment property and intangible assets (additions to which are shown without changes in consolidation scope).

### Segment data by division

2009

	Valora Retail	Valora Media	Valora Trade	Others	Intersegment elimination	Total Group
in CHF 000						
<i>Net revenues</i>						
<b>Total</b>	<b>1 592 111</b>	<b>712 900</b>	<b>777 578</b>	<b>10 674</b>	<b>- 196 268</b>	<b>2 896 995</b>
From third parties	1 590 387	525 199	770 735	10 674	0	2 896 995
From other divisions	1 724	187 701	6 843	0	- 196 268	0
<i>Operating profit (EBIT)</i>						
<b>Total</b>	<b>28 342</b>	<b>16 239</b>	<b>22 319</b>	<b>1 238</b>		<b>68 138</b>
Depreciation, net	22 969	5 391	2 390	10 943		41 693
Restructuring provisions released	- 71	- 129	0	- 215		- 415
Guarantee provisions released in operating profit (EBIT)	0	0	- 1 000	0		- 1 000
<i>Additions to long-term assets</i>						
<b>Total</b>	<b>25 867</b>	<b>1 850</b>	<b>5 884</b>	<b>25 732</b>		<b>59 333</b>
<i>Segment assets</i>						
<b>Total</b>	<b>579 245</b>	<b>228 532</b>	<b>283 568</b>	<b>385 992</b>	<b>- 378 315</b>	<b>1 099 022</b>
Investment in associates and joint ventures	0	284	5 095	0		5 379
<i>Segment liabilities</i>						
<b>Total</b>	<b>443 986</b>	<b>166 113</b>	<b>178 357</b>	<b>235 163</b>	<b>- 378 315</b>	<b>645 304</b>

The net depreciation shown for Valora Retail includes impairment reversals of CHF 856 thousand (none in 2008).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 2008 Restated

	Valora Retail	Valora Media	Valora Trade	Others	Intersegment elimination	Total Group
in CHF 000						
<i>Net revenues</i>						
<b>Total</b>	<b>1 569 479</b>	<b>766 047</b>	<b>787 990</b>	<b>14 291</b>	<b>- 206 740</b>	<b>2 931 067</b>
From third parties	1 567 403	568 567	780 806	14 291	0	2 931 067
From other divisions	2 076	197 480	7 184	0	- 206 740	0
<i>Operating profit (EBIT)</i>						
<b>Total</b>	<b>7 982</b>	<b>30 547</b>	<b>17 997</b>	<b>- 18 905</b>		<b>37 621</b>
Depreciation	23 886	6 914	2 487	10 195		43 482
Restructuring costs	13 020	316	109	11 619		25 064
of which impairments	10 436	0	0	5 878		16 314
of which restructuring provisions	1 772	896	0	3 205		5 873
Impairments (excluding restructuring)	0	0	0	2 057		2 057
<i>Additions to long-term assets</i>						
<b>Total</b>	<b>21 586</b>	<b>2 649</b>	<b>4 540</b>	<b>16 478</b>		<b>45 253</b>
<i>Segment assets</i>						
<b>Total</b>	<b>519 717</b>	<b>292 033</b>	<b>271 260</b>	<b>386 013</b>	<b>- 408 978</b>	<b>1 060 045</b>
Investment in associates and joint ventures	0	42	4 889	0		4 931
<i>Segment liabilities</i>						
<b>Total</b>	<b>405 029</b>	<b>221 207</b>	<b>170 537</b>	<b>221 845</b>	<b>- 408 978</b>	<b>609 640</b>

Internal organisational changes at the beginning of 2009 resulted in changes to the composition of reporting segments. These changes are principally due to a portion of Valora Retail's wholesaling activities being transferred to Valora Media and the transfer of a number of bookshops from Valora Media to Valora Retail. The resulting changes in net revenues from third parties amount to CHF -178.9 million for Valora Retail and CHF +178.9 for Valora Media. The changes in operating profit amount to CHF -2.7 million for Valora Retail, CHF +3.2 million for Valora Media, CHF +0.2 million for Valora Trade and CHF -0.8 million for Others. In addition, as a result of the restatement detailed in note 3, the following adjustments have also been made to the figures shown for the individual reporting segments: Valora Retail CHF -0.5 million in net revenues from third parties and CHF -0.3 million in operating profit; Valora Media CHF -0.1 million in net revenues from third parties and CHF -0.2 million in operating profit.

*Segment data by region*

*2009*

	Switzerland	Europe	Total Group
in CHF 000			
Net revenues from third parties	1 740 595	1 156 400	2 896 995
Long-term assets	232 166	159 133	391 299

*2008 Restated*

	Switzerland	Europe	Total Group
in CHF 000			
Net revenues from third parties	1 770 761	1 160 306	2 931 067
Long-term assets	223 221	148 977	372 198

Within Europe, net revenues of CHF 333.6 million (CHF 296.3 million in 2008) are attributable to Germany, which accounts for the largest share of revenues shown in the Europe column.

The information shown regarding revenues and non-current assets (property, plant and equipment, investment property and intangible assets) is based on the location of the subsidiaries concerned. No single customer accounts for more than 10% of net revenues from third parties.

**9 PERSONNEL EXPENSES**

	2009	2008 Restated
in CHF 000		
Salaries and wages	380 794	388 530
Social security payments	53 267	56 048
Share-based payments	1 812	1 404
Other personnel expenses	6 880	17 986
<b>Total personnel expenses</b>	<b>442 753</b>	<b>463 968</b>
Number of employees at December 31 (full-time equivalent basis)	6 522	6 692

Social security payments include CHF 2 701 thousand (CHF 2 834 thousand in 2008) in respect of defined contribution pension plans. Other personnel expenses notably include wages for temporary staff paid to employment agencies, training and personnel recruitment costs and changes in pension plan arrangements.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 10 OTHER OPERATING EXPENSES

	2009	2008
in CHF 000		
Rent	126 602	120 904
Real-estate expenses	8 079	7 934
Energy	20 760	20 881
Insurance	2 379	2 878
Communications and IT	18 495	18 773
Advertising and sales	47 596	51 900
Shipping and dispatch	65 173	69 507
General administration	24 559	26 125
Capital and other taxes	1 706	1 639
Miscellaneous	15 691	16 046
<b>Total other operating expenses</b>	<b>331 040</b>	<b>336 587</b>

Miscellaneous operating expenses include operating lease payments totalling CHF 4.8 million (CHF 5.0 million in 2008).

### 11 OTHER INCOME, NET

	2009	2008
in CHF 000		
Rental income	3 591	2 671
Gains from disposal of non-current assets	8 723	198
Losses from disposal of non-current assets	- 603	- 1 154
Miscellaneous expenses	- 73	- 69
Miscellaneous income	4 351	5 690
<b>Total other income, net</b>	<b>15 989</b>	<b>7 336</b>

The book gains from disposal of non-current assets are principally due to sales of real estate. During 2008, Valora reached a settlement with regard to Selecta. This resulted in the Group receiving a payment of CHF 3.5 million which is included under miscellaneous income above.

### 12 FINANCIAL EXPENSE

	2009	2008
in CHF 000		
Interest on bank debt and mortgages	1 235	3 652
Interest on bonds issued	3 774	4 609
Interest on finance leases	146	154
Net losses (gains) on financial derivative instruments	1 104	- 1 161
Fair value adjustments on long-term provisions	310	205
Losses on sales of financial assets available for sale	9	0
Currency translation losses, net	0	4 743
<b>Total financial expense</b>	<b>6 578</b>	<b>12 202</b>

Interest on bank debt and mortgages fell principally as a result of the outstanding balance on the syndicated loan facility being reduced.

### 13 FINANCIAL INCOME

	2009	2008
in CHF 000		
Interest earned on cash, cash equivalents, loans and receivables	616	4 257
Interest income from finance leases	375	329
Dividend income from financial investments available for sale	37	9
Foreign exchange gains, net	247	0
<b>Total financial income</b>	<b>1 275</b>	<b>4 595</b>

### 14 INCOME TAXES

Income tax expense was as follows:

	2009	2008
in CHF 000		
Expense on current income taxes	5 985	7 552
Expense (income) from deferred taxes	4 409	- 1 077
<b>Total income tax expense for continuing operations</b>	<b>10 394</b>	<b>6 475</b>

The differences between reported Group income tax expense and the expected tax expenses of the individual Group companies based on their applicable tax rates can be reconciled as follows:

	2009	2008
in CHF 000		
Profit before income taxes	63 435	31 145
Expected average Group tax rate	22.5%	21.0%
<b>Income taxes at expected Group tax rate</b>	<b>14 273</b>	<b>6 540</b>
Non-tax-deductible tax expense	3 047	1 422
Utilisation of losses not previously recognised	- 2 237	- 4 377
Out-of-period effects on current income taxes	- 1 548	- 793
(Release) creation of impairments on deferred tax assets, net	- 2 012	3 930
Tax rate changes and other effects, net	- 1 129	- 247
<b>Total reported income taxes</b>	<b>10 394</b>	<b>6 475</b>
Effective tax rate	16.4%	20.8%

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Changes to deferred income taxes were as follows:

