

THURSDAY,
30 MARCH 2017,
3:00 PM

*Invitation
to the Annual General Meeting
of Valora Holding AG*

MESSE BASEL
CONGRESS CENTER, ROOM MONTREAL
MESSEPLATZ, BASEL
doors open at 2:00 pm

GENERAL MEETING VALORA 2017 LETTER TO SHAREHOLDERS

Dear shareholders,

Over this last year, our business model has demonstrated that it can also hold its own in a challenging, fiercely competitive retail market, thus enabling us to achieve ambitious economic objectives.

During 2016, we completed the integration of Naville by incorporating some 180 Naville outlets into our Swiss retail network and successfully selling the company's logistics and distribution business. As a result, Valora is now a pure retailer, able to focus its attention solely on its core business and its future growth.

Last year, besides further optimising our excellent network of prime locations, we also added a number of new outlet sites. These improvements, coupled with the product-range and cost-cutting initiatives we also carried out, resulted in a marked improvement in our overall margins.

We are particularly pleased that by systematically implementing our strategy of focusing on our core business we have been able to regain the confidence of investors and analysts. Our policy of clearly communicating our ambitious objectives for profitability, growth and operational excellence, and then achieving those targets, has manifestly paid off. The CHF 72 million of EBIT we generated in 2016 enabled us to outreach our earnings goals. As projected in 2015, we also succeeded in raising our return on capital employed to more than 8%. In addition, 2016 saw a further improvement in our EBIT margin, and we are now making progress towards the 4% target we plan to achieve from 2018. This positive operational performance strengthens our capital base, thus enabling us to finance the additional growth we aim for in the years ahead. Given these growth plans, we expect future annual investment spending to be slightly higher than in recent years.

We plan to increase revenues by opening new outlets and further extending our food and services offerings. At Food Service we are investing in the expansion of both our pretzel produc-

tion capacity and our international network. By adding new service offerings, we also plan to raise our profile as a service provider, thus responding to the new customer needs and societal trends that characterise the digital age. This requires innovation, an area in which our Valora Lab is making an important contribution by developing digital solutions that are both simple and practical. Thanks to our digitalisation projects, we intend to focus our offerings more closely on the needs of our customers.

Every day, these major dynamic processes place considerable demands on our entire organisation. We, the Board of Directors and Group Executive Management, are well aware of this and would like to express our heartfelt thanks to our employees for the enormous commitment they bring to their work. We are delighted to see the energy that everyone involved is putting into these projects and the active part they are playing in shaping Valora's future. That energy is exactly what we need, because in order to compete successfully and to expand our business, we need to be both flexible and fast. Faster than our competitors.

Alongside all these initiatives to grow our existing business, we also regularly evaluate possible acquisitions. We were able to realise one such opportunity in early 2017, when we acquired Pretzel Baron in the United States. This aspiring young pretzel producer will further add to our output capacity in this growing business area, thus enabling us to focus more closely on the potential offered by the US market.

In 2016, we initiated numerous projects which will provide an excellent basis for our expansion plans over the medium and long term. With the strengthened organisational structures we now have in place, we are well placed to implement these plans, thus positioning ourselves as a powerful, agile retailer and convenience store operator. That is what keeps Valora attractive, both for our shareholders and our employees.

We would also like to take this opportunity of thanking our customers who visit us every day for their loyalty and to express my thanks to our business partners for their valuable collaboration with us. We appreciate your support and we will continue to do everything in our power to remain a reliable and committed partner in the years to come.

Our thanks also go to you, our esteemed shareholders, for your support and for the substantial trust you have placed in us. We are pleased to be able to recommend a dividend of CHF 12.50 per share at the 2017 Annual General Meeting.

We would also like to advise you of the forthcoming Board changes. As previously announced, Rolando Benedick will be relinquishing his office as Chairman. The Board of Directors recommends that Franz Julen, who has been a Board member since 2007, be elected as its new Chairman. His election, and that of a new Board member, will be recommended to the Annual General Meeting on March 30, 2017.



Rolando Benedick
Chairman of the Board of Directors



Michael Mueller
CEO



Dear shareholders,

I took office as Chairman of Valora's Board of Directors in late January 2008. Back then, Valora was going through a turbulent time, both with regard to its people and its business. The company was a conglomerate and practically all its divisions were facing major challenges. The main problems were saturated markets which were often contracting, fundamental structural changes affecting the wholesale and retail sectors, a number of businesses operating at sub-critical mass and underinvestment in some business units. Meanwhile, consumer needs were evolving ever more quickly, partly as a consequence of increasingly widespread digital communication.

To address this situation, we decided to concentrate all our efforts on strengthening

our core areas of expertise and enhancing our market position. That meant focusing on small-outlet retail at heavily frequented locations and adapting to the changing needs of our customers. To achieve that focus, we sold units such as press wholesale, the Trade division and, more recently, Naville Distribution, none of which were part of our core business. Conversely, we bought Convenience Concept in Germany, Ditsch and Brezelkönig and the Naville kiosk chain – acquisitions which have enhanced our opportunities for growth and have demonstrably improved our profitability. We are also, thanks to our own output, one of the world's leading pretzel producers. The production facility we acquired a few weeks ago in the United States will provide us with further potential for expansion in this exciting market. While this list is not exhaustive, it demonstrates the unmistakable direction our business has taken in recent years. Today, Valora has two clear attributes, a strong retail distribution network and increasing vertical integration.

