

**Sales up by 24% ■ Integral growth 8.2% – above all in lower-margin wholesale activities ■ Increase in EBITA by 6.2% to CHF 81.4m ■ Net income CHF 47.4m, 3.4% above last year ■ Earnings per share rise by 6.3% ■ Kiosk turnover increases despite fall-off in consumer confidence ■ Lower margins at Alimarca due to first-time consolidation of the Consiva Group. ■ Fotolabo improves margins in spite of fall in sales.**

		<u>30.06.02</u>	<u>30.06.01</u>	<u>30.06.00<sup>1)</sup></u>
<b>Net revenues</b>	CHFm	<b>1 509.2</b>	<b>1 217.4</b>	<b>1 205.1</b>
Change	%	+ 24.0	+ 1.0	
<b>Depreciation of operating assets</b>	CHFm	<b>31.5</b>	<b>30.7</b>	<b>31.3</b>
Change	%	+ 2.7	– 2.0	
as % of net revenues	%	2.1	2.5	2.6
<b>EBITA</b>	CHFm	<b>81.4</b>	<b>76.7</b>	<b>69.8</b>
Change	%	+ 6.2	+ 9.8	
as % of net revenues	%	5.4	6.3	5.8
<b>Net income</b>	CHFm	<b>47.4</b>	<b>45.8</b>	<b>34.3</b>
Change	%	+ 3.4	+ 33.7	
as % of net revenues	%	3.1	3.8	2.8
as % of shareholders' equity	%	5.3	5.3	4.1
<b>Earnings per share</b>				
Net basic earnings per share	CHF	11.91	11.20	8.38
Change	%	+ 6.3	+ 33.7	
Net diluted earnings per share	CHF	11.05	10.69	8.00
Change	%	+ 3.4	+ 33.7	
<b>Net cash provided by (used in):</b>				
operating activities	CHFm	64.9	96.8	65.8
investment activities	CHFm	– 45.5	– 39.7	– 47.9
in plant and equipment thereof	CHFm	– 27.0	– 29.1	– 18.9
financing activities	CHFm	– 61.4	– 193.8	14.1
<b>Cash and cash equivalents</b>	CHFm	<b>185.0</b>	<b>254.7</b>	<b>144.4</b>
<b>Shareholders' equity</b>	CHFm	<b>911.5</b>	<b>857.3</b>	<b>828.5</b>
Equity ratio	%	48.3	47.5	43.5
<b>Number of employees</b>		<b>9 452</b>	<b>8 798</b>	<b>8 326</b>
Change	%	+ 7.4	+ 5.7	
<b>Net revenue per employee</b>	CHF 000	<b>160</b>	<b>138</b>	<b>145</b>
Change	%	+ 15.9	– 4.8	
<b>Number of sales outlets</b>		<b>1 660</b>	<b>1 631</b>	<b>1 574</b>
Turnover per sales outlet	CHF 000	581	538	554

1) From continuing operations

In the first half of 2002 the Valora Group increased net revenues (sales) by 24% to CHF 1.51 billion. Without acquisitions, and after making currency corrections, integral growth was 8.2%. The operating earnings (EBITA) of the Group rose by 6.2% to CHF 81.4m (in local currency 7.2%). The overall change in margin (net income as % of net revenues) is mainly due to consolidation of the Consiva companies of Scandinavia for the first time. In comparison with the rest of the Group, these purely trading companies work to a lower margin. At CHF 47.4m the net income of the Group was 3.4% higher than at the same time last year. Despite an unfavourable economic outlook in our major markets, we reckon with an improvement in the earnings situation for the full year.

**K-Group growth continues.** Despite slack consumer confidence in Switzerland and Germany, sales rose by 9.9% (corrected for acquisitions and currency effects: + 9.8%). The improvement in EBITA amounted to 5%, as a result of above-average growth in lower-margin convenience wholesale activities. Since the beginning of the year more than 900 new customers are being supplied by the K-Group.

The *Spettacolo* chain of coffee bars continues to expand; a total of 19 outlets have now been opened in Switzerland and Germany.

In Luxembourg the Group's own kiosks and the print media wholesale business again showed excellent growth in both revenues and earnings.

**Alimarca achieves significant increase in sales.**

The acquisition of the Scandinavian Consiva Group has increased sales of the Alimarca Division by 94.2% to CHF 444.2m. Corrected for acquisitions and currency effects, growth was 9.1%.