<i>Changes to deferred tax assets and liabilities</i>	Deferred tax assets	Deferred tax liabilities	Net assets (+)/ Net liabilities(-)
in CHF 000			
<b>Balance at December 31, 2007</b>	<b>36 041</b>	<b>- 23 934</b>	<b>12 107</b>
Restatement of deferred taxes	2 093	- 7 787	- 5 694
<b>Balance at January 1, 2008</b>	<b>38 134</b>	<b>- 31 721</b>	<b>6 413</b>
Deferred taxes recorded in the income statement	1 619	- 542	1 077
Deferred taxes recorded in other comprehensive income	- 4	16 308	16 304
Exchange rate differences	- 1 012	533	- 479
<b>Balance at December 31, 2008</b>	<b>38 737</b>	<b>- 15 422</b>	<b>23 315</b>
Deferred taxes recorded in the income statement	- 617	- 3 792	- 4 409
Deferred taxes recorded in other comprehensive income	0	4 799	4 799
Additions to consolidation scope	0	- 317	- 317
Currency translation differences	95	- 87	8
<b>Balance at December 31, 2009</b>	<b>38 215</b>	<b>- 14 819</b>	<b>23 396</b>

The composition of the capitalised deferred income tax assets and liabilities is as follows:

<i>Deferred tax assets by source of difference</i>	2009	2008
in CHF 000		
Current assets	595	411
Property, plant and equipment	38	64
Goodwill, software and other intangible assets	25 853	31 697
Other non-current assets	9	511
Provisions	0	22
Liabilities	2 327	4 736
Tax loss carry forwards	9 913	5 743
<b>Total</b>	<b>38 735</b>	<b>43 184</b>
<i>Deferred tax liabilities by source of difference</i>		
Current assets	- 1 192	- 1 845
Property, plant and equipment	- 3 435	- 3 704
Goodwill, software and other intangible assets	- 3 383	- 2 465
Net pension asset	- 6 215	- 8 765
Other non-current assets	- 1 034	- 2 342
Provisions	- 44	- 218
Liabilities	- 36	- 530
<b>Total</b>	<b>- 15 339</b>	<b>- 19 869</b>
<i>Reported in the balance sheet</i>		
Deferred income tax assets	38 215	38 737
Deferred income tax liabilities	- 14 819	- 15 422
<b>Total deferred income tax assets, net</b>	<b>23 396</b>	<b>23 315</b>

Tax loss carry forwards from continuing operations are as follows: CHF 264.1 million (CHF 397.7 million in 2008). In 2009, CHF 70.7 million of the CHF 232.9 million available was not recognised as a deferred tax asset, since it is unlikely that this will be realised. In 2008, CHF 103.8 million of the 377.2 million available was not recognised as a deferred tax asset for the same reason. These tax loss carry forwards will mature as follows:

	2009	2008
in CHF 000		
Within one year	0	4
Within 2 years	0	10 383
Within 3 years	1	61 991
Within 4 years	198	51 035
Within 5 years	941	1
After more than 5 years and with no fixed maturity	231 710	253 797
<b>Total</b>	<b>232 850</b>	<b>377 211</b>

There are temporary differences amounting to CHF 105.0 million (CHF 103.0 million in 2008) for which no deferred tax assets were capitalised. In addition, deferred tax liabilities on temporary valuation differences on investments carried at CHF 323.0 million (CHF 345.0 million in 2008) were not capitalised, as it is not intended to realise them in the foreseeable future.

The distribution of dividends by Valora Holding AG is of no relevance to the Group's income tax position.

## 15 EARNINGS PER SHARE

Earnings per share are calculated by dividing the net profit attributable to shareholders of Valora Holding AG by the weighted average number of shares outstanding.

	2009	2008
in CHF 000		
Net profit from continuing operations	53 041	24 670
Net profit attributable to minority interests	- 952	- 839
Net profit from continuing operations attributable to Valora Holding AG shareholders	52 089	23 831
Net profit from discontinued operations	1 868	14 727
<b>Net profit from continuing and discontinued operations attributable to Valora Holding AG shareholders</b>	<b>53 957</b>	<b>38 558</b>
Average number of shares outstanding	2 749 815	3 078 254
Earnings per share from continuing operations (in CHF)	18.94	7.74
<b>Earnings per share from continued and discontinued operations (in CHF)</b>	<b>19.62</b>	<b>12.52</b>

There were no dilutive effects in 2009 or 2008.

The Ordinary General Meeting of shareholders held on April 29, 2009 approved the cancellation of 500 000 registered shares of Valora Holding AG. In connection with this, some 350 000 shares had been repurchased by year-end 2008. These shares are included in the calculation of the average number of shares outstanding. By the end of February, 2009, the remaining 150 000 registered shares had been repurchased. All these shares were cancelled on July 9, 2009.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 16 CASH AND CASH EQUIVALENTS

	2009	2008
in CHF 000		
Petty cash and bank sight deposits	158 148	157 865
Bank term deposits and money market investments < 3 months	3 417	571
<b>Total cash and cash equivalents</b>	<b>161 565</b>	<b>158 436</b>
of which pledged	13 614	0

### 17 TRADE ACCOUNTS RECEIVABLE

	2009	2008
in CHF 000		
Trade accounts receivable, gross	165 958	156 011
Allowance for bad and doubtful debts	- 2 669	- 2 283
<b>Total trade accounts receivable, net</b>	<b>163 289</b>	<b>153 728</b>

Allowances for trade accounts receivable are shown in the table below:

	2009	2008
in CHF 000		
<b>Position at January 1</b>	<b>2 283</b>	<b>2 114</b>
Allowance creation charged to income	1 239	1 236
Allowances released to income	- 620	- 877
Allowances utilised	- 237	- 139
Currency translation differences	4	- 51
<b>Position at December 31</b>	<b>2 669</b>	<b>2 283</b>

The year-end composition, by vintage, of overdue trade accounts receivable which have not been subjected to allowance is as follows:

	2009	2008
in CHF 000		
<b>Total trade accounts receivable, net</b>	<b>163 289</b>	<b>153 728</b>
Of which		
Not yet overdue	128 024	122 319
Up to 10 days overdue	16 266	14 785
More than 10 days, but less than one month overdue	10 043	12 535
More than one month, but less than two months overdue	4 742	2 639
More than two months, but less than four months overdue	2 220	1 062
More than four months overdue	1 994	388

The breakdown of trade accounts receivable by currency is as follows:

	2009	2008
in CHF 000		
CHF	70 955	69 457
DKK	26 161	29 518
EUR	40 377	32 219
NOK	9 439	5 071
SEK	16 318	17 066
Others	39	397
<b>Total trade accounts receivable, net</b>	<b>163 289</b>	<b>153 728</b>

#### 18 INVENTORIES

	2009	2008
in CHF 000		
Ancillary material and other inventories	117	244
Merchandise	230 101	228 733
<b>Total inventories</b>	<b>230 218</b>	<b>228 977</b>

There are no inventory book values which are recognised at fair value less cost to sell (2008: none).

#### 19 OTHER CURRENT RECEIVABLES

	2009	2008
in CHF 000		
Value-added tax, withholding tax and other taxes recoverable	3 948	3 403
Prepaid expenses and accrued income	21 358	11 752
Short-term receivables from finance leases	308	290
Miscellaneous receivables	39 120	31 673
<b>Total other current receivables</b>	<b>64 734</b>	<b>47 118</b>

The miscellaneous receivables above principally comprise advance payments for goods and payments receivable from social security agencies and insurers.

Additional information relating to receivables from finance leases can be found in note 23.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 20 PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery and equipment	Projects in progress	Total
in CHF 000					
<i>At cost</i>					
<b>Balance at January 31, 2008</b>	<b>21 957</b>	<b>151 054</b>	<b>357 776</b>	<b>446</b>	<b>531 233</b>
Changes in consolidation scope	0	0	8 400	83	8 483
Additions	0	1 897	20 598	2 232	24 727
Disposals	- 10	- 108	- 9 808	0	- 9 926
Transfers	0	0	410	- 410	0
Translation adjustments	- 857	- 2 052	- 9 373	- 23	- 12 305
<b>Balance at December 31, 2008</b>	<b>21 090</b>	<b>150 791</b>	<b>368 003</b>	<b>2 328</b>	<b>542 212</b>
Changes in consolidation scope	0	0	517	0	517
Additions	0	158	26 602	5 830	32 590
Disposals	- 950	- 1 293	- 32 256	- 68	- 34 567
Transfers	0	0	2 192	- 2 192	0
Reclassifications to non-current assets held for sale	- 189	- 157	0	0	- 346
Translation adjustments	- 6	- 9	329	- 8	306
<b>Balance at December 31, 2009</b>	<b>19 945</b>	<b>149 490</b>	<b>365 387</b>	<b>5 890</b>	<b>540 712</b>
<i>Accumulated depreciation</i>					
<b>Balance at January 31, 2008</b>	<b>0</b>	<b>- 50 537</b>	<b>- 242 719</b>	<b>0</b>	<b>- 293 256</b>
Additions	0	- 4 439	- 27 680	0	- 32 119
Impairments	0	0	- 13 134	0	- 13 134
Disposals	0	56	8 271	0	8 327
Translation adjustments	0	638	6 456	0	7 094
<b>Balance at December 31, 2008</b>	<b>0</b>	<b>- 54 282</b>	<b>- 268 806</b>	<b>0</b>	<b>- 323 088</b>
Additions	0	- 4 472	- 25 727	0	- 30 199
Impairment reversal	0	0	856	0	856
Disposals	0	597	31 039	0	31 636
Transfers	0	0	0	0	0
Reclassifications to non-current assets held for sale	0	56	0	0	56
Translation adjustments	0	21	- 260	0	- 239
<b>Balance at December 31, 2009</b>	<b>0</b>	<b>- 58 080</b>	<b>- 262 898</b>	<b>0</b>	<b>- 320 978</b>
<i>Net book value</i>					
at December 31, 2008	21 090	96 509	99 197	2 328	219 124
<b>at December 31, 2009</b>	<b>19 945</b>	<b>91 410</b>	<b>102 489</b>	<b>5 890</b>	<b>219 734</b>

The impairments for 2008 are due to write-offs arising from the restructuring programme. These non-scheduled write-offs principally relate to retail outlet infrastructure which became obsolete when outlets were reconfigured. Fixtures and fittings which became redundant as a result of moving the logistics operations from Muttenz to Egerkingen and of centralising head office functions at Muttenz were also written off.