In parallel to its decision to change the focus of the Group's business the Board also resolved to make the complex structure Valora then had fundamentally simpler. In order to achieve sustainable economic success, a lean, efficient organisation focused on its

GENERAL MEETING VALORA 2017
A MESSAGE FROM THE CHAIRMAN

customers is every bit as important as pursuing the right strategy. That was true in 2008 and it is equally true today. Over the years, the Board, our management and our many committed employees have worked together to change Valora, fundamentally and forever. Today, our company is more agile, more entrepreneurial and more innovative and it has a corporate culture which is both open and direct.

During my time as Chairman I have been able to rely on very good managers. Every day, they and their teams have achieved impressive results, transforming Valora into a modern, customer-oriented company. Thanks to their efforts, Valora is now clearly focused, profitable and able to look forward to exciting prospects for future growth. Our persistent pursuit of business focus and the organisational changes we have made have proved worthwhile and I draw much satisfaction from that.

I have carried out my duties at Valora with great enjoyment and passion. Now, with this transformation complete, I am pleased to entrust the company to my designated successor at the forthcoming Annual General Meeting. This is the right time for me to leave the Valora Board and to observe its future

business success as a shareholder. I am also convinced that with his substantial expertise in international retail and franchising, my designated successor Franz Julen will prove an excellent Chairman of Valora's Board of Directors. I wish him much success and satisfaction in his new duties. I would also like express my gratitude to my other Board colleagues. Over the years we have had many intense and constructive discussions and we have worked together very well, for which I am extremely grateful.

I would like to express my special thanks to you, our shareholders, for the continuing confidence you have displayed in me personally. My sincere thanks also go to all our employees, business partners and customers for their commitment, trust and loyalty. Valora is very well placed for the next phase of its expansion.

I wish you all the very best for the future. Above all, I wish you much joy in your company.

*Yours sincerely,
Rolando Benedick*

“We have completed the process of transforming the Group into a focused convenience and food service provider.”

*Michael Mueller
CEO Valora*



Michael Mueller, did Valora definitively complete its transformation process in 2016?

I am now convinced that the work we have done in recent years has created what from many points of view is an excellent basis on which we can now build for the future. The results we achieved last year already exceeded expectations. That reflects the substantial progress we made in implementing our focused business strategy and the fact that the transformation process at Valora is now largely complete. And, most importantly of all, during this period we have delivered what we promised. However, we will also need to continue developing in the year ahead, so that we can keep pace with the evolving needs of our customers.

So you are pleased with Valora's performance in 2016?

In an environment where all retailers are finding the going tough, we raised our external sales by +0.9% to CHF 2,574 million thanks to good operating performance in all our businesses. Retail Switzerland achieved a further significant increase in earnings, despite slightly lower Sales. Retail Germany again raised its earnings, partly thanks to a positive 2.3% increase in same-store sales. Our Food Service business also grew its revenues substantially, most notably at Brezelkönig. Given the adverse impact of increased factor cost, Food Service's operating results can also be seen as satisfactory.

What do you see as the milestones in 2016?

We measure our progress along four strategic dimensions; efficiency, growth, innovation and performance oriented culture. In 2016, we achieved progress in all four of those dimensions, most notably by raising our efficiency levels. By sell-

ing Naville Distribution we were able to complete the process of transforming the Group into a focused convenience and food service provider.

Last year, we focused on the further optimisation of our outlet network in Switzerland and Germany, the expansion of our Ditsch/Brezelkönig retail formats. At the same time we have strengthened our integrated value chain with our ok.–brand in Germany, our Caffè Spettacolo brand in Switzerland and Germany as well as the growing use we are making of our Ditsch bakery products at our convenience stores. We have also continued to expand our production capacity of pretzel and other bakery products for third-party customers. And that is not all. We have also enhanced our culture and our organisation significantly.

Has the Naville acquisition now definitively been completed?

On the one hand we have successfully incorporated Naville's retail business into our organisational structure. On the other hand by selling Naville Distribution to the 7Days Group and disposing of the Naville building in Geneva we have successfully completed the rest of the transaction. Given our focused business strategy, the sale of Naville's logistics and distribution unit was a logical step. Thanks to the Naville acquisition and the reorganisation of our existing Swiss retail business which we had already initiated in 2015, we were able to capitalise on useful synergies in 2016, such as operating from one single platform and being able to carry out the same promotions at significantly more outlets.

You often mention synergies and increased efficiency and synergies. Does that mean that Valora's principal focus in 2016 was on costs?

