

## INCOME STATEMENT

	2013	2012
<i>January 1 to December 31, in CHF 000</i>		
<i>Income</i>		
Dividend income	40 100	22 100
Adjustment to impairment charge on investments	14 000	14 300
Interest income	694	1 735
Foreign exchange gains	2 571	635
Income from securities	1 644	43
<b>Total income</b>	<b>59 009</b>	<b>38 813</b>
<i>Expense</i>		
Interest expense	- 18 060	- 10 491
Foreign exchange losses	- 3 255	- 582
Losses on securities	- 59	- 2 973
General administration expense	- 4 135	- 9 094
<b>Total expense</b>	<b>- 25 509</b>	<b>- 23 140</b>
<b>Net profit for the year</b>	<b>33 500</b>	<b>15 673</b>

## BALANCE SHEET BEFORE APPROPRIATION OF AVAILABLE EARNINGS

### ASSETS

	2013	2012
<i>at December 31, in CHF 000</i>		
<i>Current assets</i>		
Cash and cash equivalents	141	505
Securities	7 774	9 588
Prepayments	179	307
Short-term receivables	175	396
	1 975	1 456
<b>Total current assets</b>	<b>10 244</b>	<b>12 252</b>
<i>Non-current assets</i>		
Investments	1 028 699	745 331
Loans and receivables from Group companies	15 383	16 755
Discounts and capitalised issuance cost on bond/syndicated loan	3 427	6 475
<b>Total non-current assets</b>	<b>1 047 509</b>	<b>768 561</b>
<b>Total assets</b>	<b>1 057 753</b>	<b>780 813</b>

**LIABILITIES AND EQUITY**

		2013	2012
<i>at December 31, in CHF 000</i>			
<i>Liabilities</i>			
Current liabilities	towards third parties	468	498
	towards Group companies	99 547	83 110
Accrued expenses	towards third parties	6 536	5 074
Syndicated loan		0	36 231
Bond payable		320 000	200 000
Bonded-loan issue		184 110	0
Provisions		64 000	64 000
<b>Total liabilities</b>		<b>674 661</b>	<b>388 913</b>
<i>Equity</i>			
Share capital		3 436	3 436
General legal reserves		687	560
Reserve for treasury stock		8 015	12 350
Capital contribution		99 502	119 299
Unrestricted reserves		197 280	192 948
Profit available for distribution	Profit carried forward	40 672	47 634
	Net profit for the year	33 500	15 673
<b>Total equity</b>		<b>383 092</b>	<b>391 900</b>
<b>Total liabilities and equity</b>		<b>1 057 753</b>	<b>780 813</b>

## NOTES TO THE FINANCIAL STATEMENTS OF VALORA HOLDING AG

### A BASIS OF PRESENTATION

Valora Holding AG's annual accounts are drawn up in accordance with the provisions of Swiss company law (Swiss Code of Obligations).

### B NOTES

**1 CONTINGENT LIABILITIES.** At December 31, 2013 the Group's contingent liabilities in favour of subsidiaries – consisting of sureties, subordination, keep well agreements, guarantees and other contingencies – totalled CHF 271.2 million (2012: CHF 241.8 million) with a further CHF 1.0 million in favour of third parties (2012: CHF 1.0 million).

### 2 BOND OUTSTANDING

	Coupon	Maturity	31.12.2013	31.12.2012
in CHF 000				
Bond 2012–2018	2.50%	02.03.2018	200 000	200 000
Perpetual hybrid bond issue	4.00%	30.10.2018 <sup>1)</sup>	120 000	–

<sup>1)</sup> While the perpetual hybrid bond issue has no fixed maturity, it cannot be called by the issuer prior to October 30, 2018.

### 3 TREASURY STOCK HELD BY THE COMPANY AND ITS SUBSIDIARIES

	2013 Number of shares	2013 Net book value	2012 Number of shares	2012 Net book value
in CHF 000				
<b>Opening balance (at January 1)</b>	<b>51 702</b>	<b>9 570</b>	<b>19 920</b>	<b>3 722</b>
Sales	– 22 375	– 4 404	– 58 615	– 11 996
Purchases	4 687	947	90 397	20 744
Value adjustments	–	1 643	–	– 2 900
<b>Closing balance (at December 31)</b>	<b>34 014</b>	<b>7 756</b>	<b>51 702</b>	<b>9 570</b>

The share purchases in 2013 were made at market prices ranging from CHF 176.00 to CHF 202.05.