No property, plant and equipment was pledged to secure mortgage loans (none in 2008). Property, plant and equipment at year end 2009 includes no real estate held on finance leases (none in 2008), but does include machinery and equipment held on finance leases amounting to CHF 1.5 million (CHF 2.4 million in 2008). The reclassifications to non-current assets held for sale relate to Valora Retail.

<i>Fire insurance values of property, plant and equipment</i>	2009	2008
in CHF 000		
Property (including investment property)	196 683	200 164
Plant and equipment	411 420	418 210
<b>Total</b>	<b>608 103</b>	<b>618 374</b>

## 21 INVESTMENT PROPERTY

The acquisition costs and book values for the investment property portfolio were as follows:

<i>Investment property</i>	2009	2008
in CHF 000		
<i>At cost</i>		
<b>Balance at January 1</b>	<b>22 976</b>	<b>23 778</b>
Disposals	- 5 282	0
Reclassification to non-current assets held for sale	- 808	0
Translation adjustments	- 6	- 802
<b>Balance at December 31</b>	<b>16 880</b>	<b>22 976</b>
<i>Accumulated depreciation</i>		
<b>Balance at January 1</b>	<b>- 8 314</b>	<b>- 8 462</b>
Additions	- 323	- 356
Disposals	1 701	0
Reclassification to non-current assets held for sale	130	0
Translation adjustments	6	504
<b>Balance at December 31</b>	<b>- 6 800</b>	<b>- 8 314</b>
<b>Total net book value</b>	<b>10 080</b>	<b>14 662</b>

The estimated market value (based on yield value assessments) of the investment properties was CHF 11.3 million (CHF 20.4 in 2008). These assessments took account of market conditions prevailing at the balance sheet date. The rental income from the investment properties was CHF 2.6 million (CHF 2.5 million in 2008) and the associated maintenance and operational costs were CHF 1.3 million (CHF 1.4 million in 2008). No mortgage liens were in place on these investment properties (none in 2008). The reclassifications to non-current assets held for sale relate to Valora Retail.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 22 GOODWILL, SOFTWARE AND INTANGIBLE ASSETS WITH LIMITED USEFUL LIFE

	Goodwill from acquisitions	Software and intangible assets with limited useful life	Projects in progress	Total
in CHF 000				
<i>At cost</i>				
<b>Balance at January 1, 2008</b>	<b>89 757</b>	<b>80 973</b>	<b>5 035</b>	<b>175 765</b>
Changes in consolidation scope	2 856	4	0	2 860
Additions	0	11 097	9 429	20 526
Disposals	0	- 2 279	0	- 2 279
Transfers	0	828	- 828	0
Translation adjustments	- 535	- 5 150	- 240	- 5 925
<b>Balance at December 31, 2008</b>	<b>92 078</b>	<b>85 473</b>	<b>13 396</b>	<b>190 947</b>
Changes in consolidation scope	9 061	0	0	9 061
Additions	0	20 376	6 367	26 743
Disposals	0	- 707	0	- 707
Transfers	0	10 292	- 10 292	0
Translation adjustments	- 12	16	- 60	- 56
<b>Balance at December 31, 2009</b>	<b>101 127</b>	<b>115 450</b>	<b>9 411</b>	<b>225 988</b>
<i>Accumulated depreciation</i>				
<b>Balance at January 1, 2008</b>	<b>0</b>	<b>- 41 250</b>	<b>0</b>	<b>- 41 250</b>
Additions	0	- 11 007	0	- 11 007
Impairments	0	0	- 5 237	- 5 237
Disposals	0	2 121	0	2 121
Translation adjustments	0	2 838	0	2 838
<b>Balance at December 31, 2008</b>	<b>0</b>	<b>- 47 298</b>	<b>- 5 237</b>	<b>- 52 535</b>
Additions	0	- 12 027	0	- 12 027
Disposals	0	26	0	26
Transfers	0	- 5 237	5 237	0
Translation adjustments	0	33	0	33
<b>Balance at December 31, 2009</b>	<b>0</b>	<b>- 64 503</b>	<b>0</b>	<b>- 64 503</b>
<i>Net book value</i>				
at December 31, 2008	92 078	38 175	8 159	138 412
<b>at December 31, 2009</b>	<b>101 127</b>	<b>50 947</b>	<b>9 411</b>	<b>161 485</b>

*Software and intangible assets with limited useful life.* Software and intangible assets with limited useful life include CHF 34.7 million (CHF 18.9 in 2008) for software and CHF 16.3 million (CHF 19.3 in 2008) for intangible assets with limited useful life, of which CHF 11.3 million (CHF 13.7 in 2008) relate to capitalised delivery entitlements in favour of Valora Media. The impairment of CHF 5.2 million relates to the 2008 IT platform. Of this total, CHF 3.2 million is attributable to restructuring measures and the implementation of the Valora 4 Success strategy programme. The remaining CHF 2.0 million are not related to the restructuring programme. Because additional costs arose which were not attributable to any extension of the project's scope, the criteria for continued recognition of these CHF 2.0 million of capitalised costs were no longer met. The capitalised cost (value in use) of the 2008 platform amounted to CHF 11.7 million at December 31, 2008.

**Goodwill Impairment-Test.** Goodwill is assigned to the Group's cash-generating units. It is initially allocated to business segments and then, within these, to geographically related markets. The composition of the goodwill positions is as follows:

	Segment	Year acquired	2009	2008
in CHF 000				
Valora Trade Nordics Denmark	Trade	2001	14 028	14 028
Valora Trade Nordics Sweden	Trade	2001	2 294	2 294
Valora Trade Austria	Trade	1995	9 312	9 312
Valora Trade Germany	Trade	1997	2 754	2 754
Valora Media Luxembourg MPK	Media	2000	43 342	43 342
Valora Media Austria PGV	Media	2004	4 715	4 718
Valora Retail Switzerland	Retail	2002	12 774	12 774
Media Center Germany	Retail	2008	2 854	2 856
Konrad Wittwer Germany	Retail	2009	9 054	0
<b>Total book value at December 31</b>			<b>101 127</b>	<b>92 078</b>

Impairment tests are carried out at least once a year. Each unit's realisable value is determined on the basis of its value in use and then compared to its book value. An impairment adjustment will be made only if the book value of cash-generating unit exceeds its realisable value. Valuation is carried out on the basis of projected future free cash flows from cash-generating units to which goodwill has been allocated, using the discounted cash flow (DCF) method. These projected cash flows are discounted at a rate equal to the pre-tax weighted average cost of capital.

These projected cash flows are derived from the business plans for the next 3 years, which reflect management's expectations and have been approved by the Board of Directors. The principal assumptions used are as follows:

**Valora Trade Nordics – Distribution.** Average sales growth for the next three planning years will be between 2 and 5 % while margins will remain unchanged.

**Valora Trade Austria, Valora Trade Germany.** Average sales growth for the next three planning years will be between 7 and 13 % and margins will decline slightly.

**Valora Media Luxembourg – MPK.** Average sales growth for the next three planning years will be around 3 % and margins will decline slightly.

**Valora Media Austria – PGV.** Average sales growth for the next three planning years will be around 3.5 % while margins will remain unchanged.

**Valora Retail Switzerland.** Average sales growth for the next three planning years will be around 2.8 % and margins will improve.

**Media Center, Konrad Wittwer.** Average sales growth and margins for the next three planning years will remain unchanged.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Cash flows after this three-year period are modelled by using a residual value based on projections for the third planning year and assume zero growth thereafter. The discount rates applied are based on data observed in Swiss financial markets which is then adjusted to reflect currency and country-specific risks. The discount rates used are as follows:

	currency	2009	2008
in CHF 000			
Valora Trade Nordics Denmark	DKK	7.5 %	7.0 %
Valora Trade Nordics Sweden	SEK	7.5 %	6.0 %
Valora Trade Austria	EUR	7.5 %	7.0 %
Valora Trade Germany	EUR	7.5 %	7.0 %
Valora Media Luxembourg MPK	EUR	7.5 %	7.0 %
Valora Media Austria PGV	EUR	7.5 %	7.0 %
Valora Retail Switzerland	CHF	6.0 %	6.0 %
Media Center Germany	EUR	7.5 %	–
Konrad Wittwer Germany	EUR	7.5 %	–

No impairments to goodwill on continuing operations were charged to the income statements for 2009 or 2008. The impairment tests for 2009 and 2008 show that in the event of a 1.5 percentage point increase in the discount rate (which is regarded as being within the realms of the possible) all these units' realisable values would still be higher than their book values. Even assuming zero sales growth from 2009 onwards, the goodwill ascribed to these units would remain intact.