Obviously it is important for us to be very aware of costs. We aim for high levels of operating efficiency in all our busi-

nesses in order to perform successfully in the face of tough competition. To achieve that we also intend to make increasing use of a uniform platform for all our businesses. As an organisation, we want to combine our energies so that we can be more dynamic, decisive and innovative. An important observation for me has been that our employees are putting a lot of motivation and commitment into moving in this direction and that signs of positive change are already apparent. We have become more agile and are more open to new ideas.

In the past you have said that you would like Valora to be perceived more as a service provider. How exactly do you see that expressing itself?

In 2016, we already launched a number of new service offerings which will help us achieve that goal. These include the mobile phone battery rental service we operate with battere and the option we offer our customers of paying for Air Prishtina tickets at our kiosks. We are also expanding our existing offerings, such as our package service, and creating new loyalty programmes for our customers. Our objective is to enhance the Valora shopping experience and to use the direct contact we have with our customers to offer new services. As part of these endeavours, we are also focusing intensely on the possibilities opened up by digital communication. There is still plenty of potential in our other markets, particularly Germany, as not all the new services we currently offer in Switzerland are yet available elsewhere.

Can you give some examples of new digital offerings that have been introduced recently?

New digital solutions are always about generating added value for the customer. We have realised initial projects in a number of areas. There is a pilot project

in Zurich analysing customer footfall, we introduced the Caffè Spettacolo app for remote ordering and payment, we have a scan&go pilot project running at some outlets, which speeds up transaction volumes during the rush hour, we have created a Retail analytics team and our bob Finance subsidiary now provides consumer loans.

How are Valora's new financial services performing?

In its first year of operation, bob Finance achieved positive life time value, which means that the present value of the projected interest payments on the loans it has granted is greater than its current operating costs. The other financial services we offer are also performing well. More than 220000 of our customers now use our ok.–prepaid Visa and Mastercard service. The possibility of being invoiced for services and paying for them at our kiosks is also very popular, because it meets a specific customer need. Currently, this service is available for providers such as Starticket and Air Prishtina.

How is the traditional kiosk business doing?

It is part of the core business of our Convenience and Food Services network. Over the last three years we have shown that we can achieve successful results with this business despite the pressure especially on our press products. That success is also demonstrated by the extremely positive margin trends we are achieving.

Where do you see the main potential for growth?

There is very clear potential in further expanding our food and beverage offering across our kiosk and convenience-store network. That is why we equipped some 100 outlets in Switzer-

land with Starbucks coffee machines last year and set up Caffè Spettacolo machines in some 650 outlets. The Caffè Spettacolo machines will be rolled out to German outlets in 2017.

“New digital solutions are always about generating added value for the customer.”

Coffee at a kiosk? Does that work?

Although the roll out was not fully completed until the end of the year, in December alone we increased the quantity of coffee we sold by 27% and raised our coffee revenues by an even more impressive 35%. Moreover, as with all our other new offerings, the coffee attracts new customers, who generally buy something else as well.

What formats does the Retail division's market presence comprise?

Our five formats – kiosk, avec, Press & Books, Service Store DB and Cigo – operate in four countries, with Germany and Switzerland being the most important markets. In Germany, we successfully launched our ok.– energy drinks in 2016, selling more than 6 million cans. Our private label ok.– brand is already well established in Switzerland, and we intend to deploy it more actively in Germany in future. We also fine-tuned our existing German formats. This included placing further emphasis on Cigo's role as a specialist tobacco retailer and introducing a new fresh-produce concept for our avec. convenience stores.

So, Valora is now growing again in Germany?

Both in terms of its results and its quality of organisation. We have strengthened the management team, our structure and processes are more clearly defined and our new financial controlling arrangements mean that we can steer the business more precisely and immediately. Our core food and tobacco ranges performed very successfully in 2016, thus more than compensating for the decline in press turnover on a same-store basis.

How are things in Switzerland?

With increased earnings and a +0.9% improvement in its EBIT margin, our Swiss business is well on track. This is principally attributable to increases in operational efficiency, lower cost, the improvement in gross margins resulting from the higher revenue generated by promotion campaigns.

Did the huge lottery jackpot in late 2016 help the Swiss business?

Lottery tickets are still an important part of our business, partly for the footfall they create and partly for their margins. The staff at our kiosks can always gauge how big a jackpot is. However, the record jackpot in late 2016 did also mean much more work for our staff and longer waiting times for our customers.

In Switzerland, Valora also encountered criticism last year, with the Syna trade union repeatedly describing kiosk staff pay as being too low.

Pay is only one of many factors contributing to employee satisfaction, as our employee survey clearly demonstrated. After Syna terminated our existing general employment contract at the end of 2016, we found a competent and constructive new partner in KV Schweiz, the Swiss Association of Commercial Employees.

Valora's agency partner model was also criticised by the trade union.

For many years, Valora has been operating a very successful agency and franchise system at many of its outlets in both Switzerland and Germany. We have long-term working relationships with a lot of agency and franchise partners and are attracting new partners to our network every year. Syna took the view that our independent agency partners as well as their collaborators should qualify as Valora employees. That contention was clearly refuted by an arbitration court in early 2016. We remain committed to this model, because it provides motivated people with an opportunity of becoming entrepreneurs and to establish a business of their own with the support of a strong partner.