In addition, during 2013, Valora Holding AG purchased a total of 4687 shares at an average price of CHF 202.03 and sold a total of 22375 shares at an average price of CHF 196.83.

At December 31, 2013, treasury shares held by Valora Holding AG represented 1.0% of the company's issued share capital (1.5% at year-end 2012).

**4 NET RELEASE OF HIDDEN RESERVES.** Hidden reserves of CHF 14.0 million were released in 2013 (CHF 14.3 million in 2012).

5 REMUNERATION AND SHAREHOLDINGS

Remuneration 2013

in CHF 000	Director's fee / base salary	Short Term Plan (STP) <sup>1)</sup>	Long Term Plan (LTP) <sup>2)</sup>	Emolument in kind	Consultancy fee <sup>4)</sup>	Other remuneration <sup>5)</sup>	Total 2013
<b>Board of Directors</b>							
Rolando Benedick <sup>6)</sup> Chairman	-	-	-	-	-	-	-
Markus Fiechter Vice-Chairman and Lead Director	160.0	-	23.8	-	49.5	16.4	249.7
Bernhard Heusler Board member	110.0	-	16.3	-	-	8.8	135.1
Franz Julen Chairman of Nomination and Compensation Committee	120.0	-	17.8	-	-	9.7	147.5
Ernst Peter Ditsch Board member (since April 2013)	-	-	-	-	496.3	5.1	501.4
Conrad Löffel <sup>3)</sup> Chairman of Audit Committee	120.0	-	112.8	-	-	9.6	242.4
<b>Total remuneration to Board members</b>	<b>510.0</b>	<b>-</b>	<b>170.7</b>	<b>-</b>	<b>545.8</b>	<b>49.6</b>	<b>1 276.1</b>
<b>Group Executive Management</b>							
Rolando Benedick <sup>6)</sup> CEO	850.0	300.0	66.8	-	-	57.9	1 274.7
<b>Total remuneration to current members of Group Executive Management</b>	<b>2 395.0</b>	<b>658.7</b>	<b>199.5</b>	<b>60.0</b>	<b>-</b>	<b>414.6</b>	<b>3 727.8</b>
Total remuneration to former members of Group Executive Management	268.2	80.0	13.4	10.0	-	69.8	441.4
<b>Total remuneration to Group Executive Management (GEM)</b>	<b>2 663.2</b>	<b>738.7</b>	<b>212.9</b>	<b>70.0</b>	<b>-</b>	<b>484.4</b>	<b>4 169.2</b>

No severance payments were made in 2013.

<sup>1)</sup> These are the effective costs of the bonuses granted in respect of 2013, which will be paid out in April 2014.

<sup>2)</sup> The total number of shares covered by the LTP is 84 098. The costs of running the LTP comprise interest payments to finance the LTP share purchases for members of the Board of Directors and Group Executive Management and the difference between the market price of the shares on the date they were allocated and their average closing price over the twenty trading days preceding the commencement of the LTP programme.

<sup>3)</sup> Remuneration paid in respect of the 3733 options in the option programme amounted to CHF 113 thousand. The exercise price of the options was CHF 301.75 for the first tranche and CHF 199.85 for the second tranche of the LTP 2011, which corresponds to the shares' average closing prices over the twenty days preceding the commencement of these two tranches. The market price at the time the options were awarded was CHF 291.00 for the first tranche and CHF 219.20 for the second tranche of the LTP 2011. The value of the options determined using the Black Scholes model was based on the following key parameters:

Plan	2 <sup>nd</sup> Tranche LTP	1 <sup>st</sup> Tranche LTP
Number of options	1883	1850
Earliest exercise date	30.10.2015	30.10.2013
Implied volatility	35%	35%
Risk-free rate of interest	0.523%	0.523%
Fair value per option	CHF 71.82	CHF 0.00

<sup>4)</sup> Ernst Peter Ditsch has concluded a consultancy agreement with Valora for a period commencing on November 1, 2012 and ending no later than October 31, 2014. His annual remuneration under this agreement amounts to EUR 400 thousand. Expenses incurred by Markus Fiechter in connection with Valora Trade's new strategic direction were reimbursed separately. This mandate expired in 2013.