### 23 RECEIVABLES FROM REAL ESTATE AND FINANCE LEASE

	2009	2008
<i>Future receivables from real estate leases</i>		
in CHF 000		
Rental payments received during period	3 591	2 671
<i>Future rental receivables from current real estate leases</i>		
Within one year	870	1 710
Within 1-2 years	951	1 514
Within 2-3 years	909	1 550
Within 3-4 years	874	1 513
Within 4-5 years	846	1 140
After more than 5 years	1 212	1 629
<b>Total future receivables from current real estate leases</b>	<b>5 662</b>	<b>9 056</b>

<i>Future receivables from finance leases</i>	2009	2008
in CHF 000		
Payments received during period	643	604
<i>Future receivables from current finance leases</i>		
Within one year	643	643
Within 1-2 years	643	643
Within 2-3 years	643	643
Within 3-4 years	643	643
Within 4-5 years	643	643
After more than 5 years	5 261	5 906
<b>Total future receivables from finance leases</b>	<b>8 476</b>	<b>9 121</b>
less future interest charges	- 2 796	- 3 173
<b>Total future receivables from finance leases (present value)</b>	<b>5 680</b>	<b>5 948</b>
less current portion (see Note 19)	- 308	- 290
<b>Non-current receivables from finance leases (see Note 24)</b>	<b>5 372</b>	<b>5 658</b>

<i>Present value of minimum future finance lease revenues</i>	2009	2008
in CHF 000		
Within one year	621	621
Within 1-2 years	582	582
Within 2-3 years	546	546
Within 3-4 years	512	512
Within 4-5 years	480	480
After more than 5 years	2 939	3 207
<b>Total present value of minimum future finance lease revenues</b>	<b>5 680</b>	<b>5 948</b>

The finance leases cover extensions to the former headquarters in Berne made during Valora's tenancy, which the new tenant is using.

## 24 FINANCIAL ASSETS

<i>Non-current financial assets</i>	2009	2008 Restated	01.01.2008 Restated
in CHF 000			
Loans and receivables	1 502	1 389	18 842
Receivables from finance leases	5 372	5 658	5 944
Financial assets available for sale	2 790	3 541	3 890
<b>Total financial assets</b>	<b>9 664</b>	<b>10 588</b>	<b>28 676</b>

Note 23 provides further information on receivables from finance leases.

The financial assets available for sale include CHF 677 thousand (CHF 676 thousand in 2008) of unlisted shareholdings for which there is no active market and about which insufficient information is available to form the basis for a valuation. These items are therefore carried at cost minus an impairment for enduring loss in value. None of these financial assets were sold in 2009 (2008: none).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 25 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

<i>Summary balance sheet of associates and joint ventures</i>	2009	2008
in CHF 000		
Current assets	6 395	5 747
Non-current assets	24 746	23 704
Current liabilities	- 13 749	- 10 508
Non-current liabilities	- 4 183	- 7 076
<b>= Equity</b>	<b>13 209</b>	<b>11 867</b>
<b>Equity attributable to Valora</b>	<b>5 379</b>	<b>4 931</b>

<i>Summary income statement of associates and joint ventures</i>	2009	2008
in CHF 000		
Net revenues	36 278	38 118
Operating profit (EBIT)	2 232	1 899
<b>Net profit</b>	<b>1 194</b>	<b>933</b>
<b>Net profit attributable to Valora</b>	<b>600</b>	<b>1 131</b>

Investments in associates and joint ventures comprise 45% of Borup Kemi A/S, Denmark (Valora Trade), 50% of Kaumy S.r.o., Czech Republic (Valora Trade) and 22% of Karl Schmelzer – J. Bettenhausen bookshops, OHG, Vienna, Austria (Valora Media).

Valora Retail's 50% stake in cevanova AG, the company which formerly operated the avec. shops in Switzerland, was sold to Migros in 2008, though some of the company's assets were transferred to the Valora Group. The assets and liabilities thus transferred are included under the relevant headings in the consolidated financial statements.

### 26 SHORT-TERM FINANCIAL DEBT AND OTHER LONG-TERM LIABILITIES

<i>Short-term financial debt</i>	2009	2008
in CHF 000		
Current bank debt	573	638
Current portion of finance lease obligations	954	809
<b>Total short-term financial debt</b>	<b>1 527</b>	<b>1 447</b>

<i>Other non-current liabilities</i>	2009	2008 Restated	01.01.2008 Restated
in CHF 000			
Bank loans	- 359	4 558	49 545
Bonds	139 229	138 935	138 650
Finance lease obligations	69	1 276	1 882
Other long-term liabilities	14 501	15 412	16 970
<b>Total other non-current liabilities</b>	<b>153 440</b>	<b>160 181</b>	<b>207 047</b>

Note 32 provides further information on liabilities arising from finance leases.

The bank loans relate to the syndicated loan taken out by Valora Holding AG, which is a floating rate facility. Under the syndicated loan agreement, the Valora Group has covenanted to maintain its equity ratio and indebtedness within certain parameters during the life of the facility.

The other long-term liabilities consists of financial debt amounting to CHF 5 296 thousand (CHF 6 253 thousand in 2008) and other liabilities of CHF 9 205 thousand (9 159 thousand in 2008).

<i>Bonds</i>	Gross	Discount	2009 net	2008 net
in CHF 000				
2.875% bond 2005–2012	140 000	771	139 229	138 935

The effective yield on the bond is 3.1%.

<i>Maturities at year end were as follows:</i>	2009	2008
in CHF 000		
Within one year	1 527	1 447
Within 1-2 years	3 112	999
Within 2-3 years	140 644	539
Within 3-4 years	– 359	143 070
Within 4-5 years	0	4 558
After more than 5 years	838	1 856
<b>Total financial debt</b>	<b>145 762</b>	<b>152 469</b>
Current portion of long-term financial debt	– 1 527	– 1 447
<b>Total long-term financial debt</b>	<b>144 235</b>	<b>151 022</b>

During 2009, a nominal total of CHF 5.0 million (CHF 45.0 million in 2008) in outstanding syndicated loans was redeemed.

The interest rates paid ranged between 2.24% and 5.62% (vs 2.00% and 5.83% in 2008). The weighted average interest rate on Valora's financial debt was 3.10% (3.12% in 2008).

The currency composition of the Group's long-term financial debt is as follows:

	2009	2008 Restated	01.01.2008 Restated
in CHF 000			
CHF	140 586	145 411	190 379
DKK	846	474	0
EUR	2 803	4 129	6 013
SEK	0	1 008	1 348
<b>Total long-term financial debt</b>	<b>144 235</b>	<b>151 022</b>	<b>197 740</b>
Other long-term liabilities (CHF)	9 205	9 159	9 307
<b>Total other non-current liabilities</b>	<b>153 440</b>	<b>160 181</b>	<b>207 047</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 27 TRADE ACCOUNTS PAYABLE

The currency composition of the Group's trade accounts payable is as follows:

	2009	2008
in CHF 000		
CHF	155 143	125 470
DKK	20 022	6 300
EUR	84 045	98 395
NOK	6 546	5 847
SEK	17 355	16 057
Other	1 056	919
<b>Total trade accounts payable</b>	<b>284 167</b>	<b>252 988</b>

### 28 OTHER CURRENT LIABILITIES

	2009	2008 Restated	01.01.2008 Restated
in CHF 000			
Value-added tax and other taxes owed	17 090	18 694	14 220
Social security contributions payable	4 340	3 061	3 497
Accruals for overtime, unused vacation and variable elements of remuneration	12 657	22 647	19 377
Pension cost payable	7 168	733	763
Warranties and similar current accruals	0	0	17
Accrued expenses	77 561	69 660	66 079
Other current liabilities	29 909	21 300	18 217
<b>Total other current liabilities</b>	<b>148 725</b>	<b>136 095</b>	<b>122 170</b>

### 29 PROVISIONS

	Guarantees	Litigation	Restructuring	Total
in CHF 000				
<b>Balance at January 1, 2008</b>	<b>4 750</b>	<b>4 312</b>	<b>0</b>	<b>9 062</b>
Utilised	- 501	0	0	- 501
Amounts released to income	- 500	0	0	- 500
Created	6 230	0	5 873	12 103
Fair value adjustment	53	205	0	258
<b>Balance at December 31, 2008</b>	<b>10 032</b>	<b>4 517</b>	<b>5 873</b>	<b>20 422</b>
Utilised	0	0	- 4 377	- 4 377
Amounts released to income	- 2 875	0	- 415	- 3 290
Fair value adjustment	105	205	0	310
Currency translation differences	186	0	0	186
<b>Balance at December 31, 2009</b>	<b>7 448</b>	<b>4 722</b>	<b>1 081</b>	<b>13 251</b>
Current provisions	2 290	0	942	3 232
Long-term provisions	5 158	4 722	139	10 019
<b>Total provisions</b>	<b>7 448</b>	<b>4 722</b>	<b>1 081</b>	<b>13 251</b>

*Guarantees.* At December 31, 2009, these comprised contractual guarantees issued in connection with the sales of Fotolabo and the Own Brands unit.

Changes in 2009: As a result of guarantees relating to the Own Brands sale expiring, a number of provisions amounting to CHF 1.9 million in total were released to income. A provision of CHF 1.0 million for pension fund related claims relating to the sale of Merkur Kaffee in 2004 was released to income, since the period during which a claim could have been lodged if a liability had arisen had expired, and it therefore seems unlikely that the subsequent agreement will now be rescinded. Until that agreement expires in 2014, a contingent liability will be disclosed.

Changes in 2008: CHF 250 thousand of the Fotolabo guarantees were utilised. The sale of Own Brands resulted in provisions totalling CHF 6.2 million being created in the first half of 2008, CHF 2.9 million of which are short-term and the remaining CHF 3.3 million long-term. CHF 251 thousand of these had been utilised by December 31, 2008. A further CHF 0.5 million were released to the income statement, after an environmental survey commissioned by the purchaser showed that no environmental guarantee claims would arise.

Claims relating to the guarantees issued in connection with the sale of Fotolabo can be lodged until 2013. The guarantees issued in connection with the Own Brands sale have terms of between two and five years.

