

INCOME STATEMENT

	Note	2015	2014
<i>January 1 to December 31, in CHF 000</i>			
<i>Income</i>			
Dividend income	2.1	50 100	50 148
Financial income	2.2	4 358	8 046
Total income		54 458	58 194
<i>Expense</i>			
Financial expenses	2.3	- 18 750	- 22 265
Personnel expenses		- 1 427	- 2 064
Other operating expenses	2.4	- 2 675	- 2 581
Direct taxes		- 166	- 159
Total expense		- 23 018	- 27 069
Net profit for the year		31 440	31 125

BALANCE SHEET BEFORE APPROPRIATION OF AVAILABLE EARNINGS

ASSETS

	Note	2015	2014
<i>at December 31, in CHF 000</i>			
<i>Current assets</i>			
Cash and cash equivalents		965	1 860
Securities		18	18
Other current receivables			
from third parties		165	165
from Group companies		1353	1 654
Accruals			
from third parties		136	131
Total current assets		2 637	3 828
<i>Non-current assets</i>			
Loans and receivables from Group companies		156 975	154 577
Investments	2.5	979 555	890 555
Discounts and capitalised issuance cost on bond/syndicated loan		1 763	2 327
Total non-current assets		1 138 293	1 047 459
Total assets		1 140 930	1 051 287

LIABILITIES AND EQUITY

	Note	2015	2014
<i>at December 31, in CHF 000</i>			
<i>Liabilities</i>			
Other current liabilities			
towards third parties		377	296
towards Group companies	2.6	237 840	121 618
Accruals			
towards third parties		6 267	7 136
Total current liabilities		244 484	129 050
Non-current interest-bearing liabilities			
bond	2.7	320 000	320 000
bonded loan	2.8	180 450	180 450
Provisions		64 000	64 000
Total non-current liabilities		564 450	564 450
Total liabilities		808 934	693 500
<i>Equity</i>			
Share capital	2.9	3 436	3 436
Legal capital reserves			
General legal reserves		687	687
Reserve from capital contributions	2.10	14 683	56 867
Unrestricted reserves		203 302	205 295
Profit available for distribution			
Profit carried forward		105 297	74 172
Net profit for the year		31 440	31 125
Treasury stock	2.11	-26 849	-13 795
Total equity		331 996	357 787
Total liabilities and equity		1 140 930	1 051 287

NOTES TO THE FINANCIAL STATEMENTS OF VALORA HOLDING AG

1. BASIS OF PRESENTATION

1.1 GENERAL. For the first time, the financial statements of Valora Holding AG, incorporated in Muttenz, have been prepared in accordance with the requirements of the new Swiss law on commercial accounting and financial reporting (as set out in the 32nd Title of the Swiss Code of Obligations). For the sake of comparability, the structure of the balance-sheet and income-statement data reported here for the previous year has also been adapted to these new requirements. The key valuation principles not specifically stipulated by law are described below.

1.2 NON-INCLUSION OF CASH-FLOW STATEMENT AND OTHER DATA IN THE NOTES. Since Valora Holding AG publishes consolidated financial statements in accordance with a recognised accounting standard (IFRS), it has elected, in accordance with the applicable requirements, not to include a cash flow statement or details of its interest-bearing liabilities and its auditors' fees in the appendix to these financial statements.

1.3 LOANS TO GROUP COMPANIES. Loans granted in foreign currencies are valued at the exchange rate applicable on the balance-sheet date. Unrealised losses on such loans are recognised in the income statement, while unrealised gains are not (in accordance with the imparity principle).

1.4 TREASURY STOCK. From 2015 onwards, shares of treasury stock are recognised, at acquisition cost, as negative-value entries against shareholders' equity and their valuations remain unchanged thereafter. Upon resale, the resulting gain or loss is booked directly to unrestricted reserves.

1.5 SHARE-BASED REMUNERATION. Where treasury shares are used for the share-based remuneration granted to members of the Board of Directors, the market value of the shares at the time of the share grant is recognised as a personnel expense.

1.6 NON-CURRENT INTEREST-BEARING LIABILITIES. Interest-bearing liabilities are recognised at their nominal value. Discounts and capitalised issuance costs for bond issues are recognised as assets and amortised linearly over the term of the bond. Premiums (minus capitalised issuance costs) are recognised as accrued liabilities and amortised linearly over the term of the bond. Interest-bearing liabilities in foreign currencies are recognised at the exchange rate applicable on the balance-sheet date. Unrealised losses on such liabilities are recognised, whereas unrealised gains are not.