Alongside Retail, Food Service is the second pillar of Valora's business. How did that perform in 2016?

We need to distinguish here between the B2C and B2B businesses. Our B2C business, where we sell directly to end customers, mainly comprises our Ditsch formats in Germany and our Brezelkönig and Caffè Spettacolo networks in Switzerland. In all, we opened 34 new outlets in 2016. In Switzerland, our food business expanded particularly well, so that we now have 36 Caffè Spettacolo and 56 Brezelkönig outlets. We believe there is scope for our Food Service networks to expand further in both countries. What is particularly pleasing is that our existing outlets achieved very positive performance in 2016, both in Germany and especially in Switzerland.

How important is the B2B business for Valora?

The B2B business is an important part of the Valora Group. It has achieved impressive growth over the last years. As a

OUTLET NETWORK

	FORMAT	OUTLETS	
	k kiosk	1'111	KIOSK & CONVENIENCE
	cigo & Subformate/ Partner	427	
	P&B	210	
	Naviille	162	
	avec	129	
	SSDB/U-Store	141	FOOD SERVICE
	Ditsch	218	
	Brezelkönig	56	
	Brezelkönig International	6	
	Caffè Spettacolo	38	
	TOTAL	2'498	

result, some 90% of our output now goes to third-party customers, principally in Germany, Austria and Switzerland, but also in the United States and Japan. Given the strong performance of our B2B business, we decided to expand our Oranienbaum production facility further in 2016. Production expertise has an important part to play in the enhanced value generation we plan to achieve through to increased vertical integration.

“Our strategy covers four dimensions: growth and expansion, efficiency, a performance oriented culture and innovation.”

International expansion is one of Valora's key objectives. Were you able to make progress on that in 2016?

Pretzel production and the export business that goes with it are clear growth priorities. In January 2017 we announced our acquisition of Pretzel Baron, a young, aspiring pretzel producer in the United States. This not only adds to our output capacity but also means we can produce pretzels in the US. In future, that will enable us to be more focused in leveraging the potential offered to us by the US market. Beyond that, we now have six Brezelkönig outlets up and running in France and Austria. The Brezelkönig format is working very well at heavily frequented locations in those markets. Having thoroughly tested both the concept itself and the logistic chain supporting it, we are now looking for franchising partners. The foundations for a successful international expansion drive are thus in place for the years to come.

Are acquisitions still on the agenda?

We regularly evaluate possible acquisitions, both large and small, as a means of tapping into new markets or developing new formats. However, our future expansion will be driven by a combination of organic growth and acquisitions in our two existing business areas, Retail and Food Service.

No doubt you expect your international business to benefit from insights from the designated Board Chairman?

Certainly. He has significant international experience, an in-depth knowledge of franchising concepts and, of course, he knows Valora very well. Franz Julen was involved in developing our business focus strategy and has sustained its implementation in the Board over the years. He is also very receptive to new ideas and supports our growth strategy.

You mentioned earlier that Valora had achieved all its financial objectives in 2016. What do you find most pleasing about the results?

The performance of our two most important financial metrics. We raised our return on capital employed (ROCE) to 8.2%. That shows that Valora generated significant value for its owners. Our free cash flow of CHF 72.6 million confirms that Valora is able to generate sufficient free cash to pay an attractive dividend while still maintaining adequate financial flexibility. I would also mention that our gross-profit margin rose to 41.5% and our EBIT margin increased to 3.4%, so that we are now closer to the targets of 42% and 4% which we plan to reach. Finally, the CHF 72.3 million of EBIT we generated in 2016 was actually slightly above our guidance target range of CHF 65 million to CHF 70 million.

And what about Valora's investment capabilities?

They are very good. On the one hand, with a leverage ratio of 1.6x we are in a strong position as far as financial stability is concerned, on the other hand our long-term liabilities are very well-balanced. We are thus well-placed to continue developing our existing business and to finance the growth we plan to achieve. Having invested just under CHF 50 million annually for the last two years, we now expect annual higher investment volumes. Our focus will be on expanding our pretzel and other bakery product output and on achieving further growth in Germany.

What do you think are the major challenges Valora will face in the future?

Competition is increasing across the board and factor costs are tending to rise. Our core product ranges continue to evolve. Food and beverages for immediate consumption are a major trend, as are fresh food offerings. Finally, customers have high expectations when it comes to quality, availability and transparency.

“My thanks go to all our staff for their commitment and motivation they have shown in helping to shape our transformation process.”

How is Valora responding to all this?

We have a clear, focused strategy and we made significant progress last year in raising our efficiency levels. We have an excellent network of retail outlets at heavily frequented locations and we are concentrating our efforts on developing our convenience-store and food offering further and on making the best possible use of our platform. In so doing, we can ensure that our product ranges are better calibrated across formats, and achieve even greater cost efficiency. We will need to continue making major investments in gaining a better understanding of our customers and their needs, so that we can generate greater added value for them.