*Litigation.* A remaining CHF 4.7 million of the provisions made in Germany in relation to a fraud case and to Valora Retail cases pending since 2003 are still in place.

The court proceedings relating to the fraud case in Germany are lasting longer than originally foreseen and it is therefore still classified as pending.

*Restructuring.* Provisions created in respect of restructuring measures in the Group's Swiss operations amounted to CHF 5.9 million in 2008. In 2009 a total of CHF 4.4 million was utilised and a further CHF 0.4 million was released to income.

### 30 RETIREMENT BENEFIT LIABILITIES

Current legislation requires most employees to be covered by pension schemes financed by contributions from the Valora Group and its employees. These schemes take the form of state and employer-sponsored plans, contracts with private insurers and independent foundations or welfare plans. While the benefits paid by these schemes vary according to the legislative provisions and economic circumstances of the countries in which they are established, they are generally based on years of service and average remuneration of the employees and cover the risks of old age, death and disability in accordance with applicable local occupational pension plan law.

The most recent actuarial assessment of these schemes was conducted as of December 31, 2009. The assumptions used were based on the economic circumstances prevailing in the countries in which the plans operate. The plans' assets are invested according to the guidelines laid down by local legislation. Valora pays its contributions in accordance with the various plans' rules.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

<i>Plan liabilities and assets</i>	2009	2008 Restated
in CHF 000		
Present value of benefit obligation at January 1	539 310	587 343
Current service cost employer	15 809	19 731
Contributions by plan participants	9 731	10 085
Past service cost	17 489	2 644
Interest cost	19 059	19 242
Plan curtailments, settlements and modifications	- 23 869	0
Benefits paid	- 27 734	- 51 391
Business combinations	231	0
Actuarial loss/(gain) on benefit obligation	25 069	- 46 135
Exchange rate losses/(gains)	563	- 2 209
<b>Present value of benefit obligation at December 31</b>	<b>575 658</b>	<b>539 310</b>
Plan assets at market value at January 1	569 500	695 549
Expected net return on plan assets	25 628	31 300
Employer contributions	10 599	10 453
Contributions by plan participants	9 731	10 085
Benefits paid	- 26 878	- 50 442
Actuarial gain/(loss) on plan assets	9 489	- 127 445
<b>Plan assets at market value at December 31</b>	<b>598 069</b>	<b>569 500</b>

Changes made in 2009 with regard to the assumed discount rate decrease resulted in an actuarial loss on the Group's pension liabilities. The actuarial gain on plan assets resulted from investment returns which were higher than anticipated.

For 2010, the Group expects to make employer's contributions of CHF 13.7 million to its funded plans.

The surplus on funded plans decreased by CHF 6.4 million during 2009 (CHF 79.5 million in 2008). This was principally due to changes in actuarial assumptions which resulted in higher pension obligations.

<i>Balance sheet data</i>	2009	2008 Restated	01.01.2008 Restated
in CHF 000			
Present value of funded benefit obligations	- 560 595	- 525 676	- 572 270
Plan assets at market value	598 069	569 500	695 549
<b>Surplus on fund-based plans</b>	<b>37 474</b>	<b>43 824</b>	<b>123 279</b>
Pension asset recognition ceiling	- 8 243	0	0
Unrecognised past service cost	1 846	0	0
Present value of unfunded pension liabilities	- 15 063	- 13 634	- 15 073
<b>Total net pension position</b>	<b>16 014</b>	<b>30 190</b>	<b>108 206</b>
of which capitalised as net pension asset	31 077	43 824	123 279
of which capitalised as long-term accrued pension cost	- 15 063	- 13 634	- 15 073

<i>Income statement</i>	2009	2008 Restated
in CHF 000		
Current service cost employer	- 15 809	- 19 731
Contributions by plan participants	- 9 731	- 10 085
Interest cost	- 19 059	- 19 242
Plan curtailments, settlements and modifications	23 869	0
Expected net return on plan assets	25 628	31 300
Past service cost recognised in period	- 15 643	- 2 644
<b>Net pension cost for period</b>	<b>- 10 745</b>	<b>- 20 402</b>

<i>Expenses and income not recorded in the income statement</i>	2009	2008
in CHF 000		
Restatement		39 363
Deferred taxes		- 7 787
January 1	- 33 416	31 576
Actuarial gains/(losses)	- 15 580	- 81 310
Pension asset recognition ceiling	- 8 243	0
Deferred taxes	4 807	16 318
<b>December 31</b>	<b>- 52 432</b>	<b>- 33 416</b>

<i>Key actuarial assumptions</i>	2009	2008
Discount rate	3.00%	3.50%
Expected net return on plan assets	4.00%	4.50%
Expected rate of increase in future salary levels	2.00%	2.00%
Expected rate of increase of future pension levels	0.25%	0.25%

The calculations for the Swiss plans, which use the EVK 2000 mortality table, were adjusted to reflect increased longevity.

<i>Asset allocation</i>	2009	Expected long-term return	Contribution to pension plan income	2008
Cash and cash equivalents	6.50%	2.00%	0.13%	4.10%
Fixed income	29.70%	2.50%	0.74%	31.20%
Equity	23.70%	6.50%	1.54%	25.80%
Real estate	33.30%	4.50%	1.50%	33.40%
Other	6.80%	4.50%	0.31%	5.50%
<b>Total</b>	<b>100.00%</b>		<b>4.22%</b>	<b>100.00%</b>
Costs			- 0.22%	
<b>Net return</b>			<b>4.00%</b>	

The effective total return generated in 2009 was 6.2% (-14.2% in 2008). The pension plans hold no securities issued by Valora Holding AG and do not let any significant portion of their real estate to the Valora Group.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

<i>Surpluses</i>	2009	2008 Restated	2007	2006	2005
in CHF 000					
Present value of pension liabilities	- 575 658	- 539 310	- 585 515	- 651 327	- 568 599
Pension assets at market values	598 069	569 500	697 786	697 449	651 862
Pension asset recognition ceiling	- 8 243	0	0	0	0
Unrecognised past service cost	1 846	0	0	0	0
<b>Net pension plan position</b>	<b>16 014</b>	<b>30 190</b>	<b>112 271</b>	<b>46 122</b>	<b>83 263</b>
<i>Adjustments based on past experience</i>					
Adjustments to pension plan liabilities based on past experience	8 078	17 091	43 100	- 42 756	1 645
Adjustments to pension plan liabilities based on modified assumptions	- 33 147	29 044	40 107	- 21 940	- 35 496
Adjustments to pension plan assets based on past experience	9 489	- 127 445	- 16 868	25 270	2 313
<b>Actuarial gains/(losses)</b>	<b>- 15 580</b>	<b>- 81 310</b>	<b>66 339</b>	<b>- 39 426</b>	<b>- 31 538</b>

### 31 SHARE-BASED PAYMENTS

*Employees.* Valora operates the following share-based remuneration plans for its Board of Directors, management and staff.

*Share ownership plan for the Board and extended Group Executive Management.* In 2008, no share-based remuneration was paid to the Board members or to members of Group Executive Management who took up office in that year.<sup>1)</sup> In January 2009 a share-based, long-term remuneration component, the Long Term Plan (LTP) was introduced. Under the plan, which forms an integral part of its participants' total remuneration, each participant can purchase a number of shares which is fixed by the Nomination und Compensation Committee on a case-by-case basis. The plan aims to incentivise contribution towards Valora's continued long-term economic success. Each participant uses a bank loan to finance the shares he is entitled to purchase, and the shares are pledged as collateral for the loan. Should the market price of Valora shares be lower than the participant's purchase price when the loan falls due, Valora guarantees the bank and the participant that it will make good any shortfall. Half the shares in the plan are subject to a 24-month lock-up period, with a 36-month lock-up period applying to the remainder. Should the market price of Valora share be below the initial purchase price of CHF 148.05 when the lock-up periods end, Valora will make good any shortfall. Valora's costs for the plan are related to the financing cost associated with the shares and the difference between the market price of the shares when they were allocated on January 29, 2009 and their lower initial purchase cost. The Board has allocated purely cash settled options to Conrad Löffel, instead of shares.<sup>2)</sup> All other stipulations of the LTP apply to

<sup>1)</sup> An exception was made in favour of two long-serving members of Group Executive Management who already held office in 2007. In their case, the remuneration system implemented in 2006 was continued until the end of 2008. Under this system, 40% of bonuses awarded in respect of the years 2006 to 2008 were paid out in the form of Valora shares. The price of these shares was fixed at CHF 237 and the shares are subject to a 5-year lock-up period from the date they are granted. Provided that earnings per share growth objectives are met, the participants will subsequently receive an additional 30% of the the number of shares previously granted under the plan. Cash payment in lieu is not possible. Unconditionally allocated shares remain in the participants' possession upon cessation of employment with Valora, but the lock-period continues to apply. A total of 1 182 shares were allocated in respect of 2008. The market price prevailing for the shares at the time they were granted was CHF 270.25.

<sup>2)</sup> The options have an exercise price of 148.05, which is the average trading price of the shares during the

him as they do to the other participants. The overall 2009 cost of the LTP plan for the Board and Group Executive Management is limited to CHF 539 thousand.

**Valora Performance Shares (VPS).** In 2008, a programme for middle and upper management (excluding Group Executive Management) was established. Individual participation is voluntary. The plan pays a portion of a manager's total remuneration in the form of Valora shares. The Valora performance shares awarded on January 1, 2008 (or thereafter in the case of those joining during the year) vest on December 31, 2010, after which ownership passes to the individual participants. Participants leaving Valora before the end of the vesting period lose their entitlement to shares. The personnel expense arising from these awards, recognition of which will be spread over the entire vesting period, amounted to CHF 0.78 million in 2009 (1.12 million in 2008). Awards under this programme were discontinued as of December 31, 2008 and the programme was closed. Valora will continue to meet its existing obligations under the plan with regard to awards already made.