2. INFORMATION ON INCOME-STATEMENT AND BALANCE-SHEET POSITIONS

2.1 DIVIDEND INCOME

	2015	2014
January 1 to December 31, in CHF 000		
Valora International AG	50 000	50 000
Valora Management AG	100	100
Brezelkönig AG	0	48
Total dividend income	50 100	50 148

2.2 FINANCIAL INCOME

	2015	2014
January 1 to December 31, in CHF 000		
Interest income on loans to Group companies	2 258	3 997
Other interest income	1	18
Revaluation of treasury stock	1 906	–
Currency translation gains	193	4 031
Total financial income	4 358	8 046

2.3 FINANCIAL EXPENSES

	2015	2014
January 1 to December 31, in CHF 000		
Interest on bonds and syndicated loan	13 984	14 467
Discount (on bond, hybrid bond and syndicated loan)	564	2 121
Interest and fees paid to banks	981	822
Interest expense on loans to Group companies	1 551	2 961
Book-value loss on treasury stock	–	1 573
Currency translation losses	1 670	321
Total financial expenses	18 750	22 265

2.4 OTHER OPERATING EXPENSES

	2015	2014
January 1 to December 31, in CHF 000		
Audit costs	249	250
Other advisory costs	209	140
Management fees	1 000	1 235
Other administrative costs	1 217	956
Total other operating expenses	2 675	2 581

2.5 SUBSIDIARIES

	Currency	31.12.2015 Capital in CHF 000	31.12.2015 Holding in %	31.12.2014 Capital in CHF 000	31.12.2014 Holding in %
<i>Switzerland</i>					
Valora International AG, MuttENZ	CHF	20 000	100.0	20 000	100.0
Valora Management AG, MuttENZ	CHF	500	100.0	500	100.0
Brezelkönig AG, Emmen	CHF	1 000	100.0	1 000	100.0
Alimarca AG, MuttENZ	CHF	100	100.0	100	100.0
k Kiosk AG, MuttENZ	CHF	50	100.0	50	100.0
Almond Retail Services AG, Zurich	CHF	0	0.0	100	100.0
<i>Germany</i>					
Valora Holding Germany GmbH, Hamburg	EUR	400	5.1	400	5.1
<i>United Kingdom</i>					
Valora Holding Finance Ltd., Guernsey	CHF	911 400	100.0	821 400	100.0

The significant direct and indirect subsidiaries of Valora Holding AG are listed in note 39 of the consolidated financial statements. The percentage holding in the table also corresponds to Valora Holding AG's voting shares in those companies.

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

2.7 BONDS OUTSTANDING

	Coupon	Maturity	31.12.2015	31.12.2014
in CHF 000				
Bond 2012–2018	2.50%	02.03.2018	200 000	200 000
Perpetual hybrid bond issue	4.00%	30.10.2018 ¹⁾	120 000	120 000

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

2.8 BONDED LOAN

	Coupon	Maturity	31.12.2015	31.12.2014
in CHF 000				
EUR 72 million	floating rate	30.04.2019	86 616	86 616
EUR 78 million	fixed rate	30.04.2019	93 834	93 834

2.9 ISSUED AND CONDITIONAL SHARE CAPITAL. The company's issued share capital amounts to CHF 3436 thousand, comprising 3 435 599 registered shares of CHF 1.00 nominal value each. At their Ordinary General Meeting held on May 11, 2000, Valora Holding AG shareholders authorised the creation of conditional share capital amounting to CHF 84 000. None of these shares had been issued at December 31, 2015.

2.10 CAPITAL CONTRIBUTION. This includes the premiums generated on the share-capital increases carried out in 2000, 2003 and 2012 minus dividend distributions effected to date.

2.11 TREASURY STOCK HELD BY THE COMPANY AND ITS SUBSIDIARIES

in CHF 000	2015 Number of shares	2015 Net book value	2014 Number of shares	2014 Net book value
Opening balance (at January 1)	61 869	13 795	34 014	7 756
Revaluation of treasury stock	–	1 906	–	–
Sales	–49 234	–12 054	–15 554	–3 758
Purchases	103 280	23 202	43 409	11 370
Value adjustments	–	–	–	–1 573
Closing balance (at December 31)	115 915	26 849	61 869	13 795

From January 1, 2015, the carrying value of treasury stock positions was adjusted to reflect their purchase cost. This resulted in a one-off revaluation gain of CHF 1.9 million.

In addition, during 2015, Valora Holding AG purchased a total of 103 280 shares at an average price of CHF 224.65 and sold a total of 49 234 shares at an average price of CHF 204.34.

At December 31, 2015, treasury shares held by Valora Holding AG represented 3.4 % of the company's issued share capital (1.8 % at year-end 2014).

3. ADDITIONAL INFORMATION

3.1 FULL-TIME POSTS. Valora Holding AG does not employ any staff.

3.2 SURETIES GRANTED IN RESPECT OF THIRD-PARTY LIABILITIES. At December 31, 2015 the Group's contingent liabilities in favour of subsidiaries – consisting of sureties, subordination, keep-well agreements, guarantees and other contingencies – totalled CHF 170.9 million (CHF 226.4 million in 2014). At December 31, 2015, the Group had no contingent liabilities in favour of third parties (none in 2014).