<sup>5)</sup> These amounts include payments to pension plans and other benefit schemes.

<sup>6)</sup> The CEO's remuneration also includes the remuneration paid to him as Chairman of the Board of Directors.

*Remuneration 2012*

	Director's fee/ base salary	Short Term Plan (STP) <sup>1)</sup>	Long Term Plan (LTP) <sup>2)</sup>	Emolument in kind	Termination payments	Other remuneration <sup>4)</sup>	Total 2012
in CHF 000							
<b>Board of Directors</b>							
Rolando Benedick Chairman and CEO	716.7	–	64.2	–	–	48.8	829.7
Markus Fiechter Vice-Chairman and Lead Director	160.0	–	22.6	–	–	16.0	198.6
Bernhard Heusler Board member	110.0	–	15.5	–	–	8.8	134.3
Franz Julen Chairman of Nomination and Compensation Committee	120.0	–	16.9	–	–	9.7	146.6
Conrad Löffel <sup>3)</sup> Chairman of Audit Committee	120.0	–	115.5	–	–	15.3	250.8
<b>Total remuneration to Board members</b>	<b>1 226.7</b>	<b>–</b>	<b>234.7</b>	<b>–</b>	<b>–</b>	<b>98.6</b>	<b>1 560.0</b>
<b>Group Executive Management</b>							
Lorenzo Trezzini CFO	400.1	102.9	633.5	15.0	–	198.7	1 350.2
<b>Total remuneration to current members of Group Executive Management</b>	<b>2 089.7</b>	<b>402.4</b>	<b>717.9</b>	<b>82.5</b>	<b>–</b>	<b>613.8</b>	<b>3 906.3</b>
Total remuneration to former members of Group Executive Management	16.7	4.2	–	7.2	–	8.8	36.9
<b>Total remuneration to Group Executive Management (GEM)</b>	<b>2 106.4</b>	<b>406.6</b>	<b>717.9</b>	<b>89.7</b>	<b>–</b>	<b>622.6</b>	<b>3 943.2</b>

<sup>1)</sup> These are the effective costs of the bonuses granted in respect of 2012, which will be paid out in April 2013.

<sup>2)</sup> The total number of shares covered by the LTP is 67 098. The costs of running the LTP comprise interest payments to finance the LTP share purchases for members of the Board of Directors and Group Executive Management and the difference between the market price of the shares on the date they were allocated and their average closing price over the twenty trading days preceding the commencement of the LTP programme.

<sup>3)</sup> Remuneration paid in respect of the 3733 options in the option programme amounted to CHF 115.5 thousand. The exercise price of the options was CHF 301.75 for the first tranche and CHF 199.85 for the second tranche of the LTP 2011, which corresponds to the shares' average closing prices over the twenty days preceding the commencement of these two tranches. The market price at the time the options were awarded was CHF 291.00 for the first tranche and CHF 219.20 for the second tranche of the LTP 2011. The value of the options determined using the Black Scholes model was based on the following key parameters:

Plan	2 <sup>nd</sup> Tranche LTP	1 <sup>st</sup> Tranche LTP
Number of options	1883	1850
Earliest exercise date	30.10.2015	30.10.2013
Implied volatility	35%	35%
Risk-free rate of interest	0.523%	0.523%
Fair value per option	CHF 38.56	CHF 2.09

<sup>4)</sup> These amounts include payments to pension plans and other benefit schemes.

No payments were made to persons closely associated with current or former members of the Board of Directors or Group Executive Management which were not commensurate with market practice.

Remuneration paid to Board members is directly charged to Valora Holding AG. Remuneration paid to members of Group Executive Management is paid by their employer, Valora Management AG.

*Loans and advances.* At December 31, 2013 und 2012 there were no loans or advances outstanding to members of the Board or of Group Executive Management or to persons associated with them.