How, specifically, do you intend to expand your convenience business and where?

We have created an solid basis for growth in Germany, where we have a effective organisation. Thanks to the clearly defined profile of our tobacco retail specialist Cigo and the extended fresh-produce range we have introduced at avec, we are very well-positioned. We see plenty of opportunities for growth in Germany, because the market there is not yet as consolidated as it is in Switzerland. Competition for attractive locations has intensified further and we therefore see limited scope for organic growth there. That is why we are focussing on optimising and continuing to develop our existing outlets.

What are the prospects for the food business?

Here, we believe that consumer appetite for food and beverage on the go will continue to grow and that we will be able to develop our Food Service networks in our core markets further. Additional expansion of the Ditsch/Brezelkönig outlet networks, extending the food and fresh-produce offering at all our formats. Furthermore, continuing our expansion abroad with Brezelkönig International and increasing the production capacity of our pretzel and bakery products are key elements of our growth strategy for 2017.

So you look to the future with optimism?

Yes, I do. But we cannot afford to relax. The market is constantly evolving. That is a challenge for us all. My thanks go to all our staff for their commitment and motivation they have shown in helping to shape our transformation process and in keeping it moving forward. By systematically pursuing this path in the future, we will continue to achieve our objectives and deliver on the promises we make.

ROCE in %

2015
6.1
2016
8.2

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GENERAL MEETING VALORA 2017
INVITATION TO THE ANNUAL GENERAL MEETING
OF VALORA HOLDING AG

AGENDA ITEM 1

*Approval of the Annual Report, the 2016 Valora Holding AG Annual Financial Statements
and the 2016 Valora Group Consolidated Financial Statements*

The Board of Directors moves for approval of the Annual Report, the 2016 Valora Holding AG Annual Financial Statements and of the 2016 Valora Group Consolidated Financial Statements.

AGENDA ITEM 2

Consultative vote on the Remuneration Report 2016

The Board of Directors moves for a consultative vote in favor of the Remuneration Report contained in the Business Report.

AGENDA ITEM 3

Resolution on the appropriation of earnings available for distribution

The Board of Directors recommends that the earnings available for distribution be appropriated as follows:

	2016
in CHF 000	
Net profit 2016	44 386
+ Retained earnings from preceding year	109 257
Earnings available for distribution by the Annual General Meeting	153 643
Dividend	-42 945
Balance to be carried forward	110 698

If the Board of Directors' recommendation is approved, a gross dividend of CHF 12.50 (CHF 8.12 net after deduction of 35 % Swiss Federal withholding tax on the dividend distributed from available earnings) per registered share of CHF 1 nominal value entitled to dividend will be paid on 5 April 2017.

AGENDA ITEM 4

*Discharge from liability of the members of the Board of Directors
and of the Group Executive Management*

The Board of Directors moves for the discharge from liability of the members of the Board of Directors and of the Group Executive Management for the 2016 financial year.

GENERAL MEETING VALORA 2017
INVITATION TO THE ANNUAL GENERAL MEETING
OF VALORA HOLDING AG

AGENDA ITEM 5

Approval of the Compensation for the Members of the Board of Directors and the Executive Committee

Based on Article 27 of the Articles of Incorporation the Board of Directors proposes to approve the compensation of the Board of Directors and the Executive Committee as follows:

5.1 Approval of the Total Compensation for Members of the Board of Directors for the period from the 2017 Annual General Meeting to the 2018 Annual General Meeting

The Board of Directors moves for the approval of the total maximum amount of the fixed compensation for the members of the Board of Directors for the period from the 2017 Annual General Meeting to the 2018 Annual General Meeting of CHF 1 600 000 (including all social security contributions).

Further information relating to the compensation of the members of the Board of Directors can be found in the Remuneration Report under 6.2 on pp. 54 et seq. as well as in the appendix.

5.2 Approval of the Total Compensation for Members of the Executive Committee for the Financial Year 2018

The Board of Directors moves for the approval of the total maximum amount of the fixed and variable compensation for the members of the Executive Committee for the financial year 2018 of CHF 6 400 000 (including all social security contributions).

Further information relating to the compensation of the members of the Executive Committee can be found in the Remuneration Report in Section 5.3 on p. 51 seqq. as well as in the appendix.

AGENDA ITEM 6

Elections

6.1 Reelection of members of the Board of Directors

The Board of Directors moves for the reelection of the following members of the Board of Directors for a term of office of one year, ending with the 2018 Annual General Meeting.

6.1.1 Markus Fiechter

6.1.2. Franz Julen

6.1.3. Bernhard Heusler

6.1.4. Peter Ditsch

6.1.5. Cornelia Ritz Bossicard

The reelection of members will be conducted on an individual basis.

After eight years of service, Rolando Benedick has decided no longer to stand for election as a Board member and Board Chairman.

6.2 Election of Michael Kliger as a new Board member

The Board of Directors moves for the election of Michael Kliger as a new Board member for a term of office of one year, ending with the 2018 Annual General Meeting.