3.3 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, 2015 this 5 % threshold was equivalent to 171 780 shares.

As of December 31, 2015, Ernst Peter Ditsch held 635 599 registered shares, which represents 18.50 % of the company's issued share capital (18.50 % in 2014).

As of December 31, 2015, Ethenea Independent Investors SA, Munsbach, Luxembourg held no registered shares (5.0 % in 2014).

3.4 SHAREHOLDINGS

At December 31, 2015 and 2014, individual members of the Board and Group Executive Management (including persons associated with them) held the following numbers of shares of Valora Holding AG:

	2015 Number of shares	2015 Share of total voting rights in %	2015 of which subject to a lock-up period	2014 Number of shares	2014 Share of total voting rights in %	2014 of which subject to a lock-up period
Board of Directors						
Rolando Benedick Chairman	16 939	0.49	537: 06.05.2017 614: 21.04.2018	16 325	0.48	537: 06.05.2017
Markus Fiechter Vice-Chairman	3 981	0.12	224: 06.05.2017 257: 21.04.2018	3 724	0.11	224: 06.05.2017
Bernhard Heusler Board member	347	0.01	162: 06.05.2017 185: 21.04.2018	162	0.00	162: 06.05.2017
Franz Julen Chairman of Nomination and Compensation Committee	831	0.02	178: 06.05.2017 203: 21.04.2018	628	0.02	178: 06.05.2017
Ernst Peter Ditsch Board member	635 599	18.50	none	635 599	18.50	none
Cornelia Ritz Bossicard Chairwoman of Audit Committee	381	0.01	178: 06.05.2017 203: 21.04.2018	178	0.00	178: 06.05.2017
Total Board of Directors	658 078	19.15		656 616	19.11	

	2015	2015	2015	2014	2014	2014
	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
Group Executive Management						
Michael Mueller CEO	798	0.02	798: 30.11.2018	24 000	0.70	18 000: 31.10.2015
Tobias Knechtle CFO	335	0.01	335: 30.11.2018	8 000	0.23	8 000: 31.10.2015
Andreas Berger Head, Valora Retail division (until 30 June 2015)	0	0.00	–	12 145	0.35	6 072: 31.10.2015
Thomas Eisele Head Ditsch/Brezelkönig division	245	0.01	191: 30.11.2018	2 301	0.07	1 123: 31.10.2015
Alex Minder Head, Valora Trade division (until 31 December 2015)	2 113	0.06	–	11 618	0.34	4 795: 31.10.2015
Total Group Executive Management	3 491	0.10		58 064	1.69	
Total shares held by Board and GEM	661 569	19.25		714 680	20.80	

3.5 LOANS AND ADVANCES. At December 31, 2015 and 2014 there were no loans or advances outstanding to members of the Board or of Group Executive Management or to persons associated with them.

3.6 SHARES GRANTED TO BOARD DIRECTORS. 20% of the total remuneration paid to members of the Board of Directors is generally paid in the form of blocked registered shares. The proportion of total remuneration paid in the form of shares is calculated on the basis of the average volume-weighted price of Valora registered shares during the 20 trading days prior to the grant date, with a discount of 20% being applied to the resulting average share price.

3.7 NET RELEASE OF HIDDEN RESERVES. No hidden reserves were released in 2015 (none in 2014).

3.8 SUBSEQUENT EVENTS. No significant events occurred subsequent to the balance-sheet date.

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

*Proposal for the appropriation of earnings available
 for distribution*

	2015	2014
in CHF 000		
Net profit for the year	31 440	31 125
+ Profit carried forward	105 297	74 172
Earnings available for distribution	136 737	105 297
<i>The Board of Directors proposes</i>		
Dividend payable on shares entitled to dividend	-28 344	0
Balance to be carried forward	108 393	105 297
<i>Proposed distribution from the reserve from capital contributions within the legal capital reserves</i>		
Reserve from capital contributions (before disbursement) ¹⁾	14 683	56 867
Distribution	-14 601	-42 945
Reserve from capital contributions (after distribution)	82	13 922
<i>Dividend distribution (in CHF)</i>		
Distribution from reserve from capital contributions (exempt from withholding tax)	4.25	12.50
Dividend (gross)	8.25	0.00
-35 % withholding tax	-2.89	0.00
Net dividend per share (in CHF)	9.61	12.50

¹⁾ For the 60 918 shares held by the company itself at the distribution date no dividend was paid, thus increasing the capital contribution carried forward by CHF 761 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 accompanying financial statements of Valora Holding AG, Muttenz, which comprise the income statement, balance sheet, and notes (pages 165 to 173), for the year ended 31 December 2015.

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 2015 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)

Daniel Maiwald
Licensed audit expert

Basle, 3 March 2016