Important expansion stages at Alimarca production plants were concluded successfully: at both Roland and Kägi in Switzerland and Schirmer Coffee in Germany. Schirmer's new coffee-roasting plant creates a welcome increase in capacity for the European market.

In view of the growth in sales, the operating earnings of Alimarca (CHF 19.3m compared with last year's CHF 20.8m) is disappointing. This is due to the following factors: In the coffee business it was not possible to quite repeat the record result of 2001. The expansion of production capacities (Kägi, Roland, Schirmer Coffee) and the incorporation of the newly consolidated companies caused one-off additional costs. Consiva's trading results are traditionally better in the second half of the year. It has not yet been possible to compensate fully

for the loss of a major sales agency in Sweden by means of new agencies and capacity adjustments.

As expected, Alimarca's EBITA margin has dropped (4.3% compared with 9.1% last year) because the new Scandinavian companies – which are purely trading organizations – work to a lower margin than the other companies in the Division, and because of the one-off additional costs already mentioned.

**Fotolabo improves margin.** Sales declined by 9.7% in the first six months of 2002, when corrected for currency effects, by 6.8%. As a result of strict cost-management and concentration on high-margin markets and products, the operating margin has significantly improved: 18.1% compared with 15.7% last year.

The digital business continues to grow. Thanks to Fotolabo's strong position in this market and its extensive technical know-how, the prospects for Fotolabo are good.

**Financial result.** Last year's financial result benefited uniquely from interest income of CHF 4.2m in connection with the sale of Slumberland.

**Outlook for 2002.** Sales of the Valora Group for the full year will exceed the CHF 3 billion mark. The widespread slack consumer interest in Europe, especially in our important markets Germany and Austria, will have an effect on our result. Nevertheless we are reckoning that earnings will be higher than last year.

VALORA HOLDING AG

Peter Küpfer	Reto Hartmann
Chairman of the Board of Directors	Chief Executive Officer

<b>1 January to 30 June</b>	<u>2002</u>	%	<u>2001</u>	%
CHF 000, except where per share	not audited		not audited	
<b>Net revenues</b>	<b>1 509 223</b>	<b>100.0</b>	<b>1 217 386</b>	<b>100.0</b>
Cost of goods	– 913 824	– 60.5	– 692 694	– 56.9
<b>Gross margin</b>	<b>595 399</b>	<b>39.5</b>	<b>524 692</b>	<b>43.1</b>
Personnel expenses	– 276 010	– 18.3	– 243 943	– 20.0
Other operating expenses	– 215 591	– 14.3	– 179 308	– 14.7
Depreciation of operating assets	– 31 533	– 2.1	– 30 655	– 2.5
Other income, net	9 146	0.6	5 880	0.4
<b>EBITA</b>	<b>81 411</b>	<b>5.4</b>	<b>76 666</b>	<b>6.3</b>
Amortization of goodwill	– 14 784	– 1.0	– 13 430	– 1.1
<b>EBIT</b>	<b>66 627</b>	<b>4.4</b>	<b>63 236</b>	<b>5.2</b>
Financial expenses	– 14 178	– 0.9	– 16 588	– 1.4
Financial income	4 813	0.3	10 620	0.9
<b>Income before taxes and minority interests</b>	<b>57 262</b>	<b>3.8</b>	<b>57 268</b>	<b>4.7</b>
Income taxes	– 9 469	– 0.6	– 10 104	– 0.8
Minority interests	– 441	0.0	– 1 352	– 0.1
<b>Net income</b>	<b>47 352</b>	<b>3.1</b>	<b>45 812</b>	<b>3.8</b>
Average number of shares outstanding	3 974 821		4 090 024	
<b>Earnings per share</b>				
Basic earnings per share (CHF)	11.91		11.20	
Diluted earnings per share (CHF)	11.05		10.69	

CHF 000	<u>30.06.2002</u>	%	<u>31.12.2001</u>	%
	not audited			
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	185 048		227 172	
Securities available for sale	3 029		3 079	
Trade accounts receivable	204 752		200 259	
Inventories	278 944		265 941	
Current income tax receivable	8 432		8 147	
Other current assets	70 484		59 957	
<b>Total current assets</b>	<b>750 689</b>	<b>39.8</b>	<b>764 555</b>	<b>40.1</b>
<b>Non-current assets</b>				
Property, plant and equipment	524 590		530 055	
Goodwill, software and other intangible assets	517 740		520 102	
Other long-term assets	68 555		66 457	
Deferred income tax assets	26 368		27 128	
<b>Total non-current assets</b>	<b>1 137 253</b>	<b>60.2</b>	<b>1 143 742</b>	<b>59.9</b>
<b>Total assets</b>	<b>1 887 942</b>	<b>100.0</b>	<b>1 908 297</b>	<b>100.0</b>