Explanatory note: Since 2015, Michael Kliger has been President and CEO of the luxury online women's fashion retailer mytheresa.com with its flagship store in Munich. Previously, he managed the European operations of the e-commerce service provider GSI Commerce, before being appointed Vice President Europe and APAC at eBay Enterprise. Thanks to a broad range of professional activities, which include managing Real Holding AG's distribution business and partnerships at both McKinsey and Accenture, he has acquired substantial expertise in digitalisation and the retail industry.

Michael Kliger holds an MBA in Marketing, Finance and Organisational Science from Northwestern University – Kellogg School of Management, USA and a degree in Business Administration from the Technische Universität Berlin.

He is 50 years old, a German citizen and lives in Munich.

6.3 Election of Franz Julen as Chairman of the Board of Directors

The Board of Directors moves for the election of Franz Julen as Chairman of the Board of Directors for a term of office of one year, ending with the 2018 Annual General Meeting.

6.4 Election of members of the Remuneration Committee

The Board of Directors moves for the election of the following members of the Remuneration Committee for a term of office of one year, ending with the 2018 Annual General Meeting.

6.4.1 Markus Fiechter

6.4.2 Peter Ditsch

6.4.3. Michael Kliger

The election of members will be conducted on an individual basis.

6.5 Reelection of the Independent Proxy

The Board of Directors moves for the reelection of Dr. Oscar Olano, from the law firm of staehelin olano Advokatur und Notariat, as Independent Proxy until the end of the 2018 Annual General Meeting.

6.6 Reelection of the Auditor

The Board of Directors moves for the reelection of Ernst & Young AG as auditor for the 2017 financial year.

ORGANISATIONAL MATTERS

Requests for additional agenda items

No requests by shareholders for the inclusion of additional items on the agenda were received by the company before expiration of the applicable deadline of 8 February 2017.

Business Report

The 2016 Business Report, including the Valora Holding AG Annual Report, the 2016 Valora Holding AG Financial Statements, the 2016 Valora Group Consolidated Financial Statements, the Remuneration Report and the Auditor's reports is available for inspection beginning 28 February 2017, at the offices of the company, Hofackerstrasse 40, 4132 Muttentz, Switzerland. The Business Report may also be accessed via the Internet, beginning 7:00 am, 28 February 2017, at www.valora.com.

Registration/admission card

Shareholders recorded in the share register as holding voting rights as of 2 March 2017 will receive their invitations by mail at their last recorded address in the share register. Shareholders recorded in the share register as holding voting rights between 3 March 2017 and 21 March 2017 will receive their invitations subsequent to such registration.

Registration for attendance at the General Meeting may be made using the "Registration/Proxy Appointment" form. Alternatively it is also possible for you to register online (electronically).

Registration forms must be received by the company by 22 March 2017, or, for shareholders who receive their invitations at a later date, by no later than 28 March 2017.

Admission cards will be sent to the shareholders following registration, beginning on 22 March 2017.

Due to time considerations, it will no longer be possible for us to send you these documents by mail after 28 March 2017. In the event that you do not receive your documents, please contact the information desk at the General Meeting, prior to commencement of the meeting. Upon presentation of identification, you will receive your admission card and voting documents at that time.

During the interval from 22 March 2017 to the end of the Annual General Meeting, no new shareholders will be recorded in the share register.

Voting

Voting will be conducted by electronic balloting (televoting).

Proxy appointments

Please use the "Registration/Proxy Appointment" form in order to grant proxy authorization and issue instructions to the Independent Proxy. Dr. Oscar Olano, staehelin olano Advokatur und Notariat, Malzgasse 15, CH-4052 Basel, +41 61 206 60 60 acts as Independent Proxy.

Shareholders also have the possibility of granting authorization and issuing instructions to the Independent Proxy electronically by accessing the website <https://valora.shapp.ch>. Shareholders who do not yet have an account require Internet access, an e-mail address, and a mobile telephone to which an SMS code may be sent in order to complete the initial registration. Please follow the online instructions at <https://valora.shapp.ch>. For your personal login information (ID and password) for the initial registration please refer to the "Registration/Proxy Appointment", at point 3.2. The online options for issuing instructions are the same as those available when using the printed form. Online issuance or modification of electronically issued instructions to the Independent Proxy will be possible up to 28 March 2017, 11.50 p.m. CEST.

Speakers

Any shareholder wishing to contribute to the discussion is requested to submit his or her remarks by e-mail to annette.martin@valora.com, by no later than 29 March 2017, with full name and address, or to submit such remarks in writing at the speakers' lectern immediately prior to commencement of the General Meeting.

Muttentz, 28 February 2017
For the Board of Directors of Valora Holding AG



Rolando Benedick, Chairman

Attachments – Registration/Proxy Appointment form
– Posted-paid envelope

NOTES TO THE REMUNERATION VOTING

In accordance with the Ordinance against Excessive Compensation at Listed Companies (OaEC), at this year's Annual General Meeting the Board of Directors will ask shareholders to approve maximum amounts for the remuneration paid to the Board and to Group Executive Management. This follows the procedure already adopted last year.