**Employee share ownership plan.** Provided specific criteria are fulfilled and based on their function or management position, employees in Switzerland (other than members of Group Executive Management) are entitled to acquire shares at the beginning of each year on preferential terms. Shares may be purchased at 60% (2008: 40%) of the average market price for the shares during the previous November. Shares so acquired enjoy all usual shareholder rights, but may not be sold during the 3 years immediately following purchase (5 years for shares acquired in 2008). The proceeds of these share sales to employees are credited directly to shareholders' equity.

**Suppliers.** No goods or services were paid for with Valora shares, nor were the prices paid for any goods or services linked to the Valora share price.

<i>Personnel costs for share-based remuneration plans</i>	2009	2008
in CHF 000		
Expenses related to Valora Group share-based plans for employees and management (equity settled)	1 761	1 404
Expenses related to Valora Group share-based plans for employees and management (cash settled)	51	0
<b>Total share-based plan expenses charged to income</b>	<b>1 812</b>	<b>1 404</b>

## 32 CONTINGENT LIABILITIES AND COMMITMENTS

<i>Contingent liabilities</i>	2009	2008
in CHF 000		
Sureties	647	292
Other contingent liabilities	1 873	360
<b>Total contingent liabilities</b>	<b>2 520</b>	<b>652</b>

The probability of any of these contingent liabilities triggering a cash outflow is estimated not to exceed 25%.

twenty trading days prior to the commencement of the LTP. The market price of the shares when the options were awarded was CHF 161. The value of the options determined using the Black Scholes model was based on the following key parameters:

Number of options	1 346	1 347
Expiration date	01.01.2011	01.01.2012
Implied volatility	32%	33%
Risk-free rate of interest	0.638%	0.87%
Value per option	CHF 108.96	CHF 114.43

The book value of the liability arising from the cash exercise options was CHF 300.8 thousand at 31.12.09

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

<i>Commitments</i>	2009	2008
in CHF 000		
Long-term rental commitments	329 333	282 421
Other operating lease commitments	7 240	12 631
Finance lease commitments	1 044	2 201
Future contractual obligations and other commitments	193	193
<b>Total commitments</b>	<b>337 810</b>	<b>297 446</b>

<i>Long-term rental commitments</i>	2009	2008
in CHF 000		
Minimum rental expense in period	53 815	46 472
Conditional rental expense in period	72 789	74 432
<b>Total rental expense in period</b>	<b>126 604</b>	<b>120 904</b>

<i>Leases maturing</i>		
Within one year	69 428	60 356
Within 1-2 years	57 983	57 038
Within 2-3 years	53 230	41 449
Within 3-4 years	42 122	38 284
Within 4-5 years	35 489	28 684
After more than 5 years	71 081	56 610
<b>Total long-term rental commitments</b>	<b>329 333</b>	<b>282 421</b>

Long-term rental commitments serve primarily to secure kiosk locations for the long term. Some of the rents under these agreements are linked to turnover.

<i>Other operating lease commitments</i>	2009	2008
in CHF 000		
Total expenses for other operating leases in period	4 815	4 983

<i>Leases maturing</i>		
Within one year	3 572	4 721
Within 1-2 years	2 342	4 300
Within 2-3 years	1 080	2 379
Within 3-4 years	217	886
Within 4-5 years	16	345
After more than 5 years	13	0
<b>Total future commitments from other operating leases</b>	<b>7 240</b>	<b>12 631</b>

<i>Finance lease commitments</i>	2009	2008
<i>in CHF 000</i>		
Total payments (interest and amortisation) in year	719	840
<i>Leases maturing</i>		
Within one year	974	1 409
Within 1-2 years	48	689
Within 2-3 years	18	97
Within 3-4 years	4	6
<b>Total financial lease commitments</b>	<b>1 044</b>	<b>2 201</b>
Less future interest charges	– 21	– 116
<b>Total finance lease obligation (present value)</b>	<b>1 023</b>	<b>2 085</b>
Less current portion of finance lease obligation (see note 26)	– 954	– 809
<b>Long-term finance lease obligation (see note 26)</b>	<b>69</b>	<b>1 276</b>

<i>Present value of future minimum payments under finance leases</i>	2009	2008
<i>in CHF 000</i>		
Within one year	954	1 339
Within 1-2 years	47	648
Within 2-3 years	18	92
Within 3-4 years	4	6
<b>Total present value of future minimum lease payments</b>	<b>1 023</b>	<b>2 085</b>

The other operating lease liabilities principally relate to leased vehicles. The finance leasing obligations relate both to leased vehicles and leased coffee machines in use at Valora outlets.

### **33 RISK MANAGEMENT AND DERIVATIVE FINANCIAL INSTRUMENTS**

The international scale of its business operations and its financing structure both expose the Valora Group to a variety of financial risks. These not only include market risks such as foreign exchange and interest rate risk, but also encompass liquidity and credit risks. Valora's financial risk management activities aim to limit these risks.

Valora's fundamental financial policies are promulgated by Group Executive Management and overseen by the Board of Directors. Responsibility for implementing Group financial policy and for financial risk management lies with the central Corporate Treasury.

In order to visualise market risks, sensitivity analyses are conducted which show the effects which hypothetical changes in relevant risk variables would have on pre-tax net income and shareholders' equity. These potential effects are determined by applying the assumed changes in risk variables to the valuation of the Group's positions in financial instruments. The interest rate scenarios used show differences between the current level of interest rates and those assumed to prevail at the end of the following year. The hypothetical changes in currencies are based on 1-year volatility levels prevailing at the balance sheet date.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**Exchange rate risks.** Transaction risks arise from the fact that the local currency value of payments whose amounts have been fixed in another currency can increase or decrease as a result of fluctuations in the exchange rate between the two currencies. For Valora, transaction risks arise as a result of its purchasing goods and services from suppliers abroad and on intra-Group transactions. Most Group companies transact the majority of their business in their local currency. In order to limit transaction risk, currency derivatives are used from time to time. Currency translation risks, on the other hand, arise when the balance sheets of subsidiaries outside Switzerland are converted into Swiss francs for consolidation.

The table below shows the main effects on pre-tax earnings and shareholders' equity which would result from hypothetical changes in key exchange rates. Translation risks are not taken into account.

<i>FX rate sensitivity</i>	Hypothetical change (in percent) 2009	Impact on 2009 pre-tax earnings	Impact on 2009 shareholders' equity	Hypothetical change (in percent) 2008	Impact on 2008 pre-tax earnings	Impact on 2008 shareholders' equity
in CHF 000						
CHF / DKK	+/- 6.0%	+/- 664	+/- 0	+/- 8.7%	+/- 2 064	+/- 0
CHF / EUR	+/- 6.0%	+/- 10 557	+/- 5 484	+/- 8.7%	+/- 260	+/- 9 259
CHF / NOK	+/- 14.1%	+/- 25	+/- 883	+/- 15.5%	+/- 139	+/- 356
CHF / SEK	+/- 15.8%	-/+ 1 783	+/- 1 854	+/- 13.9%	+/- 72	+/- 1 544

Net investments in subsidiaries outside Switzerland are also analysed periodically and the risks are assessed in the light of the volatility of the currencies concerned. These analyses show that the currency translation risk is modest compared to available shareholders' equity.

**Interest rate risks.** Cash and cash equivalents are the Group's principal interest-bearing assets. Since the interest rates applicable to these assets are floating, the interest earnings derived from them are directly affected by market interest rates. Under normal circumstances, the Group's principal interest rate risk relates to the interest paid on its financial liabilities. Floating rate financial liabilities expose the Group to net interest income or expense risk. Financial liabilities with fixed interest rates, on the other hand, expose the Group to the risk of shifts in the current market value of its liabilities. Group financial policy stipulates that at least 50% of its interest-bearing liabilities should be at fixed interest rates. In order to achieve the target mix between fixed and floating interest rate exposure, interest rate hedging transactions are entered into where necessary. The Group's main liabilities with fixed long-term effective interest rates are the 2.875% bond issue, which matures in July 2012, and the syndicated loan (see note 26).

The table below shows the principal changes in pre-tax earnings and shareholders' equity which would result from hypothetical shifts in the level of interest rates in the main currencies in which Valora operates.

<i>Interest rate sensitivity</i>	Hypothetical change (in basis points) 2009	Impact on 2009 pre-tax earnings	Hypothetical change in (basis points) 2008	Impact on 2008 pre-tax earnings
in CHF 000				
CHF	+/- 45	+/- 346	+/- 15	+/- 80
DKK	+/- 115	+/- 39	+/- 105	+/- 112
EUR	+/- 125	+/- 519	+/- 80	+/- 400
NOK	+/- 150	+/- 49	+/- 35	+/- 15
SEK	+/- 125	+/- 130	+/- 125	+/- 185

*Liquidity risks.* Liquidity risk management aims to ensure the Group is always able to meet its payment obligations in full and on time. The Valora Group continually monitors its liquidity position and uses cash pool structures to optimise it. Additional liquidity reserves in the form of credit lines and cash ensure that the Group remains both solvent and financially flexible.