CHF 000 30.06.2002 % 31.12.2001 %**Liabilities and equity****Current liabilities**

Short-term bank debt	23 169		44 963	
Trade accounts payable	228 612		220 794	
Current income tax liabilities	21 961		13 457	
Other current liabilities	152 660		154 439	
Provisions	35 977		37 527	
<b>Total current liabilities</b>	<b>462 379</b>	<b>24.5</b>	<b>471 180</b>	<b>24.7</b>

**Long-term liabilities**

Long-term debt	138 295		114 348	
Bonds payable	317 758		317 352	
Long-term accrued pension cost	6 610		6 419	
Deferred income tax liabilities	46 087		59 262	
<b>Total long-term liabilities</b>	<b>508 750</b>	<b>26.9</b>	<b>497 381</b>	<b>26.1</b>
<b>Total liabilities</b>	<b>971 129</b>	<b>51.4</b>	<b>968 561</b>	<b>50.8</b>

<b>Minority interest in subsidiaries</b>	<b>5 324</b>	<b>0.3</b>	<b>12 137</b>	<b>0.6</b>
--	--------------	------------	---------------	------------

**Shareholders' equity**

Share capital	42 000		42 000	
Additional paid-in capital	126 451		126 451	
Retained earnings	799 597		788 097	
Treasury stock	- 50 542		- 22 876	
Cumulative translation adjustment	- 6 017		- 6 073	
<b>Total shareholders' equity</b>	<b>911 489</b>	<b>48.3</b>	<b>927 599</b>	<b>48.6</b>

<b>Total liabilities and shareholders' equity</b>	<b>1 887 942</b>	<b>100.0</b>	<b>1 908 297</b>	<b>100.0</b>
---	------------------	--------------	------------------	--------------

# Consolidated cash flow statement (condensed)

<b>1 January to 30 June</b>	<u>2002</u>	<u>2001</u>
CHF 000	not audited	not audited
<b>Net cash provided by operating activities</b>	<b>64 891</b>	<b>96 837</b>
Net cash used in investing activities of continuing operations	– 45 508	– 39 721
Proceeds from sale of fixed assets	–	166 972
<b>Net cash used in (provided by) investment activities</b>	<b>– 45 508</b>	<b>127 251</b>
<b>Net cash used in financing activities</b>	<b>– 61 363</b>	<b>– 193 806</b>
<b>Net decrease (increase) in cash and cash equivalents</b>	<b>– 41 980</b>	<b>30 282</b>
Translation adjustments on cash and cash equivalents	– 144	– 776
Cash and cash equivalents at beginning of period	227 172	225 241
Cash and cash equivalents at end of period	185 048	254 747

# Consolidated statement of shareholders' equity

Valora Half-year Report 2002

7

CHF 000	Share capital	Additional paid-in capital	Retained earnings	Treasury stock	Cumulative translation adjustment	Total shareholders' equity not audited
<b>Balance at 31 December 2000</b>	<b>42 000</b>	<b>126 451</b>	<b>703 169</b>	<b>- 19 552</b>	<b>- 8 301</b>	<b>843 767</b>
Net income			45 812			<b>45 812</b>
Dividend Valora Holding AG			- 33 020			<b>- 33 020</b>
Dividend to minorities			- 433			<b>- 433</b>
Treasury stock purchased				- 470		<b>- 470</b>
Treasury stock re-issued				3 888		<b>3 888</b>
Translation adjustments					- 2 242	<b>- 2 242</b>
<b>Balance at 30 June 2001</b>	<b>42 000</b>	<b>126 451</b>	<b>715 528</b>	<b>- 16 134</b>	<b>- 10 543</b>	<b>857 302</b>
Net income			72 802			<b>72 802</b>
Dividend to minorities			- 233			<b>- 233</b>
Treasury stock purchased				- 7 301		<b>- 7 301</b>
Treasury stock re-issued				559		<b>559</b>
Translation adjustments					4 470	<b>4 470</b>
<b>Balance at 31 December 2001</b>	<b>42 000</b>	<b>126 451</b>	<b>788 097</b>	<b>- 22 876</b>	<b>- 6 073</b>	<b>927 599</b>
Net income			47 352			<b>47 352</b>
Dividend Valora Holding AG			- 35 850			<b>- 35 850</b>
Dividend to minorities			- 2			<b>- 2</b>
Treasury stock purchased				- 35 754		<b>- 35 754</b>
Treasury stock re-issued / Options				8 088		<b>8 088</b>
Translation adjustments					56	<b>56</b>
<b>Balance at 30 June 2002</b>	<b>42 000</b>	<b>126 451</b>	<b>799 597</b>	<b>- 50 542</b>	<b>- 6 017</b>	<b>911 489</b>