The approval of the maximum remuneration for the Board of Directors relates to the period running from the 2017 Ordinary General Meeting to the 2018 Ordinary General Meeting (see agenda item 5.1). The approval of the maximum remuneration for Group Executive Management relates to the year 2018 and encompasses both fixed and variable remuneration elements (see agenda item 5.2). This document provides shareholders with background information on the proposed maximum remuneration amounts for the Board of Directors and Group Executive Management.

Additional information on Valora's remuneration system and on the actual remuneration paid in 2016 can be found in the 2016 remuneration report. Shareholders will also be invited to express their views on this report by means of a consultative vote.

The diagram below shows the structure of the votes on remuneration which will be cast at the 2017 Ordinary General Meeting.

The structure and amounts of the maximum remuneration proposed for both the Board and for Group Executive Management at this Ordinary General Meeting are virtually identical to those that were approved during the previous year.

The maximum overall remuneration for the Board of Directors comprises directors' fees paid in cash, the market value of the blocked shares granted to them at the time they are allocated and the statutory social-security contributions paid by Valora on their behalf.

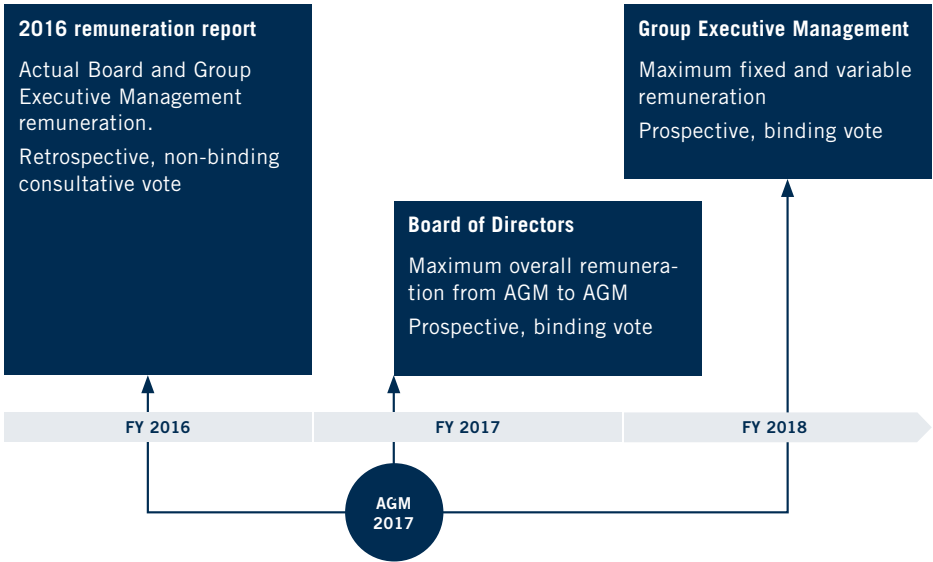
The maximum overall remuneration for Group Executive Management comprises the following elements:

- Fixed remuneration: base salary, the cash value of the applicable additional benefits, employer contributions to pension plans and social security
- Maximum possible award payable under the Short Term Bonus (STB) plan, assuming that all performance objectives are fully met and that the maximum possible amount is granted in the form of shares
- The market value of the shares allocated under the Share Participation Program (SPP) on the grant date

It follows that the maximum overall remuneration presented to the General Meeting for approval is potentially much higher than the remuneration which members of Group Executive Management actually receive based on the performance they achieve.

The overall remuneration actually paid each year is reported in the remuneration report for that year and is submitted to a consultative vote by shareholders at the subsequent General Meeting.

The prospective, binding vote on maximum remuneration combined with a retrospective consultative vote on the remuneration report provide shareholders with a substantial say in determining remuneration.



GENERAL MEETING VALORA 2017

APPENDIX TO THE GENERAL MEETING INVITATION

Item 5.1 Approval of the maximum remuneration payable to members of the Board of Directors from the 2017 General Meeting to the 2018 General Meeting

The Board of Directors recommends that fixed remuneration to its members up to a maximum of CHF 1.6 million (including all social-security contributions) be approved for the period until the 2018 Ordinary General Meeting.

Explanatory note: If all the Board's recommendations on the re-election of existing Board members and the election of new Board members are approved, the Board will in the future comprise six members. Board members receive a fixed fee for their work. As a rule, 80% of this fee is paid in cash with the remaining 20% being paid in blocked Valora Holding AG reg-

istered shares. Where circumstances warrant this, the Board can decide to pay a higher or lower percentage of the overall fee in shares. The value of the share portion of the fee is calculated on the basis of an average price for Valora registered shares, minus a discount to reflect the effect of the lock-up period.

The recommended maximum remuneration of CHF 1.6 million comprises a cash element of CHF 980 000, the shares referred to above (with a value of CHF 306 000), estimated social-security contributions of CHF 169 000 and a contingency reserve of 10% of the sum of these components to cover remuneration for possible special Board assignments and unforeseen eventualities such as share-price fluctuations.