*Shareholdings.* At December 31, 2013 und 2012, individual members of the Board and Group Executive Management (including persons associated with them) held the following numbers of shares of Valora Holding AG:

	2013	2013	2013	2012	2012	2012
	Number of shares	Share of total voting rights in %	of which subject to a lock-up period	Number of shares	Share of total voting rights in %	of which subject to a lock-up period
<b>Board of Directors</b>						
Rolando Benedick Chairman and CEO	29 772	0.87	7 063: 31.10.2015	29 772	0.87	6 937: 31.10.2013 7 063: 31.10.2015
Markus Fiechter Vice-Chairman and Lead Director	9 578	0.28	2 511: 31.10.2015	8 344	0.24	2 467: 31.10.2013 2 511: 31.10.2015
Bernhard Heusler Board member	3 422	0.10	1 726: 31.10.2015	4 544	0.13	1 696: 31.10.2013 1 726: 31.10.2015
Franz Julen Chairman of Nomination and Compensation Committee	4 183	0.12	1 883: 31.10.2015	6 876	0.20	1 850: 31.10.2013 1 883: 31.10.2015
Ernst Peter Ditsch Board member (since April 2013)	635 599	18.50	none	–	–	–
Conrad Löffel <sup>1)</sup> Chairman of Audit Committee	0	0.00	none	0	0.00	none

<sup>1)</sup> The Long Term Plan for Conrad Löffel is option-based.

	2013	2013	2013	2012	2012	2012
	Number of shares	Share of total voting rights in %	of which subject to a lock-up period	Number of shares	Share of total voting rights in %	of which subject to a lock-up period
<b>Group Executive Management</b>						
Michael Mueller <sup>1)</sup> CFO	24 000	0.70	6 000: 31.10.2015 12 000: 31.10.2015	12 000	0.35	6 000: 31.10.2013 6 000: 31.10.2015
Andreas Berger Head, Valora Retail division	12 145	0.35	6 072: 30.04.2015	12 145	0.35	6 073: 30.04.2013 6 072: 30.04.2015
Alexander Theobald Head, Valora Services division	12 315	0.36	5 000: 31.10.2015 3 657: 31.10.2015	7 315	0.21	3 657: 30.04.2013
Alex Minder Head, Valora Trade division	11 618	0.34	709: 02.04.2014 4 795: 31.10.2015	11 618	0.34	207: 03.04.2013 96: 22.04.2013 4 710: 31.10.2013 709: 02.04.2014 4 795: 31.10.2015
<b>Total shares held by Board and GEM</b>	<b>742 632</b>	<b>21.62</b>		<b>92 614</b>	<b>2.69</b>	

<sup>1)</sup> In addition, Michael Mueller holds a further 57 5000 OTC call options (not written by Valora). The exercise price of these options is CHF 200, with 100 options exercising into 1 Valora registered share. The options expire on December 19, 2014 and they are subject to an extraordinary lock-up period (i.e. cannot be sold) until April 30, 2014.

**6 MAJOR SHAREHOLDERS.** The Ordinary General Meeting of shareholders held in 2010 removed the statutory restriction (in German: "Vinkulierung") which prevented any shareholder from having voting rights recognised in respect of more than 5% of the share capital issued. At December 31, 2013 this 5% threshold was equivalent to 171 780 shares.

As of December 31, 2013, Credit Suisse Funds AG (formerly Credit Suisse Asset Management Funds AG), Zurich held 175 168 registered shares, which represents 5.10% of the company's issued share capital (4.40% in 2012).

As of December 31, 2013, Ernst Peter Ditsch held 635 599 registered shares, which represents 18.50% of the company's issued share capital (18.50% in 2012).

As of December 31, 2013, UBS Fund Management (Switzerland) AG held 87 581 registered shares, which represents 2.55% of the company's issued share capital (5.56% in 2012).