CHF 000	K-Group	Alimarca	Fotolabo	Corporate	Inter-segment elimination	Total for Valora Group not audited
Net revenues						
<b>1.01 – 30.06.2002</b>	<b>965 270</b>	<b>444 218</b>	<b>106 579</b>	<b>22 056</b>	<b>– 28 900</b>	<b>1 509 223</b>
1.01 – 30.06.2001	878 031	228 765	117 966	10 131	– 17 507	1 217 386
Change (%)	+ 9.9	+ 94.2	– 9.7			+ 24.0
EBITA						
<b>1.01 – 30.06.2002</b>	<b>40 894</b>	<b>19 318</b>	<b>19 313</b>	<b>1 886</b>	<b>0</b>	<b>81 411</b>
1.01 – 30.06.2001	38 941	20 822	18 501	– 1 598	0	76 666
Change (%)	+ 5.0	– 7.2	+ 4.4			+ 6.2
EBITA as % of net revenues						
<b>1.01 – 30.06.2002</b>	<b>4.2</b>	<b>4.3</b>	<b>18.1</b>		<b>0</b>	<b>5.4</b>
1.01 – 30.06.2001	4.4	9.1	15.7		0	6.3
EBIT						
<b>1.01 – 30.06.2002</b>	<b>38 005</b>	<b>16 960</b>	<b>9 767</b>	<b>1 895</b>	<b>0</b>	<b>66 627</b>
1.01 – 30.06.2001	36 462	19 503	8 864	– 1 592	0	63 236
Change (%)	+ 4.2	– 13.0	+ 10.2			+ 5.4
EBIT as % of net revenues						
<b>1.01 – 30.06.2002</b>	<b>3.9</b>	<b>3.8</b>	<b>9.2</b>		<b>0</b>	<b>4.4</b>
1.01 – 30.06.2001	4.2	8.5	7.5		0	5.2

**Basis of presentation of the consolidated financial statements.** This Half-year Report has not been audited. It was produced in accordance with the principles stated in the Annual Report 2001 and complies with International Accounting Standards (IAS).

**Changes to scope of consolidation.** The following subsidiaries were consolidated for the first time:

- Distriforce AG, Switzerland (K-Group), 01.01.2001
- Horndasch, Germany (K-Group), 01.05.2001
- Charles Pettersen AS, Norway (Alimarca), 01.05.2001
- Consiva Gruppen AB, Sweden, Denmark and Finland (Alimarca), 01.10.2001

**Bond repayment.** On 30 March 2001 the 2% bond payable with warrants 1994–2001 for CHF 150m was repaid.

**Subsequent events.** None.

**Management share option plan.** As part of the management share option plan a total of approximately 4.5 million quoted VALUE options with a strike price of CHF 350 were purchased during the first six months of 2002 by entitled members of staff at a price of CHF 0.51 per option. Fifty options confer the right to purchase a registered share in Valora Holding AG. These management share options are subject to a blocked period of three years, after which – between 17 April 2005 and 18 May 2005 – they can be exercised or sold. The option premiums received have been credited directly to shareholders' equity and are not included in the consolidated income statement. Security for the shares associated with the management share option plan is provided by existing treasury stock as well as the conditional capital (see consolidated statement of shareholders' equity).

**The next General Meeting of Valora Holding AG will be held in Berne on Wednesday 23 April 2003.**

Berne, 29 August 2002

In case of queries or for further details please contact:

**Investor Relations:**

Hanspeter Staub  
Fon +41 31 996 54 31  
hanspeter.staub@valora.com

**Media Relations:**

Stefania Misteli  
Fon +41 31 996 51 04  
+ 41 079 467 62 16  
stefania.misteli@valora.com

**Valora Holding AG**

Fellerstrasse 15  
CH-3027 Berne  
Switzerland  
Fon +41 31 996 52 22  
Fax +41 31 992 82 53  
www.valora.com  
info@valora.com