The table below shows the nominal interest and redemption payments arising from the Group's financial obligations. It takes account of all instruments in which the Group held positions at December 31 of the two years shown. Interest amounts payable on floating rate instruments have been determined based on the most recent fixing preceding year end.

in CHF 000	up to 1 month	from 1 to 3 months	from 3 months to 1 year	from 1 to 5 years	more than 5 years
<b>At December 31, 2009</b>					
Short-term financial liabilities	889	146	512	0	0
Derivatives not designated as hedges	0	0	0	301	0
Trade accounts payable	221 902	62 265	0	0	0
Other short-term financial liabilities (excluding VAT and other taxes)	92 227	35 593	3 815	0	0
Long-term financial liabilities	0	0	4 039	149 823	1 382
<b>Total</b>	<b>315 018</b>	<b>98 004</b>	<b>8 366</b>	<b>150 124</b>	<b>1 382</b>
<b>At December 31, 2008</b>					
Short-term financial liabilities	708	159	649	0	0
Trade accounts payable	183 503	69 428	57	0	0
Trade accounts payable (excluding VAT and other taxes)	94 395	15 358	7 648	0	0
Long-term financial liabilities	122	0	6 001	162 110	1 382
<b>Total</b>	<b>278 728</b>	<b>84 945</b>	<b>14 355</b>	<b>162 110</b>	<b>1 382</b>

The Valora Group has at its disposal a number of committed and uncommitted credit lines, enabling it to optimise its liquidity management at all times.

*Credit risks.* Credit risks arise when a contractual partner is not in a position to meet its obligations as agreed. Valora constantly reviews its accounts receivable and manages them so as to avoid the formation of significant credit or concentration risks. At year end 2009 and year end 2008, the Valora Group had no accounts receivable from individual customers which accounted for more than 8.0% of its total accounts receivable.

The Valora Group conducts its financial transactions with a selected number of first-class financial institutions. Specific situations may require subsidiaries to transact business with other banks. The establishment and discontinuation of banking relationships is subject to approval by the Group's corporate treasury, which regularly reviews all banking relationships on the basis of external ratings and sets exposure limits for all counterparties.

The maximum default risk of CHF 395 million on the Group's financial assets (CHF 367 million in 2008) is equal to the book value of these instruments (see note 34).



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The table below shows the Group's sight deposits and fixed maturity deposits with maturities of 3 months or less by rating of the banking counterparties with whom they are placed. The table uses Standard & Poor's ratings.

<i>Sight deposits and fixed maturity deposits maturing in &lt; 3 months placed with banks</i>	2009	2008
in CHF 000		
AAA and/or state guarantee	38 053	31 335
AA	32 158	42 252
A	63 247	59 125
No Rating	1 492	2 382
<b>Total sight deposits and fixed maturity deposits maturing in &lt; 3 months placed with banks <sup>1)</sup></b>	<b>134 950</b>	<b>135 094</b>

<sup>1)</sup> The remainder of the cash and cash equivalents position shown in the balance sheet relates to cash (including cash in transit).

*Tools for hedging and risk management.* The Valora Group uses FX forward contracts to mitigate its foreign exchange risk. Exposure arising from existing asset and liability items, as well as those arising from future commitments, is centrally managed.

The table below shows both the contract values, or nominal underlying amounts, of the Group's positions in derivative financial instruments as well as their aggregate replacement values. The information, which is presented by instrument type, relates to valuations at balance sheet dates.

Contract values or underlying nominal amounts show the volume of the underlying transactions at the balance sheet dates. They do not contain any information about the market risk these positions involve. The replacement values have been determined either by valuations made by the counterparty with whom the positions are held, market closing prices at December 31, 2009 and December 31, 2008, or by the use of standard pricing models.

<i>Derivative financial instruments</i>	2009 Contract value	2008 Contract value	2009 Replacement value	2008 Replacement value
in CHF 000				
<i>Share options</i>				
Call options	687	0	- 301	0
<i>Currency instruments</i>				
Forward contracts	12 199	15 182	- 378	95
<b>Total derivative financial instruments</b>	<b>12 886</b>	<b>15 182</b>	<b>- 679</b>	<b>95</b>

Open FX forward positions at year-end 2009 had positive replacement values of CHF 48 thousand (CHF 712 thousand in 2008) and negative replacement values of CHF 426 thousand (CHF 617 thousand in 2008).

<i>Notional contract values of derivative financial instruments by maturity band</i>	2009	2008
in CHF 000		
Within one year	12 199	15 182
Within 1-2 years	0	0
Within 2-3 years	687	0
Within 3-4 years	0	0
Within 4-5 years	0	0
After more than 5 years	0	0
<b>Total notional value of derivative financial instruments</b>	<b>12 886</b>	<b>15 182</b>

**Capital management.** The overarching objective of the Valora Group's capital management activities is to ensure that high credit quality and a sound shareholders' equity foundation are maintained so as to support the Group's business activities and maximise value for its shareholders.

The Valora Group manages its capital structure and modifies it in response to changes in economic circumstances. In order to maintain or adapt its capital structure, the Valora Group can elect to implement a number of measures, such as modifying the amount of dividends paid to shareholders, capital repayments to shareholders or the issuance of new shares.

The Group monitors its capital position by reference to its equity cover, which is calculated on the basis of the percentage of total assets represented by shareholders' equity (including minority interests). The Group's capital and equity cover are shown in the table below:

in CHF 000	2009	2008 Restated	01.01.2008 Restated
Equity attributable to shareholders of Valora Holding	449 877	447 080	617 519
Equity attributable to minority interests	3 841	3 325	3 424
<b>Total shareholders equity</b>	<b>453 718</b>	<b>450 405</b>	<b>620 943</b>
<b>Equity cover</b>	<b>41.3%</b>	<b>42.5%</b>	<b>45.3%</b>

The Valora Group is not subject to any regulatory capital requirements of the type prevalent in the financial services industry. The Group's required minimum equity cover is stipulated in the financial covenants governing its bank lending agreements.

With shareholders' equity equal to 41.3% of total assets, Valora is convinced, given current market and other relevant factors, that its objective of optimal capital allocation is being met.

**Risk assessment stipulated by Swiss Code of Obligations.** In both 2009 and 2008, the Valora Group carried out a risk assessment involving the Board of Directors and Group Executive Management. The objective was to make the main risks to which Valora is exposed more transparent, to improve the quality of risk dialogue, and to define practical steps for addressing the key risks which Valora faces. The process began with a series of structured interviews with individual members of Group Executive Management. A Group Executive Management workshop was then held which discussed the results, identified the main risks, analysed and evaluated them, and planned appropriate action. The workshop results were then discussed with the Board of Directors and a set of planned measures was decided upon.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 34 FINANCIAL INSTRUMENTS

#### *Book values, fair values and valuation categories*

	Valuation category	Book value 2009	Book value 2008 Restated	Fair value 2009	Fair value 2008 Restated
in CHF 000					
<i>Assets</i>					
Cash and cash equivalents	LaR	161 565	158 436	161 565	158 436
Derivatives not designated as hedges	FAHfT	48	712	48	712
Trade accounts receivable	LaR	163 289	153 728	163 289	153 728
Other short-term receivables (excluding sales and withholding tax receivables)	LaR	60 786	43 715	60 786	43 715
Long-term interest-bearing investments	LaR	6 874	7 047	6 874	7 047
Financial assets available for sale valued at cost	AfS	677	676	n/a	n/a
Financial assets available for sale valued at fair value	AfS	2 113	2 865	2 113	2 865
<i>Liabilities</i>					
Short-term financial liabilities	FLAC	1 527	1 447	1 527	1 447
Derivatives not designated as hedges	FLHfT	727	617	727	617
Trade accounts payable	FLAC	284 167	252 988	284 167	252 988
Other short-term liabilities (excluding VAT and other taxes)	FLAC	131 635	117 401	131 635	117 401
Long-term financial liabilities	FLAC	144 235	151 022	149 013	147 969
<i>Classified by category</i>					
Loans and receivables (LaR)		392 514	362 926	392 514	362 926
Financial assets held for trading (FAHfT)		48	712	48	712
Financial assets available for sale (AfS)		2 790	3 541	n/a	n/a
Financial liabilities at cost (FLAC)		561 564	522 858	566 342	519 805
Financial liabilities held for trading (FLHfT)		727	617	727	617

The fair value of long-term fixed income instruments – with the exception of that of the Group's outstanding bond issue – was determined by discounting their expected future cash flows at prevailing market interest rates. The fair value of the bond issue corresponds to the nominal value of the outstanding amount multiplied by the market price prevailing on the balance sheet date. Details of the valuation methods applied to the derivative financial instrument positions and to the Group's financial assets available for sale can be found in notes 4, 24 and 33. All short-term financial instruments have been valued on the assumption that their book values constitute reasonable approximations of their fair value, since the effects of discounting them are negligible.

The Valora Group does not own any financial investments classified as held to maturity (HtM).

### 35 TRANSACTIONS AND BALANCES OUTSTANDING WITH RELATED PARTIES

The consolidated financial statements encompass Valora Holding AG as the ultimate parent company along with all subsidiaries it directly or indirectly controls, as set out in note 38.

*Transactions.* Business was transacted with related individuals and companies as follows:

<i>Goods and services sold to related parties</i>	2009	2008
in CHF 000		
<i>Goods sold to</i>		
Joint ventures in which Valora is a partner	256	162
<i>Services to</i>		
Associates	204	268
<b>Total goods and services sold</b>	<b>524</b>	<b>430</b>

<i>Goods and services purchased from related parties</i>	2009	2008
in CHF 000		
<i>Services purchased from</i>		
Other related parties	245	214
<b>Total goods and services purchased</b>	<b>245</b>	<b>214</b>

<i>Rental payments to related parties</i>	2009	2008
in CHF 000		
Other related parties	3 745	4 059
<b>Total rental payments</b>	<b>3 745</b>	<b>4 059</b>

These rental payments relate to business premises in Luxembourg made available to Valora subsidiaries by a related party.