**7 SIGNIFICANT SUBSIDIARIES OF VALORA HOLDING AG**

	31.12.2013 Holding in %	31.12.2012 Holding in %
<i>Switzerland</i>		
Valora International AG, Muttenz	100.0	100.0
Valora Management AG, Muttenz	100.0	100.0
Brezelkönig AG, Emmen	100.0	0.0
<i>Germany</i>		
Valora Holding Germany GmbH, Hamburg	5.1	5.1
Brezelkönig GmbH & Co. KG, Mainz	100.0	100.0
<i>United Kingdom</i>		
Valora Holding Finance Ltd, Guernsey	100.0	100.0

**8 CURRENT LIABILITIES.** Valora Holding AG's current liabilities towards Group companies include Valora Holding AG's portion of the Group's cash pool.

**9 APPROVED AND CONDITIONAL SHARE CAPITAL.** The Annual General Meeting held on 11 May, 2000 approved the creation of additional conditional share capital of a nominal CHF 84000. At December 31, 2013, none of these shares had been issued.

At their Ordinary General Meeting on April 15, 2011, Valora shareholders granted the Board of Directors authority to increase the company's share capital, at any time until April 15, 2013, by up to CHF 840000 through the issue of up to 840000 fully paid up new shares of CHF 1.00 nominal each. On November 6, 2012, 635 599 of these authorised shares, each with a nominal value of CHF 1.00, were issued in order to enable Valora to complete its acquisition of the Ditsch/Brezelkönig group of companies (see Note 6 to the Group's financial statements). The remainder of this authorised share capital was not used.

At their Ordinary General Meeting on April 18, 2013, Valora shareholders granted the Board of Directors authority to increase the company's share capital, at any time until April 18, 2015, by up to CHF 250000 through the issue of up to 250000 fully paid up new shares of CHF 1.00 nominal each.

**10 RISK ASSESSMENT.** Each year, the Valora Group carries out a risk assessment during October and December with the Board of Directors and Group Executive Management. The objective is 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 begins with a series of structured interviews with individual members of Group Executive Management. A Group Executive Management workshop is then held which discusses the results, identifies the main risks, analyses and evaluates them, and plans appropriate action. The workshop results are then discussed with the Board of Directors and a set of planned measures is decided upon.

## PROPOSED APPROPRIATION OF EARNINGS AVAILABLE FOR DISTRIBUTION AND DISBURSEMENT FROM CAPITAL CONTRIBUTION

### *Proposal for the appropriation of earnings available for distribution*

	2013	2012
in CHF 000		
<b>Net profit for the year</b>	<b>33 500</b>	<b>15 673</b>
+ Profit carried forward <sup>1)</sup>	40 672	47 634
<b>Earnings available for distribution</b>	<b>74 172</b>	<b>63 307</b>
<i>The Board of Directors proposes</i>		
Transfer to general legal reserves	0	- 127
Dividend	0	- 22 847
<b>Balance to be carried forward</b>	<b>74 172</b>	<b>40 333</b>
<i>Proposed disbursement from capital contribution</i>		
Capital contribution (before disbursement)	99 502	119 299
Distribution (following prior reclassification as free reserves)	- 42 945	- 20 098
<b>Capital contribution (after distribution)</b>	<b>56 557</b>	<b>99 201</b>
<i>Dividend distribution (in CHF)</i>		
Disbursement from free reserves (exempt from withholding tax)	12.50	5.85
Gross dividend per share	0.00	6.65
-35 % withholding tax	0.00	- 2.33
<b>Net dividend per share (in CHF)</b>	<b>12.50</b>	<b>10.17</b>

<sup>1)</sup> For the 51011 shares held by the company itself at the distribution date no dividend was paid, thus increasing the earnings carried forward by CHF 339 thousand.

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

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

As statutory auditor, we have audited the financial statements of Valora Holding AG, Muttenz, which comprise the income statement, balance sheet and notes (pages 115 to 123), for the year ended 31 December 2013.

**Board of Directors' Responsibility.** The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of 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 financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 of the 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 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 financial statements for the year ended 31 December 2013 comply with Swiss law and the company's articles of incorporation.

### 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 article 11 AOA) 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 financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Ernst & Young AG

Martin Gröli  
Licensed audit expert  
(Auditor in charge)

Stefanie Walter  
Licensed audit expert

Zurich, 31 March 2014