For the period from the 2017 General Meeting to the 2018 General Meeting, the annual remuneration payable to Board members remains unchanged:

Annual remuneration	In CHF	Form of payment
Chairman	500 000	80 % in cash and 20 % in blocked shares
Vice-Chairman	200 000	
Board member	140 000	
Chair of NCC / Audit Committee	30 000	
Member of NCC / Audit Committee	15 000	

GENERAL MEETING VALORA 2017

APPENDIX TO THE GENERAL MEETING INVITATION

Item 5.2 Approval of the maximum overall remuneration payable to members of Group Executive Management in 2018

The Board of Directors recommends that the overall fixed and variable remuneration payable to Group Executive Management for 2018 be approved up to a maximum amount of CHF 6.4 million (including all social-security contributions). The maximum amount is lower than the amount approved by the 2016 General Meeting for Group Executive Management remuneration payable in 2017.

Explanatory note: Group Executive Management currently has three members. Their remuneration comprises an annual fixed salary, a Short Term Bonus (STB) and a Share Participation Program (SPP).

The fixed salary is paid in cash. Depending on job function, this salary will account for between 55% of total remuneration, in the case of the CEO, and 60–65% of total remuneration for the other members of Group Executive Management. The Short Term Bonus (STB) accounts for 10–15% of the to-

tal remuneration paid to Group Executive Management members. It is paid when a combination of qualitative objectives and quantitative or key-metric-related targets are achieved. STB participants have a one-time choice between receiving these awards in cash or blocked shares.

The Share Participation Program (SPP) accounts for 35% of the total remuneration paid to the CEO and 20–30% for the other members of Group Executive Management. The SPP is paid in the form of blocked shares with a lock-up period of three years. The value of the shares is calculated on the basis of an average price for Valora registered shares, minus a discount to reflect the effect of the lock-up period. During the lock-up period, SPP participants enjoy voting and dividend rights on the shares.

The recommended maximum remuneration was calculated on the basis of the following assumptions:

- Base salaries remain largely unchanged on their previous year's levels.
- The maximum STB targets of 150% are all achieved.

The table below shows the evolution of Group Executive Management remuneration:

Financial year	2016 Indicative maximum	2016 Actual remune- ration	2017 Approved maximum	2018 Recom- mended maximum
in CHF 000				
Fixed salary (including all additional benefits and social-security contributions)	–	4 095.9	–	3 400
Variable remuneration (STB)	–	758.1	–	800
Management award (SPP)	–	1 868.1	–	1 600
Contingency reserve			–	600
Total	7 400	6 722.1	6 600	6 400
Total recommended remuneration (including 10% contingency reserve)				6 400

Given the very good performance Valora achieved in 2016, the actual remuneration paid to Group Executive Management is at the upper end of the approved range.

GENERAL MEETING VALORA 2017
KEY FINANCIAL DATA

		31.12.2016	31.12.2015	Change
External sales ¹⁾	CHF million	2 573.6	2 550.2	+ 0.9 %
Net revenues ¹⁾	CHF million	2 095.0	2 077.4	+ 0.8 %
EBITDA ¹⁾	CHF million	127.6	117.6	+ 8.5 %
in % of net revenues	%	6.1	5.7	
Operating profit (EBIT) ¹⁾	CHF million	72.3	55.1	+ 31.1 %
in % of net revenues	%	3.4	2.7	
Net profit Group ¹⁾	CHF million	62.5	46.8	+ 33.5 %
in % of net revenues	%	3.0	2.3	
in % of equity	%	11.8	9.2	
Net cash provided by (used in) ¹⁾				
Operating activities	CHF million	113.0	125.5	- 9.9 %
Ordinary investment activities	CHF million	- 40.4	- 43.2	- 6.4 %
Free cash flow ¹⁾	CHF million	72.6	82.3	- 11.8 %
Earnings per share ¹⁾	CHF	17.27	12.51	+ 38.0 %
Free cash flow per share ¹⁾	CHF	21.74	24.52	- 11.3 %
Number of outlets operated by Valora		1 872	1 838	+ 1.8 %
of which agencies		1 014	990	+ 2.4 %
Number of franchise outlets		543	471	+ 15.3 %
Net revenues per outlet	CHF 000	1 119	1 130	- 1.0 %
Share price	CHF	289.25	209.00	+ 38.4 %
Market capitalisation	CHF million	972	694	+ 40.1 %
Cash and cash equivalents	CHF million	159.4	116.3	+ 37.0 %
Interest-bearing debt	CHF million	361.9	368.1	- 1.7 %
Equity	CHF million	530.9	506.0	+ 4.9 %
Total liabilities and equity	CHF million	1 167.2	1 220.2	- 4.3 %
Number of employees ¹⁾	FTE	4 228	4 349	- 2.8 %
Net revenues per employee ¹⁾	CHF 000	495	478	+ 3.7 %

All totals and percentages are based on unrounded figures from the consolidated financial statements.

¹⁾ From continuing operations

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