<i>Rental payments from related parties</i>	2009	2008
in CHF 000		
Pension plan foundation and other related companies	31	168
<b>Total rental payments received</b>	<b>31</b>	<b>168</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**Management and Board remuneration.** Remuneration paid to management and the Board of Directors includes all expenses shown in the consolidated financial statements directly relating to members of the Group Executive Committee and the Board of Directors.

<i>Management and Board remuneration</i>	2009	2008
in CHF 000		
Salaries and other short-term benefit <sup>1)</sup>	4 161	7 410
Post-employment benefits	0	341
Termination benefits <sup>2)</sup>	0	2 505
Share-based payments	539	399
<b>Total Board and management remuneration</b>	<b>4 700</b>	<b>10 655</b>

<sup>1)</sup> Including vehicle costs paid by the employer.

<sup>2)</sup> If a member of Group Executive Management leaves Valora, the Nomination and Compensation Committee will decide on any severance payment which might be granted, insofar as this is not governed by the employment contract in question. As of January 1, 2009, there is no longer any contractual provision for any severance payments or termination benefits to members of Group Executive Management. The termination benefits shown above include payments beyond those arising from a 12-month notice period.

Details of the remuneration paid to the Board of Directors and Group Executive Management, as well as details of their holdings of Valora Holding AG shares and of the shares held by significant shareholders (as required by Articles 663bbis and 663c of the Swiss Code of Obligations) can be found in notes 5 and 6 to the financial statements of Valora Holding AG.

**Receivables and liabilities.** The terms and conditions governing receivables and liabilities are those commonly used by the relevant companies. The Valora Group has neither received any sureties for receivables nor has it issued any guarantees for liabilities.

<i>Receivables for the sale of goods and services to related parties</i>	2009	2008
in CHF 000		
Receivables from joint ventures	39	24
<b>Total receivables</b>	<b>39</b>	<b>24</b>

**Loans.** No loans to related parties were outstanding during 2009.

Valora's participation in cevanova AG was sold to Migros in 2008 and certain net assets owned by the joint venture were transferred to Valora as part of this transaction. The cevanova AG joint venture was financed by a high level of borrowing in proportion to its equity capital. The loans provided to the joint venture by Valora were therefore classified as being economically equivalent to shareholders' equity and Valora's stake in the assets of the company have been reported in the balance sheet accordingly. In the table below, the changes in the balances of these loans are shown in accordance with the contractually specified lenders and borrowers concerned.

<i>Loans to related parties</i>	2009	2008
in CHF 000		
<b>Nominal loans to joint ventures on January 1</b>	<b>0</b>	<b>10 000</b>
Loans granted to joint ventures	0	0
Sale of cevanova AG	0	-10 000
<b>Nominal loans on December 31</b>	<b>0</b>	<b>0</b>
<b>Impairments on January 1</b>	<b>0</b>	<b>- 665</b>
Valuation increases	0	665
<b>Total impairments</b>	<b>0</b>	<b>0</b>
<b>Loans to joint ventures, net</b>	<b>0</b>	<b>0</b>

*Contingent liabilities and guarantees.* No guarantees or other contingent liabilities exist towards related parties.

### 36 EQUITY

<i>Shares outstanding</i>	2009	2008
in number of shares		
Total registered shares	2 800 000	3 300 000
<i>of which treasury stock</i>		
Position at January 1	487 314	107 057
Market sales and sales to employees and management	- 90 347	- 11 550
Market purchases and purchases of employee shares	152 899	391 807
Share capital reduction	- 500 000	0
<b>Total treasury stock</b>	<b>49 866</b>	<b>487 314</b>
<b>Total shares outstanding</b>	<b>2 750 134</b>	<b>2 812 686</b>
<b>Average number of shares outstanding</b>	<b>2 749 815</b>	<b>3 078 254</b>

A dividend of CHF 9.00 per share was paid in 2009 relating to the year 2008 (CHF 9.00 per share was paid in 2008 relating to the year 2007). Dividend distributions are based on net income for the year and earnings carried forward by the Valora Holding AG parent company.

Since the capital reduction in 2009, the share capital has consisted of 2 800 000 registered shares of CHF 1.00 nominal value each.

A conditional share capital of 84 000 shares exists which the Board of Directors may use for existing or future management share plans. None of these shares had been issued at December 31, 2009.

### 37 SUBSEQUENT EVENTS

These consolidated financial statements were approved by the Board of Directors of Valora Holding AG on March 24, 2010. The Board of Directors recommends that the Ordinary General Meeting of Shareholders to be held on April 22, 2010 approve these financial statements and approve the payment of a dividend of CHF 10.00 per share from the profits of Valora Holding AG available for distribution.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At the General Meeting, i.e. after publication of the Group financial statements, the shareholders of Valora Holding AG, in their capacity as owners of the parent company, have the right to send these statements back for modification.

### 38 SIGNIFICANT SUBSIDIARIES OF THE VALORA GROUP

	Currency	Nominal capital in million	Shareholding in %	Corporate	Valora Retail	Valora Media	Valora Trade
<i>Switzerland</i>							
Valora Management AG, MuttENZ	CHF	0.5	100.0	•			
Valora Beteiligungen AG, MuttENZ	CHF	29.4	100.0	•	•		
Valora Investment AG, MuttENZ	CHF	0.3	100.0	•			
Ravita AG, Baar	CHF	0.1	100.0		•		
Merkur AG, MuttENZ	CHF	20.0	100.0	•			
Valora AG, MuttENZ	CHF	5.2	100.0	•	•	•	•
Melisa SA, Lugano	CHF	0.4	100.0			•	
<i>Germany</i>							
Valora Holding Germany GmbH, Hamburg	EUR	0.4	100.0	•			
Stilke GmbH, Hamburg	EUR	3.8	100.0		•		
Sussmann's Presse&Buch GmbH, Hamburg	EUR	0.1	100.0		•		
BHG Bahnhofs-Handels GmbH, Hamburg	EUR	0.5	100.0		•		
HD Presse&Buch GmbH, Hamburg	EUR	0.1	100.0		•		
Media Center Gesellschaft für Presse und Tabakhandel mbH, Berlin	EUR	0.1	100.0		•		
Valora Retail City Operations GmbH, Hamburg	EUR	0.1	100.0		•		
Valora Retail Services GmbH, Hamburg	EUR	0.1	100.0		•		
Konrad Wittwer GmbH Bahnhofsbuchhandlungen, Stuttgart	EUR	0.3	100.0		•		
Valora Trade Germany GmbH, Mülheim a.d.Ruhr	EUR	0.2	68.0				•
<i>Benelux</i>							
Valora Europe Holding S.A., Luxembourg	EUR	0.1	100.0	•			
MPK Shop S.à r.l., Luxembourg	EUR	3.0	100.0		•		
Messageries Paul Kraus S.à r.l., Luxembourg	EUR	7.0	100.0			•	
Messageries du livre S.à r.l., Luxembourg	EUR	1.5	100.0			•	
Transports et Garages Presse S.à r.l., Luxembourg	EUR	0.1	100.0			•	
<i>United Kingdom</i>							
Valora Holding Finance Ltd, Guernsey	CHF	475.4	100.0	•			

	Currency	Nominal capital in million	Shareholding in %	Corporate	Valora Retail	Valora Media	Valora Trade
<i>Austria</i>							
Valora Holding Austria AG, Anif	EUR	1.1	100.0	•			
Valora Trade Austria GmbH + Co. KG, Neunkirchen	EUR	3.6	100.0				•
Plagemann Lebensmittelhandels GmbH + Co. KG, Neunkirchen	EUR	0.1	100.0				•
Valora Services Austria GmbH, Anif	EUR	0.7	100.0			•	
<i>Sweden</i>							
Valora Holding Sweden AB, Stockholm	SEK	0.5	100.0	•			
Valora Trade Sweden AB, Stockholm	SEK	12.0	100.0				•
<i>Norway</i>							
Valora Holding Norway AS, Røyken	NOK	10.0	100.0	•			
Valora Trade Norway AS, Røyken	NOK	2.0	100.0				•
<i>Denmark</i>							
Valora Trade Denmark A/S, Herlev	DKK	43.0	100.0				•
Valora Trade Denmark Beverages A/S, Herlev	DKK	2.0	75.0				•
<i>Finland</i>							
Oy Valora Trade Finland AB, Helsinki	EUR	0.1	100.0				•
<i>Other countries</i>							
Kaamy S.r.o., Fulnek, Czech Republic	CZK	0.1	50.0				•



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### REPORT OF THE STATUTORY AUDITOR TO THE GENERAL MEETING OF VALORA HOLDING AG, MUTTENZ

#### REPORT OF THE STATUTORY AUDITOR ON THE CONSOLIDATED FINANCIAL STATEMENTS

As statutory auditor, we have audited the consolidated financial statements of Valora Holding AG, which comprise the balance sheet, income statement, comprehensive income statement, cash flow statement, statement of changes in equity and notes (pages 52 to 107), for the year ended 31 December 2009. The prior period financial statements were audited by another auditor whose report dated 24 March 2009, expressed an unqualified opinion on those financial statements.

**Board of Directors' responsibility.** The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

**Auditor's responsibility.** Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards and International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion.** In our opinion, the consolidated financial statements for the year ended 31 December 2009 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with IFRS and comply with Swiss law.

#### REPORT ON OTHER LEGAL REQUIREMENTS

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

Ernst & Young AG

Martin Gröli  
Licensed audit expert  
(Auditor in charge)

Stefanie Walter  
Licensed audit expert

Zurich, 24 March 2010